BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 1931

PORTLAND GENERAL ELECTRIC COMPANY,	)
	)
Complainant,	)
	)
v.	)
	)
ALFALFA SOLAR I LLC, et al.	)
	)
Defendants.	)
	)

RESPONSE TESTIMONY OF

JOHN R. LOWE

ON BEHALF OF THE

COMMUNITY RENEWABLE ENERGY ASSOCIATION

NORTHWEST AND INTERMOUNTAIN POWER PRODUCES COALITION

RENEWABLE ENERGY COALITION

December 28, 2018

Q. Mr. Lowe, please state your name and business address.

A. My name is John R. Lowe. I am the director of the Renewable Energy Coalition (the "Coalition"). My business address is P.O. Box 25576, Portland, Oregon 97298.

Q. Please describe your background and experience.

A. In 1975, I graduated from Oregon State University with a Bachelor of Science degree.

From 1975 to 2006, I was employed by PacifiCorp. Over most of that 30-year period, my responsibilities were primarily related to PacifiCorp's contracting and policies under the Public Utility Regulatory Policies Act of 1978 ("PURPA") throughout the utility's multi-state service territory, which includes Washington, Oregon, California, Idaho, Wyoming, and Utah. My responsibilities included all contractual matters arising under PURPA and supervision of other matters related to both power purchases and interconnections. In that capacity, I was involved in scores of contract negotiations, helped develop new contract concepts, terms and language, and became familiar with terminology commonly used in the electric utility industry in utility tariffs and written power purchase agreements ("PPA") for purchases from qualifying facilities ("QF").

Since 2009, I have been directing and managing the activities of the Coalition as well as providing consulting services to individual members of the Coalition related to both power purchases and interconnections.

Q. On whose behalf are you appearing in this proceeding?

A. I am testifying on behalf of the Coalition, the Community Renewable Energy Association and the Northwest and Intermountain Power Producers Coalition.

Q. Please describe the Coalition and its members.

A. The Coalition was established in 2009, and is comprised of over 35 members who own and operate over 50 mostly small renewable energy QFs in Oregon, Idaho, Montana, Washington, Utah, and Wyoming. Several types of entities are members of the Coalition, including irrigation districts, waste management districts, water districts, electric cooperatives, corporations, and individuals. Most are small hydroelectric projects, but the membership includes biomass, geothermal, solid waste, and many solar projects.

Q. Please describe CREA.

A. CREA was established in 2007 and is an intergovernmental association. See ORS 190.003-190.118. CREA consists of local governments seeking to promote locally-owned renewable energy projects for all forms of renewable generation recognized in Oregon's Renewable Portfolio Standard (biomass, geothermal, hydropower, ocean thermal, solar, tidal, wave, wind and hydrogen). CREA is comprised of several Oregon counties which provide active participation through their county commissioners, including Crook, Lincoln, Sherman, Wasco, Gilliam, Harney, Hood River, Morrow, Union, and Wallowa. In addition to these counties, CREA's current membership includes the City of Prineville, Columbia Gorge Community College, Oregon Water Resources Congress, and numerous irrigation districts, businesses, individuals and non-profit organizations who have interest in a viable community renewable energy sector for Oregon.

Q. Please describe NIPPC.

A. NIPPC is a trade association whose members and associate members include independent power producers active in the Pacific Northwest and Western energy markets. The purpose of NIPPC is to represent the interests of its members in developing rules and policies that help achieve a competitive electric power supply market in the Pacific Northwest.

Q. Please summarize your testimony.

A. My testimony will discuss the context of a QF PPA negotiation for a developing facility and how it is common in the industry to use the word "term" and similar phrases to describe the period during which the facility is operating and expected to be delivering and selling power under the PPA even though the PPA itself would be effective before that time. Next, I will discuss the terminology used in Portland General Electric Company's ("PGE") Schedule 201 contained in the PPAs at issue in this proceeding. Specifically, I will testify that the phrases that PGE used in its Schedule 201 to describe the 15-year fixed-price period and the 20-year contract term are typical language used in the industry to describe the period during which the facility is operating and expected to be delivering and selling power to the purchasing utility. I will further provide examples of other Oregon utilities that have used the same or similar language to that in PGE's Schedule 201 to describe a 15-year period of fixed prices and a 20-year overall period of pricing *after* the operation date or expected operation date of the facility. I conclude from my experience in the industry and the other utilities' use of the same words in their tariffs that the ordinary industry understanding of the words used in PGE's Schedule 201 is that PGE's fixed prices apply for a period of 15 years after operation with an additional five years of market-based pricing, for an overall term of 20 years after operation and power sales begin. I will further discuss, from a policy perspective, why the precedents PGE seeks to establish in this case are not reasonable and should be rejected.

Q. Could you please provide background on the context of a typical renewable energy facility that is under development and seeking to obtain a power purchase agreement with a utility?

A. Yes. Normally, the proposed facility's developer will seek to enter into a PPA with the utility well prior to completion of development, two to four years being quite common. In the case of a proposed facility that requires third-party financing such as a loan or mortgage to build the facility, it is important to be able to accurately predict the revenue that the facility will likely produce from power sales. Thus, a PPA having fixed prices for its energy sales is important for the project to obtain such financing to complete development and bring the facility into operation. Without a PPA with fixed prices, there is little assurance as to the revenue the facility will be able to receive. The sponsor of the development project will want to see a predictable revenue stream with fixed prices for sufficient period of time of expected operations in order to demonstrate the development efforts will be profitable.

It is typical in my experience for proposed facilities that there will be reasonable period of time between execution of the PPA and the commencement of power delivery and sales. That is because the developer cannot instantaneously complete financing and construction on the day that it signs the PPA, and will normally need many months to years to do so. This period of time between execution of the PPA and the first power deliveries under the PPA can easily consume two or three years and sometimes five years or more. In Oregon, the stakeholders to Commission processes have agreed to allow for there to be up to three years between execution of the PPA and scheduled commercial operation, with the possibility for a longer period of time if demonstrated to be necessary by the developer. These timeframes recognize that in most cases a short period of time is needed between initial power deliveries during testing and the accomplishment of commercial operation.

Q. Have you reviewed PGE's Schedule 201 contained in the PPA between PGE and Alfalfa Solar I LLC contained in PGE Exhibit Macfarlane/101, including Schedule 201's descriptions of the contract term and the fixed-price term?

A. Yes. With respect to the renewable fixed-price period, Schedule 201 provides at page 12:

> This option is available for a *maximum term of 15 years*. Prices will be as established at the time the Standard PPA is executed and will be equal to the Renewable Avoided Costs in Tables 4a and 4b, 5a and 5b, or 6a and 6b, depending on the type of QF, effective at execution . . . . Sellers with *PPAs exceeding 15 years* will receive pricing equal to the Mid-C Index Price and will retain all Environmental Attributes generated by the facility for *all years up to five in excess of the initial 15*.[1]

With respect to the overall contract length, it states: "The agreement will have a *term of up to 20 years* as selected by the QF."[2] Additionally, the contract states: "TERM OF AGREEMENT: Not less than one year and *not to exceed 20 years*."[3]

Q. Based on your experience in the industry what would a prospective QF understand this language to mean?

A. It means that the term is directly related to the period of fixed prices commencing with power delivery and sales (commercial operation) which result in the

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[1] PGE/101, Macfarlane/30 (emphasis added).
[2] *Id.* at 25 (emphasis added).
[3] *Id.* at 36 (emphasis added).

commencement of fixed prices being paid. This is the typical language for a utility to include in a QF tariff to convey that the utility will offer to pay fixed avoided cost prices for a 15-year period after the facility achieves operation and begins selling its output, and that an overall contract term ending 20 years after operation will be allowed. Given the typical short period to establish commercial operation, the contract term may commence no sooner than initial deliveries.

It is standard in the industry to use the shorthand word “term” to describe the delivery term of the PPA. That is because, as I explained earlier, it is commonly understood that there will be some period of time up to several years in length between when the PPA is executed and when the pricing begins to apply. The period of years of the agreement that are most relevant to the parties to a *power purchase* agreement is the period of years during which utility is *purchasing the power*, this is commonly referred to as the “contract term”. While the agreement is executed before that time as a matter of course and practicality, the period after power deliveries and purchases begin is the focus of the parties’ analysis underlying the transaction. For example, industry participants commonly refer to a “20-year contract” or a contract with a “20-year term,” to describe a power purchase agreement that will remain in effect for a period of 20 years of power purchases after the facility becomes operational and is selling power, even though it is well-understood that the overall length of time from execution to termination will exceed 20 years. The period of time between the date of execution of the PPA and the actual operation of the facility will vary from one facility to another. But for new facilities it is rarely less than a year, commonly between two and three years and sometimes even longer. The parties to a transaction for a new project never expect power purchases to begin immediately. Even with existing projects replacing an expiring PPA, is it not practical for contract term to coincide with both PPA execution and commencement or continuance of power deliveries. Existing projects need to know who will be buying their power at the end of their contract, and sometimes need to enter into PPAs years before expiration of their current contract to obtain financing for upgrades or planning purposes.

The most important aspect of the PPA is the years of the agreement where the power purchases occur, and therefore industry participants refer to the length of agreement with reference to the "term" or "length of contract" after the point of operations or expected schedule of power deliveries or operations.

In the case of a 15-year term of fixed prices described in PGE's Schedule 201, the only way to achieve a "maximum term" of fifteen years of fixed pricing is if the 15-year period begins when a QF is operational and thus able to deliver and sell energy to PGE. That is how the "term" phrase would ordinarily and reasonably be understood.

Q. PGE contends in this case that Schedule 201's use of the word "term" must be understood to limit the period of payment at the renewable fixed prices to 15 years following execution of a PPA and to limit the overall period of payments for energy under the PPA to 20 years following execution of the PPA. Do you agree that PGE's interpretation of these terms in its Schedule 201 is consistent with common usage of these terms in the industry?

A. Absolutely not. For the reasons stated above, PGE's position is inconsistent with what an industry participant would normally expect from the words that PGE used in its Schedule 201, and standard industry applications and interpretations of contract term.

Q. Can you provide examples of other Oregon utilities that use words similar to those in PGE's Schedule 201 to describe the period of years after operation of the facility in its PURPA tariff?

A. Yes. Only two other utilities are subject to the Commission's PURPA contract length requirements – Idaho Power Company ("Idaho Power") and PacifiCorp. Both Idaho Power and PacifiCorp use words in their PURPA tariffs similar to the words used in PGE's Schedule 201, and both use those words to describe the period of years after the operation date or the expected operation date, not the date the PPA is executed.

Q. Please describe PacifiCorp's description of the pricing periods in its PURPA tariff.

A. I drafted PacifiCorp's original Schedule 37 during my employment with PacifiCorp, and I had significant input into the initial version filed by PacifiCorp.[4] PacifiCorp's initial Schedule 37 filing is contained in the record as Exhibit D to the Declaration of Gregory M. Adams in Support of Motion for Summary Disposition, filed on July 2, 2018 ("Adams Declaration"), as well as PGE Exhibit Macfarlane/103. PacifiCorp filed this tariff in compliance with Order No. 05-584 on July 12, 2005. It provided, in pertinent part: "Fixed Avoided Cost Prices are available for a *contract term of up to 15 years* and prices under a *longer term contract (up to 20 years)* will thereafter be under either Banded Gas Market

[4] PacifiCorp no longer uses the term Schedule 37, but calls its Oregon tariff: "Standard Avoided Cost Rates", and uses the term Schedule 37 in its other states. For sake of convenience, I refer to PacifiCorp's tariff as Schedule 37.

Indexed Avoided Cost Prices or Gas Market Indexed Avoided Cost Prices."[5]

PacifiCorp's tariff did not state that either the "contract term of up to 15 years" for Fixed Avoided Cost Prices or the "longer term contract (up to 20 years)" commences when a QF becomes operational or is expected to become operational. There was no need to do so because industry participants would understand the words PacifiCorp used to reflect that PacifiCorp was offering a 15-year period of fixed prices after operations and that contract term did not commence with execution of the PPA. This interpretation and application of "contract term" was used without question prior to the development of Schedule 37 and has its origin in practice beginning prior to 1980. PacifiCorp's standard contracts offered under this version of Schedule 37 stated in Section 5.2: "(<u>Fixed Price Sellers Only</u>). In the event Seller elects the Fixed Price payment method, PacifiCorp shall pay Seller the applicable On-Peak and Off-Peak rates specified in Schedule 37 during the first fifteen (15) years after the Scheduled Initial Delivery Date. Thereafter, PacifiCorp shall pay Seller market-based rates . . . ."[6]

I am not an attorney and do not offer a legal interpretation of this language other than to state my general understanding of this provision as a result of contract language development, negotiation and price applications for numerous projects, is that the precise period of time of the 15 years of fixed prices in PacifiCorp's standard contract is the 15 years after the facility is expected to be operational, as opposed to the period of time after execution of the PPA. While

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5 PGE/103, Macfarlane/38 (emphasis added) (containing Exhibit F, Schedule No. 37 at 2).

6 *Id.* at 16 (emphasis omitted).

there may be a reduction in the term of fixed pricing if the QF fails to perform on the contracted schedule of initial or commercial operations, the general concept remains that the important period of the contract is the period when power purchases are expected to occur. This is consistent with my general understanding of the common industry use of the word "term" in Schedule 37, and the intent of the language as applied to actual contracts negotiated for specific projects or used for standard form agreements.

The version of PacifiCorp's Schedule 37 approved at the end of Phase I of UM 1610 also used the words "term" in the same manner, and not as the period of time starting when the PPA is executed. That version of PacifiCorp's PURPA tariff and a representative PPA is in the record as Exhibit E to the Adams Declaration. As to the renewable fixed pricing, PacifiCorp's Schedule 37 provided:

> Prices are fixed at the time that the contract is signed by both the Renewable Qualifying Facility and the Company and will not change during the term of the contract. Renewable Fixed Avoided Cost Prices are available for *a contract term of up to 15 years* and prices under *a longer term contract (up to 20 years)* will thereafter be under the Firm Market Indexed Avoided Cost Price…. A Renewable Qualifying Facility choosing the Renewable Fixed Avoided Cost pricing option must cede all Green Tags generated by the facility, as defined in the standard contract, to the Company during the Renewable Resource Deficiency Period identified on page 6, except that a *Renewable Qualifying Facility retains ownership of all Environmental Attributes* generated by the facility, as defined in the standard contract, during the Renewable Resource Sufficiency Period identified on page 6 and *during any period after the first 15 years of a longer term contract (up to 20 years)*.[7]

[7] *Adams Declaration*, Docket No. UM 1931 at Exhibit E, 19 (July 2, 2018) (containing an excerpt of *PacifiCorp's Stipulation and Compliance Filing*, Docket No. UM 1610, Advice No. 14-007 (Aug. 11, 2014) (emphasis added)).

> The corresponding standard contract in effect in 2016 states in Section 5.3 states:
>
> 5.3 (Fixed Price Renewable Seller Only). In the event Seller elects the Fixed Price Renewable pricing method, PacifiCorp shall pay Seller the applicable On-Peak and Off-Peak rates specified in Schedule 37 during the first fifteen (15) years after the Scheduled Initial Delivery Date. Thereafter, PacifiCorp shall pay Seller Firm Electric Market.[8]

Q. Does PacifiCorp still employ this same use of the word "term" in its current PURPA tariff?

A. Yes. PacifiCorp's currently effective Schedule 37 and a representative version of its standard contract is attached as Exhibit CREA-NIPPC-REC/101. The current tariff uses very similar language to that quoted above for the Schedule 37 in effect after Phase I of UM 1610.[9]

Q. Please summarize your understanding of the PacifiCorp tariffs.

A. In sum, PacifiCorp's use of terminology in referring to the pricing periods **–** including the words "term" and "contract term" and "years of a longer contract term (up to 20 years)" **–** is consistent with general industry understandings and is not further clarified in the Schedule 37 to inform prospective QFs that PacifiCorp does not mean the period of time immediately following execution of the agreement. This historic interpretation and meaning of contract term is extremely well established in both pre and post Schedule 37 PPAs.

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8 *Id.* at 44.

9 CREA-NIPPC-REC/101, Lowe/4.

Q. You stated Idaho Power has also used similar words in its PURPA tariff to describe the period of pricing after the operation of the facility as opposed to the period after the date the PPA is executed. Please discuss Idaho Power's use of this terminology.

A. Idaho Power's Oregon PURPA tariff approved by the Commission at the end of Phase I in UM 1610 also contains similar language with respect to the length of the contract. This document is contained in the record in the Adams Declaration at Exhibit F. The Idaho Power Schedule 85 stated with respect to the non-standard contract: "QFs have the unilateral right to select a contract length of up to 20 years for a PURPA contract."[10] The tariff does not explain this is a period that begins on operation, likely years after execution of the contract. Article 5.1 of Idaho Power's standard contract provides "[s]ubject to the provisions of paragraph 5.2 below, this Agreement shall become effective on the date first written and shall continue in full force and effect for a period of __________ (*not to exceed 20 years*) Contract Years from the Operation Date."[11]

I have also attached Idaho Power's currently effective Schedule 85 as Exhibit CREA-NIPPC-REC/102. Idaho Power's currently effective Schedule 85 uses the same language to describe a "contract length of up to 20 years."[12]

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[10] *Adams Declaration* at Exhibit F, 21 (containing *Idaho Power Company's Application for Approval of its Replacement Compliance Filing with Order No. 14-058*, Docket No. UM 1610, at Schedule 85, 11 (July 3, 2014)).

[11] *Id.* at 39.

[12] CREA-NIPPC-REC/102, Lowe/11.

Q. What do you conclude from the use of the words in reference to the period of pricing in Oregon utility's PURPA tariffs?

A. I conclude that the Idaho Power and PacifiCorp tariffs use the words "term" and "contract length" and "years" in manner that is consistent with industry norms and that refers to a period of time after the facility is either operational or expected to be operational. The Idaho Power and PacifiCorp tariffs' use of these words supports my understanding, based on decades of experience, that it is ordinary and expected in the industry that those words are used to describe the period the pricing will be paid during the period of power purchases under the PPA.

Q. Do you have any policy concerns with PGE's arguments regarding the unique use of the words "term" and "maximum term of 15 years" that it asks the Commission to impute to PGE's PURPA tariff alone?

A. Yes. As I noted earlier, PGE's position that the fixed price period must end exactly 15 years after execution of the contract is outside the expectations of industry norms where the tariff provides that the QF will receive a "maximum term of 15 years" of such fixed pricing. Such a departure from industry norms and expectations should not be allowed. A QF presented with substantively identical language in the three Oregon utilities' tariffs should reasonably be able to conclude that PGE's tariff had the same basic meaning as the other two Oregon utilities' tariffs, not that the period of fixed pricing ends 15 years after execution.

Q. Mr. Macfarlane provides extensive testimony that he characterizes as "regulatory background" starting with his legal interpretation of Order No. 05-584. Do you have any response to Mr. Macfarlane's reliance on Order No. 05-584?

A. Yes. Again, I am not an attorney, so I will not engage Mr. Macfarlane in legal debates as to the proper interpretation of Order No. 05-584. I note, however, that Mr. Macfarlane omits from his legal analysis any discussion of the Commission's more recent orders discussing the Commission's intended meaning of Order No. 05-584. Specifically, in Order No. 18-079, in response to a complaint filed against PGE by the Coalition and other groups related to this very issue, the Commission stated:

> We answered complainants' request in Order No. 17-256, where we affirmed and made explicit our policy adopted in Order No. 05-584: 'Prices paid to a QF are only meaningful when a QF is operational and delivering power to a utility. Therefore, we believe that, to provide a QF the full benefit of the fixed price requirement, the 15-year term must commence on the date of power delivery' . . . We also reject PGE's characterization that our decision constituted the adoption of a 'new policy.' Rather, as requested by complainants, our decision was simply to affirm the policy with respect to the commencement date for the 15-year period of fixed prices. This policy, which had been reflected explicitly in standard contract forms for PacifiCorp and Idaho Power Company, had been, up until the filing of PGE's most recent standard contracts, neither a source of controversy nor litigation by either a QF or a utility.[13]

Mr. Macfarlane and his employer may wish to ignore this order since it is contrary to their position, but I encourage the Commission to discount the value of Mr. Macfarlane's testimony for his failure to actually address the Commission's own recent statements regarding its understanding of its own policy and the meaning of Order No. 05-584.

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[13] *NIPPC, CREA, and REC v. PGE*, Docket No. UM 1805, Order No. 18-079 at 3 (Mar. 5, 2018) (quoting Order No. 17-256 at 4 (July 13, 2017)).

Q. Mr. Macfarlane also includes extensive discussion of PGE's initial contract forms that it used from 2005 to 2014 contained in the record as PGE Exhibits Macfarlane/102 and Macfarlane/105, prior to the development of the renewable rate contract form that was eventually executed by the QF defendants in this proceeding. Do have any response to Mr. Macfarlane's reliance on the prior contract forms from a policy perspective?

A. Yes. The Commission should not rely on these prior forms contained in PGE Exhibits Macfarlane/102 and Macfarlane/105 to interpret the meaning of a subsequently available form or the executed versions of that subsequent form at issue in this case. If the Commission relies on PGE's previously effective contract forms to interpret the meaning of the subsequent version of the contract form that contains entirely different provisions, the Commission will be establishing a policy where QFs need to investigate not only the underlying Commission orders giving rise to the currently effective contract form but also all of the utility's previously effective versions of the form since 2005.

I urge the Commission not to adopt such a policy because the burden of doing so would be unreasonable. It is unreasonable to require the QF to locate and investigate the evolution of PGE's forms since 2005, and such a policy will undermine confidence in the standard contract forms.

Q. Do you believe that PGE's reliance on its previously effective contract forms from 2005 and 2007 establishes that all stakeholders and the Commission were aware of PGE's outlier position that the 20-year term of the contract and the 15-year term of fixed pricing ends 20 years and 15 years, respectively, after execution of the contract?

A. No. By PGE witness Bruce True's own admission, PGE agreed on at least one occasion to complete and execute the prior version of the contract form in a manner that established the pricing periods ran from the commercial operation date. Although Mr. True argues it was a "mistake," he acknowledges that PGE executed a standard contract with OneEnergy Solar based on the older version of the contract form where PGE agreed to pay fixed prices for 15 years.[14] I have included the OneEnergy Solar PPA at Exhibit CREA-NIPPC-REC/103. Mr. True also notes that during discussions leading up to execution of the PPAs in dispute here, the attorney for the QF developer pointed out to PGE's attorney that PGE had executed another PPA based on the prior contract form that provided a 21-year total term, the PaTu Wind Farm PPA.[15] That PPA is included in the record as PGE Exhibit 213.[16]

While I will not attempt to offer an interpretation of those executed agreements, the fact that PGE did sign versions of the previously effective form with revisions is significant. PGE apparently had at least a one-time willingness to work with individual QFs and make minor completions and modifications as necessary to further clarify the intent of Commission orders upon such request by QF parties. In other words, there is no basis to assume from the record or the existing Commission orders that the Commission or the parties to UM 1129 would expect PGE would refuse to agree to execute the form in a manner that made it consistent with how Idaho Power and PacifiCorp treated the same issue.

Q. Do you have any other policy concerns with the arguments PGE has made thus far through its testimony?

A. Yes. PGE appears to suggest that the interpretation of a QF's PPA should be informed by statements made by PGE representatives during the QF's attempt to secure PGE's signature on the standard contract form. Specifically, the general

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14 PGE/200, True/7.
15 *Id.* at 9.
16 PGE/213, True/1.

argument in Mr. True's testimony appears to be that because PGE expressed its view to the QFs that the 15-year fixed-price period ends 15 years after execution, the QFs should be bound by that assertion by PGE's representations because the QFs signed the PPAs after PGE made such statement. Under this proposed rule by PGE, PGE can change the meaning of the Commission-approved standard contract form and the Commission orders underlying the form by simply expressing PGE's contrary beliefs to the QF prior to execution. I strongly urge the Commission to reject this proposed precedent PGE is trying to establish in this case.

In my experience consulting with QF PPAs, it is possible and probable that a utility representative will incorrectly state the meaning or impact of various policies, mechanisms, calculations, and terms in the contract during the PPA discussions or actual negotiations. When that occurs, the QF should not be required to engage in litigation before the Commission – which can take months to years – prior to executing the standard contract form, just to ascertain what the QF believes to be fairly obvious from the wording of the agreement and the underlying Commission orders, as Mr. Jacob Stephens asserts in his testimony was the case.

PGE is not a willing counterparty to QF PPAs, as the Commission is likely aware by this point from the numerous QF complaints pending against PGE. Allowing PGE, or any other utility, to use its own statements to the prospective QF to influence the meaning of an executed standard contract or the meaning of Commission policy and orders that gave rise to the contract is not reasonable.

The Commission has provided at numerous times and means significant certainty as to the intent of 15-year fixed prices being available to new QF PPAs. PGE has taken every opportunity, and even created some, to undo such regulatory certainty in PURPA's implementation and created an environment of un-certainty and controversy.

Q. **Does this conclude your testimony?**

A Yes

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OF OREGON

UM 1931

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	)
Complainant,	)
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v.	)
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ALFALFA SOLAR I LLC, et al.	)
	)
Defendants.	)
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EXHIBIT CREA-NIPPC-REC/101

PACIFIC POWER OREGON STANDARD AVOIDED COST RATES AND PACIFIC POWER OREGON NEW FIRM QF POWER PURCHASE AGREEMENT

December 28, 2018

Available

To owners of Qualifying Facilities making sales of electricity to the Company in the State of Oregon.

Applicable

- For power purchased from Base Load and Wind Qualifying Facilities with a nameplate capacity of 10,000 kW or less or that, together with any other electric generating facility using the same motive force, owned or controlled by the same person(s) or affiliated person(s), and located at the same site, has a nameplate capacity of 10,000 kW or less.
- For power purchased Fixed and Tracking Solar Qualifying Facilities with a nameplate capacity of 3,000 kW or less or that, together with any other electric generating facility using the same motive force, owned or controlled by the same person(s) or affiliated person(s), and located at the same site, has a nameplate capacity of 3,000 kW or less.

Owners of these Qualifying Facilities will be required to enter into a written power sales contract with the Company.

Definitions

Cogeneration Facility
A facility which produces electric energy together with steam or other form of useful energy (such as heat) which are used for industrial, commercial, heating or cooling purposes through the sequential use of energy.

Qualifying Facilities
Qualifying cogeneration facilities or qualifying small power production facilities within the meaning of section 201 and 210 of the Public Utility Regulatory Policies Act of 1978 (PURPA), 16 U.S.C. 796 and 824a-3.

Qualifying Electricity
Electricity that meets the requirements of “qualifying electricity” set forth in the Oregon Renewable Portfolio Standards: ORS 469A.010, 469A.020, and 469A.025.

Renewable Qualifying Facility
A Qualifying Facility that generates Qualifying Electricity.

Wind Qualifying Facility
A Renewable Qualifying Facility that generates Qualifying Electricity using wind as its motive force.

Baseload Renewable Qualifying Facility
A Renewable Qualifying Facility that generates Qualifying Electricity using any qualifying resource other than wind or solar.

Small Power Production Facility
A facility which produces electric energy using as a primary energy source biomass, waste, renewable resources or any combination thereof and has a power production capacity which, together with other facilities located at the same site, is not greater than 80 megawatts.

(continued)

Definitions (continued)

On-Peak Hours or Peak Hours

On-Peak hours are defined as 6:00 a.m. to 10:00 p.m. Pacific Prevailing Time Monday through Saturday, excluding NERC holidays.

Due to the expansions of Daylight Saving Time (DST) as adopted under Section 110 of the U.S. Energy Policy Act of 2005, the time periods shown above will begin and end one hour later for the period between the second Sunday in March and the first Sunday in April and for the period between the last Sunday in October and the first Sunday in November.

Off-Peak Hours

All hours other than On-Peak.

Excess Output

Excess Output shall mean any increment of Net Output delivered at a rate, on an hourly basis, exceeding the Facility Nameplate Capacity. PacifiCorp shall pay Seller the Off-Peak Price as described and calculated under pricing option 4 (Non-Firm Market Index Avoided Cost Price) for all Excess Output.

Same Site

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

Person(s) or Affiliated Person(s)

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

Shared Interconnection and Infrastructure

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

(continued)

Definitions (continued)

Family Owned
After excluding the ownership interest of the passive investor whose ownership interests are primarily related to green tag values and tax benefits as the primary ownership benefit, five or fewer individuals own 50 percent or more of the equity of the project entity, or fifteen or fewer individuals own 90 percent or more of the project entity. A "look through" rule applies to closely held entities that hold the project entity, so that equity held by LLCs, trusts, estates, corporations, partnerships or other similar entities is considered held by the equity owners of the look through entity. An individual is a natural person. In counting to five or fifteen, spouses or children of an equity owner of the project owner who also have an equity interest are aggregated and counted as a single individual.

Community-Based
A community project (or a community sponsored project) must have a recognized and established organization located within the county of the project or within 50 miles of the project that has a genuine role in helping the project be developed and must have a significant continuing role with or interest in the project after it is completed and placed in service. Many varied and different organizations may qualify under this exception. For example, the community organization could be a church, a school, a water district, an agricultural cooperative, a unit of local government, & local utility, a homeowners' association, a charity, a civic organization, and etc.

After excluding the passive investor whose ownership interests are primarily related to green tag values and tax benefits as the primary ownership benefit, the equity (ownership) interests in a community sponsored project must be owned in substantial percentage (80 percent or more) by the following persons (individuals and entities): (i) the sponsoring organization, or its controlled affiliates; (ii) members of the sponsoring organization (if it is a membership organization) or owners of the sponsorship organization (if it is privately owned); (iii) persons who live in the county in which the project is located or who live a county adjoining the county in which the project is located; or (iv) units of local government, charities, or (v) other established nonprofit organizations active either in the county in which the project is located or active in a county adjoining the county in which the project is located.

Dispute Resolution
Upon request, the QF will provide the purchasing utility with documentation verifying the ownership, management and financial structure of the QF in reasonably sufficient detail to allow the utility to make an initial determination of whether or not the QF meets the above-described criteria for entitlement to the standard rates and standard contract.

Any dispute concerning a QF's entitlement to the standard rates and standard contract shall be presented to the Commission for resolution. The QF may file a complaint asking the Commission to adjudicate disputes regarding the formation of the standard contract. The QF may not file such a complaint during any 15-day period in which the utility has the obligation to respond, but must wait until the 15-day period has passed. The utility may respond to the complaint within ten days of service. The Commission will limit its review to the issues identified in the complaint and response, and utilize a process similar to the arbitration process adopted to facilitate the execution of interconnection agreements among telecommunications carriers. See OAR 860, Division 016. The Administrative Law Judge will act as an administrative law judge, not as an arbitrator.

(continued)

Self Supply Option

Owner shall elect to sell all Net Output to PacifiCorp and purchase its full electric requirements from PacifiCorp or sell Net Output surplus to its needs at the Facility site to PacifiCorp and purchase partial electric requirements service from PacifiCorp, in accordance with the terms and conditions of the power purchase agreement and the appropriate retail service.

Pricing Options

1. Standard Fixed Avoided Cost Prices

Prices are fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. Standard Fixed Avoided Cost Prices are available for a contract term of up to 15 years and prices under a longer term contract (up to 20 years) will thereafter be under the Firm Market Indexed Avoided Cost Price.

The Standard Fixed Avoided Cost pricing option is available to all Qualifying Facilities. The Standard Fixed Avoided Cost Price for Wind Qualifying Facilities will reflect integration costs as set forth on page 5.

2. Renewable Fixed Avoided Cost Prices

Prices are fixed at the time that the contract is signed by both the Renewable Qualifying Facility and the Company and will not change during the term of the contract. Renewable Fixed Avoided Cost Prices are available for a contract term of up to 15 years and prices under a longer term contract (up to 20 years) will thereafter be under the Firm Market Indexed Avoided Cost Price. The Renewable Fixed Avoided Cost pricing option is available only to Renewable Qualifying Facilities. A Renewable Qualifying Facility choosing the Renewable Fixed Avoided Cost pricing option: (a) must cede all Green Tags generated by the facility, as defined in the standard contract, to the Company during the Renewable Resource Deficiency Period identified on page 8 including during any period after the first 15 years of a longer term contract (up to 20 years); and (b) will retain ownership of all Environmental Attributes generated by the facility, as defined in the standard contract, during the Renewable Resource Sufficiency Period identified on page 8.

3. Firm Market Indexed Avoided Cost Prices

Firm Market Index Avoided Cost Prices are available to Qualifying Facilities that contract to deliver firm power. Monthly On-Peak / Off-Peak prices paid are a blending of Intercontinental Exchange (ICE) Day Ahead Power Price Report at market hubs for On-Peak and Off-Peak prices. The monthly blending matrix is available upon request.

4. Non-Firm Market Index Avoided Cost Prices

Non-Firm Market Index Avoided Cost Prices are available to Qualifying Facilities that do not elect to provide firm power. Qualifying Facilities taking this option will have contracts that do not include minimum delivery requirements, default damages for construction delay or, for under delivery or early termination, or default security for these purposes. Monthly On-Peak / Off-Peak prices paid are 93 percent of a blending of ICE Day Ahead Power Price Report at market hubs for on-peak and off-peak firm index prices. The monthly blending matrix is available upon request. The Non-Firm Market Index Avoided Cost pricing option is available to all Qualifying Facilities. The Non-Firm Market Index Avoided Cost Price for Wind Qualifying Facilities will reflect integration costs.

(continued)

Monthly Payments

A Qualifying Facility shall select the option of payment at the time of signing the contract under one of the Pricing Options specified above. Once an option is selected the option will remain in effect for the duration of the Facility's contract.

Renewable or Standard Fixed Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at the renewable or standard fixed prices as provided in this schedule. On-Peak and Off-Peak are defined in the definitions section of this schedule.

Firm Market Indexed and Non-Firm Market Index Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at the market prices calculated at the time of delivery. On-Peak and Off-Peak are defined in the definitions section of this schedule.

Avoided Cost Prices

Standard Fixed Avoided Cost Prices for Base Load and Wind QF (¢/kWh)

Deliveries	Base Load QF (1,3)		Wind QF (2,3)	
During Calendar Year	On-Peak Energy Price	Off-Peak Energy Price	On-Peak Energy Price	Off-Peak Energy Price
	(a)	(b)	(c)	(d)
2018	2.37	1.65	2.31	1.59
2019	2.46	1.80	2.40	1.74
2020	2.69	2.08	2.63	2.02
2021	3.03	2.39	2.97	2.33
2022	3.21	2.55	3.15	2.48
2023	3.37	2.73	3.30	2.66
2024	3.60	2.97	3.53	2.90
2025	3.89	3.25	3.82	3.18
2026	4.01	3.38	3.93	3.30
2027	4.13	3.49	4.05	3.41
2028	4.31	3.70	4.23	3.62
2029	4.69	4.06	4.61	3.98
2030	7.32	4.41	5.20	4.32
2031	7.40	4.42	5.23	4.34
2032	7.73	4.70	5.52	4.61
2033	8.01	4.91	5.76	4.83
2034	8.03	4.87	5.73	4.78
2035	8.22	4.99	5.87	4.90
2036	8.28	4.98	5.88	4.89

(continued)

Avoided Cost Prices (Continued)

Standard Fixed Avoided Cost Prices for Fixed and Tracking Solar QF (¢/kWh)

Deliveries During Calendar Year	Fixed Solar QF (2,3)		Tracking Solar QF (2,3)	
	On-Peak Energy Price	Off-Peak Energy Price	On-Peak Energy Price	Off-Peak Energy Price
	(e)	(f)	(g)	(h)
2018	2.31	1.59	2.31	1.59
2019	2.40	1.74	2.40	1.74
2020	2.63	2.01	2.63	2.01
2021	2.97	2.32	2.97	2.32
2022	3.14	2.48	3.14	2.48
2023	3.30	2.66	3.30	2.66
2024	3.53	2.89	3.53	2.89
2025	3.81	3.17	3.81	3.17
2026	3.93	3.30	3.93	3.30
2027	4.05	3.41	4.05	3.41
2028	4.23	3.62	4.23	3.62
2029	4.61	3.97	4.61	3.97
2030	8.52	4.32	8.73	4.32
2031	8.63	4.34	8.84	4.34
2032	8.99	4.61	9.20	4.61
2033	9.29	4.82	9.51	4.82
2034	9.34	4.78	9.56	4.78
2035	9.55	4.90	9.78	4.90
2036	9.64	4.89	9.87	4.89

(1) Capacity Contribution to Peak for Avoided Proxy Resource and Base Load QF resource are assumed 100%.

(2) The standard avoided cost price for wind and solar QFs located in PacifiCorp's balancing authority area (BAA) are reduced by an integration charge of $0.57/MWh ($2016) and solar integration charge of $0.60/MWh ($2016), respectively.

For Solar and Wind QFs not located in PacifiCorp's BAA, the renewable avoided cost price will be increased by wind integration charge of $0.57/MWh ($2016) and solar integration charge of $0.60/MWh ($2016), respectively.

(3) Standard Resource Sufficiency Period ends December 31, 2029 and Standard Resource Deficiency Period begins January 1, 2030.

(continued)

PACIFIC POWER
A DIVISION OF PACIFICORP

OREGON
STANDARD AVOIDED COST RATE

AVOIDED COST PURCHASES FROM
ELIGIBLEQUALIFYING FACILITIES

Avoided Cost Prices (Continued)

Renewable Fixed Avoided Cost Prices for Base Load and Wind QF (¢/kWh)

Deliveries During Calendar Year	Renewable Base Load QF (1,4)		Wind QF (1,2,3)	
	On-Peak Energy Price	Off-Peak Energy Price	On-Peak Energy Price	Off-Peak Energy Price
	(a)	(b)	(c)	(d)
2018	2.37	1.65	2.31	1.59
2019	2.46	1.80	2.40	1.74
2020	2.69	2.08	2.63	2.02
2021	5.20	2.53	2.89	2.46
2022	5.32	2.61	2.95	2.54
2023	5.43	2.69	3.01	2.62
2024	5.53	2.79	3.05	2.72
2025	5.63	2.89	3.09	2.81
2026	5.75	2.96	3.15	2.89
2027	5.88	3.03	3.22	2.96
2028	5.99	3.12	3.28	3.04
2029	6.11	3.20	3.34	3.12
2030	6.24	3.28	3.41	3.20
2031	6.36	3.36	3.47	3.27
2032	6.49	3.43	3.54	3.35
2033	6.62	3.52	3.60	3.43
2034	6.76	3.59	3.68	3.50
2035	6.89	3.67	3.75	3.58
2036	7.02	3.75	3.82	3.66

(continued)

Avoided Cost Prices (continued)

Renewable Fixed Avoided Cost Prices for Fixed and Tracking Solar QF (¢/kWh)

Deliveries During Calendar Year	Fixed Solar QF (1,2,3)		Tracking Solar QF (1,2,3)	
	On-Peak Energy Price	Off-Peak Energy Price	On-Peak Energy Price	Off-Peak Energy Price
	(e)	(f)	(g)	(h)
2018	2.31	1.59	2.31	1.59
2019	2.40	1.74	2.40	1.74
2020	2.63	2.01	2.63	2.01
2021	5.55	2.46	5.85	2.46
2022	5.68	2.54	5.99	2.54
2023	5.80	2.62	6.11	2.62
2024	5.91	2.72	6.23	2.72
2025	6.02	2.81	6.35	2.81
2026	6.15	2.89	6.48	2.89
2027	6.28	2.95	6.62	2.95
2028	6.41	3.03	6.76	3.03
2029	6.53	3.12	6.89	3.12
2030	6.67	3.19	7.03	3.19
2031	6.80	3.27	7.17	3.27
2032	6.94	3.34	7.32	3.34
2033	7.08	3.42	7.47	3.42
2034	7.22	3.50	7.62	3.50
2035	7.37	3.58	7.77	3.58
2036	7.51	3.65	7.92	3.65

(1) For the purpose of determining: (i) when the Renewable Qualifying Facility is entitled to renewable avoided cost prices; and (ii) the ownership of environmental attributes and the transfer of Green Tags to PacifiCorp, Renewable Sufficiency Period ends December 31, 2020 and Renewable Deficiency Period begins January 1, 2021.

(2) During the Renewable Resource Sufficiency Period, the renewable avoided cost price for a wind and solar Qualifying Facility located in PacifiCorp's BAA is reduced by wind integration charge of \$0.57/MWh (\$2016) and solar integration charge of \$0.60/MWh (\$2016), respectively.
For Solar and Wind QFs not located in PacifiCorp's BAA, the renewable avoided cost price will be increased by the avoided wind integration charge of \$0.57/MWh (\$2016) and solar integration charge of \$0.60/MWh (\$2016), respectively.

(3) During the Renewable Resource Deficiency Period, the renewable avoided cost price for a solar Qualifying Facility located in PacifiCorp's BAA (in-system) is reduced by the difference between the solar integration charge\$0.60/MWh (\$2016) and wind integration charge of\$0.57/MWh (\$2016). For a wind Qualifying Facility located in PacifiCorp's (BAA), the adjustment is zero. For a solar Qualifying Facility not located in PacifiCorp's BAA, the renewable avoided cost price for solar QF will be increased by the difference between the solar integration and wind integration charges.

(4) During the Renewable Resource Deficiency Period, the renewable avoided cost price for Base Load is increased by the avoided wind integration charge of \$0.57/MWh (\$2016).

(continued)

Qualifying Facilities Contracting Procedure

Interconnection and power purchase agreements are handled by different functions within the Company. Interconnection agreements (both transmission and distribution level voltages) are handled by the Company's transmission function (PacifiCorp Transmission Services) while power purchase agreements are handled by the Company's merchant function (PacifiCorp Commercial and Trading).

It is recommended that the owner initiate its request for interconnection 18 months ahead of the anticipated in-service date to allow time for studies, negotiation of agreements, engineering, procurement, and construction of the required interconnection facilities. Early application for interconnection will help ensure that necessary interconnection arrangements proceed in a timely manner on a parallel track with negotiation of the power purchase agreement.

1. Eligible Qualifying Facilities

APPLICATION: To owners of eligible existing or proposed QFs with a design capacity less than or equal to 10,000 kW for Base Load and Wind QF resources and less than or equal to 3,000 kW for Solar QF resources who desire to make sales to the Company in the state of Oregon. Such owners will be required to enter into a written power purchase agreement with the Company pursuant to the procedures set forth below.

I. Process for Completing a Power Purchase Agreement

A. Communications

Unless otherwise directed by the Company, all communications to the Company regarding QF power purchase agreements should be directed in writing as follows:

PacifiCorp
Manager-QF Contracts
825 NE Multnomah St, Suite 600
Portland, Oregon 97232

The Company will respond to all such communications in a timely manner. If the Company is unable to respond on the basis of incomplete or missing information from the QF owner, the Company shall indicate what additional information is required. Thereafter, the Company will respond in a timely manner following receipt of all required information.

(continued)

B. Procedures

1. The Company's approved generic or standard form power purchase agreements may be obtained from the Company's website at www.pacificorp.com, or if the owner is unable to obtain it from the website, the Company will send a copy within seven days of a written request.

2. In order to obtain a project specific draft power purchase agreement the owner must provide in writing to the Company, general project information required for the completion of a power purchase agreement, including, but not limited to:

   (a) demonstration of ability to obtain QF status;
   (b) design capacity (MW), station service requirements, and net amount of power to be delivered to the Company's electric system;
   (c) generation technology and other related technology applicable to the site;
   (d) proposed site location;
   (e) schedule of monthly power deliveries;
   (f) calculation or determination of minimum and maximum annual deliveries;
   (g) motive force or fuel plan;
   (h) proposed on-line date and other significant dates required to complete the milestones;
   (i) proposed contract term and pricing provisions as defined in this Schedule (i.e.,standard fixed price, renewable fixed price);
   (j) status of interconnection or transmission arrangements;
   (k) point of delivery or interconnection;

3. The Company shall provide a draft power purchase agreement when all information described in Paragraph 2 above has been received in writing from the QF owner. Within 15 business days following receipt of all information required in Paragraph 2, the Company will provide the owner with a draft power purchase agreement including current standard avoided cost prices and/or other optional pricing mechanisms as approved by the Public Utility Commission of Oregon in this Standard Avoided Cost Rate Schedule.

4. If the owner desires to proceed with the power purchase agreement after reviewing the Company's draft power purchase agreement, it may request in writing that the Company prepare a final draft power purchase agreement. In connection with such request, the owner must provide the Company with any additional or clarified project information that the Company reasonably determines to be necessary for the preparation of a final draft power purchase agreement. Within 15 business days following receipt of all information requested by the Company in this paragraph 4, the Company will provide the owner with a final draft power purchase agreement.

(continued)

B. Procedures (continued)

5. After reviewing the final draft power purchase agreement, the owner may either prepare another set of written comments and proposals or approve the final draft power purchase agreement. If the owner prepares written comments and proposals the Company will respond in 15 business days to those comments and proposals.

6. When both parties are in full agreement as to all terms and conditions of the draft power purchase agreement, the Company will prepare and forward to the owner within 15 business days, a final executable version of the agreement. Following the Company's execution a completely executed copy will be returned to the owner. Prices and other terms and conditions in the power purchase agreement will not be final and binding until the power purchase agreement has been executed by both parties.

II. Process for Negotiating Interconnection Agreements

[NOTE: Section II applies only to QFs connecting directly to PacifiCorp's electrical system. An off-system QF should contact its local utility or transmission provider to determine the interconnection requirements and wheeling arrangement necessary to move the power to PacifiCorp's system.]

In addition to negotiating a power purchase agreement, QFs intending to make sales to the Company are also required to enter into an interconnection agreement that governs the physical interconnection of the project to the Company's transmission or distribution system. The Company's obligation to make purchases from a QF is conditioned upon the QF completing all necessary interconnection arrangements. It is recommended that the owner initiate its request for interconnection 18 months ahead of the anticipated in-service date to help ensure that necessary interconnection arrangements proceed in a timely manner on a parallel track with negotiation of the power purchase agreement.

Because of functional separation requirements mandated by the Federal Energy Regulatory Commission, interconnection and power purchase agreements are handled by different functions within the Company. Interconnection agreements (both transmission and distribution level voltages) are handled by the Company's transmission function (including but not limited to PacifiCorp Transmission Services) while power purchase agreements are handled by the Company's merchant function (including but not limited to PacifiCorp's Commercial and Trading Group).

(continued)

II. Process for Negotiating Interconnection Agreements (continued)

A. Communications

Initial communications regarding interconnection agreements should be directed to the Company in writing as follows:

PacifiCorp
Director – Transmission Services
825 NE Multnomah St, Suite 1600
Portland, Oregon 97232

Based on the project size and other characteristics, the Company will direct the QF owner to the appropriate individual within the Company's transmission function who will be responsible for negotiating the interconnection agreement with the QF owner. Thereafter, the QF owner should direct all communications regarding interconnection agreements to the designated individual, with a copy of any written communications to the address set forth above.

B. Procedures

Generally, the interconnection process involves (1) initiating a request for interconnection, (2) undertaking studies to determine the system impacts associated with the interconnection and the design, cost, and schedules for constructing any necessary interconnection facilities, and (3) executing an interconnection agreement to address facility construction, testing, acceptance, ownership, operation and maintenance issues. Consistent with PURPA and Oregon Public Utility Commission regulations, the owner is responsible for all interconnection costs assessed by the Company on a nondiscriminatory basis. For interconnections impacting the Company's Transmission and Distribution System, the Company will process the interconnection application through PacifiCorp Transmission Services.

POWER PURCHASE AGREEMENT

BETWEEN

____
[a new Firm Qualifying Facility with 10,000 kW Facility Capacity Rating, or Less and an Intermittent Resource with Mechanical Availability Guarantee]

AND

PACIFICORP

POWER PURCHASE AGREEMENT

THIS POWER PURCHASE AGREEMENT, entered into this ____ day of ______________, 20____, is between __________________________, "**Seller**" and PacifiCorp (d/b/a Pacific Power & Light Company), an Oregon corporation acting in its regulated utility capacity, "**PacifiCorp**." (Seller and PacifiCorp are referred to individually as a "**Party**" or collectively as the "**Parties**").

RECITALS

A. Seller intends to construct, own, operate and maintain a ____________________ ______________________________________ [state type of facility] facility for the generation of electric power, including interconnection facilities, located in ____________________________ [City, County, State] with a Facility Capacity Rating of ___________ kilowatts (kW) _______ as further described in **Exhibit A** and **Exhibit B ("Facility")**; and

B. Seller intends to commence delivery of Net Output under this Agreement, for the purpose of Start-up Testing, on __________________, 20____ ("**Scheduled Initial Delivery Date**"); and

C. Seller intends to operate the Facility as a Qualifying Facility, commencing commercial operations on _________________, 20____ ("**Scheduled Commercial Operation Date**"). The Scheduled Commercial Operation Date shall be no later than three years after Effective Date subject to Section 2.3; and

D. Seller estimates that the average annual Net Energy to be delivered by the Facility to PacifiCorp is __________ kilowatt-hours (kWh), which amount of energy PacifiCorp will include in its resource planning; and

E. Seller shall (choose one) ☐ sell all Net Output to PacifiCorp and purchase its full electric requirements from PacifiCorp or another electric service provider ☐ sell Net Output surplus to its needs at the Facility site to PacifiCorp and purchase partial electric requirements service from PacifiCorp, in accordance with the terms and conditions of this Agreement; and

F. This Agreement is a "New QF Contract" under the PacifiCorp Inter-Jurisdictional Cost Allocation Protocol in effect on the Effective Date.

AGREEMENT

NOW, THEREFORE, the Parties mutually agree as follows:

Section 1: DEFINITIONS

When used in this Agreement, the following terms shall have the following meanings:

1.1 "**As-built Supplement**" shall be a supplement to **Exhibit A** and **Exhibit B**, provided by Seller following completion of construction of the Facility, describing the Facility as actually built.

1.2 "**Availability**" means the percentage of time that the Facility is capable of producing Net Energy during a Contract Year. The percentage of time during a Contract Year that the Facility is available to produce power is calculated as follows:

% Availability ={[(H x N)-(Sum of Downtime Hrs for N Turbines)]/(H x N)} x 100%

where H is the number of hours in the Contract Year and N is the number of turbines comprising the Facility. Downtime Hours (calculated in 10 minute increments), for each individual unit includes minutes in which the unit is not in "run" status, or is in "run" status but faulted (including any delay in resetting a fault). Notwithstanding the previous sentence, Downtime Hours does not include minutes that a unit is unavailable due to (i) an event of Force Majeure; (ii) a default by PacifiCorp under this Agreement; (iii) Lack of Motive Force at times when the Facility would otherwise be available (including the normal amount of time required by the generating equipment to resume operations following a Lack of Motive Force); or (iv) outages scheduled at least 90 days in advance with PacifiCorp's written consent, up to 200 hours per unit per year.

1.3 "**Average Annual Generation**" shall have the meaning set forth in Section 4.2.

1.4 **"Billing Period"** means, unless otherwise agreed to, the time period between PacifiCorp's consecutive readings of its power purchase billing meter at the Facility in the normal course of PacifiCorp's business. Such periods typically range between twenty-seven (27) and thirty-four (34) days and may not coincide with calendar months.

1.5 "**CAMD**" means the Clean Air Markets Division of the Environmental Protection Agency or successor administrator, or any state or federal entity given jurisdiction over a program involving transferability of Green Tags.

1.6 **"Commercial Operation Date"** means the date that the Facility is deemed by PacifiCorp to be fully operational and reliable, which shall require, among other things, that all of the following events have occurred:

1.6.1 PacifiCorp has received a certificate addressed to PacifiCorp from a Licensed Professional Engineer stating (a) the Facility Capacity Rating of the Facility at the anticipated Commercial Operation Date; and (b) that the

Facility is able to generate electric power reliably in amounts required by this Agreement and in accordance with all other terms and conditions of this Agreement;

1.6.2 The Facility has completed Start-Up Testing;

1.6.3 PacifiCorp has received a certificate addressed to PacifiCorp from a Licensed Professional Engineer stating that, (a), in accordance with the Generation Interconnection Agreement, all required interconnection facilities and metering have been constructed, all required interconnection tests have been completed and the Facility is physically interconnected with PacifiCorp's electric system, and (b) if the Facility consists of multiple wind generation facilities on a common transmission line, the required metering equipment has been completed and tested in conformance with Section 8 of this Agreement (or if the Facility is interconnected with another electric utility that will wheel Net Output to PacifiCorp, all required interconnection facilities and metering equipment have been completed and tested and are in place to allow for such wheeling);

1.6.4 PacifiCorp has received a certificate addressed to PacifiCorp from an attorney in good standing in the State of Oregon stating that Seller has obtained all Required Facility Documents and if requested by PacifiCorp, in writing, has provided copies of any or all such requested Required Facility Documents. (Facilities over 200 kW only).

1.6.5 Seller has complied with the security requirements of Section 10.

1.6.6 PacifiCorp has received an executed copy of **Exhibit F**—Seller's Interconnection Request.

1.7 **"Commission"** means the Public Utility Commission of Oregon.

1.8 **"Contract Price"** means the applicable price for capacity or energy, or both capacity and energy, stated in Sections 5.1, 5.2, and 5.3.

1.9 **"Contract Year"** means a twelve (12)- month period commencing at 00:00 hours Pacific Prevailing Time ("PPT") on January 1 and ending on 24:00 hours PPT on December 31; *provided, however*, that the first Contract Year shall commence on the Commercial Operation Date and end on the next succeeding December 31, and the last Contract Year shall end on the Termination Date.

1.10 "**Credit Requirements**" means a long-term credit rating (corporate or long-term senior unsecured debt) of (1) "Baa3" or greater by Moody's, or (2) "BBB-" or greater by S&P, or such other indicia of creditworthiness acceptable to PacifiCorp in its reasonable judgment.

1.11 "**Cut-in Speed**" means the wind speed at which a stationary wind turbine begins producing Net Energy, as specified by the turbine manufacturer, and set forth in **Exhibit A**.

1.12 "**Default Security**", unless otherwise agreed to by the Parties in writing, means the amount of either a Letter of Credit or cash placed in an escrow account sufficient to replace twelve (12) average months of replacement power costs over the term of this Agreement, and shall be calculated by taking the average, over the term of this Agreement, of the positive difference between (a) the monthly forward power prices at **[specify POD]** (as determined by PacifiCorp in good faith using information from a commercially reasonable independent source), multiplied by 110%, minus (b) the average of the Fixed Avoided Cost Prices specified in Schedule 37, and multiplying such difference by (c) 25% of the Average Annual Generation provided, however, the amount of Default Security shall in no event be less than the amount equal to the payments PacifiCorp would make for three (3) average months based on Seller's average monthly volume over the term of this Agreement and utilizing the average Fixed Avoided Cost Prices specified in Schedule 37. Such amount shall be fixed at the Effective Date of this Agreement.

1.13 "**Effective Date**" shall have the meaning set forth in Section 2.1.

1.14 "**Energy Delivery Schedule**" shall have the meaning set forth in Section 4.4.

1.15 "**Environmental Attributes**" shall mean any and all claims, credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, resulting from the avoidance of the emission of any gas, chemical, or other substance to the air, soil or water. Environmental Attributes include but are not limited to: (1) any avoided emissions of pollutants to the air, soil, or water such as (subject to the foregoing) sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO), and other pollutants; and (2) any avoided emissions of carbon dioxide (C02), methane (CH4), and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change to contribute to the actual or potential threat of altering the Earth's climate by trapping heat in the atmosphere.

1.16 "**Excess Output**" shall mean any increment of Net Output delivered at a rate, on an hourly basis, exceeding the Facility Capacity Rating.

1.17 **"Facility"** shall have the meaning set forth in Recital A.

1.18 "**Facility Capacity Rating**" means the sum of the Nameplate Capacity Ratings for all generators comprising the Facility.

1.19 "**FERC**" means the Federal Energy Regulatory Commission, or its successor.

1.20 "**Mechanical Availability Guarantee**" shall have the meaning set forth in Section 4.3.

1.21 **"Generation Interconnection Agreement"** means the generation interconnection agreement to be entered into separately between Seller and PacifiCorp's transmission or distribution department, as applicable, providing for the construction, operation, and maintenance of PacifiCorp's interconnection facilities required to accommodate deliveries of Seller's Net Output if the Facility is to be interconnected directly with PacifiCorp rather than another electric utility.

1.22 "**Green Tags**" means (1) the Environmental Attributes associated with all Net Output, together with (2) all WREGIS Certificates; and (3) the Green Tag Reporting Rights associated with such energy, Environmental Attributes and WREGIS Certificates, however commercially transferred or traded under any or other product names, such as "Renewable Energy Credits," "Green-e Certified", or otherwise. One (1) Green Tag represents the Environmental Attributes made available by the generation of one (1) MWh of energy from the Facility. Provided however, that "Green Tags" do not include Environmental Attributes that are greenhouse gas offsets from methane capture not associated with the generation of electricity and not needed to ensure that there are zero net emissions associated with the generation of electricity.

1.23 "**Green Tag Reporting Rights"** means the exclusive right of a purchaser of Green Tags to report exclusive ownership of Green Tags in compliance with federal or state law, if applicable, and to federal or state agencies or other parties at such purchaser's discretion, and include reporting under Section 1605(b) of the Energy Policy Act of 1992, or under any present or future domestic, international, or foreign emissions trading program or renewable portfolio standard.

1.24 "**Lack of Motive Force**" means temporary lack, due to natural causes, of: sunlight (for a solar powered facility), water (for a hydropower facility), current or wave amplitude (for a wave energy facility), or Sufficient Wind (for a wind turbine facility). Lack of Motive Force does not include lack of any motive force due to voluntary actions taken by Seller (e.g. lease or sale of water rights).

1.25 **"Letter of Credit"** means an irrevocable standby letter of credit, from an institution that has a long-term senior unsecured debt rating of "A" or greater from S&P or "A2" or greater from Moody's, in a form reasonably acceptable to PacifiCorp, naming PacifiCorp as the party entitled to demand payment and present draw requests thereunder.

1.26 **"Licensed Professional Engineer"** means a person acceptable to PacifiCorp in its reasonable judgment who is licensed to practice engineering in the state of Oregon, who has no economic relationship, association, or nexus with the Seller, and who is not a representative of a consulting engineer, contractor, designer or other individual involved in the development of the Facility, or of a manufacturer or supplier of any equipment installed in the Facility. Such Licensed Professional Engineer shall be licensed in an appropriate engineering discipline for the required certification being made.

1.27 "**Material Adverse Change**" means the occurrence of any event of default under any material agreement to which Seller is a party and of any other development, financial or otherwise, which would have a material adverse effect on Seller, the Facility or Seller's ability to develop, construct, operate, maintain or own the Facility as provided in this Agreement.

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

1.29 "**Net Energy**" means the energy component, in kWh, of Net Output.

1.30 **"Net Output"** means all energy and capacity produced by the Facility, less station use and less transformation and transmission losses and other adjustments (e.g., Seller's load other than station use), if any. For purposes of calculating payment under this Agreement, Net Output of energy shall be the amount of energy flowing through the Point of Delivery.

1.31 "**Net Replacement Power Costs"** shall have the meaning set forth in Section 11.4.1.

1.32 **"Off-Peak Hours"** means all hours of the week that are not On-Peak Hours.

1.33 **"On-Peak Hours"** means the hours between 6 a.m. Pacific Prevailing Time ("**PPT**") and 10 p.m. PPT, Mondays through Saturdays, excluding all hours occurring on holidays as provided in the Standard Avoided Cost Rates Schedule.

1.34 "**Output Shortfall**" shall have the meaning set forth in Section 11.4.1.

1.35 **"Point of Delivery"** means the high side of the Seller's step-up transformer(s) located at the point of interconnection between the Facility and PacifiCorp's distribution/ transmission system, as specified in the Generation Interconnection Agreement, or, if the Facility is not interconnected directly with PacifiCorp, the point at which another utility will deliver the Net Output to PacifiCorp as specified in **Exhibit B**.

1.36 **"Prime Rate"** means the publicly announced prime rate for commercial loans to large businesses with the highest credit rating in the United States in effect from time to time quoted by Citibank, N.A. If a Citibank, N.A. prime rate is not available, the applicable Prime Rate shall be the announced prime rate for commercial loans in effect from time to time quoted by a bank with $10 billion or more in assets in New York City, New York, selected by the Party to whom interest based on the Prime Rate is being paid.

1.37 **"Prudent Electrical Practices"** means any of the practices, methods and acts engaged in or approved by a significant portion of the electrical utility industry or any of the practices, methods or acts, which, in the exercise of reasonable judgment in the light of the facts known at the time a decision is made, could have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety and expedition. Prudent Electrical Practices is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to be a spectrum of possible practices, methods or acts.

1.38 **"QF"** means "**Qualifying Facility,**" as that term is defined in the FERC regulations (codified at 18 CFR Part 292) in effect on the Effective Date.

1.39 **"Renewable Resource Deficiency Period"** means the period from________ through ________.

1.40 **"Renewable Resource Sufficiency Period"** means the period from _______ through ________.

1.41 **"Replacement Price"** means the price at which PacifiCorp, acting in a commercially reasonable manner, purchases for delivery at the Point of Delivery a replacement for any Net Output that Seller is required to deliver under this Agreement plus (i) costs reasonably incurred by PacifiCorp in purchasing such replacement Net Output, and (ii) additional transmission charges, if any, reasonably incurred by PacifiCorp in causing replacement energy to be delivered to the Point of Delivery. If PacifiCorp elects not to make such a purchase, the Replacement Price shall be the market price at the Mid-Columbia trading hub for such energy not delivered, plus any additional cost or expense incurred as a result of Seller's failure to deliver, as determined by PacifiCorp in a commercially reasonable manner (but not including any penalties, ratcheted demand or similar charges).

1.42 **"Required Facility Documents"** means all licenses, permits, authorizations, and agreements, including a Generation Interconnection Agreement or equivalent, necessary for construction, operation, and maintenance of the Facility consistent with the terms of this Agreement, including without limitation those set forth in **Exhibit C.**

1.43 "**Standard Avoided Cost Rates Schedule**" means the Commission-approved Standard Avoided Cost Rates Schedule of Pacific Power & Light Company, providing pricing options for Base Load and Wind Qualifying Facilities of 10,000 kW or less, or Fixed and Tracking Solar Qualifying Facilities of 3,000 kW or less, which is in effect on the Effective Date of this Agreement. A copy of that Standard Avoided Cost Rates Schedule is attached as **Exhibit G**.

1.44 **"Scheduled Commercial Operation Date"** shall have the meaning set forth in Recital C.

1.45 "**Scheduled Initial Delivery Date**" shall have the meaning set forth in Recital B.

1.46 **"Start-Up Testing"** means the completion of required factory and start-up tests as set forth in **Exhibit E** hereto.

1.47 "**Sufficient Wind**" means any hour during which the average wind speed is equal to or greater than the manufacturer's rated Cut-in Speed for the wind turbines comprising the Facility.

1.48 "**Termination Date**" shall have the meaning set forth in Section 2.4.

1.49 "**WREGIS**" means the Western Renewable Energy Generation Information System or successor organization in case WREGIS is ever replaced.

1.50 "**WREGIS Certificate**" means "Certificate" as defined by WREGIS in the WREGIS Operating Rules dated July 15, 2013.

1.51 "**WREGIS Operating Rules**" means the operating rules and requirements adopted by WREGIS, dated July 15, 2013.

Section 2: <u>TERM; COMMERCIAL OPERATION DATE</u>

2.1 This Agreement shall become effective after execution by both Parties ("**Effective Date**").

2.2 **Time is of the essence for this Agreement,** and Seller's ability to meet certain requirements prior to the Commercial Operation Date and to deliver Net Output by the Scheduled Commercial Operation Date is critically important. Therefore,

2.2.1 By ______________________, Seller shall provide PacifiCorp with a copy of an executed Generation Interconnection Agreement, or wheeling agreement, as applicable, which shall be consistent with all material terms and requirements of this Agreement.

2.2.2 Upon completion of construction, Seller, in accordance with Section 6.1, shall provide PacifiCorp with an As-built Supplement acceptable to PacifiCorp;

2.2.3 By the date thirty (30) days after the Effective Date, Seller shall provide Default Security required under Sections 10.1 or 10.2, as applicable.

2.3 Seller shall cause the Facility to achieve Commercial Operation on or before the Scheduled Commercial Operation Date. Seller shall have the option to propose a Scheduled Commercial Operation Date beyond three years from the Effective Date. Unless Seller and PacifiCorp agree in writing that a later Scheduled Commercial Operation Date is reasonable and necessary, the Scheduled Commercial Operation Date shall be no more than three years from the date the Effective Date. PacifiCorp will not unreasonably withhold its agreement that a Scheduled Commercial Operation Date beyond the three-year period is reasonable and necessary. If Commercial Operation occurs after the Scheduled Commercial Operation Date, Seller shall be in default, and liable for delay damages specified in Section 11.

2.4 Except as otherwise provided herein, this Agreement shall terminate on ____________ [enter Date that is no later than 20 years after the Scheduled Initial Delivery Date] ("**Termination Date**").

Section 3: <u>REPRESENTATIONS AND WARRANTIES</u>

3.1 PacifiCorp represents, covenants, and warrants to Seller that:

3.1.1 PacifiCorp is duly organized and validly existing under the laws of the State of Oregon.

3.1.2 PacifiCorp has the requisite corporate power and authority to enter into this Agreement and to perform according to the terms of this Agreement.

3.1.3 PacifiCorp has taken all corporate actions required to be taken by it to authorize the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby.

3.1.4 The execution and delivery of this Agreement does not contravene any provision of, or constitute a default under, any indenture, mortgage, or other material agreement binding on PacifiCorp or any valid order of any court, or any regulatory agency or other body having authority to which PacifiCorp is subject.

3.1.5 This Agreement is a valid and legally binding obligation of PacifiCorp, enforceable against PacifiCorp in accordance with its terms (except as the enforceability of this Agreement may be limited by bankruptcy, insolvency, bank moratorium or similar laws affecting creditors' rights generally and laws restricting the availability of equitable remedies and except as the enforceability of this Agreement may be subject to general principles of equity, whether or not such enforceability is considered in a proceeding at equity or in law).

3.2 Seller represents, covenants, and warrants to PacifiCorp that:

3.2.1 Seller is a [corporation, partnership, or limited liability company] duly organized and validly existing under the laws of ______.

3.2.2 Seller has the requisite power and authority to enter into this Agreement and to perform according to the terms hereof, including all required regulatory authority to make wholesale sales from the Facility.

3.2.3 Seller has taken all actions required to authorize the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby.

3.2.4 The execution and delivery of this Agreement does not contravene any provision of, or constitute a default under, any indenture, mortgage, or other material agreement binding on Seller or any valid order of any court, or any regulatory agency or other body having authority to which Seller is subject.

3.2.5 This Agreement is a valid and legally binding obligation of Seller, enforceable against Seller in accordance with its terms (except as the enforceability of this Agreement may be limited by bankruptcy, insolvency, bank moratorium or similar laws affecting creditors' rights generally and laws restricting the availability of equitable remedies and except as the enforceability of this Agreement may be subject to general principles of equity, whether or not such enforceability is considered in a proceeding at equity or in law).

3.2.6 The Facility is and shall for the term of this Agreement continue to be a QF, and Seller will operate the Facility in a manner consistent with its FERC QF certification. Seller has provided to PacifiCorp the appropriate QF certification (which may include a FERC self-certification) prior to PacifiCorp's execution of this Agreement. At any time during the term of this Agreement, PacifiCorp may require Seller to provide PacifiCorp with evidence satisfactory to PacifiCorp in its reasonable discretion that the Facility continues to qualify as a QF under all applicable requirements and, if PacifiCorp is not satisfied that the Facility qualifies for such status, a written legal opinion from an attorney who is (a) in good standing in the state of Oregon, and (b) who has no economic relationship, association or nexus with the Seller or the Facility, stating that the Facility is a QF and providing sufficient proof (including copies of all documents and data as PacifiCorp may request) demonstrating that Seller has maintained and will continue to maintain the Facility as a QF.

3.2.7 <u>Compliance with Ownership Requirements in Commission Proceedings No. UM 1129 and UM 1610</u>. Seller will not make any changes in its ownership, control, or management during the term of this Agreement that would cause it to not be in compliance with the definition of a Small Cogeneration Facility or Small Power Production Facility provided in PacifiCorp's Standard Avoided Cost Rates Schedule approved by the Commission at the time this Agreement is executed. Seller will provide, upon request by PacifiCorp not more frequently than every 36 months, such documentation and information as reasonably may be required to establish Seller's continued compliance with such Definition. PacifiCorp agrees to take reasonable steps to maintain the confidentiality of any portion of the above-described documentation and information that the Seller identifies as confidential except PacifiCorp will provide all such confidential information the Public Utility Commission of Oregon upon the Commission's request. These ownership requirements, as well as the dispute resolution provision governing any disputes over a QF's entitlement to the standard rates and standard contract with respect to the requirements, are detailed in Standard Avoided Cost Rates Schedule.

3.2.8 <u>Additional Seller Creditworthiness Warranties</u>. Seller need not post security under Section 10 for PacifiCorp's benefit in the event of Seller default, provided that Seller warrants all of the following:

(a) Neither the Seller nor any of its principal equity owners is or has within the past two (2) years been the debtor in any bankruptcy proceeding, is unable to pay its bills in the ordinary course of its business, or is the subject of any legal or regulatory action, the result of which could reasonably be expected to impair Seller's ability to own and operate the Facility in accordance with the terms of this Agreement.

(b) Seller has not at any time defaulted in any of its payment obligations for electricity purchased from PacifiCorp.

(c) Seller is not in default under any of its other agreements and is current on all of its financial obligations, including construction related financial obligations.

(d) Seller owns, and will continue to own for the term of this Agreement, all right, title and interest in and to the Facility, free and clear of all liens and encumbrances other than liens and encumbrances related to third-party financing of the Facility.

(e) **[Applicable only to Seller's with a Facility having a Facility Capacity Rating greater than 3,000 kW]** Seller meets the Credit Requirements.

Seller hereby declares (Seller initial one only):

_______ Seller affirms and adopts all warranties of this Section 3.2.8, and therefore is not required to post security under Section 10; or

_______ Seller does not affirm and adopt all warranties of this Section 3.2.8, and therefore Seller elects to post the security specified in Section 10.

3.3 Notice. If at any time during this Agreement, any Party obtains actual knowledge of any event or information which would have caused any of the representations and warranties in this Section 3 to have been materially untrue or misleading when made, such Party shall provide the other Party with written notice of the event or information, the representations and warranties affected, and the action, if any, which such Party intends to take to make the representations and warranties true and correct. The notice required pursuant to this Section shall be given as soon as practicable after the occurrence of each such event.

Section 4: DELIVERY OF POWER AND PERFORMANCE GUARANTEE

4.1 Commencing on the Commercial Operation Date, unless otherwise provided herein, Seller will sell and PacifiCorp will purchase (a) all Net Output from the Facility delivered to the Point of Delivery and (b) all Green Tags associated with the output or otherwise resulting from the generation of energy by the Facility (which shall come from the Facility and from no other source), for the periods during which the Green Tags are required to be transferred to PacifiCorp under the terms of Section 5.5.

4.2 Average Annual Generation. Seller estimates that the Facility will generate, on average, _______________ kWh per Contract Year ("**Average Annual Generation**"). Seller may, upon at least six months prior written notice, modify the Average Annual Generation every other Contract Year.

4.3 Performance Guaranty.

> Mechanical Availability Guarantee. Seller guarantees that the annual Availability of the Facility (the **"Mechanical Availability Guarantee"**) for (i) the first Contract Year shall be no less than 0.80, and (ii) for the second Contract Year shall be no less than 0.85. Beginning with the third Contract Year and for each Contract Year thereafter, the Mechanical Availability Guarantee for each Contract Year shall be 0.90, with such annual Availability to be calculated for purposes of this Section 4.3 for each Contract Year. Seller shall pay PacifiCorp liquidated damages under Section 11.4.1 if the Availability in any given Contract Year falls below the Mechanical Availability Guarantee for the Contract Year.

4.4 Energy Delivery Schedule. Seller has provided a monthly schedule of Net Energy expected to be delivered by the Facility ("**Energy Delivery Schedule**"), incorporated into **Exhibit D**.

4.5 Transfer of Title to Green Tags; Documentation of Green Tags Transfers. Subject to the Green Tags ownership as defined in Section 5.5, title to the Green Tags shall pass from Seller to PacifiCorp immediately upon the generation of the Net Output at the Facility that gives rise to such Green Tags. The Parties shall execute all additional documents and instruments reasonably requested by PacifiCorp in order to further document the transfer of the Green Tags to PacifiCorp or its designees. Without limiting the generality of the foregoing, Seller shall, on or before the 10th day of each month, deliver to PacifiCorp a Green Tags Attestation and Bill of Sale in the form attached as **Exhibit H** for all Green Tags delivered to PacifiCorp hereunder in the preceding month, along with any attestation that is then-current with the Center for Resource Solution's Green-e program or successor organization in case the Center for Resource Solutions is replaced by another party over the life of the contract. Seller, at its own cost and expense, shall register with, pay all fees required by, and comply with, all reporting and other requirements of WREGIS relating to the Facility or Green Tags, except that when Seller is required to transfer Green Tags to PacifiCorp under Section 5.5, PacifiCorp will pay all fees required by WREGIS relating to the Green Tags. Seller shall ensure that the Facility will participate in and comply with, during the Term, all aspects of WREGIS. Seller will use WREGIS as required pursuant to the WREGIS Operating Rules to effectuate the transfer of WREGIS Certificates to PacifiCorp, and transfer such WREGIS Certificates to PacifiCorp, in accordance with WREGIS reporting protocols and WREGIS Operating Rules. Seller may either elect to enter into a Qualified Reporting Entity Services Agreement with PacifiCorp in a form approved by PacifiCorp, enter into a Qualified Reporting Entity Services Agreement with a third-party authorized to act as a Qualified Reporting Entity, or elect to act as its own WREGIS-defined Qualified Reporting Entity. Seller shall promptly give PacifiCorp copies of all documentation it submits to WREGIS. Further, in the event of the promulgation of a scheme involving Green Tags administered by CAMD, upon notification by CAMD that any transfer contemplated by this Agreement will not be recorded, the Parties shall promptly cooperate in taking all reasonable actions necessary so that such transfers can be recorded. Seller shall not report under Section 1605(b) of the Energy Policy Act of 1992 or under any applicable program that any of the Green Tags purchased by PacifiCorp hereunder belong to any person other than PacifiCorp. Without limiting the generality of PacifiCorp's ownership of the Green Tag

Reporting Rights, PacifiCorp may report under such program that such Green Tags purchased hereunder belong to it. Each Party shall promptly give the other Party copies of all documents it submits to the CAMD to effectuate any transfer. Seller shall reasonably cooperate in any registration by PacifiCorp of the Facility in the renewable portfolio standard or equivalent program in all such further states and programs in which PacifiCorp may wish to register or maintain registration of the Facility by providing copies of all such information as PacifiCorp reasonably required for such registration.

Section 5: PURCHASE PRICES

5.1 Seller shall have the option to select one of three pricing options: Standard Fixed Avoided Cost Prices ("Fixed Price Standard"), Renewable Fixed Avoided Cost Prices ("Fixed Price Renewable"), or Firm Market Indexed Avoided Cost Prices ("Firm Electric Market"), as published in the Standard Avoided Cost Rates Schedule. Once an option is selected the option will remain in effect for the duration of the Facility's contract. Seller has selected the following (Seller to initial one):

_______ Fixed Price Standard
_______ Fixed Price Renewable
_______ Firm Electric Market

A copy of the Standard Avoided Cost Rates Schedule, and a table summarizing the purchase prices under the pricing option selected by Seller, is attached as **Exhibit G.**

5.2 (Fixed Price Standard Seller Only). In the event Seller elects the Fixed Price Standard pricing method, PacifiCorp shall pay Seller the applicable On-Peak and Off-Peak rates specified in the **Standard Avoided Cost Rates Schedule** during the first fifteen (15) years after the Scheduled Initial Delivery Date. Thereafter, PacifiCorp shall pay Seller Firm Electric Market.

5.3 (Fixed Price Renewable Seller Only). In the event Seller elects the Fixed Price Renewable pricing method, PacifiCorp shall pay Seller the applicable On-Peak and Off-Peak rates specified in the **Standard Avoided Cost Rates Schedule** during the first fifteen (15) years after the Scheduled Initial Delivery Date. Thereafter, PacifiCorp shall pay Seller Firm Electric Market.

5.4 For all Excess Output and for all Net Output delivered prior to the Commercial Operation Date, PacifiCorp shall pay Seller 93 percent of a blended market index price for day-ahead firm energy at Mid-Columbia, California Oregon Border (COB), Four Corners and Palo Verde market indices as reported by the Intercontinental Exchange (ICE), for the On-Peak and Off-Peak periods. PacifiCorp shall document its calculation of the blended rate, upon request, to Seller. Such payment will be accomplished by adjustments pursuant to Section 9.2

5.5 Environmental Attributes

5.5.1 (Fixed Price Standard Seller Only): PacifiCorp waives any claim to Seller's ownership of Environmental Attributes under this Agreement throughout the Term.

5.5.2 (Fixed Price Renewable Seller Only): PacifiCorp waives any claim to Seller's ownership of Environmental Attributes during the Renewable Resource Sufficiency Period. Seller shall transfer the Green Tags to PacifiCorp in accordance with Section 4.5 during the Renewable Resource Deficiency Period.

Section 6: OPERATION AND CONTROL

6.1 As-Built Supplement. Upon completion of initial (and any subsequent) construction of the Facility, Seller shall provide PacifiCorp an As-Built Supplement to specify the actual Facility as built. The As-Built Supplement must be reviewed and approved by PacifiCorp, which approval shall not unreasonably be withheld, conditioned or delayed.

6.2 Incremental Utility Upgrades. At start-up (and at any other time upon at least six months' prior written notice), Seller may increase Net Output, if such increase is due to normal variances in estimated versus actual performance, changed Facility operations, or improvements in Facility efficiency. Seller may not increase Net Output under this Agreement by installing additional generating units. In the case of substantial upgrades, PacifiCorp may require Seller to comply with Section 3.2.8(e) (in the event that the Facility upgrade causes the Facility Capacity Rating to exceed 3,000 kW) and increase its Average Annual Generation in Section 4.2 (if appropriate). PacifiCorp may also update Seller's security obligation (if applicable). So long as the Facility Capacity Rating after the upgrade is 3,000 kW or less for solar or 10,000 kW or less for all other resource types, Seller will continue to receive the Contract Price for the Net Output, as set forth in Sections 5.1, 5.2, and 5.3 of this Agreement. If Seller increases the Facility Capacity Rating above 3,000 kW for solar or 10,000 kW for all other resource types, then (on a going forward basis) PacifiCorp shall pay Seller the Contract Price for the fraction of total Net Output equal to 10,000 kW divided by the Facility Capacity Rating of the upgraded Facility. For the remaining fraction of Net Output, PacifiCorp and Seller shall agree to a new negotiated rate. Seller shall be responsible for ensuring that any planned increase in the Facility Capacity Rating or the maximum instantaneous capacity of the Facility complies with Seller's Generation Interconnection Agreement and any other agreements with PacifiCorp.

6.3 Seller shall operate and maintain the Facility in a safe manner in accordance with the Generation Interconnection Agreement (if applicable), Prudent Electrical Practices and in accordance with the requirements of all applicable federal, state and local laws and the National Electric Safety Code as such laws and code may be amended from time to time. PacifiCorp shall have no obligation to purchase Net Output from the Facility to the extent the interconnection between the Facility and PacifiCorp's electric system is disconnected, suspended or interrupted, in whole or in part, pursuant to the Generation Interconnection Agreement, or to the extent generation curtailment is required as a result of Seller's non-compliance with the Generation Interconnection Agreement. PacifiCorp shall have the right to inspect the Facility to confirm that Seller is operating the Facility in accordance with the provisions of this Section 6.3 upon reasonable notice to Seller. Seller is solely responsible for the operation and maintenance of the

Facility. PacifiCorp shall not, by reason of its decision to inspect or not to inspect the Facility, or by any action or inaction taken with respect to any such inspection, assume or be held responsible for any liability or occurrence arising from the operation and maintenance by Seller of the Facility.

6.4 Scheduled Outages. Seller may cease operation of the entire Facility or individual units, if applicable, for maintenance or other purposes. Seller shall exercise its best efforts to notify PacifiCorp of planned outages at least ninety (90) days prior, and shall reasonably accommodate PacifiCorp's request, if any, to reschedule such planned outage in order to accommodate PacifiCorp's need for Facility operation.

6.5 Unplanned Outages. In the event of an unscheduled outage or curtailment exceeding twenty-five (25) percent of the Facility Capacity Rating (other than curtailments due to lack of motive force), Seller immediately shall notify PacifiCorp of the necessity of such unscheduled outage or curtailment, the time when such has occurred or will occur and the anticipated duration. Seller shall take all reasonable measures and exercise its best efforts to avoid unscheduled outage or curtailment, to limit the duration of such, and to perform unscheduled maintenance during Off-Peak hours.

Section 7: FUEL/MOTIVE FORCE

Prior to the Effective Date of this Agreement, Seller provided to PacifiCorp a fuel or motive force plan acceptable to PacifiCorp in its reasonable discretion and attached hereto as **Exhibit D-1,** together with a certification from a Licensed Professional Engineer to PacifiCorp attached hereto as **Exhibit D-2**, certifying that the implementation of the fuel or motive force plan can reasonably be expected to provide fuel or motive force to the Facility for the duration of this Agreement adequate to generate power and energy in quantities necessary to deliver the Average Annual Generation set forth by Seller in Section 4.

Section 8: METERING

8.1 Seller shall pay for, and PacifiCorp shall design, furnish, install, own, inspect, test, maintain and replace all metering equipment required pursuant to the Generation Interconnection Agreement, if applicable.

8.2 Seller shall pay for and design, furnish, install, own, inspect, test, maintain and replace all metering equipment required in order to calculate Availability of the Facility. Data required to calculate Availability include, but are not limited to: hourly average wind velocity measured at turbine hub height; and ambient air temperature. Seller shall make available all such data to PacifiCorp in electronic format per Section 8.5.

8.3 Metering shall be performed at the location and in a manner consistent with this Agreement and as specified in the Generation Interconnection Agreement, or, if the Facility is one of multiple wind generation facilities sharing a common transmission line, the required metering equipment has been completed and tested and is in place to correctly and accurately measure the amount of Net Output generated by the Facility and flowing into PacifiCorp's system at the Point of Delivery, or, if the Net Output is to be wheeled to PacifiCorp by another utility, metering will be performed in accordance with the terms of PacifiCorp's interconnection agreement with such other utility. All quantities of energy purchased hereunder shall be adjusted to account for electrical losses, if any between the point of metering and the Point of Delivery, so that the purchased amount reflects the net amount of energy flowing into PacifiCorp's system at the Point of Delivery.

8.4 PacifiCorp shall periodically inspect, test, repair and replace the metering equipment as provided in the Generation Interconnection Agreement, if applicable. If the Net Output is to be wheeled to PacifiCorp by another utility, meter inspection, testing, repair and replacement will be performed in accordance with the terms of PacifiCorp's interconnection agreement with such utility. If any of the inspections or tests discloses an error exceeding two percent (2%), either fast or slow, proper correction, based upon the inaccuracy found, shall be made of previous readings for the actual period during which the metering equipment rendered inaccurate measurements if that period can be ascertained. If the actual period cannot be ascertained, the proper correction shall be made to the measurements taken during the time the metering equipment was in service since last tested, but not exceeding three (3) Billing Periods, in the amount the metering equipment shall have been shown to be in error by such test. Any correction in billings or payments resulting from a correction in the meter records shall be made in the next monthly billing or payment rendered following the repair of the meter.

Section 9: BILLINGS, COMPUTATIONS, AND PAYMENTS

9.1 On or before the thirtieth (30th) day following the end of each Billing Period, PacifiCorp shall send to Seller payment for Seller's deliveries of Net Output to PacifiCorp, together with computations supporting such payment. PacifiCorp may offset any such payment to reflect amounts owing from Seller to PacifiCorp pursuant to this Agreement, the Generation Interconnection Agreement, or any other agreement between the Parties.

9.2 Corrections. PacifiCorp shall have up to eighteen months to adjust any payment made pursuant to Section 9.1. In the event PacifiCorp determines it has overpaid Seller (for Excess Output or otherwise), PacifiCorp may adjust Seller's future payment accordingly in order to recapture any overpayment in a reasonable time.

9.3 Annual Invoicing for Output Shortfall. Beginning on the first January 31 occurring after the Commercial Operation Date, and continuing on January 31 of each Contract Year thereafter, PacifiCorp shall deliver to Seller an invoice showing PacifiCorp's computation of Net Output and Output Shortfall, if any, for the prior Contract Year and any resulting amount due PacifiCorp as liquidated damages. In preparing such invoices, PacifiCorp shall utilize the meter data provided to PacifiCorp for the Contract Year in question, but may also rely on historical averages and such other information as may be available to PacifiCorp at the time of invoice preparation, if the meter data for such Contract Year is then incomplete or otherwise not available. To the extent required, PacifiCorp shall true up any such invoice as promptly as practicable following its receipt of actual results for the relevant Contract Year. Seller shall pay to PacifiCorp, by wire transfer or by any other means agreed to by the Parties in writing, the amount set forth as due in such invoice.

9.4 Any amounts owing after the due date thereof shall bear interest at the Prime Rate plus two percent (2%) from the date due until paid; *provided*, *however*, that the interest rate shall at no time exceed the maximum rate allowed by applicable law.

Section 10: <u>SECURITY</u>

Unless Seller has adopted the creditworthiness warranties contained in Section 3.2.8, Seller must provide security (if requested by PacifiCorp) in the form of a cash escrow, letter of credit, senior lien, or step-in rights. Seller hereby elects to provide, in accordance with the applicable terms of this Section 10, the following security (Seller to initial one selection only):

____ Cash Escrow

_____ Letter of Credit

_____ Senior Lien

_____ Step-in Rights

_____ Seller has adopted the Creditworthiness Warranties of Section 3.2.8.

In the event Seller's obligation to post default security (under Section 10 or Section 11.1.4) arises solely from Seller's delinquent performance of construction-related financial obligations, upon Seller's request, PacifiCorp will excuse Seller from such obligation in the event Seller has negotiated financial arrangements with its construction lenders that mitigate Seller's financial risks to PacifiCorp's reasonable satisfaction.

[SKIP THIS SECTION 10.1 UNLESS SELLER SELECTED CASH ESCROW ALTERNATIVE]

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

[SKIP THIS SECTION 10.2 UNLESS SELLER SELECTED LETTER OF CREDIT ALTERNATIVE]

10.2 Letter of Credit Security. Seller shall post and maintain in an amount equal to the Default Security: (a) a guaranty from a party that satisfies the Credit Requirements, in a form acceptable to PacifiCorp in its discretion, or (b) a Letter of Credit in favor of PacifiCorp. To the extent PacifiCorp receives payment from the Default Security, Seller shall, within fifteen (15) days, restore the Default Security as if no such deduction had occurred.

[SKIP THIS SECTION 10.3 UNLESS SELLER SELECTED SENIOR LIEN ALTERNATIVE]

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

[SKIP THIS SECTION 10.4 UNLESS SELLER SELECTED STEP-IN RIGHTS ALTERNATIVE]

10.4 Step-in Rights (Operation by PacifiCorp Following Event of Default of Seller).

10.4.1 Prior to any termination of this Agreement due to an Event of Default of Seller, as identified in Section 11, PacifiCorp shall have the right, but not the obligation, to possess, assume control of, and operate the Facility as agent for Seller (in accordance with Seller's rights, obligations, and interest under this Agreement) during the period provided for herein. Seller shall not grant any person, other than the lending institution providing financing to the Seller for construction of the Facility ("Facility Lender"), a right to possess, assume control of, and operate the Facility that is equal to or superior to PacifiCorp's right under this Section 10.4.

10.4.2 PacifiCorp shall give Seller ten (10) calendar days notice in advance of the contemplated exercise of PacifiCorp's rights under this Section 10.4. Upon such notice, Seller shall collect and have available at a convenient, central location at the Facility all documents, contracts, books, manuals, reports, and records required to construct, operate, and maintain the Facility in accordance with Prudent Electrical Practices. Upon such notice, PacifiCorp, its employees, contractors, or designated third parties shall have the unrestricted right to enter the Facility for the purpose of constructing and/or operating the Facility. Seller hereby irrevocably appoints PacifiCorp as Seller's attorney-in-fact for the exclusive purpose of executing such documents and taking such other actions as PacifiCorp may reasonably deem necessary or appropriate to exercise PacifiCorp's step-in rights under this Section 10.4.

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

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

(a) In the event PacifiCorp is in possession and control of the Facility for an interim period, Seller shall resume operation and PacifiCorp shall relinquish its right to operate when Seller demonstrates to PacifiCorp's reasonable satisfaction that it will remove those grounds that originally gave rise to PacifiCorp's right to operate the Facility, as provided above, in that Seller (i) will resume operation of the Facility in accordance with the provisions of this Agreement, and (ii) has cured any Events of Default of Seller which allowed PacifiCorp to exercise its rights under this Section 10.4.

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

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

Section 11: DEFAULTS AND REMEDIES

11.1 Events of Default. The following events shall constitute defaults under this Agreement:

11.1.1 Breach of Material Term. Failure of a Party to perform any material obligation imposed upon that Party by this Agreement (including but not limited to failure by Seller to meet any deadline set forth in Section 2) or breach by a Party of a representation or warranty set forth in this Agreement.

11.1.2 Default on Other Agreements. Seller's failure to cure any default under any commercial or financing agreements or instrument (including the Generation Interconnection Agreement) within the time allowed for a cure under such agreement or instrument.

11.1.3 Insolvency. A Party (a) makes an assignment for the benefit of its creditors; (b) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy or similar law for the protection of creditors, or has such a petition filed against it and such petition is not withdrawn or dismissed within sixty (60) days after such filing; (c) becomes insolvent; or (d) is unable to pay its debts when due.

11.1.4 Material Adverse Change. A Material Adverse Change has occurred with respect to Seller and Seller fails to provide such performance assurances as are reasonably requested by PacifiCorp, including without limitation the posting of additional Default Security, within thirty (30) days from the date of such request;

11.1.5 Failure to Meet Scheduled Commercial Operation Date. Seller's failure to achieve the Commercial Operation Date by the Scheduled Commercial Operation Date.

11.1.6 Failure to Meet Mechanical Availability Guarantee. Seller's failure to the Mechanical Availability Guarantee for two (2) consecutive years if such failure is not otherwise excused under this Agreement.

11.2 Notice; Opportunity to Cure.

11.2.1 Notice. In the event of any default hereunder, the non-defaulting Party must notify the defaulting Party in writing of the circumstances indicating the default and outlining the requirements to cure the default.

11.2.2 Opportunity to Cure. A Party defaulting under Section 11.1.1 shall have thirty (30) days to cure after receipt of proper notice from the non-defaulting Party. This thirty (30) day period shall be extended by an additional ninety (90) days if (a) the failure cannot reasonably be cured within the thirty (30) day period despite diligent efforts, (b) the default is capable of being cured within the additional ninety (90) day period, and (c) the defaulting Party commences the cure within the original thirty (30) day period and is at all times thereafter diligently and continuously proceeding to cure the failure. If Seller defaults under Section 11.1.5, Seller shall have one (1) year in which to cure the default during which time Seller shall pay PacifiCorp damages as provided for in Section 11.4.2.

11.2.3 Seller Default Under Other Agreements. Seller shall cause any notices of default under any of its commercial or financing agreements or instruments to be sent by the other party to such agreements or instruments, or immediately forwarded, to PacifiCorp as a notice in accordance with Section 23.

11.2.4 Seller Delinquent on Construction-related Financial Obligations. Seller promptly shall notify PacifiCorp (or cause PacifiCorp to be notified) anytime it becomes delinquent under any construction related financing agreement or instrument related to the Facility. Such delinquency may constitute a Material Adverse Change, subject to Section 11.1.4.

11.3 Termination.

11.3.1 Notice of Termination. If a default described herein has not been cured within the prescribed time, above, the non-defaulting Party may terminate this Agreement at its sole discretion by delivering written notice to the other Party and may pursue any and all legal or equitable remedies provided by law or pursuant to this Agreement. Subject to the one (1) year cure period in Section 11.2.2, PacifiCorp may terminate the Agreement for a default under Section 11.1.5 regardless of PacifiCorp's resource sufficiency/deficiency position. The rights provided in Section 10 and this Section 11 are cumulative such that the exercise of one or more rights shall not constitute a waiver of any other rights. Further, the Parties may by mutual written agreement amend this Agreement in lieu of a Party's exercise of its right to terminate.

11.3.2 In the event this Agreement is terminated because of Seller's default and Seller wishes to again sell Net Output to PacifiCorp following such termination, PacifiCorp in its sole discretion may require that Seller shall do so subject to the terms of this Agreement, including but not limited to the Contract Price, until the Termination Date (as set forth in Section 2.4). At such time Seller and PacifiCorp agree to execute a written document ratifying the terms of this Agreement.

11.3.3 Damages. If this Agreement is terminated as a result of Seller's default, Seller shall pay PacifiCorp the positive difference, if any, obtained by subtracting the Contract Price from the Replacement Price for the Average Annual Generation that Seller was otherwise obligated to provide at the Mechanical Availability Guarantee for a period of twenty-four (24) months from the date of termination, plus any cost incurred for transmission purchased to deliver the replacement power to the Point of Delivery, plus the estimated administrative cost to the utility to acquire replacement power. Amounts owed by Seller pursuant to this paragraph shall be due within five (5) business days after any invoice from PacifiCorp for the same.

11.3.4 If this Agreement is terminated because of Seller's default, PacifiCorp may foreclose upon any security provided pursuant to Section 10 to satisfy any amounts that Seller owes PacifiCorp arising from such default.

11.4 Damages.

11.4.1 Failure to Meet Mechanical Availability Guarantee. Liquidated damages for Seller's failure to meet the Mechanical Availability Guarantee shall be calculated as follows: (i) the "Output Shortfall" shall be the difference between the projected average on- and off-peak Net Output from the project that would have been delivered had the project been available at the Mechanical Availability Guarantee for the Contract Year and the actual Net Output provided by the Seller for the Contract Year; (ii) multiply the Output Shortfall by the positive difference, if any, obtained by subtracting the Contract Price applicable to the period of Output Shortfall from the Replacement Price at which PacifiCorp purchases replacement power; and (iii) add any reasonable costs incurred by PacifiCorp to purchase replacement power and additional transmission costs to deliver replacement power to the Point of Delivery, if any.

11.4.2 Failure to Deliver Net Output. In the event Seller defaults under Subsection 11.1.5, then Seller shall pay PacifiCorp the positive difference, if any, obtained by subtracting the Contract Price from the Replacement Price during the period of default; *provided, however*, that the positive difference obtained by subtracting the Contract Price from the Replacement Price shall not exceed the Contract Price, and the period of default under this Section 11.4.2 shall not exceed one (1) year.

11.4.3 Recoupment of Damages.

(a) Default Security Available. If Seller has posted Default Security, PacifiCorp may draw upon that security to satisfy any damages, above.

(b) Default Security Unavailable. If Seller has not posted Default Security, or if PacifiCorp has exhausted the Default Security, PacifiCorp may collect any remaining amount owing by partially withholding future payments to Seller over a reasonable period of time, which period shall not be less than the period over which the default occurred. PacifiCorp and Seller shall work together in good faith to establish the period, and monthly amounts, of such withholding so as to avoid Seller's default on its commercial or financing agreements necessary for its continued operation of the Facility.

Section 12: INDEMNIFICATION AND LIABILITY

12.1 Indemnities.

12.1.1 Indemnity by Seller. Seller shall release, indemnify and hold harmless PacifiCorp, its directors, officers, agents, and representatives against and from any and all loss, fines, penalties, claims, actions or suits, including costs and attorney's fees, both at trial and on appeal, resulting from, or arising out of or in any way connected with (a) the energy delivered by Seller under this Agreement to and at the Point of Delivery, (b) any facilities on Seller's side of the Point of Delivery, (c) Seller's operation and/or maintenance of the Facility, or (d) arising from this Agreement, including without limitation any loss, claim, action or suit, for or on account of injury, bodily or otherwise, to, or death of, persons, or for damage to, or destruction or economic loss of property belonging to PacifiCorp, Seller or others, excepting only such loss, claim, action or suit as may be caused solely by the fault or gross negligence of PacifiCorp, its directors, officers, employees, agents or representatives.

12.1.2 Indemnity by PacifiCorp. PacifiCorp shall release, indemnify and hold harmless Seller, its directors, officers, agents, Lenders and representatives against and from any and all loss, fines, penalties, claims, actions or suits, including costs and attorney's fees, both at trial and on appeal, resulting from, or arising out of or in any way connected with the energy delivered by Seller under this Agreement after the Point of Delivery, including without limitation any loss, claim, action or suit, for or on account of injury, bodily or otherwise, to, or death of, persons, or for damage to, or destruction or economic loss of property, excepting only such loss, claim, action or suit as may be caused solely by the fault or gross negligence of Seller, its directors, officers, employees, agents, Lenders or representatives.

12.2 No Dedication. Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to, or any liability to any person not a Party to this Agreement. No undertaking by one Party to the other under any provision of this Agreement shall constitute the dedication of that Party's system or any portion thereof to the other Party or to the public, nor affect the status of PacifiCorp as an independent public utility corporation or Seller as an independent individual or entity.

12.3 No Consequential Damages. Except to the extent such damages are included in the liquidated damages, delay damages, cost to cover damages or other specified measure of damages expressly provided for in this Agreement, neither Party shall be liable to the other Party for special, punitive, indirect, exemplary or consequential damages, whether such damages are allowed or provided by contract, tort (including negligence), strict liability, statute or otherwise.

Section 13: INSURANCE *(FACILITIES OVER 200KW ONLY)*

13.1 Certificates. Prior to connection of the Facility to PacifiCorp's electric system, or another utility's electric system if delivery to PacifiCorp is to be accomplished by wheeling, Seller shall secure and continuously carry insurance in compliance with the requirements of this Section. Seller shall provide PacifiCorp insurance certificate(s) (of "ACORD Form" or the equivalent) certifying Seller's compliance with the insurance requirements hereunder. Commercial General Liability coverage written on a "claims-made" basis, if any, shall be specifically identified on the certificate. If requested by PacifiCorp, a copy of each insurance policy, certified as a true copy by an authorized representative of the issuing insurance company, shall be furnished to PacifiCorp.

13.2 Required Policies and Coverages. Without limiting any liabilities or any other obligations of Seller under this Agreement, Seller shall secure and continuously carry with an insurance company or companies rated not lower than “B+” by the A.M. Best Company the insurance coverage specified below:

13.2.1 Commercial General Liability insurance, to include contractual liability, with a minimum single limit of $1,000,000 to protect against and from all loss by reason of injury to persons or damage to property based upon and arising out of the activity under this Agreement.

13.2.2 All Risk Property insurance providing coverage in an amount at least equal to the full replacement value of the Facility against "all risks" of physical loss or damage, including coverage for earth movement, flood, and boiler and machinery. The Risk policy may contain separate sub-limits and deductibles subject to insurance company underwriting guidelines. The Risk Policy will be maintained in accordance with terms available in the insurance market for similar facilities.

13.3 The Commercial General Liability policy required herein shall include i) provisions or endorsements naming PacifiCorp, its Board of Directors, Officers and employees as additional insureds, and ii) cross liability coverage so that the insurance applies separately to each insured against whom claim is made or suit is brought, even in instances where one insured claims against or sues another insured.

13.4 All liability policies required by this Agreement shall include provisions that such insurance is primary insurance with respect to the interests of PacifiCorp and that any other insurance maintained by PacifiCorp is excess and not contributory insurance with the insurance required hereunder, and provisions that such policies shall not be canceled or their limits of liability reduced without 1) ten (10) days prior written notice to PacifiCorp if canceled for nonpayment of premium, or 2) thirty (30) days prior written notice to PacifiCorp if canceled for any other reason.

13.5 Insurance coverage provided on a "claims-made" basis shall be maintained by Seller for a minimum period of five (5) years after the completion of this Agreement and for such other length of time necessary to cover liabilities arising out of the activities under this Agreement.

Section 14: FORCE MAJEURE

14.1 As used in this Agreement, “**Force Majeure**” or “**an event of Force Majeure**” means any cause beyond the reasonable control of the Seller or of PacifiCorp which, despite the exercise of due diligence, such Party is unable to prevent or overcome. By way of example, Force Majeure may include 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, restraint by court order or other delay or failure in the performance as a result of any action or inaction on behalf of a public authority 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, subject, in each case, to the requirements of the first sentence of this paragraph. Force Majeure, however, specifically excludes the cost or availability of fuel or motive force resources to operate the Facility or changes in market conditions that affect the price of energy or transmission. If either Party is rendered wholly or in part unable to perform its obligation under this Agreement because of an event of Force Majeure, that Party shall be excused from whatever performance is affected by the event of Force Majeure to the extent and for the duration of the event of Force Majeure, after which such Party shall re-commence performance of such obligation, provided that:

14.1.1 the non-performing Party, shall, within two (2) weeks after the occurrence of the Force Majeure, give the other Party written notice describing the particulars of the occurrence; and

14.1.2 the suspension of performance shall be of no greater scope and of no longer duration than is required by the event of Force Majeure; and

14.1.3 the non-performing Party uses its best efforts to remedy its inability to perform.

14.2 No obligations of either Party which arose before the Force Majeure causing the suspension of performance shall be excused as a result of the event of Force Majeure.

14.3 Neither Party shall be required to settle any strike, walkout, lockout or other labor dispute on terms which, in the sole judgment of the Party involved in the dispute, are contrary to the Party's best interests.

14.4 PacifiCorp may terminate the Agreement if Seller fails to remedy Seller's inability to perform, due to an event of Force Majeure, within six months after the occurrence of the event.

Section 15: <u>SEVERAL OBLIGATIONS</u>

Nothing contained in this Agreement shall ever be construed to create an association, trust, partnership or joint venture or to impose a trust or partnership duty, obligation or liability between the Parties. If Seller includes two or more parties, each such party shall be jointly and severally liable for Seller's obligations under this Agreement.

Section 16: <u>CHOICE OF LAW</u>

This Agreement shall be interpreted and enforced in accordance with the laws of the State of Oregon, excluding any choice of law rules which may direct the application of the laws of another jurisdiction.

Section 17: PARTIAL INVALIDITY

It is not the intention of the Parties to violate any laws governing the subject matter of this Agreement. If any of the terms of the Agreement are finally held or determined to be invalid, illegal or void as being contrary to any applicable law or public policy, all other terms of the Agreement shall remain in effect. If any terms are finally held or determined to be invalid, illegal or void, the Parties shall enter into negotiations concerning the terms affected by such decision for the purpose of achieving conformity with requirements of any applicable law and the intent of the Parties to this Agreement.

Section 18: WAIVER

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 must be in writing, and such waiver shall not be deemed a waiver with respect to any subsequent default or other matter.

Section 19: GOVERNMENTAL JURISDICTIONS AND AUTHORIZATIONS

This Agreement is subject to the jurisdiction of those governmental agencies having control over either Party or this Agreement. Seller shall at all times maintain in effect all local, state and federal licenses, permits and other approvals as then may be required by law for the construction, operation and maintenance of the Facility, and shall provide upon request copies of the same to PacifiCorp.

Section 20: REPEAL OF PURPA

This Agreement shall not terminate upon the repeal of the PURPA, unless such termination is mandated by federal or state law.

Section 21: SUCCESSORS AND ASSIGNS

This Agreement and all of the terms hereof shall be binding upon and inure to the benefit of the respective successors and assigns of the Parties. No assignment hereof by either Party shall become effective without the written consent of the other Party being first obtained and such consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, either Party may assign this Agreement without the other Party's consent to a lender as part of a financing transaction or as part of (a) a sale of all or substantially all of the assigning Party's assets, or (b) a merger, consolidation or other reorganization of the assigning Party.

Section 22: ENTIRE AGREEMENT

22.1 This Agreement supersedes all prior agreements, proposals, representations, negotiations, discussions or letters, whether oral or in writing, regarding PacifiCorp's purchase of Net Output from the Facility. No modification of this Agreement shall be effective unless it is in writing and signed by both Parties.

22.2 By executing this Agreement, Seller releases PacifiCorp from any claims, known or unknown, that may have arisen prior to the Effective Date.

Section 23: NOTICES

23.1 All notices except as otherwise provided in this Agreement shall be in writing, shall be directed as follows and shall be considered delivered if delivered in person or when deposited in the U.S. Mail, postage prepaid by certified or registered mail and return receipt requested.

Notices	**PacifiCorp**	**Seller**
All Notices	PacifiCorp 825 NE Multnomah Street Portland, OR 97232 Attn: Contract Administration, Suite 600 Phone: (503) 813 - 5380 Facsimile: (503) 813 - 6291 Duns: 00-790-9013 Federal Tax ID Number: 93-0246090	
All Invoices:	(same as street address above) Attn: Back Office, Suite 700 Phone: (503) 813 - 5578 Facsimile: (503) 813 – 5580	
Scheduling:	(same as street address above) Attn: Resource Planning, Suite 600 Phone: (503) 813 - 6090 Facsimile: (503) 813 – 6265	
Payments:	(same as street address above) Attn: Back Office, Suite 700 Phone: (503) 813 - 5578 Facsimile: (503) 813 – 5580	
Wire Transfer:	Bank One N.A. ABA: ACCT: NAME: PacifiCorp Wholesale	
Credit and Collections	(same as street address above) Attn: Credit Manager, Suite 700 Phone: (503) 813 - 5684 Facsimile: (503) 813 – 5609	

Notices	**PacifiCorp**	**Seller**
With Additional Notices of an Event of Default or Potential Event of Default to:	(same as street address above) Attn: PacifiCorp General Counsel Phone: (503) 813-5029 Facsimile: (503) 813-7252	

23.2 The Parties may change the person to whom such notices are addressed, or their addresses, by providing written notices thereof in accordance with this Section 23.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed in their respective names as of the date first above written.

PacifiCorp

By:____________________________

Name:__________________________

Title:___________________________

Seller

By:___________________________

Name:________________________

Title: _________________________

EXHIBIT A

DESCRIPTION OF SELLER'S FACILITY

[Seller to Complete]

Seller's Facility consists of ___________________________ generators manufactured by __________________. More specifically, each generator at the Facility is described as:

Type (synchronous or inductive):

Model:
Number of Phases:
Rated Output (kW): **Rated Output (kVA):**
Rated Voltage (line to line):
Rated Current (A): Stator: ____ A; Rotor: ______ A
Maximum kW Output: ____________ kW **Maximum kVA Output:** ______kVA
Minimum kW Output: _________ kW
Manufacturer's Guaranteed Cut-in Wind Speed [if applicable]:
Facility Capacity Rating: ____________ kW at ______________________________________
Identify the maximum output of the generator(s) and describe any differences between that output and the Nameplate Capacity Rating:

Station service requirements, and other loads served by the Facility, if any, are described as follows:
____

____.

Location of the Facility: The Facility is to be constructed in the vicinity of ____________ in _____________ County, _____________. The location is more particularly described as follows:

[legal description of parcel]

Power factor requirements:
Rated Power Factor (PF) or reactive load (kVAR):

EXHIBIT B

SELLER'S INTERCONNECTION FACILITIES

[Seller to provide its own diagram and description]

<u>POINT OF DELIVERY / SELLER'S INTERCONNECTION FACILITIES</u>

Instructions to Seller:

1. Include description of point of metering, and Point of Delivery
2. Provide interconnection single line drawing of Facility including any transmission facilities on Seller's side of the Point of Delivery.

EXHIBIT C

REQUIRED FACILITY DOCUMENTS

REQUIRED OF ALL FACILITIES:
- QF Certification
- Interconnection Agreement
- Fuel Supply Agreement, if applicable

REQUIRED IF SELLER ELECTS TO GRANT SENIOR LIEN OR STEP-IN RIGHTS:
- Deed or Lease to Facility Premises
- Preliminary Title Report of Premises
- Proof of ownership of Facility
- Off-take sale agreements, e.g. surplus heat sale contract, if applicable

REQUIRED OF ALL HYDRO FACILITIES:
- FERC License or documentation of an applicable exemption
- Power Generation Water Rights

Depending upon the type of Facility and its specific characteristics, additional Required Facility Documents may be requested.

EXHIBIT D-1

SELLER'S MOTIVE FORCE PLAN

A. MONTHLY DELIVERY SCHEDULES AND SCHEDULED MAINTENANCE

Month	Average Energy (kWh)
January	
February	
March	
April	
May	
June	
July	
August	
September	
October	
November	
December	

Seller to provide an estimate of the average monthly Net Output of the Facility, and explain the basis for the estimate.

EXHIBIT D-2

ENGINEER'S CERTIFICATION OF MOTIVE FORCE PLAN

Seller provide a written declaration from a Licensed Professional Engineer to PacifiCorp that the Facility is likely capable under average conditions foreseeable during the term of this Agreement of meeting Seller's estimated average, maximum, and minimum Net Output.

EXHIBIT E

START-UP TESTING

Required factory testing includes such checks and tests necessary to determine that the equipment systems and subsystems have been properly manufactured and installed, function properly, and are in a condition to permit safe and efficient start-up of the Facility, which may include but are not limited to (as applicable): **[Seller identify appropriate tests]**

1. Pressure tests of all steam system equipment;
2. Calibration of all pressure, level, flow, temperature and monitoring instruments;
3. Operating tests of all valves, operators, motor starters and motor;
4. Alarms, signals, and fail-safe or system shutdown control tests;
5. Insulation resistance and point-to-point continuity tests;
6. Bench tests of all protective devices;
7. Tests required by manufacturer of equipment; and
8. Complete pre-parallel checks with PacifiCorp.

Required start-up tests are those checks and tests necessary to determine that all features and equipment, systems, and subsystems have been properly designed, manufactured, installed and adjusted, function properly, and are capable of operating simultaneously in such condition that the Facility is capable of continuous delivery into PacifiCorp's electrical system, which may include but are not limited to (as applicable):

1. Turbine/generator mechanical runs including shaft, vibration, and bearing temperature measurements;
2. Running tests to establish tolerances and inspections for final adjustment of bearings, shaft run-outs;
3. Brake tests;
4. Energization of transformers;
5. Synchronizing tests (manual and auto);
6. Stator windings dielectric test;
7. Armature and field windings resistance tests;
8. Load rejection tests in incremental stages from 5, 25, 50, 75 and 100 percent load;
9. Heat runs;
10. Tests required by manufacturer of equipment;
11. Excitation and voltage regulation operation tests;
12. Open circuit and short circuit; saturation tests;
13. Governor system steady state stability test;
14. Phase angle and magnitude of all PT and CT secondary voltages and currents to protective relays, indicating instruments and metering;
15. Auto stop/start sequence;
16. Level control system tests; and
17. Completion of all state and federal environmental testing requirements.

EXHIBIT F

SELLER AUTHORIZATION TO RELEASE GENERATION DATA TO PACIFICORP

[Interconnection Customer Letterhead]

Transmission Services
Attn: Director, Transmission Services
825 NE Multnomah, Suite 1600
Portland, OR 97232

RE: ___________ Interconnection Request

Dear Sir:

_________________ hereby voluntarily authorizes PacifiCorp's Transmission business unit to share _____________________'s generator interconnection information and generator meter data with Marketing Affiliate employees of PacifiCorp Energy, including, but not limited to those in the Commercial and Trading group. _________________ acknowledges that PacifiCorp did not provide it any preferences, either operational or rate-related, in exchange for this voluntary consent.

____
Name

____
Title

____
Date

EXHIBIT G

STANDARD AVOIDED COST RATES SCHEDULE AND PRICING SUMMARY TABLE

EXHIBIT H

GREEN TAG ATTESTATION AND BILL OF SALE

Subject to Green Tags ownership as defined in Section 5.5, from the period commencing on ____ and ending on _____, _____________________ ("Seller") hereby sells, transfers and delivers to PacifiCorp the Green Tags (including all Green Tag Reporting Rights) associated with the generation of Net Output under the Power Purchase Agreement (Renewable Energy) between Seller and PacifiCorp dated [_________] (the "PPA"), as described below, in the amount of one Green Tag for each megawatt hour generated. Defined terms used in this Green Tag Attestation and Bill of Sale (as indicated by initial capitalization) shall have the meaning set forth in the PPA.

Facility name and location: ________________________ Fuel Type: _____________

Capacity (MW): _________________ Operational Date: _______________________

Energy Admin. ID no.: ________

Dates	MWh generated
__________	________

Seller further attests, warrants and represents, under penalty of perjury, as follows:

i) to the best of its knowledge, the information provided herein is true and correct;

ii) its sale to PacifiCorp is its one and only sale of the Green Tags referenced herein;

iii) the Facility generated Output in the amount indicated above; and

iv) to the best of Seller's knowledge, each of the Green Tags associated with the generation Output have been generated and sold by the Facility.

This Green Tag Attestation and Bill of Sale confirms, in accordance with the PPA, the transfer from Seller to PacifiCorp all of Seller's right, title and interest in and to the Green Tags (including Green Tag Reporting Rights), as set forth above.

Seller's Contact Person: [________________________________]

WITNESS MY HAND,

____

a ____

By ______________________

Its ______________________

Date: ______________________

This Attestation may be disclosed by Seller and PacifiCorp to others, including the Center for Resource Solutions and the public utility commissions having jurisdiction over PacifiCorp, to substantiate and verify the accuracy of PacifiCorp's advertising and public communication claims, as well as in PacifiCorp's advertising and other public communications.

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 1931

PORTLAND GENERAL ELECTRIC COMPANY,	)
	)
Complainant,	)
	)
v.	)
	)
ALFALFA SOLAR I LLC, et al.	)
	)
Defendants.	)
	)

EXHIBIT CREA-NIPPC-REC/102

IDAHO POWER COMPANY SCHEDULE 85 COGENERATION AND SMALL POWER PRODUCTION STANDARD CONTRACT RATES

December 28, 2018

SCHEDULE 85
COGENERATION AND SMALL POWER
PRODUCTION STANDARD
CONTRACT RATES

AVAILABILITY

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

APPLICABILITY

Service under this schedule is applicable to any Seller that:

1. Owns or operates a Qualifying Facility meeting the Eligibility Threshold defined below and desires to sell Energy generated by the Qualifying Facility to the Company in compliance with all the terms and conditions of the Standard Contract; (C)

2. Meets all applicable requirements of the Company's Generation Interconnection Process.

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

DEFINITIONS

Eligibility Threshold is the Nameplate Capacity requirement of a Qualifying Facility in order to be eligible for the terms and conditions of the Standard Contract. The separate Eligibility Threshold delineations are: (N)

1. For all solar QF projects:
   a. With a Nameplate Capacity no greater than 3 MW – the project is eligible for a Standard Contract with fixed terms and standard avoided cost prices;
   b. With a Nameplate Capacity above 3 MW and less than or equal to 10 MW – the project is eligible for a Standard Contract with fixed terms and negotiated avoided cost prices;
2. For all non-solar QF projects with a Nameplate Capacity of 10 MW or less – the project is eligible for a Standard Contract with fixed terms and standard avoided cost prices. (N)

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

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

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

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

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

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

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

DEFINITIONS (Continued)

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

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

Non-Standard Contract is a negotiated contract between any Seller that owns or operates a Qualifying Facility with a nameplate capacity rating which does not meet the Eligibility Threshold and desires to sell Energy generated by the Qualifying Facility to the Company. The starting point for negotiation of price is the Avoided Cost Components established in this schedule and may be modified to address specific factors mandated by federal and state law, including (C)

1. The utility's system cost data;

2. The availability of capacity or energy from a Qualifying Facility during the system daily and seasonal peak periods, including:

   a. The ability of the utility to dispatch the qualifying facility;

   b. The expected or demonstrated reliability of the qualifying facility;

   c. The terms of any contract or other legally enforceable obligation, including the duration of the obligation, termination notice requirement and sanctions for non-compliance;

   d. The extent to which scheduled outages of the qualifying facility can be usefully coordinated with scheduled outages of the utility's facilities;

   e. The usefulness of energy and capacity supplied from a qualifying facility during system emergencies, including its ability to separate its load from its generation;

   f. The individual and aggregate value of energy and capacity from qualifying facilities on the electric utility's system; and

   g. The smaller capacity increments and the shorter lead times available with additions of capacity from qualifying facilities; and

3. The relationship of the availability of energy or capacity from the Qualifying Facility to the ability of the electric utility to avoid costs, including the deferral of capacity additions and the reduction of fossil fuel use; and

4. The costs or savings resulting from variations in line losses from those that would have existed in the absence of purchases from a Qualifying Facility, if the purchasing electric utility generated an equivalent amount of energy itself or purchased an equivalent amount of electric energy or capacity.

The guidelines for negotiating a Non-Standard Contract are more specifically described later in this schedule in GUIDELINES FOR NEGOTIATION OF POWER PURCHASE AGREEMENTS FOR QFS NOT MEETING THE ELIGIBILITY THRESHOLD. (D) (C)

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

DEFINITIONS (Continued)

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

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

PURPA means the Public Utility Regulatory Policies Act of 1978. (M)

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

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

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

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

Standard Contracts are the pro forma Energy Sales Agreements the Company maintains on file with the Public Utility Commission of Oregon for Intermittent and non-intermittent on-system Qualifying Facilities and Intermittent and non-intermittent off-system Qualifying Facilities, with a Nameplate Capacity which meets the Eligibility Threshold. (C)

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

QUALIFYING FACILITY INFORMATION INQUIRY PROCESS

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

1. Generation Interconnection Process

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

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

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

QUALIFYING FACILITY INFORMATION INQUIRY PROCESS (Continued0

2. Energy Sales Agreement (M)

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

a. Communications

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

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

b. Procedures

i. The Company's approved Energy Sales Agreement may be obtained from the Company's website at http://www.idahopower.com or if the Seller is unable to obtain it from the website, the Company will send a copy within 10 business days of a written request.

ii. In order to obtain a project specific draft Energy Sales Agreement the Seller must provide in writing to the Company, general project information required for the completion of an Energy Sales Agreement, including, but not limited to:

a) Date of request
b) Company / Organization that will be the contracting party
c) Contract notification information including name, address and telephone number
d) Verification that the Qualifying Facility meets the "Eligibility for Standard Rates and Contract" criteria
e) Copy of the Qualifying Facility's QF certificate
f) Copy of the FERC license (applicable to hydro projects only)
g) Location of the proposed project including general area and specific legal property description
h) Description of the proposed project including specific equipment models, types, sizes and configurations
i) Type of project (wind, hydro, geothermal etc)
j) Nameplate capacity of the proposed project
k) Schedule 85 pricing option selected
l) Desired term of the Energy Sales Agreement
m) Annual net energy amount
n) Maximum capacity of the Qualifying Facility
o) Estimated first energy date
p) Estimated operation date
q) Point of Delivery
r) Status of the Generation Interconnection Process

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

QUALIFYING FACILITY INFORMATION INQUIRY PROCESS (Continued)

b. Procedures (Continued)

iii. The Company shall provide a draft Energy Sales Agreement when all information described in Paragraph 2 above has been received in writing from the Seller. Within 15 business days following receipt of all information required in Paragraph 2 the Company will provide the Seller with a draft Energy Sales Agreement including current standard avoided cost prices and/or other optional pricing mechanisms as approved by the Oregon Public Utility Commission in this Schedule.

iv. The Company will respond within 15 business days to any written comments and proposals that the Seller provides in response to the draft Energy Sales Agreement.

v. If the Seller desires to proceed with the Energy Sales Agreement after reviewing the Company's draft Energy Sales Agreement, it may request in writing that the Company prepare a final draft Energy Sales Agreement. In connection with such request, the Seller must provide the Company with an updated status of the Generation Interconnection Process which indicates that the Seller's provided information (i.e. first energy date, operation date, etc.) are realistically attainable and any additional or clarified project information that the Company reasonably determines to be necessary for the preparation of a final draft Energy Sales Agreement. Once the Company has received the written request for a final draft Energy Sales Agreement and all additional or clarified project information that the Company reasonably determines to be necessary for the preparation of a final draft Energy Sales Agreement, the Company will provide Seller with a final draft Energy Sales Agreement within 15 business days.

vi. After reviewing the final draft Energy Sales Agreement, the Seller may either prepare another set of written comments and proposals or approve the final draft Energy Sales Agreement. If the Seller prepares written comments and proposals, the Company will respond within 15 business days to those comments and proposals.

vii. When both parties are in full agreement as to all terms and conditions of the final draft Energy Sales Agreement, the Company will prepare and forward to the Seller within 15 business days a final executable version of the Energy Sales Agreement. Once the Seller executes the Energy Sales Agreement and returns all copies to the Company, the Company will execute the Energy Sales Agreement. Following the Company's execution a completely executed copy will be returned to the Seller. Prices and other terms and conditions in the Energy Sales Agreement will not be final and binding until the Energy Sales Agreement has been executed by both parties.

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

AVOIDED COST PRICE
Standard Avoided Cost Prices for Baseload QF

Year	On-Peak	Off-Peak
	$/MWh	$/MWh
	(a)	(b)
2018	$21.65	$14.62
2019	$23.12	$16.90
2020	$25.50	$19.12
2021	$28.93	$22.45
2022	$30.93	$24.22
2023	$32.49	$25.67
2024	$33.83	$26.79
2025	$34.95	$27.88
2026	$52.19	$33.12
2027	$54.05	$34.58
2028	$55.63	$35.75
2029	$56.93	$36.63
2030	$57.98	$37.26
2031	$59.20	$38.04
2032	$60.28	$38.68
2033	$61.16	$39.10
2034	$62.12	$39.60
2035	$63.31	$40.32
2036	$64.79	$41.31
2037	$65.99	$42.02
2038	$67.66	$43.19
2039	$69.60	$44.61
2040	$71.20	$45.69
2041	$72.69	$46.65
2042	$74.26	$47.67

(C)
(C)

Notes:
(a) Value of on-peak capacity allocated to on-peak hours of a Baseload resource. 2018-2025 On-peak Market Prices. (C)
Fuel and Capitalized Energy Cost of the Proxy CCCT. 2018-2025 (C)
(b) Off-Peak Market Prices.

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

Standard Avoided Cost Prices with Integration Charges for a Wind QF

Year	On-Peak	Off-Peak	Wind Integration Charge	On-Peak with Integration Charge	Off-Peak with Integration Charge	
	($/MWh)	$/MWh	$/MWh	$/MWh	$/MWh	
	(a)	(b)	(c)	(d) (a)-(c)	(e) (b)-(c)	
2018	$21.65	$14.62	$17.51	$4.14	($2.89)	(C)
2019	$23.12	$16.90	$18.03	$5.09	($1.13)	
2020	$25.50	$19.12	$18.57	$6.93	$0.55	
2021	$28.93	$22.45	$19.13	$9.80	$3.32	
2022	$30.93	$24.22	$19.70	$11.23	$4.52	
2023	$32.49	$25.67	$20.29	$12.20	$5.38	
2024	$33.83	$26.79	$20.90	$12.93	$5.89	
2025	$34.95	$27.88	$21.53	$13.42	$6.35	
2026	$36.63	$33.12	$22.18	$14.45	$10.94	
2027	$38.16	$34.58	$22.84	$15.32	$11.74	
2028	$39.41	$35.75	$23.53	$15.88	$12.22	
2029	$40.36	$36.63	$24.23	$16.13	$12.40	
2030	$41.07	$37.26	$24.96	$16.11	$12.30	
2031	$41.93	$38.04	$25.71	$16.22	$12.33	
2032	$42.65	$38.68	$26.48	$16.17	$12.20	
2033	$43.16	$39.10	$27.27	$15.89	$11.83	
2034	$43.74	$39.60	$28.09	$15.65	$11.51	
2035	$44.55	$40.32	$28.93	$15.62	$11.39	
2036	$45.63	$41.31	$29.80	$15.83	$11.51	
2037	$46.43	$42.02	$30.70	$15.73	$11.32	
2038	$47.69	$43.19	$31.62	$16.07	$11.57	
2039	$49.21	$44.61	$32.57	$16.64	$12.04	
2040	$50.38	$45.69	$33.25	$17.13	$12.44	
2041	$51.44	$46.65	$33.95	$17.49	$12.70	
2042	$52.56	$47.67	$34.66	$17.90	$13.01	(C)

Notes:

(a) Value of on-peak capacity allocated to on-peak hours of a Wind resource
(b) Fuel and Capitalized Energy Cost of the Proxy CCCT
(c) Wind Integration Charges based on current penetration level of 701-800 MW. The Integration Charge will be updated when the next penetration level is reached.
(d) 2018 - 2025 On-Peak Market Prices (C)
(e) 2018 - 2025 Off-Peak Market Prices (C)

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

Standard Avoided Cost Prices with Integration Charges for a PV Solar QF

Year	On-Peak	Off-Peak	PV Solar Integration Charge	On-Peak with Integration Charge	Off-Peak with Integration Charge
	($/MWh)	$/MWh	$/MWh	$/MWh	$/MWh
	(a)	(b)	(c)	(d) (a)-(c)	(e) (b)-(c)
2018	$21.65	$14.62	$0.56	$21.09	$14.06
2019	$23.12	$16.90	$0.57	$22.55	$16.33
2020	$25.50	$19.12	$0.59	$24.91	$18.53
2021	$28.93	$22.45	$0.60	$28.33	$21.85
2022	$30.93	$24.22	$0.61	$30.32	$23.61
2023	$32.49	$25.67	$0.63	$31.86	$25.04
2024	$33.83	$26.79	$0.64	$33.19	$26.15
2025	$34.95	$27.88	$0.66	$34.29	$27.22
2026	$56.76	$33.12	$0.67	$56.09	$32.45
2027	$58.72	$34.58	$0.68	$58.04	$33.90
2028	$60.39	$35.75	$0.70	$59.69	$35.05
2029	$61.79	$36.63	$0.71	$61.08	$35.92
2030	$62.95	$37.26	$0.73	$62.22	$36.53
2031	$64.27	$38.04	$0.75	$63.52	$37.29
2032	$65.46	$38.68	$0.76	$64.70	$37.92
2033	$66.45	$39.10	$0.78	$65.67	$38.32
2034	$67.52	$39.60	$0.80	$66.72	$38.80
2035	$68.83	$40.32	$0.81	$68.02	$39.51
2036	$70.42	$41.31	$0.83	$69.59	$40.48
2037	$71.74	$42.02	$0.85	$70.89	$41.17
2038	$73.53	$43.19	$0.87	$72.66	$42.32
2039	$75.59	$44.61	$0.89	$74.70	$43.72
2040	$77.32	$45.69	$0.91	$76.41	$44.78
2041	$78.94	$46.65	$0.93	$78.01	$45.72
2042	$80.63	$47.67	$0.95	$79.68	$46.72

(C)
(C)

Notes:
- (a) Value of on-peak capacity allocated to on-peak hours of a Fixed PV Utility Solar resource
- (b) Fuel and Capitalized Energy Cost of the Proxy CCCT
- (c) Solar Integration Charges based on current penetration level of 301-400 MW. The Integration Charge will be updated when the next penetration level is reached.
- (d) 2018 - 2025 On-Peak Market Prices (C)
- (e) 2018 - 2025 Off-Peak Market Prices (C)

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

NET ENERGY PURCHASE PRICE

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

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

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

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

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

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

Option 1 – Dead Band Method

Net Energy Purchase Price =

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

Actual Gas Price Used (AGPU) =
90% of Fuel Cost if
Indexed Fuel Cost is less than 90% Fuel Cost; else
110% of Fuel Cost if
Indexed Fuel Cost is greater than 110% Fuel Cost; else
Indexed Fuel Cost

where

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

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

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

NET ENERGY PURCHASE PRICE (Continued)

Option 2 – Gas Market Method

Net Energy Purchase Price =

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

Actual Gas Price Used (AGPU) = Indexed Fuel Cost

where

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

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

MISCELLANEOUS PROVISIONS

Insurance

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

GUIDELINES FOR NEGOTIATION OF POWER PURCHASE AGREEMENTS
FOR QFS NOT MEETING THE ELIGIBILITY THRESHOLD (C)

1. The Company will not impose terms and conditions beyond what is standard practice. The Edison Electric Institute master agreement and the Company's Standard Contracts are useful starting points in negotiating QF agreements.

2. The Company will provide an indicative pricing proposal for a QF that plans to provide firm energy or capacity and chooses avoided cost rates calculated at the time of the obligation. The Company will provide an indicative pricing proposal within 30 days of receipt of the information the Company requires from the QF. The proposal may include other terms and conditions, tailored to the individual characteristics of the proposed project. The avoided cost rates in the indicative pricing proposal will be based on the following:

   a. The starting point for negotiations is the avoided cost calculated under the modeling methodology approved by the Idaho Public Utilities Commission for negotiated contracts, as refined by the Oregon Public Utility Commission to incorporate stochastic analyses of electric and natural gas prices, loads, hydro and unplanned outages. (C)

   b. The prospective QF may request in writing that the Company prepare a draft power purchase agreement to serve as the basis for negotiations. The Company may require additional information from the QF necessary to prepare a draft agreement.

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

GUIDELINES FOR NEGOTIATION OF POWER PURCHASE AGREEMENTS
FOR QFS NOT MEETING THE ELIGIBILITY THRESHOLD(Continued) (C)

c. Within 30 days of receiving the required information, the Company will provide a draft power purchase agreement containing a comprehensive set of proposed terms and conditions.

d. The QF must submit in writing a statement of its intention to begin negotiations with the Company and may include written comments and proposals. The Company is not obligated to begin negotiations until it receives written notification from the QF. The Company will not unreasonably delay negotiations and will respond in good faith to all proposals by the QF.

e. When the parties have agreed, the Company will prepare a final version of the contract within 15 business days. A contract is not final and binding until signed by both parties.

f. At any time after 60 days from the date the QF has provided its written notification pursuant to paragraph d., the QF may file a complaint with the Oregon Public Utility Commission asking the Commission to adjudicate any unresolved contract terms and conditions.

3. QFs have the unilateral right to select a contract length of up to 20 years for a PURPA contract. The contract length selected by the QF may impact other contractual issues including, but not limited to, the avoided cost determination with respect to that QF.

4. The Company should consider the QF to be providing firm energy or capacity if the contract requires delivery of a specified amount of energy or capacity over a specified term and includes sanctions for non-compliance under a legally enforceable obligation. The Company shall not determine that a QF provides no capacity value simply because the Company did not select it through a competitive bidding process. For a QF providing firm energy or capacity:

a. The Company and the QF should negotiate the time periods when the QF may schedule outages and the advance notification requirement for such outages, using provisions in the Company's partial requirements tariffs as guidance.

b. The QF should be required to make best efforts to meet its capacity obligations during Company system emergencies.

c. The Company and the QF should negotiate security, default, damage and termination provisions that keep the Company and its ratepayers whole in the event the QF fails to meet obligations under the contract.

d. Delay of commercial operation should not be a cause of termination if the Company determines at the time of contract execution that it will be resource-sufficient as of the QF on-line date specified in the contract; however, damages may be appropriate.

e. Lack of natural motive force for testing to prove commercial operation should not be a cause of termination.

f. The Company should include a provision in the contract that states the Company may require a QF terminated due to its default and wishing to resume selling to the Company be subject to the terms of the original contract until its end date.

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

GUIDELINES FOR NEGOTIATION OF POWER PURCHASE AGREEMENTS
FOR QFS NOT MEETING THE ELIGIBILITY THRESHOLD (Continued) (C)

5. An "as available" obligation for delivery of energy, including deliveries in excess of Nameplate Capacity or the amount committed in the QF contract, should be treated as a non-firm commitment. Non-firm commitments should not be subject to minimum delivery requirements, default damages for construction delay or under-delivery, default damages for the QF choosing to terminate the contract early, or default security for these purposes.

6. For QFs unable to establish creditworthiness, the Company must at a minimum allow the QF to choose either a letter of credit or cash escrow for providing default security. When determining security requirements, the Company should take into account the risk associated with the QF based on such factors as its size and type of supply commitments.

7. When QF rates are based on avoided costs calculated at the time of delivery, the Company should use day-ahead on- and off-peak market index prices at the appropriate market hub(s).

   a. For QFs providing firm energy or capacity that choose this option, avoided cost rates should be based on day-ahead market index prices for firm purchases.

   b. For QFs providing energy on an "as available" basis, avoided cost rates should be based on day-ahead market index prices for non-firm purchases.

8. The Company should not make adjustments to standard avoided cost rates other than those approved by the Oregon Public Utility Commission and consistent with these guidelines.

9. The Company should make adjustments to avoided costs for reliability on an expected forward-looking basis. The Company should design QF rates to provide an incentive for the QF to achieve the contracted level and timing of energy deliveries.

10. The Company should make adjustments to avoided costs for dispatchability on a probabilistic, forward-looking basis.

11. If avoided cost rates for a QF are calculated at the time of the obligation and the Company's avoided resource is a fossil fuel plant, the Company should adjust avoided cost rates for the resource deficiency period to take into account avoided fossil fuel price risk.

12. Avoided cost rates for wind QFs should be adjusted for integration cost estimates based on studies conducted for the Company's system, unless the QF contracts for integration services with a third party.

   a. The Company should use the most recent integration cost data available, consistent with its evaluation of competitively bid and self-build wind resources.

   b. The portion of integration costs attributable to reserves costs should be based on the difference in such costs between the wind QF and the Company proxy plant.

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

GUIDELINES FOR NEGOTIATION OF POWER PURCHASE AGREEMENTS
FOR QFS NOT MEETING THE ELIGIBILITY THRESHOLD (Continued) (C)

c. The Company should base first-year integration costs on the actual level of wind resources in the control area, plus the proposed QF. Integration costs for years two through five of the contract should be based on the expected level of wind resources in the control area each year, including the new resources the Company expects to add. Integration costs should be fixed at the year-five level, adjusted for inflation, for the remainder of the life of the wind projects in the control area.

d. The Company is prohibited from using a long-range planning target for wind resources as the basis for integration costs. However, if the Company is subject to near-term targets under a mandatory Renewable Portfolio Standard, the Company may base its integration costs on the level of renewable resources it must acquire over the next 10 years.

e. In determining integration costs, the Company should make reasonable estimates regarding the portion of renewable resources to be acquired that will be intermittent resources.

13. The Company should adjust avoided cost rates for QF line losses relative to the Company proxy plant based on a proximity-based approach.

14. The Company should evaluate whether there are potential savings due to transmission and distribution system upgrades that can be avoided or deferred as a result of the QFs location relative to the Company proxy plant and adjust avoided cost rates accordingly.

15. The Company should not adjust avoided cost rates for any distribution or transmission system upgrades needed to accept QF power. Such costs should be separately charged as part of the interconnection process.

16. The Company should not adjust avoided cost rates based on its determination of the additional cost it might incur for any debt imputation by a credit rating agency.

17. Regarding Surplus Sale and Simultaneous Purchase and Sale:

a. QFs may either contract with the Company for a “surplus sale” or for a “simultaneous purchase and sale” provided, however, that the QFs selection of either such contractual arrangement shall not be inconsistent with any retail tariff provision of the Company then in effect or any agreement between the QF and the Company;

b. The two sale/purchase arrangements described in paragraph 17. a will be available to QFs regardless of whether they qualify for standard contracts and rates or non-standard contracts and rates, however the “simultaneous purchase and sale” is not available to QFs not directly connected to the Company’s electrical system;

c. The negotiation parameters and guidelines should be the same for both sale/purchase arrangements described in paragraph 17. a; and

d. The avoided cost calculations by the Company do not require adjustment solely as a result of the selection of one of the sale/purchase arrangements described in paragraph 17.a., rather than the other.

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 1931

PORTLAND GENERAL ELECTRIC COMPANY,	)
Complainant,	)
v.	)
ALFALFA SOLAR I LLC, et al.	)
Defendants.	)

EXHIBIT CREA-NIPPC-REC/103

ONEENERGY OREGON STANDARD CONTRACT PPA

December 28, 2018

STANDARD CONTRACT POWER PURCHASE AGREEMENT

THIS AGREEMENT, entered into this 19th day, of February 2014, is between OneEnergy Oregon Solar, LLC ("Seller") and Portland General Electric Company ("PGE") (hereinafter each a "Party" or collectively, "Parties").

RECITALS

Seller intends to construct, own, operate and maintain a solar photovoltaic facility for the generation of electric power located in Polk County, Oregon, at approximately 45° 4'5.00"N; 123°28'14.31"W, with a Nameplate Capacity Rating of 2,500 kilowatt ("kW") alternating current (AC), as further described in Exhibit B ("Facility"); and

Seller intends to operate the Facility as a "Qualifying Facility," as such term is defined in Section 3.1.3, below.

Seller shall sell and PGE shall purchase the entire Net Output, as such term is defined in Section 1.19, below, from the Facility in accordance with the terms and conditions of this Agreement.

AGREEMENT

NOW, THEREFORE, the Parties mutually agree as follows:

SECTION 1: DEFINITIONS

When used in this Agreement, the following terms shall have the following meanings:

1.1. "As-built Supplement" means the supplement to Exhibit B provided by Seller in accordance with Section 4.4 following completion of construction of the Facility, describing the Facility as actually built.

1.2. "Billing Period" means a period between PGE's readings of its power purchase billing meter at the Facility in the normal course of PGE's business. Such periods typically vary and may not coincide with calendar months.

1.3. "Capacity Value" has the meaning provided for in Schedule 201 (as defined below).

1.4. "Cash Escrow" means an agreement by two parties to place money into the custody of a third party for delivery to a grantee only after the fulfillment of the conditions specified.

1.5. "Commercial Operation Date" means the date that the Facility is deemed by PGE to be fully operational and reliable which shall require, among other things, that all of the following events have occurred:

1.5.1. PGE has received a certificate addressed to PGE from a Licensed Professional Engineer ("LPE") acceptable to PGE in its reasonable judgment stating that the Facility is able to generate electric power reliably in amounts required by this Agreement and in accordance with all other terms and conditions of this Agreement (certifications required under this Section 1.5 can be provided by one or more LPEs);

1.5.2. Start-Up Testing of the Facility has been completed in accordance with Section 1.27;

1.5.3. After PGE has received notice of completion of Start-Up Testing, PGE has received a certificate addressed to PGE from an LPE stating that the Facility has operated for testing purposes under this Agreement uninterrupted for a Test Period at a rate in kW of at least 75 percent of average annual Net Output divided by 8,760 based upon any sixty (60) minute period for the entire testing period. The Facility must provide ten (10) working days written notice to PGE prior to the start of the initial testing period. If the operation of the Facility is interrupted during this initial testing period or any subsequent testing period, the Facility shall promptly start a new Test Period and provide PGE forty-eight (48) hours written notice prior to the start of such testing period;

1.5.4. PGE has received a certificate addressed to PGE from an LPE stating that in accordance with the Generation Interconnection Agreement, all required interconnection facilities have been constructed, all required interconnection tests have been completed; and the Facility is physically interconnected with PGE's electric system.

1.5.5. PGE has received a certificate addressed to PGE from an LPE stating that Seller has obtained all Required Facility Documents and, if requested by PGE in writing, has provided copies of any or all such requested Required Facility Documents;

1.6. "Contract Price" means the applicable price as selected by Seller in Section 5.

1.7. "Contract Year" means each twelve (12) month period commencing at 00:00 hours on January 1 and ending on 24:00 hours on December 31 falling at least partially in the Term of this Agreement.

1.8. "Effective Date" has the meaning set forth in Section 2.1.

1.9. "Environmental Attributes" means any and all current or future credits, benefits, emissions reductions, environmental air quality credits, emissions reduction credits, offsets and allowances, howsoever entitled, resulting from the avoidance of the emission of any gas, chemical or other substance attributable to the Facility during the Term, or otherwise attributable to the generation, purchase, sale or use of energy from or by the Facility during the Term, including without limitation any of the same arising out of legislation or regulation concerned with oxides of nitrogen, sulfur or carbon, with particulate matter, soot or mercury, or implementing the United Nations Framework Convention on Climate Change (the "UNFCCC") or the Kyoto Protocol to the UNFCCC or crediting "early action" emissions reduction, or laws or regulations involving or administered by the Clean Air Markets Division of the Environmental Protection Agency or successor administrator, or any State or federal entity given jurisdiction over a program involving transferability of Environmental Attributes, and any Green Tag Reporting Rights to such Environmental Attributes.

1.10. "Facility" has the meaning set forth in the Recitals.

1.11. "Forward Replacement Price" means the price at which PGE, acting in a commercially reasonable manner, purchases for delivery at the Point of Receipt a replacement for any Net Output that Seller is required to deliver under this Agreement plus (i) costs reasonably incurred by PGE in purchasing such replacement Net Output, and (ii) additional transmission charges, if any, reasonably incurred by PGE in causing replacement energy to be delivered to the Point of Delivery.

1.12. "Generation Interconnection Agreement" means the generation interconnection agreement to be entered into separately between Seller and PGE, providing for the construction, operation, and maintenance of PGE's interconnection facilities required to accommodate deliveries of Seller's Net Output.

1.13. "Letter of Credit" means an engagement by a bank or other person made at the request of a customer that the issuer will honor drafts or other demands for payment upon compliance with the conditions specified in the letter of credit.

1.14. "Licensed Professional Engineer" or "LPE" means a person who is licensed to practice engineering in the state where the Facility is located, who has no economic relationship, association, or nexus with the Seller, and who is not a representative of a consulting engineer, contractor, designer or other individual involved in the development of the Facility, or of a manufacturer or supplier of any equipment installed in the Facility. Such Licensed Professional Engineer shall be licensed in an appropriate engineering discipline for the required certification being made and be acceptable to PGE in its reasonable judgment.

1.15. "Lost Energy Value" means for a Contract Year: zero, unless the Net Output is less than Minimum Net Output and the mean Mid C Index Price is greater than the Contract Price, in which case Lost Energy Value equals: (Minimum Net Output - Net Output) X (the lower of the mean Contract Price or (the Mean Mid C Index Price – mean Contract Price)).

1.16. "Mid-Columbia" means an area which includes points at any of the switchyards associated with the following four hydro projects: Rocky Reach, Rock Island, Wanapum and Priest Rapids. These switchyards include: Rocky Reach, Rock Island, Wanapum, McKenzie, Valhalla, Columbia, Midway and Vantage. Mid-Columbia shall also include points in the "Northwest Hub," as defined by Bonneville Power Administration. For scheduling purposes, the footprint described above shall dictate the delivery point name for the then current Western Electricity Coordinating Council ("WECC") scheduling protocols. If the footprint changes during the Term, a mutually agreed upon footprint that describes an area containing the most liquidity for trading purposes shall apply.

1.16.1 "Mid C Index Price" means the weighted average of the day-ahead On-Peak and Off-Peak prices at Mid-Columbia, as published in ICE settlement, or if such publication no longer exists, a successor publication as designated by the PGE and

Seller; provided, that if the Mid-Columbia Price is no longer published, or if the PGE and Seller do not agree on a successor publication, each Party shall obtain quotes from two (2) independent and reputable broker, and the Mid-Columbia Price shall be the average of such quotes.

1.17. “Nameplate Capacity Rating” means the maximum capacity of the Facility as stated by the manufacturer, expressed in kW, which shall not exceed 10,000 kW.

1.18. “Net Dependable Capacity” means the maximum capacity the Facility can sustain over a specified period modified for seasonal limitations, if any, and reduced by the capacity required for station service or auxiliaries.

1.19. "Net Output" means all energy expressed in kWhs produced by the Facility, less station and other onsite use and less transformation and transmission losses. Net Output does not include any Environmental Attributes.

1.20. “Off-Peak Hours” has the meaning provided in Schedule 201.

1.21. “On-Peak Hours” has the meaning provided in Schedule 201.

1.22. "Point of Delivery" means the high side of the generation step up transformer(s) located at the point of interconnection between the Facility and PGE's distribution or transmission system, as specified in the Generation Interconnection Agreement.

1.23. “Prime Rate” means the publicly announced prime rate or reference rate for commercial loans to large businesses with the highest credit rating in the United States in effect from time to time quoted by Citibank, N.A. If a Citibank, N.A. prime rate is not available, the applicable Prime Rate shall be the announced prime rate or reference rate for commercial loans in effect from time to time quoted by a bank with $10 billion or more in assets in New York City, N.Y., selected by the Party to whom interest based on the prime rate is being paid.

1.24. "Prudent Electrical Practices" means those practices, methods, standards and acts engaged in or approved by a significant portion of the electric power industry in the Western Electricity Coordinating Council that at the relevant time period, in the exercise of reasonable judgment in light of the facts known or that should reasonably have been known at the time a decision was made, would have been expected to accomplish the desired result in a manner consistent with good business practices, reliability, economy, safety and expedition, and which practices, methods, standards and acts reflect due regard for operation and maintenance standards recommended by applicable equipment suppliers and manufacturers, operational limits, and all applicable laws and regulations. Prudent Electrical Practices are not intended to be limited to the optimum practice, method, standard or act to the exclusion of all others, but rather to those practices, methods and acts generally acceptable or approved by a significant portion of the electric power generation industry in the relevant region, during the relevant period, as described in the immediate preceding sentence.

1.25. "Required Facility Documents" means all licenses, permits, authorizations, and agreements necessary for construction, operation, interconnection, and maintenance of the Facility including without limitation those set forth in Exhibit C.

1.26. "Senior lien" means a prior lien which has precedence as to the property under the lien over another lien or encumbrance.

1.27. "Start-Up Testing" means the completion of applicable required factory and start-up tests as set forth in Exhibit D.

1.28. "Step-in rights" means the right of one party to assume an intervening position to satisfy all terms of an agreement in the event the other party fails to perform its obligations under the agreement.

1.29. "Schedule 201" shall mean PGE rate Schedule 201 filed with the Oregon Public Utilities Commission in effect on the Effective Date of this Agreement and attached hereto as Exhibit E.

1.30. "Term" shall mean the period beginning on the Effective Date and ending on the Termination Date.

1.31. "Test Period" shall mean a period of sixty (60) days or a commercially reasonable period determined by the Seller.

1.32. References to Recitals, Sections, and Exhibits are to be the recitals, sections and exhibits of this Agreement.

SECTION 2: TERM; COMMERCIAL OPERATION DATE

2.1 This Agreement shall become effective upon execution by both Parties ("Effective Date").

2.2 Time is of the essence of this Agreement, and Seller's ability to meet certain requirements prior to the Commercial Operation Date and to complete all requirements to establish the Commercial Operation Date is critically important. Therefore,

2.2.1 By July 19, 2015 Seller shall begin initial deliveries of Net Output; and

2.2.2 By August 19, 2015 Seller shall have completed all requirements under Section 1.5 and shall have established the Commercial Operation Date.

2.2.3 In the event Seller is unable to meet the requirements of Sections 2.2.1 and 2.2.2, Seller shall pay damages equal to the Lost Energy Value. In calculating the Lost Energy Value for use in this section, the Minimum Net Output shall be prorated to account for any operational delay.

2.3 This Agreement shall terminate on February 19, 2034, up to 20 years from the Effective Date, or the date the Agreement is terminated in accordance with Section 10 or 12.2, whichever is earlier ("Termination Date").

SECTION 3: REPRESENTATIONS AND WARRANTIES

3.1 Seller and PGE represent, covenant, and warrant as follows:

3.1.1 Seller warrants it is a limited liability company duly organized under the laws of Oregon.

3.1.2 Seller warrants that the execution and delivery of this Agreement does not contravene any provision of, or constitute a default under, any indenture, mortgage, or other material agreement binding on Seller or any valid order of any court, or any regulatory agency or other body having authority to which Seller is subject.

3.1.3 Seller warrants that the Facility is and shall for the Term of this Agreement continue to be a "Qualifying Facility" ("QF") as that term is defined in the version of 18 C.F.R. Part 292 in effect on the Effective Date. Seller has provided the appropriate QF certification, which may include a Federal Energy Regulatory Commission ("FERC") self-certification to PGE prior to PGE's execution of this Agreement. At any time during the Term of this Agreement, PGE may require Seller to provide PGE with evidence satisfactory to PGE in its reasonable discretion that the Facility continues to qualify as a QF under all applicable requirements.

3.1.4 Seller warrants that it has not within the past two (2) years been the debtor in any bankruptcy proceeding, and Seller is and will continue to be for the Term of this Agreement current on all of its financial obligations.

3.1.5 Seller warrants that during the Term of this Agreement, all of Seller's right, title and interest in and to the Facility shall be free and clear of all liens and encumbrances other than liens and encumbrances arising from third-party financing of the Facility other than workers', mechanics', suppliers' or similar liens, or tax liens, in each case arising in the ordinary course of business that are either not yet due and payable or that have been released by means of a performance bond acceptable to PGE posted within eight (8) calendar days of the commencement of any proceeding to foreclose the lien.

3.1.6 Seller warrants that it will design and operate the Facility consistent with Prudent Electrical Practices.

3.1.7 Seller warrants that the Facility has a Nameplate Capacity Rating not greater than 10,000 kW.

3.1.8 Seller warrants that Net Dependable Capacity of the Facility is 2,500 kW AC.

3.1.9 Seller estimates that the average annual Net Output to be delivered by the Facility to PGE is 3,629,000 kilowatt-hours ("kWh"), which amount PGE will include in its resource planning.

3.1.10 Seller will deliver from the Facility to PGE at the Point of Delivery Net Output not to exceed a maximum of 4,597,000 kWh of Net Output during each Contract Year ("Maximum Net Output").

3.1.11 Seller has entered into a Generation Interconnection Agreement for a term not less than the term of this Agreement.

3.1.12 PGE warrants that it has not within the past two (2) years been the debtor in any bankruptcy proceeding, and PGE is and will continue to be for the Term of this Agreement current on all of its financial obligations.

3.1.13 Seller will not make any changes in its ownership, control or management during the term of this Agreement that would cause it to not be in compliance with the Definition of a Small Cogeneration Facility or Small Power Production Facility Eligible to Receive the Standard Rates and Standard Contract approved by the Commission at the time this Agreement is executed. Seller will provide, upon request by Buyer not more frequently than every 36 months, such documentation and information as may be reasonably required to establish Seller's continued compliance with such Definition. Buyer agrees to take reasonable steps to maintain the confidentiality of any portion of the above described documentation and information that the Seller identifies as confidential except Buyer will provide all such confidential information to the Public Utility Commission of Oregon upon the Commission's request.

SECTION 4: DELIVERY OF POWER

4.1 Commencing on the Effective Date and continuing through the Term of this Agreement, Seller shall sell to PGE the entire Net Output delivered from the Facility at the Point of Delivery.

4.2 Provided Seller has elected the Contract Price options in Section 5.1, 5.2, or 5.3, Seller shall deliver to PGE from the Facility either a) a minimum of seventy-five percent (75%) of its average annual Net Output or b) the Alternative Minimum Amount as defined in Exhibit A during each Contract Year (hereinafter "Minimum Net Output"), provided that such Minimum Net Output for the first or last Contract Year during which Commercial Operations begins shall be reduced pro rata to reflect the Commercial Operation Date, and further provided that such Minimum Net Output shall be reduced on a pro-rata basis for any periods during a Contract Year that the Facility was prevented from generating electricity for reasons of Force Majeure. PGE shall pay Seller the Contract Price for all delivered Net Output.

4.3 Provided Seller has elected the Contract Price options in Section 5.1, 5.2, or 5.3, Seller agrees that if Seller does not deliver the Minimum Net Output each Contract Year, PGE will suffer losses equal to the Lost Energy Value. As damages for Seller's failure to deliver the Minimum Net Output (subject to adjustment for reasons of Force Majeure as provided in Section 4.2) in any Contract Year, notwithstanding any other provision of this Agreement, the purchase price payable by PGE for future deliveries shall be reduced until Lost Energy Value is recovered. PGE and Seller shall work together in good faith to establish the period, in monthly amounts, of such reduction so as to avoid Seller's default on its commercial or financing agreements necessary for its continued operation of the Facility. For QF Facilities sized at 100 kW or smaller, the provisions of this section shall not apply.

4.4 Upon completion of construction of the Facility, Seller shall provide PGE an As-built Supplement to specify the actual Facility as built. Seller shall not increase the Nameplate Capacity Rating above that specified in Exhibit B or increase the ability of the Facility to deliver Net Output in quantities in excess of the Net Dependable Capacity, or the Maximum Net Output as described in Section 3.1.10 above, through any means including, but not limited to, replacement, modification, or addition of existing equipment, except with prior written notice to PGE. In the event Seller increases the Nameplate Capacity Rating of the Facility to no more than 10,000 kW pursuant to this section, PGE shall pay the Contract Price for the additional delivered Net Output. In the event Seller increases the Nameplate Capacity Rating to greater than 10,000 kW, then Seller shall be required to enter into a new power purchase agreement for all delivered Net Output proportionally related to the increase of Nameplate Capacity above 10,000kW.

4.5 To the extent not otherwise provided in the Generation Interconnection Agreement, all costs associated with the modifications to PGE's interconnection facilities or electric system occasioned by or related to the interconnection of the Facility with PGE's system, or any increase in generating capability of the Facility, or any increase of delivery of Net Dependable Capacity from the Facility, shall be borne by Seller.

4.6 Seller may report under §1605(b) of the Energy Policy Act of 1992 or under any applicable program as belonging to Seller any of the Environmental Attributes produced with respect to the Facility, and PGE shall not report under such program that such Environmental Attributes belong to it.

SECTION 5: CONTRACT PRICE

PGE shall pay Seller for the price options 5.1, 5.2, 5.3 or 5.4, as selected below, pursuant to Schedule 201. Seller shall indicate which price option it chooses by marking its choice below with an X. If Seller chooses the option in Section 5.1, it must mark below a single second option from Section 5.2, 5.3, or 5.4 for all Contract Years in excess of 15 until the remainder of the Term. Except as provided herein, Sellers selection is for the Term and shall not be changed during the Term.

5.1 X Fixed Price (for the first 15 years following the Commercial Operation Date)
5.2 X Deadband Index Gas Price (for the 16th year following the Commercial Operation Date and continuing until the end of Term)
5.3 ____ Index Gas Price
5.4 ____ Mid-C Index Rate Price

SECTION 6: OPERATION AND CONTROL

6.1 Seller shall operate and maintain the Facility in a safe manner in accordance with the Generation Interconnection Agreement, and Prudent Electrical Practices. PGE shall have no obligation to purchase Net Output from the Facility to the extent the interconnection of the Facility to PGE's electric system is disconnected, suspended or interrupted, in whole or in part, pursuant to the Generation Interconnection Agreement, or to the extent generation curtailment is required as a result of Seller's noncompliance with the Generation Interconnection Agreement. Seller is solely responsible for the operation and maintenance of the Facility. PGE shall not, by reason of its decision to inspect or not to inspect the Facility, or by any action or inaction taken with respect to any such inspection, assume or be held responsible for any liability or occurrence arising from the operation and maintenance by Seller of the Facility.

6.2 Seller agrees to provide sixty (60) days advance written notice of any scheduled maintenance that would require shut down of the Facility for any period of time.

6.3 If the Facility ceases operation for unscheduled maintenance, Seller immediately shall notify PGE of the necessity of such unscheduled maintenance, the time when such maintenance has occurred or will occur, and the anticipated duration of such maintenance. Seller shall take all reasonable measures and exercise its best efforts to avoid unscheduled maintenance, to limit the duration of such unscheduled maintenance, and to perform unscheduled maintenance during Off-Peak hours.

SECTION 7: CREDITWORTHINESS

In the event Seller: a) is unable to represent or warrant as required by Section 3 that it has not been a debtor in any bankruptcy proceeding within the past two (2) years; b) becomes such a debtor during the Term; or c) is not or will not be current on all its financial obligations, Seller shall immediately notify PGE and shall promptly (and in no less than 10 days after notifying PGE) provide default security in an amount reasonably acceptable to PGE in one of the following forms: Senior Lien, Step in Rights, a Cash Escrow or Letter of Credit. The amount of such default security that shall be acceptable to PGE shall be equal to: (annual On Peak Hours) X (On Peak Price – Off Peak Price) X (Minimum Net Output / 8760). Notwithstanding the foregoing, in the event Seller is not current on construction related financial obligations, Seller shall notify PGE of such delinquency and PGE may, in its discretion, grant an exception to the requirements to provide default security if the QF has negotiated financial arrangements with the construction loan lender that mitigate Seller's financial risk to PGE.

SECTION 8: METERING

8.1 PGE shall design, furnish, install, own, inspect, test, maintain and replace all metering equipment at Seller's cost and as required pursuant to the Generation Interconnection Agreement.

8.2 Metering shall be performed at the location and in a manner consistent with this Agreement and as specified in the Generation Interconnection Agreement. All Net Output purchased hereunder shall be adjusted to account for electrical losses, if any, between the point of metering and the Point of Delivery, so that the purchased amount reflects the net amount of power flowing into PGE's system at the Point of Delivery.

8.3 PGE shall periodically inspect, test, repair and replace the metering equipment as provided in the Generation Interconnection Agreement. If any of the inspections or tests discloses an error exceeding two (2%) percent of the actual energy delivery, either fast or slow, proper correction, based upon the inaccuracy found, shall be made of previous readings for the actual period during which the metering equipment rendered inaccurate measurements if that period can be ascertained. If the actual period cannot be ascertained, the proper correction shall be made to the measurements taken during the time the metering equipment was in service since last tested, but not exceeding three (3) months, in the amount the metering equipment shall have been shown to be in error by such test. Any correction in billings or payments resulting from a correction in the meter records shall be made in the next monthly billing or payment rendered. Such correction, when made, shall constitute full adjustment of any claim between Seller and PGE arising out of such inaccuracy of metering equipment.

8.4 To the extent not otherwise provided in the Generation Interconnection Agreement, all of PGE's costs relating to all metering equipment installed to accommodate Seller's Facility shall be borne by Seller.

SECTION 9: <u>BILLINGS, COMPUTATIONS AND PAYMENTS</u>

9.1 On or before the thirtieth (30th) day following the end of each Billing Period, PGE shall send to Seller payment for Seller's deliveries of Net Output to PGE, together with computations supporting such payment. PGE may offset any such payment to reflect amounts owing from Seller to PGE pursuant to this Agreement, the Generation Interconnection Agreement, and any other agreement related to the Facility between the Parties or otherwise.

9.2 Any amounts owing after the due date thereof shall bear interest at the Prime Rate plus two percent (2%) from the date due until paid; provided, however, that the interest rate shall at no time exceed the maximum rate allowed by applicable law.

<u>SECTION 10: DEFAULT, REMEDIES AND TERMINATION</u>

10.1 In addition to any other event that may constitute a default under this Agreement, the following events shall constitute defaults under this Agreement:

10.1.1 Breach by Seller or PGE of a representation or warranty, except for Section 3.1.4, set forth in this Agreement.

10.1.2 Seller's failure to provide default security, if required by Section 7, prior to delivery of any Net Output to PGE or within 10 days of notice.

10.1.3 Seller's failure to deliver the Minimum Net Output for two consecutive Contract Years.

10.1.4 If Seller is no longer a Qualifying Facility.

10.1.5 Failure of PGE to make any required payment pursuant to Section 9.1.

10.2 In the event of a default hereunder, the non-defaulting party may immediately terminate this Agreement at its sole discretion by delivering written notice to the other Party, and, except for damages related to a default pursuant to Section 10.1.3 by a QF sized at 100 kW or smaller, may pursue any and all legal or equitable remedies provided by law or pursuant to this Agreement including damages related to the need to procure replacement power. Such termination shall be effective upon the date of delivery of notice, as provided in Section 21.1. The rights provided in this Section 10 are cumulative such that the exercise of one or more rights shall not constitute a waiver of any other rights.

10.3 If this Agreement is terminated as provided in this Section 10 PGE shall make all payments, within thirty (30) days, that, pursuant to the terms of this Agreement, are owed to Seller as of the time of receipt of notice of default. PGE shall not be required to pay Seller for any Net Output delivered by Seller after such notice of default.

10.4 If this Agreement is terminated as a result of Seller's default, Seller shall pay PGE the positive difference, if any, obtained by subtracting the Contract Price from the sum of the Forward Replacement Price for the Minimum Net Output that Seller was otherwise obligated to provide for a period of twenty-four (24) months from the date of termination. Accounts owed by Seller pursuant to this paragraph shall be due within five (5) business days after any invoice from PGE for the same.

10.5 In the event PGE terminates this Agreement pursuant to this Section 10, and Seller wishes to again sell Net Output to PGE following such termination, PGE in its sole discretion may require that Seller shall do so subject to the terms of this Agreement, including but not limited to the Contract Price until the Term of this Agreement (as set forth in Section 2.3) would have run in due course had the Agreement remained in effect. At such time Seller and PGE agree to execute a written document ratifying the terms of this Agreement.

10.6 Sections 10.1 10.3 10.4 10.5, 11, and 20.2 shall survive termination of this Agreement.

SECTION 11: INDEMNIFICATION AND LIABILITY

11.1 Seller agrees to defend, indemnify and hold harmless PGE, its directors, officers, agents, and representatives against and from any and all loss, claims, actions or suits, including costs and attorney's fees, both at trial and on appeal, resulting from, or arising out of or in any way connected with Seller's delivery of electric power to PGE or with the facilities at or prior to the Point of Delivery, or otherwise arising out of this Agreement, including without limitation any loss, claim, action or suit, for or on account of injury, bodily or otherwise, to, or death of, persons, or for damage to, or destruction or economic loss of property belonging to PGE, Seller or others, excepting to the extent such loss, claim, action or suit may be caused by the negligence of PGE, its directors, officers, employees, agents or representatives.

11.2 PGE agrees to defend, indemnify and hold harmless Seller, its directors, officers, agents, and representatives against and from any and all loss, claims, actions or suits, including costs and attorney's fees, both at trial and on appeal, resulting from, or arising out of or in any way connected with PGE's receipt of electric power from Seller or with the facilities at or after the Point of Delivery, or otherwise arising out of this Agreement, including without limitation any loss, claim, action or suit, for or on account of injury, bodily or otherwise, to, or death of, persons, or for damage to, or destruction or economic loss of property belonging to PGE, Seller or others, excepting to the extent such loss, claim, action or suit may be caused by the negligence of Seller, its directors, officers, employees, agents or representatives.

11.3 Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to, or any liability to any person not a Party to this

Agreement. No undertaking by one Party to the other under any provision of this Agreement shall constitute the dedication of that Party's system or any portion thereof to the other Party or to the public, nor affect the status of PGE as an independent public utility corporation or Seller as an independent individual or entity.

11.4 NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR SPECIAL, PUNITIVE, INDIRECT OR CONSEQUENTIAL DAMAGES, WHETHER ARISING FROM CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE.

SECTION 12: INSURANCE

12.1 Prior to the connection of the Facility to PGE's electric system, provided such Facility has a design capacity of 200 kW or more, Seller shall secure and continuously carry for the Term hereof, with an insurance company or companies rated not lower than "B+" by the A. M. Best Company, insurance policies for bodily injury and property damage liability. Such insurance shall include provisions or endorsements naming PGE, it directors, officers and employees as additional insureds; provisions that such insurance is primary insurance with respect to the interest of PGE and that any insurance maintained by PGE is excess and not contributory insurance with the insurance required hereunder; a cross-liability or severability of insurance interest clause; and provisions that such policies shall not be canceled or their limits of liability reduced without thirty (30) days' prior written notice to PGE. Initial limits of liability for all requirements under this section shall be $1,000,000 million single limit, which limits may be required to be increased or decreased by PGE as PGE determines in its reasonable judgment economic conditions or claims experience may warrant.

12.2 Prior to the connection of the Facility to PGE's electric system, provided such facility has a design capacity of 200kW or more, Seller shall secure and continuously carry for the Term hereof, in an insurance company or companies rated not lower than "B+" by the A. M. Best Company, insurance acceptable to PGE against property damage or destruction in an amount not less than the cost of replacement of the Facility. Seller promptly shall notify PGE of any loss or damage to the Facility. Unless the Parties agree otherwise, Seller shall repair or replace the damaged or destroyed Facility, or if the facility is destroyed or substantially destroyed, it may terminate this Agreement. Such termination shall be effective upon receipt by PGE of written notice from Seller. Seller shall waive its insurers' rights of subrogation against PGE regarding Facility property losses.

12.3 Prior to the connection of the Facility to PGE's electric system and at all other times such insurance policies are renewed or changed, Seller shall provide PGE with a copy of each insurance policy required under this Section, certified as a true copy by an authorized representative of the issuing insurance company or, at the discretion of PGE, in lieu thereof, a certificate in a form satisfactory to PGE certifying the issuance of such insurance. If Seller fails to provide PGE with copies of such currently effective insurance policies or certificates of insurance, PGE at its sole discretion and without limitation of other remedies, may upon ten (10) days advance written notice by certified or registered mail to Seller either withhold payments due Seller until PGE has received such documents, or purchase the satisfactory insurance and offset the cost of obtaining such insurance from subsequent power purchase payments under this Agreement.

SECTION 13: FORCE MAJEURE

13.1 As used in this Agreement, "Force Majeure" or "an event of Force Majeure" means any cause beyond the reasonable control of the Seller or of PGE which, despite the exercise of due diligence, such Party is unable to prevent or overcome. By way of example, Force Majeure may include 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, restraint by court order or other delay or failure in the performance as a result of any action or inaction on behalf of a public authority 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, subject, in each case, to the requirements of the first sentence of this paragraph. Force Majeure, however, specifically excludes the cost or availability of resources to operate the Facility, changes in market conditions that affect the price of energy or transmission, wind or water droughts, and obligations for the payment of money when due.

13.2 If either Party is rendered wholly or in part unable to perform its obligation under this Agreement because of an event of Force Majeure, that Party shall be excused from whatever performance is affected by the event of Force Majeure to the extent and for the duration of the Force Majeure, after which such Party shall re-commence performance of such obligation, provided that:

13.2.1 the non-performing Party, shall, promptly, but in any case within one (1) week after the occurrence of the Force Majeure, give the other Party written notice describing the particulars of the occurrence; and

13.2.2 the suspension of performance shall be of no greater scope and of no longer duration than is required by the Force Majeure; and

13.2.3 the non-performing Party uses its best efforts to remedy its inability to perform its obligations under this Agreement.

13.3 No obligations of either Party which arose before the Force Majeure causing the suspension of performance shall be excused as a result of the Force Majeure.

13.4 Neither Party shall be required to settle any strike, walkout, lockout or other labor dispute on terms which, in the sole judgment of the Party involved in the dispute, are contrary to the Party's best interests.

SECTION 14: SEVERAL OBLIGATIONS

Nothing contained in this Agreement shall ever be construed to create an association, trust, partnership or joint venture or to impose a trust or partnership duty, obligation or liability between the Parties. If Seller includes two or more parties, each such party shall be jointly and severally liable for Seller's obligations under this Agreement.

SECTION 15: CHOICE OF LAW

This Agreement shall be interpreted and enforced in accordance with the laws of the state of Oregon, excluding any choice of law rules which may direct the application of the laws of another jurisdiction.

SECTION 16: PARTIAL INVALIDITY AND PURPA REPEAL

It is not the intention of the Parties to violate any laws governing the subject matter of this Agreement. If any of the terms of the Agreement are finally held or determined to be invalid, illegal or void as being contrary to any applicable law or public policy, all other terms of the Agreement shall remain in effect. If any terms are finally held or determined to be invalid, illegal or void, the Parties shall enter into negotiations concerning the terms affected by such decision for the purpose of achieving conformity with requirements of any applicable law and the intent of the Parties to this Agreement.

In the event the Public Utility Regulatory Policies Act (PURPA) is repealed, this Agreement shall not terminate prior to the Termination Date, unless such termination is mandated by state or federal law.

SECTION 17: WAIVER

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 must be in writing, and such waiver shall not be deemed a waiver with respect to any subsequent default or other matter.

SECTION 18: GOVERNMENTAL JURISDICTION AND AUTHORIZATIONS

This Agreement is subject to the jurisdiction of those governmental agencies having control over either Party or this Agreement. Seller shall at all times maintain in effect all local, state and federal licenses, permits and other approvals as then may be required by law for the construction, operation and maintenance of the Facility, and shall provide upon request copies of the same to PGE.

SECTION 19: SUCCESSORS AND ASSIGNS

This Agreement and all of the terms hereof shall be binding upon and inure to the benefit of the respective successors and assigns of the Parties. No assignment hereof by either Party shall become effective without the written consent of the other Party being first obtained and such consent shall not be unreasonably withheld. Notwithstanding the foregoing, either Party may assign this Agreement without the other Party's consent as part of (a) a sale of all or substantially all of the assigning Party's assets, or (b) a merger, consolidation or other reorganization of the assigning Party.

SECTION 20: ENTIRE AGREEMENT

20.1 This Agreement supersedes all prior agreements, proposals, representations, negotiations, discussions or letters, whether oral or in writing, regarding

PGE's purchase of Net Output from the Facility. No modification of this Agreement shall be effective unless it is in writing and signed by both Parties.

20.2 By executing this Agreement, Seller releases PGE from any third party claims related to the Facility, known or unknown, which may have arisen prior to the Effective Date.

SECTION 21: NOTICES

All notices except as otherwise provided in this Agreement shall be in writing, shall be directed as follows and shall be considered delivered if delivered in person or when deposited in the U.S. Mail, postage prepaid by certified or registered mail and return receipt requested:

To Seller:	OneEnergy Oregon Solar, LLC 206 NE 28th Avenue Portland, OR 97232
With a copy to:	OneEnergy Development, LLC 101 Yesler Way, Suite 401 Seattle, WA 98104
To PGE:	Contracts Manager QF Contracts, 3WTCBR06 PGE - 121 SW Salmon St. Portland, Oregon 97204

21.2 The Parties may change the person to whom such notices are addressed, or their addresses, by providing written notices thereof in accordance with this Section 21.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed in their respective names as of the Effective Date.

PGE

By: [signature] For Maria Pope
Name: Vice President
Title: Power Supply/Generation

PGE Approved By:	
Business Terms	BT/[initials]
Credit	[initials]
Legal	DFW
Risk Mgt.	JB

ONEENERGY OREGON SOLAR, LLC

By: [signature]
Name: William Eddie
Title: Manager

EXHIBIT A
MINIMUM NET OUTPUT

Minimum Net Output shall be 2,298,600 kWh, which represents 75% of the estimated net output of Seller's facility in the 20^{th} year of operations, taking into account the degradation of output of solar panels procured from commonly used solar panel manufacturers.

EXHIBIT B
DESCRIPTION OF SELLER'S FACILITY

Seller's facility is a solar photovoltaic generating facility consisting of polycrystalline, monocrystalline, or thin-film solar panels totaling approximately 2,950,000 watts of direct current ("DC") generating capacity mounted on a fixed tilt or single axis tracking racking system, and inverters with a maximum output capacity of 2,500,000 watts AC. Seller's facility will also include transformers, switchgear, monitoring equipment, fencing and security equipment, and related ancillary equipment necessary to operate a solar photovoltaic generating facility.

Seller's facility will interconnect to a PGE distribution line running adjacent to Savage Road in Polk County, Oregon, at approximately 45° 4'5.00"N; 123°28'14.31"W.

Seller refers to this facility as the "Steel Bridge Solar Project."

EXHIBIT C
REQUIRED FACILITY DOCUMENTS

[Seller list all permits and authorizations required for this project]

Sellers Generation Interconnection Agreement

Lease Agreement

Conditional Use Permit issued by Polk County

Building and Electrical Permits issued by Polk County

Access Permit (if required by Polk County)

FERC Qualifying Facility self-certification

EXHIBIT D
START-UP TESTING

Required start-up test are those checks and tests necessary to determine that all features and equipment, systems, and subsystems have been properly designed, manufactured, installed and adjusted, function properly, and are capable of operating simultaneously in such condition that the Facility is capable of continuous delivery into PGE's electrical system, which may include but are not limited to (as applicable):

1. Safety plan during startup and commissioning
2. Review of all QA/QC testing on the DC and AC sides of inverters
3. Confirm testing and energizing inverters in conformance with manufacturer's Recommended procedures; note operating voltages; and confirm inverter is performing as expected
4. Energizing transformers
5. Under full sun conditions, and after at least 15 minutes of operation, taking and recording PV Plant operating data—such as but not limited to MW_{DC}, MW_{AC}, V_{DC}, V_{AC}, I_{DC}, I_{AC}, Solar Radiation, etc.
6. Testing the system control and monitoring system to verify that it is performing correctly
7. Testing the communication system for offsite monitoring
8. Testing the Plant metering and protective relaying to verify they meet utility requirements
9. Documentation of successful startup and commissioning procedure
10. Written notification submitted by Contractor to Owner that the completion of Acceptance Testing and Commissioning has occurred

EXHIBIT E
SCHEDULE 201
[Attach currently in-effect rate Schedule 201]

SCHEDULE 201
QUALIFYING FACILITY 10 MW or LESS
AVOIDED COST POWER PURCHASE INFORMATION

PURPOSE

To provide information about Avoided Costs, Standard Contracts and negotiated Power Purchase Agreements, power purchase prices and price options for power delivered by a Qualifying Facility (QF) to the Company with nameplate capacity of 10,000 kW (10MW) or less.

AVAILABLE

To owners of QFs making sales of electricity to the Company in the State of Oregon (Seller).

APPLICABLE

For power purchased from small power production or cogeneration facilities that are QFs as defined in 18 Code of Federal Regulations (CFR) Section 292, that meet the eligibility requirements described herein and where the energy is delivered to the Company's system and made available for Company purchase pursuant to a Standard Contract Power Purchase Agreement.

ESTABLISHING CREDITWORTHINESS

The Seller must establish creditworthiness prior to service under this schedule. For a Standard Contract Power Purchase Agreement (Standard Contract), a Seller may establish creditworthiness with a written acknowledgment that it is current on all existing debt obligations and that it was not a debtor in a bankruptcy proceeding within the preceding 24 months. If the Seller is not able to establish creditworthiness, the Seller must provide security as deemed sufficient by the Company as set out in the Standard Contract.

POWER PURCHASE INFORMATION

A Seller may call the Power Production Coordinator at (503) 464-8000 to obtain more information about being a Seller or how to apply for service under this schedule.

SCHEDULE 201 (Continued)

POWER PURCHASE AGREEMENT

In accordance with terms set out in this schedule and the Commission's Rules as applicable, the Company will purchase any Energy in excess of station service (power necessary to produce generation) and amounts attributable to conversion losses, which are made available from the Seller.

A Seller must execute a Power Purchase Agreement with the Company prior to delivery of power to the Company. The agreement will have a term of up to 20 years as selected by the QF.

A QF with a nameplate capacity rating of 10 MW or less as defined herein may elect the option of a Standard Contract.

Any Seller may elect to negotiate a Power Purchase Agreement with the Company. Such negotiation will comply with the requirements of the Federal Energy Regulatory Commission (FERC), and the Commission including the guidelines in Order No. 07-360, and Schedule 202. Negotiations for power purchase pricing will be based on the filed Avoided Costs in effect at that time.

STANDARD CONTRACTS (Nameplate capacity of 10 MW or less)

A Seller choosing a Standard Contract will complete all informational and price option selection requirements in the applicable Standard Contract (Appendix 1 to this schedule) and submit the executed Agreement to the Company prior to service under this schedule. The Standard Contract is available at www.portlandgeneral.com. The available Standard Contracts are: Standard Contract Power Purchase Agreement, Standard Contract Off System Power Purchase Agreement, Standard Contract for Intermittent Resources and Standard Contract for Off System Intermittent Resources. The Standard Contracts applicable to Intermittent Resources are available only to QFs utilizing wind, solar or run of river hydro as the primary motive force.

GUIDELINES FOR 10 MW OR LESS FACILITIES

In order to execute the Standard Contract the Seller must complete all of the general project information requested in the applicable Standard Contract.

When all information required in the Standard Contract has been received in writing from the Seller, the Company will respond within 15 business days with a draft Standard Contract.

The Seller may request in writing that the Company prepare a final draft Standard Contract. The Company will respond to this request within 15 business days. In connection with such request, the QF must provide the Company with any additional or clarified project information that the Company reasonably determines to be necessary for the preparation of a final draft Standard Contract.

When both parties are in full agreement as to all terms and conditions of the draft Standard Contract, the Company will prepare and forward to the Seller a final executable version of the agreement within 15 business days. Following the Company's execution, a completely executed copy will be returned to the Seller. Prices and other terms and conditions in the power purchase agreement will not be final and binding until the Standard Contract has been executed by both parties.

SCHEDULE 201 (Continued)

OFF SYSTEM POWER PURCHASE AGREEMENT

A Seller with a facility that interconnects with an electric system other than the Company's electric system may enter into a power purchase agreement with the Company after following the applicable standard or negotiated contract guidelines and making the arrangements necessary for transmission of power to the Company's system.

BASIS FOR POWER PURCHASE PRICE

AVOIDED COST SUMMARY

The power purchase rates are based on the Company's Avoided Costs. Avoided Costs are defined in 18 CFR 292.101(6) as "the incremental costs to an electric utility of electric energy or capacity or both which, but for the purchase from the qualifying facility or qualifying facilities, such utility would generate itself or purchase from another source."

The Avoided Costs as listed in Tables 1 and 2 below include monthly On- and Off-Peak prices.

ON-PEAK PERIOD

The On-Peak period is 6:00 a.m. until 10:00 p.m., Monday through Saturday.

OFF-PEAK PERIOD

The Off-Peak period is 10:00 p.m. until 6:00 a.m., Monday through Saturday, and all day on Sunday.

Avoided Costs are based on forward market price estimates through December 2014, the period of time during which the Company's Avoided Costs are associated with incremental purchases of Energy and capacity from the market. For the period 2015 through 2030, the Avoided Costs reflect the fully allocated costs of a natural gas fueled combined cycle combustion turbine (CCCT) including fuel and capital costs. The CCCT Avoided Costs are based on the variable cost of Energy plus capitalized Energy costs at a 93% capacity factor based on a natural gas price forecast, with prices modified for shrinkage and transportation costs.

PRICING OPTIONS FOR STANDARD CONTRACTS

Pricing options represent the purchase price per MWh the Company will pay for electricity delivered to a Point of Delivery (POD) within the Company's service territory pursuant to a Standard Contract up to the nameplate rating of the QF in any hour. Any Energy delivered in excess of the nameplate rating will be purchased at the applicable Off-Peak Prices for the selected pricing option.

The Standard Contract pricing will be based on the Avoided Cost in effect at the time the agreement is executed.

SCHEDULE 201 (Continued)

PRICING OPTIONS FOR STANDARD CONTRACTS (Continued)

Four pricing options are available for Standard Contracts. The pricing options include one Fixed Rate Option and three Market Based Options.

1) Fixed Price Option

The Fixed Price Option is based on Avoided Costs including forecasted natural gas prices.

This option is available for a maximum term of 15 years. Sellers with contracts exceeding 15 years will make a one time election at execution to select a Market-Based Option for all years up to five in excess of the initial 15. Under the Fixed Price Option, prices will be as established at the time the Standard Contract is executed and will be equal to the Avoided Costs in Tables 1 and 2 effective at execution for a term of up to 15 years.

TABLE 1
Avoided Costs
Fixed Price Option
On-Peak Forecast ($/MWH)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	34.92	34.16	31.10	28.04	24.48	20.40	35.69	41.55	40.53	36.45	39.25	42.82
2014	41.17	40.26	36.63	33.00	28.77	23.93	42.07	49.03	47.82	42.98	46.31	50.54
2015	44.20	43.22	39.33	35.44	30.89	25.71	45.17	52.63	51.33	46.15	49.71	54.26
2016	82.25	82.05	81.50	80.01	80.13	80.28	80.55	80.68	80.70	80.95	81.58	82.88
2017	85.15	84.94	84.40	82.92	83.03	83.19	83.47	83.60	83.63	83.88	84.45	85.76
2018	86.77	87.01	86.98	85.65	85.34	85.44	85.79	85.86	86.07	86.56	88.06	88.27
2019	89.97	90.14	90.35	89.41	89.41	89.65	89.86	90.07	90.18	90.39	91.36	91.96
2020	93.30	93.58	93.41	92.71	92.43	92.60	93.09	93.27	93.27	93.65	95.08	95.57
2021	97.85	98.06	97.82	96.32	96.32	96.42	96.60	96.84	97.05	97.37	98.73	99.29
2022	100.27	100.55	99.64	98.25	98.25	98.49	98.84	99.09	99.23	99.50	101.74	102.19
2023	104.15	104.40	104.29	103.35	103.35	103.87	104.29	104.43	104.22	104.50	105.58	106.18
2024	106.59	106.35	104.85	103.80	103.34	103.76	104.11	104.60	104.43	105.02	106.28	106.77
2025	107.67	107.98	106.31	105.33	104.95	105.51	105.68	106.20	106.10	106.76	108.05	108.47
2026	110.06	110.34	109.15	108.17	107.79	108.17	108.42	108.91	108.77	109.36	110.86	111.46
2027	112.19	112.50	110.86	109.99	109.85	110.02	110.62	110.79	110.65	111.25	113.10	113.69
2028	114.35	114.56	112.53	111.52	111.49	111.66	112.33	112.71	112.64	113.37	115.57	116.24
2029	117.17	117.24	115.99	114.90	114.69	114.87	115.64	116.13	116.09	116.65	118.40	119.06
2030	120.20	120.45	118.42	117.58	116.82	117.06	118.08	118.63	118.60	119.30	121.74	122.34
2031	122.73	123.08	121.09	119.94	119.87	119.91	121.06	121.55	121.13	121.72	124.06	124.69
2032	124.57	124.92	122.89	121.72	121.65	121.69	122.86	123.36	122.93	123.54	125.92	126.56

SCHEDULE 201 (Continued)

PRICING OPTIONS FOR STANDARD CONTRACTS (Continued)
FIXED PRICE OPTION (Continued)

TABLE 2
Avoided Costs
Fixed Price Option
Off-Peak Forecast ($/MWH)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	30.08	29.06	24.99	18.36	10.21	4.61	19.38	28.30	31.87	31.36	33.90	37.22
2014	37.34	36.05	30.94	22.62	12.38	5.34	23.90	35.09	39.58	38.94	42.14	46.29
2015	40.98	39.57	33.96	24.83	13.59	5.87	26.23	38.52	43.44	42.73	46.25	50.81
2016	31.27	31.07	30.52	29.03	29.15	29.30	29.57	29.70	29.72	29.97	30.60	31.90
2017	32.90	32.69	32.14	30.67	30.78	30.94	31.21	31.35	31.38	31.63	32.20	33.51
2018	33.72	33.97	33.93	32.60	32.29	32.40	32.75	32.82	33.03	33.51	35.01	35.22
2019	35.95	36.12	36.33	35.39	35.39	35.63	35.84	36.05	36.16	36.37	37.35	37.94
2020	38.46	38.74	38.57	37.87	37.59	37.77	38.25	38.43	38.43	38.81	40.24	40.73
2021	41.83	42.04	41.79	40.29	40.29	40.40	40.57	40.82	41.03	41.34	42.70	43.26
2022	43.21	43.49	42.59	41.19	41.19	41.44	41.78	42.03	42.17	42.45	44.68	45.14
2023	45.86	46.10	46.00	45.06	45.06	45.58	46.00	46.14	45.93	46.21	47.29	47.88
2024	47.60	47.36	45.86	44.81	44.36	44.78	45.13	45.61	45.44	46.03	47.29	47.78
2025	47.41	47.72	46.04	45.07	44.68	45.24	45.42	45.94	45.83	46.50	47.79	48.21
2026	48.69	48.96	47.78	46.80	46.42	46.80	47.05	47.53	47.39	47.99	49.49	50.08
2027	49.69	50.00	48.36	47.49	47.35	47.52	48.12	48.29	48.15	48.74	50.59	51.19
2028	50.70	50.91	48.88	47.87	47.83	48.01	48.67	49.06	48.99	49.72	51.92	52.58
2029	52.35	52.42	51.16	50.08	49.87	50.05	50.81	51.30	51.27	51.83	53.57	54.24
2030	54.19	54.43	52.41	51.57	50.80	51.05	52.06	52.62	52.58	53.28	55.72	56.32
2031	55.50	55.85	53.86	52.71	52.64	52.67	53.83	54.32	53.90	54.49	56.83	57.46
2032	56.53	56.89	54.86	53.69	53.62	53.65	54.83	55.33	54.90	55.50	57.88	58.52

Under the Fixed Price Option, the Company will pay Seller the Off-Peak Avoided Cost pursuant to Table 2 for: (a) all Net Output delivered prior to the Commercial Operation Date; (b) all Net Output deliveries greater than Maximum Net Output in any Contract Year; (c) any generation subject to and as adjusted by the provisions of Section 4.3 of the Standard Contract; (d) Net Output delivered in the Off-Peak Period; and (e) deliveries above the nameplate capacity in any hour. The Company will pay the Seller the On-Peak Avoided Cost pursuant to Table 1 for all other output. (See Appendix 1, the Standard Contract for defined terms.)

SCHEDULE 201 (Continued)

PRICING OPTIONS FOR STANDARD CONTRACTS (Continued)

MARKET BASED PRICE OPTIONS:

Market Based Price Options include Option 2, Deadband Index Gas Price; Option 3, Index Gas Price; and Option 4, Dow Jones Mid-Columbia Daily On- and Off-Peak Electricity Firm Price Index (DJ-Mid-C Firm Index). The price components for pricing Options 2 and 3 are defined as follows:

On Peak Price:	P_{Peak}
Off Peak Price:	P_{Off}
Variable Operating and Maintenance, Fixed Costs, and Gas Transportation (Table 6):	VFG
Capacity Value (Table 7):	C
Heat Rate:	HR = 6,732 BTU/kWh
Losses:	1.9%
Forecasted Gas Price (Table 5):	GP_F
First of Month* Northwest Pipeline Corp. Canadian Border Index as Reported in Platts Inside FERC's Gas Market Report	GP_{Sumas}
First of Month* one-month spot price averages for AECO/NIT transactions as Reported in Canadian Gas Price Reporter Natural Gas Market Report (in US dollars):	GP_{AECO}
Monthly Indexed Gas Price:	$GP_{MI} = (GP_{Sumas} + GP_{AECO})/2$
Deadband Gas Index:	GP_{DB}

Where:
If $GP_{MI} > GP_F$
GP_{DB} = Minimum of (GP_{MI} or $1.1*GP_F$)
Otherwise
GP_{DB} = Maximum of (GP_{MI} or $.9*GP_F$)

* "First of Month" means the first such monthly issuance.

SCHEDULE 201 (Continued)

PRICING OPTIONS FOR STANDARD CONTRACTS (Continued)
MARKET BASED PRICE OPTIONS (Continued)

Tables 3 and 4 below list applicable rates for Options 2 (Deadband Index Gas Price Option) and 3 (Index Gas Price Option) for the period through 2014. The monthly On- and Off-Peak prices will be applied for all Market Based Price Options.

TABLE 3
Avoided Costs
On-Peak Resource Sufficiency Rate ($/MWH)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	34.92	34.16	31.10	28.04	24.48	20.40	35.69	41.55	40.53	36.45	39.25	42.82
2014	41.17	40.26	36.63	33.00	28.77	23.93	42.07	49.03	47.82	42.98	46.31	50.54
2015	44.20	43.22	39.33	35.44	30.89	25.71	45.17	52.63	51.33	46.15	49.71	54.26

TABLE 4
Avoided Costs
Off-Peak Resource Sufficiency Rate ($/MWH)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	30.08	29.06	24.99	18.36	10.21	4.61	19.38	28.30	31.87	31.36	33.90	37.22
2014	37.34	36.05	30.94	22.62	12.38	5.34	23.90	35.09	39.58	38.94	42.14	46.29
2015	40.98	39.57	33.96	24.83	13.59	5.87	26.23	38.52	43.44	42.73	46.25	50.81

SCHEDULE 201 (Continued)

PRICING OPTIONS FOR STANDARD CONTRACTS (Continued)
MARKET BASED PRICE OPTIONS (Continued)

2) Deadband Index Gas Price Option

The Deadband Index Gas Price Option bases the fuel price component of the Energy rate on comparisons between the Forecast Gas Price (Table 5) and the simple average of the First of Month gas indices for Sumas and AECO trading hubs. The Northwest Pipeline Gas Index (Sumas) will be as reported in Platts Inside FERC's Gas Market Report. The AECO/NIT (AECO) Gas Index will be as reported in Canadian Gas Price Reporter Natural Gas Market Report (in US dollars). The fuel price component used will be bound between 90% and 110% of the natural gas price forecast but based on the then current gas price.

The price paid per MWh will be:

$$P_{Peak} = GP_{DB}*HR/1{,}000/(1\text{-Losses}) + VFG + C$$
$$P_{Off} = GP_{DB}*HR/1{,}000/(1\text{-Losses}) + VFG$$

Under the Deadband method, the Company will pay Seller the Off-Peak prices for: (a) all Net Output delivered prior to the Commercial Operation Date; (b) all Net Output deliveries greater than Maximum Net Output in any Contract Year; (c) any generation subject to and as adjusted by the provisions of Section 4.3 of the Standard Contract; (d) Net Output delivered in the Off-Peak Period; and (e) deliveries above the nameplate capacity in any hour. All other purchases will be at On-Peak prices. (See Appendix 1, the Standard Contract for defined terms.)

SCHEDULE 201 (Continued)

PRICING OPTIONS FOR STANDARD CONTRACTS (Continued)
MARKET BASED PRICE OPTIONS (Continued)

3) Index Gas Price Option

The Index Gas Price Option is the simple average of the First of Month gas indices for Sumas and AECO trading hubs used in establishing the Avoided Costs. The Sumas Gas Index will be as reported in Platts Inside FERC's Gas Market Report. The AECO Gas Index will be as reported in the Canadian Gas Price Reporter Natural Gas Market Report (in US dollars).

The price paid per MWh will be:

$$P_{Peak} = GP_{MI}*HR/1{,}000/(1\text{-Losses}) +VFG +C$$
$$P_{Off} = GP_{MI}*HR/1{,}000/(1\text{-Losses}) +VFG$$

Under the Index Gas Price, the Company will pay Seller the Off-Peak Prices for: (a) for all Net Output delivered prior to the Commercial Operation Date; (b) all Net Output deliveries greater than Maximum Net Output in any Contract Year; (c) any generation subject to and as adjusted by the provisions of Section 4.3 of the Standard Contract; (d) for Net Output delivered in the Off-Peak Period; and (e) deliveries above the nameplate capacity in any hour. All other purchases will be at On-Peak prices. (See Appendix 1, the Standard Contract for defined terms.)

4) Mid C Index Price Option

Under this option, prices paid per MWh will be based on the DJ-Mid-C Firm Index plus 0.211 ¢ per kWh for wholesale wheeling.

SCHEDULE 201 (Continued)

PRICING OPTIONS FOR STANDARD CONTRACTS (Continued)
MARKET BASED PRICE OPTIONS (Continued)

Table 5 contains the gas pricing components for Option 1 (Fixed Price Option) and Option 2 (Deadband Index Gas Price Option).

TABLE 5

Forecasted Gas Price - GP_F (\$/MMBTU) - Without Transportation

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	4.54	4.51	4.43	4.22	4.24	4.26	4.30	4.31	4.32	4.35	4.44	4.63
2017	4.78	4.75	4.67	4.46	4.47	4.50	4.53	4.55	4.56	4.59	4.68	4.86
2018	4.90	4.93	4.93	4.74	4.69	4.71	4.76	4.77	4.80	4.87	5.08	5.11
2019	5.22	5.24	5.27	5.14	5.14	5.17	5.20	5.23	5.25	5.28	5.42	5.50
2020	5.58	5.62	5.59	5.49	5.45	5.48	5.55	5.57	5.57	5.63	5.83	5.90
2021	6.06	6.09	6.06	5.84	5.84	5.86	5.88	5.92	5.95	5.99	6.19	6.27
2022	6.26	6.30	6.17	5.97	5.97	6.01	6.06	6.09	6.11	6.15	6.47	6.54
2023	6.64	6.68	6.66	6.53	6.53	6.60	6.66	6.68	6.65	6.69	6.85	6.93
2024	6.89	6.86	6.64	6.49	6.43	6.49	6.54	6.61	6.58	6.67	6.85	6.92
2025	6.87	6.91	6.67	6.53	6.48	6.56	6.58	6.66	6.64	6.74	6.92	6.98
2026	7.05	7.09	6.92	6.78	6.73	6.78	6.82	6.89	6.87	6.95	7.17	7.25
2027	7.20	7.24	7.01	6.88	6.86	6.89	6.97	7.00	6.98	7.06	7.33	7.41
2028	7.34	7.37	7.08	6.94	6.93	6.96	7.05	7.11	7.10	7.20	7.52	7.61
2029	7.58	7.59	7.41	7.26	7.23	7.25	7.36	7.43	7.43	7.51	7.76	7.85
2030	7.85	7.88	7.59	7.47	7.36	7.40	7.54	7.62	7.62	7.72	8.07	8.15
2031	8.04	8.09	7.80	7.64	7.63	7.63	7.80	7.87	7.81	7.89	8.23	8.32
2032	8.18	8.23	7.94	7.78	7.77	7.77	7.94	8.01	7.95	8.04	8.38	8.47

SCHEDULE 201 (Continued)

PRICING OPTIONS FOR STANDARD CONTRACTS (Continued)
MARKET BASED PRICE OPTIONS (Continued)

Table 6 contains the Variable O&M and Fixed Costs that are derived from a natural gas-fired CCCT.

TABLE 6 Variable O&M, Fixed Costs and Gas Transportation Forecast - VFG ($/MWH)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	0.12	0.11	0.10	0.08	0.08	0.08	0.09	0.09	0.09	0.09	0.11	0.13
2017	0.13	0.12	0.11	0.09	0.09	0.09	0.10	0.10	0.10	0.10	0.11	0.14
2018	0.13	0.13	0.13	0.11	0.11	0.11	0.12	0.12	0.12	0.13	0.15	0.16
2019	0.16	0.16	0.17	0.15	0.15	0.16	0.16	0.16	0.16	0.17	0.19	0.20
2020	0.20	0.21	0.21	0.19	0.19	0.19	0.20	0.21	0.20	0.21	0.24	0.24
2021	0.24	0.25	0.24	0.22	0.22	0.22	0.22	0.23	0.23	0.24	0.26	0.27
2022	0.26	0.26	0.25	0.22	0.22	0.23	0.23	0.24	0.24	0.24	0.28	0.29
2023	0.29	0.30	0.30	0.28	0.28	0.29	0.30	0.30	0.30	0.30	0.32	0.33
2024	0.32	0.32	0.29	0.27	0.27	0.27	0.28	0.29	0.28	0.29	0.32	0.33
2025	0.29	0.30	0.27	0.25	0.25	0.26	0.26	0.27	0.27	0.28	0.30	0.31
2026	0.31	0.31	0.29	0.27	0.27	0.27	0.28	0.29	0.28	0.29	0.32	0.33
2027	0.31	0.32	0.29	0.27	0.27	0.27	0.28	0.29	0.28	0.29	0.33	0.34
2028	0.33	0.33	0.30	0.28	0.28	0.28	0.29	0.30	0.30	0.31	0.35	0.36
2029	0.33	0.33	0.31	0.29	0.29	0.29	0.31	0.32	0.31	0.32	0.35	0.37
2030	0.35	0.36	0.32	0.31	0.29	0.30	0.32	0.33	0.32	0.34	0.38	0.39
2031	0.36	0.37	0.33	0.31	0.31	0.31	0.33	0.34	0.33	0.34	0.39	0.40
2032	0.38	0.39	0.35	0.33	0.33	0.33	0.35	0.36	0.35	0.36	0.40	0.41

SCHEDULE 201 (Continued)

PRICING OPTIONS FOR STANDARD CONTRACTS (Continued)
MARKET BASED PRICE OPTIONS (Continued)

Table 7 represents the variable C in the formulas for Option 2 (Deadband Index Gas Price Option) and Option 3 (Index Gas Price Option).

TABLE 7												
Capacity Value - C ($/MWH)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	50.98	50.98	50.98	50.98	50.98	50.98	50.98	50.98	50.98	50.98	50.98	50.98
2017	52.25	52.25	52.25	52.25	52.25	52.25	52.25	52.25	52.25	52.25	52.25	52.25
2018	53.04	53.04	53.04	53.04	53.04	53.04	53.04	53.04	53.04	53.04	53.04	53.04
2019	54.02	54.02	54.02	54.02	54.02	54.02	54.02	54.02	54.02	54.02	54.02	54.02
2020	54.84	54.84	54.84	54.84	54.84	54.84	54.84	54.84	54.84	54.84	54.84	54.84
2021	56.03	56.03	56.03	56.03	56.03	56.03	56.03	56.03	56.03	56.03	56.03	56.03
2022	57.06	57.06	57.06	57.06	57.06	57.06	57.06	57.06	57.06	57.06	57.06	57.06
2023	58.29	58.29	58.29	58.29	58.29	58.29	58.29	58.29	58.29	58.29	58.29	58.29
2024	58.99	58.99	58.99	58.99	58.99	58.99	58.99	58.99	58.99	58.99	58.99	58.99
2025	60.26	60.26	60.26	60.26	60.26	60.26	60.26	60.26	60.26	60.26	60.26	60.26
2026	61.37	61.37	61.37	61.37	61.37	61.37	61.37	61.37	61.37	61.37	61.37	61.37
2027	62.50	62.50	62.50	62.50	62.50	62.50	62.50	62.50	62.50	62.50	62.50	62.50
2028	63.65	63.65	63.65	63.65	63.65	63.65	63.65	63.65	63.65	63.65	63.65	63.65
2029	64.82	64.82	64.82	64.82	64.82	64.82	64.82	64.82	64.82	64.82	64.82	64.82
2030	66.02	66.02	66.02	66.02	66.02	66.02	66.02	66.02	66.02	66.02	66.02	66.02
2031	67.23	67.23	67.23	67.23	67.23	67.23	67.23	67.23	67.23	67.23	67.23	67.23
2032	68.03	68.03	68.03	68.03	68.03	68.03	68.03	68.03	68.03	68.03	68.03	68.03

SCHEDULE 201 (Continued)

MONTHLY SERVICE CHARGE

Each separately metered QF not associated with a retail Customer account will be charged $10.00 per month.

INSURANCE REQUIREMENTS

The following insurance requirements are applicable to Sellers with a Standard Contract:

1) QFs with nameplate capacity ratings greater than 200 kW are required to secure and maintain a prudent amount of general liability insurance. The Seller must certify to the Company that it is maintaining general liability insurance coverage for each QF at prudent amounts. A prudent amount will be deemed to mean liability insurance coverage for both bodily injury and property damage liability in the amount of not less than $1,000,000 each occurrence combined single limit, which limits may be required to be increased or decreased by the Company as the Company determines in its reasonable judgment economic conditions or claims experience may warrant.

2) Such insurance will include an endorsement naming the Company as an additional insured insofar as liability arising out of operations under this schedule and a provision that such liability policies will not be canceled or their limits reduced without 30 days' written notice to the Company. The Seller will furnish the Company with certificates of insurance together with the endorsements required herein. The Company will have the right to inspect the original policies of such insurance.

3) QFs with a design capacity of 200 kW or less are encouraged to pursue liability insurance on his/her own. The Oregon Public Utility Commission in Order No. 05-584 determined that it is inappropriate to require QFs that have a design capacity of 200 kW or less to obtain general liability insurance.

TRANSMISSION AGREEMENTS

If the QF is located outside the Company's service territory, the Seller is responsible for the transmission of power at its cost to the Company's service territory.

INTERCONNECTION REQUIREMENTS

Except as otherwise provided in a generation Interconnection Agreement between the Company and Seller, if the QF is located within the Company's service territory, switching equipment capable of isolating the QF from the Company's system will be accessible to the Company at all times. At the Company's option, the Company may operate the switching equipment described above if, in the sole opinion of the Company, continued operation of the QF in connection with the utility's system may create or contribute to a system emergency.

SCHEDULE 201 (Continued)

INTERCONNECTION REQUIREMENTS (Continued)

The QF owner interconnecting with the Company's distribution system must comply with all requirements for interconnection as established pursuant to Commission rule, in the Company's Rules and Regulations (Rule C) or the Company's Interconnection Procedures contained in its FERC Open Access Transmission Tariff (OATT), as applicable. The Seller will bear full responsibility for the installation and safe operation of the interconnection facilities.

DEFINITION OF A SMALL COGENERATION FACILITY OR SMALL POWER PRODUCTION FACILITY ELIGIBLE TO RECEIVE THE STANDARD RATES AND STANDARD CONTRACT

A QF will be eligible to receive the standard rates and Standard Contract if the nameplate capacity of the QF, together with any other electric generating facility using the same motive force, owned or controlled by the same person(s) or affiliated person(s), and located at the same site, does not exceed 10 MW.

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

As used above, the term "same person(s)" or "affiliated person(s)" means a natural person or persons or any legal entity or entities sharing common ownership, management or acting jointly or in concert with or exercising influence over the policies or actions of another person or entity. However, two facilities will not be held to be owned or controlled by the same person(s) or affiliated person(s) solely because they are developed by a single entity.

Furthermore, two facilities will not be held to be owned or controlled by the same person(s) or affiliated person(s) if such common person or persons is a "passive investor" whose ownership interest in the QF is primarily related to utilizing production tax credits, green tag values and MACRS depreciation as the primary ownership benefit. A unit of Oregon local government may also be a "passive investor" if the local governmental unit demonstrates that it will not have an equity ownership interest in or exercise any control over the management of the QF and that its only interest is a share of the cash flow from the QF, which share will not exceed 20%. The 20% cash flow share limit may only be exceeded for good cause shown and only with the prior approval of the Commission.

Definition of Same Site

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

SCHEDULE 201 (Concluded)

DEFINITION OF A SMALL COGENERATION FACILITY OR SMALL POWER PRODUCTION FACILITY ELIGIBLE TO RECEIVE THE STANDARD RATES AND STANDARD CONTRACT (Continued)

Shared Interconnection and Infrastructure

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

Dispute Resolution

Upon request, the QF will provide the purchasing utility with documentation verifying the ownership, management and financial structure of the QF in reasonably sufficient detail to allow the utility to make an initial determination of whether or not the QF meets the above-described criteria for entitlement to the standard rates and Standard Contract. Any dispute concerning a QF's entitlement to the standard rates and Standard Contract will be presented to the Commission for resolution.

SPECIAL CONDITIONS

1. Delivery of energy by Seller will be at a voltage, phase, frequency, and power factor as specified by the Company.

2. If the Seller also receives retail Electricity Service from the Company at the same location, any payments under this schedule will be credited to the Seller's retail Electricity Service bill. At the option of the Customer, any net credit over $10.00 will be paid by check to the Customer.

3. Contracts entered into pursuant to this schedule will not terminate prior to the Standard or negotiated contract's termination date if the 1978 Public Utility Regulatory Policies Act (PURPA) is repealed.

TERM OF AGREEMENT

Not less than one year and not to exceed 20 years.