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VIA ELECTRONIC FILING

Public Utility Commission of Oregon
Filing Center
201 High Street SE, Suite 100
Salem, Oregon 97301-3398

Re: Docket UM 2032 - In the Matter of Public Utility Commission of Oregon, Investigation into the Treatment of Network Upgrade Costs for Qualifying Facilities

Attention Filing Center:

In accordance with Order No. 24-036, Idaho Power Company ("Idaho Power" or "the Company") hereby submits revised Qualifying Facility Large Generator Interconnection Procedures ("QF-LGIP") and a revised Schedule 85.

In Order No. 24-036, the Public Utility Commission of Oregon ("Commission") approved the Joint Utilities' September 12, 2023, compliance filings subject to two changes. First, the filings must "remove the requirement that [Qualifying Facilities] attest that they understand the 'consequences' of selecting [Energy Resource Interconnection Service] prior to executing a Facilities Study Agreement[.]"[1] Second, the Joint Utilities must "allow a minimum of 120 days from receipt of the draft [Qualifying Facility Large Generator Interconnection Agreement] for negotiating a non-standard [power purchase agreement], with optional 30-day extensions, [upon agreement of both parties]."[2]

To comply with Order No. 24-036, Article 8.1 of the enclosed QF-LGIP no longer contains the following language:

> If Interconnection Customer chooses to be studied for Energy Resource Interconnection Service, then Interconnection Customer must provide to Transmission

[1] *In the Matter of the Public Utility Commission of Oregon Investigation into the Treatment of Network Upgrade Costs for Qualifying Facilities*, Docket No. UM 2032, Order No. 24-036, App. A at 11 (Feb. 8, 2024).
[2] *Id.* at 1.

> Provider a signed attestation that the Interconnection Customer intends to enter into a non-standard Qualifying Facility contract for the sale of electric energy or capacity from the Large Generating Facility.

Article 11.3 of the QF-LGIP was also revised to include the 120-day time period to execute a power purchase agreement, subject to mutually agreed upon 30-day extensions. The relevant language states:

> . . . If Interconnection Customer selected Energy Resource Interconnection Service, Interconnection Customer shall provide an attestation that it has executed a non-standard Qualifying Facility contract for the sale of electric energy or capacity from the Large Generating Facility. The attestation must be signed by the Interconnection Customer and the counterparty to the non-standard Qualifying Facility contract. Notwithstanding Article 11.2, if Interconnection Customer selecting Energy Resource Interconnection Service has not executed the QF-LGIA, or initiated Dispute Resolution procedures pursuant to Article 13.5 within one-hundred-twenty (120) Calendar Days of tender of the final QF-LGIA, with optional 30-Calendar Day extensions upon agreement of Interconnection Customer and Transmission Provider, it shall be deemed to have withdrawn its Interconnection Request. . .

In addition, the Generation Interconnection Process section of Schedule 85 was revised to remove the attestation requirement and include the 120-day time period to execute a power purchase agreement, subject to mutually agreed upon 30-day extensions:

> . . . To be eligible for a Standard Contract, an on-system QF must receive Network Resource Interconnection Service. To receive Energy Resource Interconnection Service, the QF shall provide an attestation that it has executed a Non-Standard Contract between the Seller and the Company. The attestation must be signed by the Seller and the Company and delivered to the Company before the execution of an interconnection agreement. The attestation must be provided by the Seller within 120 days of the Seller receiving a final interconnection agreement (subject to optional 30-day extensions upon agreement of the Seller and the Company) or the interconnection application will be deemed withdrawn. . .

Please contact this office with any questions.

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Docket UM 2032

Idaho Power Company's Revised Qualifying Facility Large Generator Interconnection Procedures

Pursuant to Order No. 24-036 (Feb. 8, 2024)

Article 1. Definitions

Adverse System Impact shall mean the negative effects due to technical or operational limits on conductors or equipment being exceeded that may compromise the safety and reliability of the electric system.

Affected System shall mean an electric system other than the Transmission Provider's Transmission System that may be affected by the proposed interconnection.

Affected System Operator shall mean the entity that operates an Affected System.

Affiliate shall mean, with respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

Ancillary Services shall mean those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.

Applicable Laws and Regulations shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Applicable Reliability Council shall mean the reliability council applicable to the Transmission System to which the Generating Facility is directly interconnected.

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the Applicable Reliability Council, and the Control Area of the Transmission System to which the Generating Facility is directly interconnected.

Base Case shall mean the base case power flow, short circuit, and stability data bases used for the Interconnection Studies by the Transmission Provider or Interconnection Customer.

Breach shall mean the failure of a Party to perform or observe any material term or condition of the QF-LGIA.

Breaching Party shall mean a Party that is in Breach of the QF-LGIA.

Business Day shall mean Monday through Friday, excluding Federal Holidays.

Calendar Day shall mean any day including Saturday, Sunday or a Federal Holiday.

Clustering shall mean the process whereby a group of Interconnection Requests is studied together, instead of serially, for the purpose of conducting the Interconnection System Impact Study.

Commercial Operation shall mean the status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date of a unit shall Mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the QF-LGIA.

Confidential Information shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

Control Area shall mean an electrical system or systems bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to frequency regulation of the interconnection. A Control Area must be certified by an Applicable Reliability Council.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the QF-LGIA.

Dispute Resolution shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

Distribution System shall mean the Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

Distribution Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility. Distribution Upgrades do not include Interconnection Facilities.

Effective Date shall mean the date on which the QF-LGIA becomes effective upon execution by the Parties.

Emergency Condition shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the ease of a Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to Transmission

Provider's Transmission System, Transmission Provider's Interconnection Facilities or the electric systems of others to which the Transmission Provider's Transmission System is directly connected; or (3) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided that Interconnection Customer is not obligated by the QF-LGIA to possess black start capability.

Energy Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to connect its Generating Facility to the Transmission Provider's Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or nonfirm capacity of the Transmission Provider's Transmission System on an as available basis. Energy Resource Interconnection Service in and of itself does not convey transmission service.

Engineering & Procurement (E&P) Agreement shall mean an agreement that authorizes the Transmission Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

Environmental Law shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

Federal Power Act shall mean the Federal Power Act, as amended, 16 U.S.C. §§ 791a *et seq*.

FERC shall mean the Federal Energy Regulatory Commission (FERC) or its successor.

Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

Generating Facility shall mean Interconnection Customer's device or devices for the production of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities. The Generating Facility is and shall remain a Qualifying Facility.

Generating Facility Capacity shall mean the net capacity of the Generating Facility and the aggregate net capacity of the Generating Facility where it includes multiple energy production devices.

Good Utility Practice shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or

any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Governmental Authority shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Interconnection Customer, Transmission Provider, or any Affiliate thereof.

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Initial Synchronization Date shall mean the date upon which the Generating Facility is initially synchronized and upon Which Trial Operation begins.

In-Service Date shall mean the date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Transmission Provider's Interconnection Facilities to obtain back feed power.

Interconnection Customer shall mean the entity identified in the first paragraph of the QF-LGIA that proposes to interconnect its Generating Facility with the Transmission Provider's Transmission System.

Interconnection Customer's Interconnection Facilities or ICIF shall mean all facilities and equipment, as identified in Appendix A of the QF-LGIA, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities shall mean the Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's

Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Facilities Study shall mean a study conducted by the Transmission Provider or a third party consultant for the Interconnection Customer to determine a list of facilities (including Transmission Provider's Interconnection Facilities, Distribution Upgrades and Network Upgrades as identified in the Interconnection System Impact Study), the cost of those facilities, and the time required to interconnect the Generating Facility with the Transmission Provider's Transmission System. The scope of the study is defined in Article 8 of the QF-LGIP.

Interconnection Facilities Study Agreement shall mean the form of agreement contained in Appendix 4 of the QF-LGIP for conducting the Interconnection Facilities Study.

Interconnection Feasibility Study shall mean a preliminary evaluation of the system impact and cost of interconnecting the Generating Facility to the Transmission Provider's Transmission System, the scope of which is described in Article 6 of the QF-LGIP.

Interconnection Feasibility Study Agreement shall mean the form of agreement contained in Appendix 2 of the QF-LGIP for conducting the Interconnection Feasibility Study.

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to the QF-LGIP, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Transmission Provider's Transmission System.

Interconnection Service shall mean the service provided by the Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to the Transmission Provider's Transmission System and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the QF-LGIA and, if applicable, the Transmission Provider's OATT.

Interconnection Study shall mean any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities Study described in the QF-LGIP.

Interconnection System Impact Study shall mean an engineering study that evaluates the impact of the proposed interconnection on the safety and reliability of Transmission Provider's Transmission System and, if applicable, an Affected System, The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts identified in the Interconnection Feasibility Study, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the QF-LGIP.

Interconnection System Impact Study Agreement shall mean the form of agreement contained in Appendix 3 of the QF-LGIP for conducting the Interconnection System Impact Study.

IRS shall mean the Internal Revenue Service.

Large Generator Interconnection Agreement or **LGIA** shall mean the form of interconnection agreement applicable to an Interconnection Request under the Transmission Provider's OATT pertaining to a Large Generating Facility that is not a Qualifying Facility.

Large Generator Interconnection Procedures or LGIP shall mean the interconnection procedures contained in the Transmission Provider's OATT that are applicable to an Interconnection Request pertaining to a Large Generating Facility.

Large Generating Facility shall mean a Generating Facility having a Generating Facility Capacity of more than 20 MW.

Loss shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's performance, or non-performance of its obligations under the QF-LGIA on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnifying Party.

Material Modification shall mean those modifications that have a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Metering Equipment shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the QF-LGIA at the one or more metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, other communications conductors, and fiber optics.

NERC shall mean the North American Electric Reliability Council or its successor organization.

Net Output shall mean all energy and capacity produced by the Generating Facility and delivered to the Point of Delivery, net of transformation, transmission, or other losses, if any, and less Station Power.

Network Resource shall mean any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

Network Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to integrate its Large Generating Facility with the Transmission Provider's Transmission System (1) in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an RTO or ISO with market based congestion management, in the same manner as all other Network Resources. Network Resource Interconnection Service in and of itself does not convey transmission service.

Network Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Interconnection Facilities connect to the Transmission Provider's Transmission System to accommodate the interconnection of the Large Generating Facility to the Transmission Provider's Transmission System.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the QF-LGIA or its performance.

Obligated Entity shall mean the entity with a contractual obligation to construct Network Upgrades.

OATT shall mean the Transmission Provider's Open Access Transmission Tariff on file with the Federal Energy Regulatory Commission ("FERC").

OPUC shall mean the Public Utility Commission of Oregon.

Optional Interconnection Study shall mean a sensitivity analysis based on assumptions specified by the Interconnection Customer in the Optional Interconnection Study Agreement.

Optional Interconnection Study Agreement shall mean the form of agreement contained in Appendix 5 of the QF-LGIP for conducting the Optional Interconnection Study.

Party or Parties shall mean Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

Point of Change of Ownership shall mean the point, as set forth in Appendix A to the QF-LGIA, where the Interconnection Customer's Interconnection Facilities connect to the Transmission Provider's Interconnection Facilities.

Point of Delivery shall mean the point on the Transmission Provider's Transmission System where capacity and energy will be made available to the Transmission Provider.

Point of Interconnection shall mean the point, as set forth in Appendix A to the QF-LGIA, where the Interconnection Facilities connect to the Transmission Provider's Transmission System.

Power System Stabilizers shall have the meaning designated in the guidelines and procedures established by the applicable Reliability Council.

Power Purchase Agreement ("PPA") shall mean a separate agreement between the Transmission Provider and Interconnection Customer, the terms of which govern the sale by the Interconnection Customer and the purchase by the Transmission Provider of the Net Output of the Interconnection Customer's Qualifying Facility, pursuant to the Public Utility Regulatory Policies Act of 1978 (PURPA), 16 U.S.C. 796 and 824a-3.

QF-LGIA shall mean the Qualifying Facility Large Generator Interconnection Agreement.

QF-LGIP shall mean the Qualifying Facility Large Generator Interconnection Procedures applicable to any large Generating Facility that is also a Qualifying Facility and which seeks to interconnect to the Transmission Provider's Transmission System or Distribution system in Oregon.

Qualifying Facility or **QF** shall mean a qualifying cogeneration facility or qualifying small power production facility within the meaning of Articles 201 and 210 of the Public Utility Regulatory Policies Act of 1978 (PURPA), 16 U.S.C. 796 and 824a-3.

Queue Position shall mean the order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, that is established based upon the date and time of receipt of the valid Interconnection Request by the Transmission Provider.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the QF-LGIA, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Scoping Meeting shall mean the meeting between representatives of the Interconnection Customer and Transmission Provider conducted for the purpose of discussing alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, to analyze such information, and to determine the potential feasible Points of Interconnection.

Site Control shall mean documentation reasonably demonstrating: (1) ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Generating Facility; (2) an option to purchase or acquire a leasehold site for such purpose; or (3) an exclusivity or other business relationship between Interconnection Customer and the entity having the right to sell, lease or grant Interconnection Customer the right to possess or occupy a site for such purpose.

Small Generating Facility shall mean a Generating Facility that has a Generating Facility Capacity of no more than 10 MW.

Stand Alone Network Upgrades shall mean Network Upgrades that an Interconnection Customer may construct without affecting clay-to-day operations of the Transmission System during their construction. Both the Transmission Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the QF-LGIA.

Station Power shall mean electric power used in the process of producing power at Interconnection Customer's Generating Facility, including but not limited to the electric power necessary for auxiliary equipment such as pumps, blowers, fans, fuel transportation systems, similar auxiliary systems that are a necessary and integral part of the power production process, and other parasitic loads involved in the generating process.

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) the Transmission Provider's Transmission System from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on the Transmission Provider's Transmission System or on other delivery systems or other generating systems to which the Transmission Provider's Transmission System is directly connected.

Transmission Owner shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the QF-LGIA to the extent necessary.

Transmission Provider shall mean the applicable Utility.

Transmission Provider's Interconnection Facilities shall mean all facilities and equipment owned, controlled, or operated by the Transmission Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the QF-LGIA, including any modifications, additions or upgrades to such facilities and equipment. Transmission Provider's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Transmission System shall mean the facilities owned, controlled or operated by the Transmission Provider or Transmission Owner that are used to provide transmission service under the OATT.

Trial Operation shall mean the period during which Interconnection Customer is engaged in on-site test operations and commissioning of the Generating Facility prior to Commercial Operation.

Article 2. Scope and Application

2.1 Application of Standard Large Generator Interconnection Procedures.

This QF-LGIP applies to processing an Interconnection Request pertaining to a Qualifying Facility Large Generating Facility for a point of Interconnection in Oregon.

2.2 Comparability.

Transmission Provider shall receive, process and analyze all Interconnection Requests in a timely manner as set forth in this QF-LGIP. Transmission Provider will use the same Reasonable Efforts in processing and analyzing Interconnection Requests from all Interconnection Customers, whether the Generating Facilities are owned by Transmission Provider, its subsidiaries or Affiliates or others.

2.3 Base Case Data.

In accordance with the Applicable Reliability Council policies, Transmission Provider shall provide base power flow, short circuit and stability databases, including all underlying assumptions, and contingency list upon request subject to confidentiality provisions in QF-LGIP Article 13,1. Transmission Provider is permitted to require that Interconnection Customer sign a confidentiality agreement before the release of commercially sensitive information or Critical Energy Infrastructure Information in the Base Case data. Such databases and lists, hereinafter referred to as Base Cases, shall include all (1) generation projects and (ii) transmission projects, including merchant transmission projects that are proposed for the Transmission System for which a transmission expansion plan has been submitted and approved by the applicable authority.

2.4 No Applicability to Transmission Service.

Nothing in this QF-LGIP shall constitute a request for transmission service or confer upon an Interconnection Customer any right to receive transmission service.

Article 3. Interconnection Requests

3.1 General.

An Interconnection Customer shall submit to Transmission Provider an Interconnection Request in the form of Appendix I to this QF-LGIP and a refundable deposit of $ 10,000. And evidence that Interconnection customer has initiated the certification process for the Large Generating Facility as a Qualifying Facility established by 18 C.F.R. § 292.207. Transmission Provider shall apply the deposit toward the cost of an Interconnection Feasibility Study. Interconnection Customer shall submit a separate Interconnection Request for each site and may submit multiple Interconnection Requests for a single site. Interconnection Customer must submit a deposit with each Interconnection Request even when more than one request is submitted for a single site. An Interconnection Request to evaluate one site at two different voltage levels shall be treated as two Interconnection Requests.

At Interconnection Customer's option, Transmission Provider and Interconnection Customer will identify alternative Point(s) of Interconnection and configurations at the Scoping Meeting to evaluate in this process and attempt to eliminate alternatives in a reasonable fashion given resources and information available. Interconnection

Customer will select the definitive Point(s) of Interconnection to be studied no later than the execution of the Interconnection Feasibility Study Agreement.

3.2 Type of Interconnection Services.

At the time the Interconnection Request is submitted, Interconnection Customer must request either Network Resource Interconnection Service or request that it be concurrently studied for Energy Resource Interconnection Service, up to the point when an Interconnection Facility Study Agreement is executed. Interconnection Customer may then elect to proceed with Network Resource Interconnection Service or to proceed under a lower level of interconnection service to the extent that only certain upgrades will be completed.

3.2.1 Energy Resource Interconnection Service.

3.2.1.1 The Product. Energy Resource Interconnection Service allows Interconnection Customer to connect the Large Generating Facility to the Transmission System and be eligible to deliver the Large Generating Facility's output using the existing firm or non-firm capacity of the Transmission System on an "as available" basis. Energy Resource Interconnection Service does not in and of itself convey any right to deliver electricity to any specific customer or Point of Delivery.

3.2.1.2 The Study. The study consists of short circuit/fault duty, steady state (thermal and voltage) and stability analyses. The short circuit/fault duty analysis would identify direct Interconnection Facilities required and the Network Upgrades necessary to address short circuit issues associated with the Interconnection Facilities. The stability and steady state studies would identify necessary upgrades to allow full output of the proposed Large Generating Facility and would also identify the maximum allowed output, at the time the study is performed, of the interconnecting Large Generating Facility without requiring additional Network Upgrades.

3.2.2 Network Resource Interconnection Service.

3.2.2.1 The Product. Transmission Provider must conduct the necessary studies and construct the Network Upgrades needed to integrate the Large Generating Facility in a manner comparable to that in which Transmission Provider integrates its generating facilities to serve native load customers in the same manner as all other Network Resources. Network Resource Interconnection Service Allows Interconnection Customer's Large Generating Facility to be designated as a Network Resource, up to the Large Generating Facility's full output, on the same basis as existing Network Resources interconnected to Transmission Provider's Transmission System, and to be studied as a Network Resource on the assumption that such a designation will occur.

3.2.2.2 The Study. The Interconnection Study for Network Resource Interconnection Service shall assure that Interconnection Customer's Large Generating Facility meets the requirements for Network Resource Interconnection Service and as a general matter, that such Large Generating Facility's interconnection is also studied with Transmission Provider's Transmission System at peak load, under a variety of severely stressed conditions, to determine whether, with the Large Generating Facility at full output, the aggregate of generation in the local area can be delivered to the aggregate of load on Transmission Provider's Transmission System, consistent with Transmission Provider's reliability criteria and procedures. This approach assumes that some portion of existing Network Resources are displaced by the output of Interconnection Customer's Large Generating Facility. Network Resource Interconnection Service in and of itself does not convey any right to deliver electricity to any specific customer or Point of Delivery. The Transmission Provider may also study the Transmission System under non-peak load conditions. However, upon request by the Interconnection Customer, the Transmission Provider must explain in writing to the Interconnection Customer why the study of non-peak load conditions is required for reliability purposes.

3.3 Valid Interconnection Request.

3.3.1 Initiating an Interconnection Request.

To initiate an Interconnection Request, Interconnection Customer must submit all of the following: (i) a $ 10,000 deposit, (ii) a completed application in the form of Appendix 1, and (iii) demonstration of Site Control or a posting of an additional deposit of $ 10,000. Such deposits shall be applied toward any Interconnection Studies pursuant to the Interconnection Request. If Interconnection Customer demonstrates Site Control within the cure period specified in Article 3.3.3 after submitting its Interconnection Request, the additional deposit shall be refundable; otherwise, all such deposit (s), additional and initial, become non-refundable.

The expected In-Service Date of the new Large Generating Facility or increase in capacity of the existing Generating Facility shall be no more than the process window for the regional expansion planning period (or in the absence of a regional planning process, the process window for Transmission Provider's expansion planning period) not to exceed seven years from the date the Interconnection Request is received by Transmission Provider, unless Interconnection Customer demonstrates that engineering, permitting and construction of the new Large Generating Facility or increase in capacity of the existing Generating Facility will take longer than the regional expansion planning period. The In-Service Date may succeed the date the Interconnection Request is received by Transmission Provider by a period up to ten years, or longer where Interconnection Customer and Transmission Provider agree, such agreement not to be unreasonably withheld.

3.3.2 Acknowledgment of Interconnection Request.

Transmission Provider shall acknowledge receipt of the Interconnection Request within five (5) Business Days of receipt of the request and attach a copy or the received Interconnection Request to the acknowledgement.

3.3.3 Deficiencies in Interconnection Request.

An Interconnection Request will not be considered to be a valid request until all items in Article 3.3.1 have been received by Transmission Provider. If an Interconnection Request fails to meet the requirements set forth in Article 3.3.1, Transmission Provider shall notify Interconnection Customer within five (5) Business Days of receipt of the initial Interconnection Request of the reasons for such failure and that the Interconnection Request does not constitute a valid request. Interconnection Customer shall provide Transmission Provider the additional requested information needed to constitute a valid request within ten (10) Business Days after receipt of such notice. Failure by Interconnection Customer to comply with this Article 3.3.3 shall be treated in accordance with Article 3.6.

3.3.4 Scoping Meeting.

Within ten (10) Business Days after receipt of a valid Interconnection Request, Transmission Provider shall establish a date agreeable to Interconnection Customer for the Scoping Meeting, and such date shall be no later than thirty (30) Calendar Days from receipt of the valid Interconnection Request, unless otherwise mutually agreed upon by the Parties.

The purpose of the Scoping Meeting shall be to discuss alternative interconnection options, to exchange information including any transmission data that would reasonably be expected to impact such interconnection options, to analyze such information and to determine the potential feasible Points of Interconnection. Transmission Provider and Interconnection Customer will bring to the meeting such technical data, including, but not limited to: (i) general facility loadings, (ii) general instability issues, (iii) general short circuit issues, (iv) general voltage issues, and (v) general reliability issues as may be reasonably required to accomplish the purpose of the meeting. Transmission Provider and Interconnection Customer will also bring to the meeting personnel and other resources as may be reasonably required to accomplish the purpose of the meeting in the time allocated for the meeting. On the basis of the meeting, Interconnection Customer shall designate its Point of Interconnection, pursuant to Article 6.1, and one or more available alternative Point(s) of Interconnection. The duration of the meeting shall be sufficient to accomplish its purpose.

3.4 OASIS Posting.

In addition to the Interconnection Requests that Transmission Provider is required to maintain on its OASIS under the requirements of the Transmission Provider's OATT, Transmission Provider will maintain on its same OASIS a list of all Interconnection

Requests under this QF-LGIP. Interconnection Requests received under the QF-LGIP and the LGIP under the Transmission Provider's OATT shall be assigned Queue Positions in the same queue. The list will identify, for each Interconnection Request: (i) the maximum summer and winter megawatt electrical output; (ii) the location by county and state; (iii) the station or transmission line or lines where the interconnection will be made; (iv) the projected In-Service Date; (v) the status of the Interconnection Request, including Queue Position; (vi) the type of Interconnection Service being requested; and (vii) the availability of any studies related to the Interconnection Request; (viii) the date of the Interconnection Request; (ix) the type of Generating Facility to be constructed (combined cycle, base load or combustion turbine and fuel type); and (x) for Interconnection Requests that have not resulted in a completed interconnection, an explanation as to why it was not completed. Except in the case of an Affiliate, the list will not disclose the identity of Interconnection Customer until Interconnection Customer executes a QF-LGIA. Before holding a Scoping Meeting with its Affiliate, Transmission Provider shall post on OASIS an advance notice of its intent to do so. Transmission Provider shall post to its OASIS site any deviations from the study timelines set forth herein. Interconnection Study reports and Optional Interconnection Study reports shall be posted to Transmission Provider's OASIS site subsequent to the meeting between Interconnection Customer and Transmission Provider to discuss the applicable study results. Transmission Provider shall also post any known deviations in the Large Generating Facility's In-Service Date.

3.5 Coordination with Affected Systems.

Transmission Provider will coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System Operators and, if possible, include those results (if available) in its applicable Interconnection Study within the time frame specified in this QF-LGIP. Transmission Provider will include such Affected System Operators in all meetings held with Interconnection Customer as required by this QF-LGIP. Interconnection Customer will cooperate with Transmission Provider in all matters related to the conduct of studies and the determination of modifications to Affected Systems. A Transmission Provider which may be an Affected System shall cooperate with Transmission Provider with whom interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to Affected Systems.

3.6 Withdrawal.

Interconnection Customer may withdraw its Interconnection Request at any time by written notice of such withdrawal to Transmission Provider. In addition, if Interconnection Customer fails to adhere to all requirements of this QF-LGIP, except as provided in Article 13.5 (Disputes), Transmission Provider shall deem the Interconnection Request to be withdrawn and shall provide written notice to Interconnection Customer of the deemed withdrawal and an explanation of the reasons for such deemed withdrawal. Upon receipt of such written notice, Interconnection Customer shall have fifteen (15) Business Days in which to either respond with

information or actions that cures the deficiency or to notify Transmission Provider of its intent to pursue Dispute Resolution.

Withdrawal shall result in the loss of Interconnection Customer's Queue Position. If an Interconnection Customer disputes the withdrawal and loss of its Queue Position, then during Dispute Resolution, Interconnection Customer's Interconnection Request is eliminated from the queue until such time that the outcome of Dispute Resolution would restore its Queue Position. An Interconnection Customer that withdraws or is deemed to have withdrawn its Interconnection Request shall pay to Transmission Provider all costs that Transmission Provider prudently incurs with respect to that Interconnection Request prior to Transmission Provider's receipt of notice described above. Interconnection Customer must pay all monies due to Transmission Provider before it is allowed to obtain any Interconnection Study data or results.

Transmission Provider shall (i) update the OASIS Queue Position posting and (ii) refund to Interconnection Customer any portion of Interconnection Customer's deposit or study payments that exceeds the costs that Transmission Provider has incurred, including interest calculated in accordance with Article 35.19a(a)(2) of FERC's regulations. In the event of such withdrawal, Transmission Provider, subject to the confidentiality provisions of Article 13.1, shall provide, at Interconnection Customer's request, all information that Transmission Provider developed for any completed study conducted up to the date of withdrawal of the Interconnection Request.

Article 4. Queue Position

4.1 General.

Transmission Provider shall assign a Queue Position based upon the date and time of receipt of the valid Interconnection Request; provided that, if the sole reason an Interconnection Request is not valid is the lack of required information on the application form, and Interconnection Customer provides such information in accordance with Article 3.3.3, then Transmission Provider shall assign Interconnection Customer a Queue Position based on the date the application form was originally filed, Moving a Point of Interconnection shall result in a lowering of Queue Position if it is deemed a Material Modification under Article 4.4.3.

The Queue Position of each Interconnection Request will be used to determine the order of performing the Interconnection Studies and determination of cost responsibility for the facilities necessary to accommodate the Interconnection Request. A higher queued Interconnection Request is one that has been placed "earlier" in the queue in relation to another Interconnection Request that is lower queued.

Transmission Provider may allocate the cost of the common upgrades for clustered Interconnection Requests without regard to Queue Position.

4.2 Clustering.

At Transmission Provider's option, Interconnection Requests may be studied serially or in clusters for the purpose of the Interconnection System Impact Study.

Clustering shall be implemented on the basis of Queue Position. If Transmission Provider elects to study Interconnection Requests using Clustering, all Interconnection Requests received within a period not to exceed one hundred and eighty (180) Calendar Days, hereinafter referred to as the "Queue Cluster Window" shall be studied together, without regard to the nature of the underlying Interconnection Service, whether Energy Resource Interconnection Service or Network Resource Interconnection Service. The deadline for completing all Interconnection System Impact Studies for which an Interconnection System Impact Study Agreement has been executed during a Queue Cluster Window shall be in accordance with Article 7.4, for all Interconnection Requests assigned to the same Queue Cluster Window. Transmission Provider may study an Interconnection Request separately to the extent warranted by Good Utility Practice based upon the electrical remoteness of the proposed Large Generating Facility.

Clustering Interconnection System Impact Studies shall be conducted in such a manner to ensure the efficient implementation of the applicable regional transmission expansion plan in light of the Transmission System's capabilities at the time of each study.

The Queue Cluster Window shall have a fixed time interval based on fixed annual opening and closing dates. Any changes to the established Queue Cluster Window interval and opening or closing dates shall be announced with a posting on Transmission Provider's OASIS beginning at least one hundred and eighty (180) Calendar Days in advance of the change and continuing thereafter through the end date of the first Queue Cluster Window that is to be modified.

4.3 Transferability of Queue Position.

An Interconnection Customer may transfer its Queue Position to another entity only if such entity acquires the specific Generating Facility identified in the Interconnection Request and the Point of Interconnection does not change.

4.4 Modifications.

Interconnection Customer shall submit to Transmission Provider, in writing, modifications to any information provided in the Interconnection Request. Interconnection Customer shall retain its Queue Position if the modifications are in accordance with Articles 4.4.1, 4.4.2 or 4.4.5, or are determined not to be Material Modifications pursuant to Article 4.4.3.

Notwithstanding the above, during the course of the Interconnection Studies, either Interconnection Customer or Transmission Provider may identify changes to the planned interconnection that may improve the costs and benefits (including reliability) of the interconnection, and the ability of the proposed change to accommodate the Interconnection Request. To the extent the identified changes are acceptable to Transmission Provider and Interconnection Customer, such acceptance

not to be unreasonably withheld, Transmission Provider shall modify the Point of Interconnection and/or configuration in accordance with such changes and proceed with any re-studies necessary to do so in accordance with Article 6.4, Article 7.6 and Article 8.5 as applicable and Interconnection Customer shall retain its Queue Position.

4.4.1 Prior to the return of the executed Interconnection System Impact Study Agreement to Transmission Provider, modifications permitted under this Article shall include specifically: (a) a decrease of up to 60 percent of electrical output (MW) of the proposed project; (b) modifying the technical parameters associated with the Large Generating Facility technology or the Large Generating Facility step-up transformer impedance characteristics; and (c) modifying the interconnection configuration. For plant increases, the incremental increase in plant output will go to the end of the queue for the purposes of cost allocation and study analysis.

4.4.2 Prior to the return of the executed Interconnection Facility Study Agreement to Transmission Provider, the modifications permitted under this Article shall include specifically: (a) additional 15 percent decrease of electrical output (MW), and (b) Large Generating Facility technical parameters associated with modifications to Large Generating Facility technology and transformer impedances; provided, however, the incremental costs associated with those modifications are the responsibility of the requesting Interconnection Customer.

4.4.3 Prior to making any modification other than those specifically permitted by Articles 4.4.1, 4.4.2, and 4.4.5, Interconnection Customer may first request that Transmission Provider evaluate whether such modification is a Material Modification. In response to Interconnection Customer's request, Transmission Provider shall evaluate the proposed modifications prior to making them and inform Interconnection Customer in writing of whether the modifications would constitute a Material Modification. Any change to the Point of Interconnection, except those deemed acceptable under Articles 4.4.1, 6.1, 7.2 or so allowed elsewhere, shall constitute a Material Modification. Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

4.4.4 Upon receipt of Interconnection Customer's request for modification permitted under this Article 4.4, Transmission Provider shall commence and perform any necessary additional studies as soon as practicable, but in no event shall Transmission Provider commence such studies later than thirty (30) Calendar Days after receiving notice of Interconnection Customer's request. Any additional studies resulting from such modification shall be done at Interconnection Customer's cost.

4.4.5 Extensions of less than three (3) cumulative years in the Commercial Operation Date of the Large Generating Facility to which the Interconnection Request relates are not material and should be handled through construction

sequencing; provided, however, that extensions may necessitate a determination of whether additional studies are required pursuant to Applicable Laws and Regulations and Applicable Reliability Standards.

Article 5. Procedures for Interconnection Requests Submitted Prior to Effective Date of Qualifying Facility Standard Large Generator Interconnection Procedures

5.1 Queue Position for Pending Requests.

5.1.1 Any Interconnection Customer assigned a Queue Position prior to the effective date of this QF-LGIP shall retain that Queue Position.

5.1.1.1 If an Interconnection Study Agreement has not been executed as of the effective date of this QF-LGIP, then such Interconnection Study, and any subsequent Interconnection Studies, shall be processed in accordance with this QF-LGIP.

5.1.1.2 If an Interconnection Study Agreement has been executed prior to the effective date of this QF-LGIP, such Interconnection Study shall be completed in accordance with the terms of such agreement. With respect to any remaining studies for which an Interconnection Customer has not signed an Interconnection Study Agreement prior to the effective date of the QF-LGIP, Transmission Provider must offer Interconnection Customer the option of either continuing under Transmission Provider's existing interconnection study process or going forward with the completion of the necessary Interconnection Studies (for which it does not have a signed Interconnection Studies Agreement) in accordance with this QF-LGIP.

5.1.1.3 If a QF-LGIA has been executed before the effective date of the QF-LGIP, then the QF-LGIA would be grandfathered.

5.1.2 Transition Period.

To the extent necessary, Transmission Provider and Interconnection Customers with an outstanding request (i.e., an Interconnection Request for which a QF-LGIA has not been executed as of the effective date of this QF-LGIP) shall transition to this QF-LGIP within a reasonable period of time not to exceed sixty (60) Calendar Days. The use of the term "outstanding request" herein shall mean any Interconnection Request, on the effective date of this QF-LGIP: (i) that has been submitted but not yet accepted by Transmission Provider; (ii) where the related interconnection agreement has not yet been executed by both parties, (iii) where the relevant Interconnection Study Agreements have not yet been executed, or (iv) where any of the relevant Interconnection Studies are in process but not yet completed. Any Interconnection Customer with an outstanding request as of the effective date of this QF-LGIP may request a reasonable extension of any deadline, otherwise applicable, if necessary to avoid undue hardship or prejudice to its Interconnection Request. A reasonable extension shall be granted by Transmission

Provider to the extent consistent with the intent and process provided for under this QF-LGIP.

5.2 New Transmission Provider.

If Transmission Provider transfers control of its Transmission System to a successor Transmission Provider during the period when an Interconnection Request is pending, the original Transmission Provider shall transfer to the successor Transmission Provider any amount of the deposit or payment with interest thereon that exceeds the cost that it incurred to evaluate the request for interconnection. Any difference between such net amount and the deposit or payment required by this QF-LGIP shall be paid by or refunded to the Interconnection Provider, as appropriate. The original Transmission Provider shall coordinate with the successor Transmission Provider to complete any Interconnection Study, as appropriate, that the original Transmission Provider has begun but has not completed. If Transmission Provider has tendered a draft QF-LGIA to Interconnection Customer but Interconnection Customer has not executed the QF-LGIA, unless otherwise provided, Interconnection Customer must complete negotiations with the successor Transmission Provider.

Article 6. Interconnection Feasibility Study

6.1 Interconnection Feasibility Study Agreement.

Simultaneously with the acknowledgement of a valid Interconnection Request Transmission Provider shall provide to Interconnection Customer an Interconnection Feasibility Study Agreement in the form of Appendix 2. The Interconnection Feasibility Study Agreement shall specify that Interconnection Customer is responsible for the actual cost of the Interconnection Feasibility Study. Within five (5) Business Days following the Scoping Meeting Interconnection Customer shall specify for inclusion in the attachment to the Interconnection Feasibility Study. Agreement the Point(s) of Interconnection and any reasonable alternative Point(s) of Interconnection. Within five (5) Business Days following Transmission Provider's receipt of such designation, Transmission Provider shall tender to Interconnection Customer the Interconnection Feasibility Study Agreement signed by Transmission Provider, which includes a good faith estimate of the cost for completing the Interconnection Feasibility Study. Interconnection Customer shall execute and deliver to Transmission Provider the Interconnection Feasibility Study Agreement along with a $ 10,000 deposit for the Feasibility Study no later than thirty (30) Calendar Days after its receipt.

On or before the return of the executed Interconnection Feasibility Study Agreement to Transmission Provider, Interconnection Customer shall provide the technical data called for in Appendix 1, Attachment A.

If the Interconnection Feasibility Study uncovers any unexpected result(s) not contemplated during the Scoping Meeting, a substitute Point of Interconnection identified by either Interconnection Customer or Transmission Provider, and acceptable to the other, such acceptance not to be unreasonably withheld, will be substituted for the

designated Point of Interconnection specified above without loss of Queue Position, and Re-studies shall be completed pursuant to Article 6.4 as applicable. For the purpose of this Article 6.1, if Transmission Provider and Interconnection Customer cannot agree on the substituted Point of Interconnection, then Interconnection Customer may direct that one of the alternatives as specified in the Interconnection Feasibility Study Agreement, as specified pursuant to Article 3.3.4, shall be the substitute.

If Interconnection Customer and Transmission Provider agree to forgo the Interconnection Feasibility Study, Transmission Provider will initiate an Interconnection System Impact Study under Article 7 of this QF-LGIP and apply the $ 10,000 deposit towards the Interconnection System Impact Study.

6.2 Scope of Interconnection Feasibility Study.

The Interconnection Feasibility Study shall preliminarily evaluate the feasibility of the proposed interconnection to the Transmission System.

The Interconnection Feasibility Study will consider the Base Case as well as all generating facilities (and with respect to (iii), any identified Network Upgrades) that, on the date the Interconnection Feasibility Study is commenced: (i) are directly interconnected to the Transmission System; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending higher queued Interconnection Request to interconnect to the Transmission System; and (iv) have no Queue Position but have executed a QF-LGIA or, pursuant to the Transmission Provider's OATT, have executed an LGIA or requested that an unexecuted LGIA be filed with FERC. The Interconnection Feasibility Study will consist of a power flow and short circuit analysis. The Interconnection Feasibility Study will provide a list of facilities and a non-binding good faith estimate of cost responsibility and a non-binding good faith estimated time to construct.

6.3 Interconnection Feasibility Study Procedures.

Transmission Provider shall utilize existing studies to the extent practicable when it performs the study. Transmission Provider shall use Reasonable Efforts to complete the Interconnection Feasibility Study no later than forty-five (45) Calendar Days after Transmission Provider receives the fully executed Interconnection Feasibility Study Agreement. At the request of Interconnection Customer or at any time Transmission Provider determines that it will not meet the required time frame for completing the Interconnection Feasibility Study, Transmission Provider shall notify Interconnection Customer as to the schedule status of the Interconnection Feasibility Study. If Transmission Provider is unable to complete the Interconnection Feasibility Study within that time period, it shall notify Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required. Upon request, Transmission Provider shall provide Interconnection Customer supporting documentation, workpapers and relevant power flow, short circuit and stability databases for the Interconnection Feasibility Study, subject to confidentiality arrangements consistent with Article 13.1.

6.3.1 Meeting with Transmission Provider.

Within ten (10) Business Days of providing an Interconnection Feasibility Study report to Interconnection Customer, Transmission Provider and Interconnection Customer shall meet to discuss the results of the Interconnection Feasibility Study.

6.4 Re-Study.

If Re-Study of the Interconnection Feasibility Study is required due to a higher queued project dropping out of the queue, or a modification of a higher queued project subject to Article 4.4, or re-designation of the Point of Interconnection pursuant to Article 6.1 Transmission Provider shall notify Interconnection Customer in writing. Such Re-Study shall take not longer than forty-five (45) Calendar Days from the date of the notice. Any cost of Re-Study shall be borne by the Interconnection Customer being re-studied.

Article 7. Interconnection System Impact Study

7.1 Interconnection System Impact Study Agreement.

Unless otherwise agreed, pursuant to the Scoping Meeting provided in Article 3.3.4, simultaneously with the delivery of the Interconnection Feasibility Study to Interconnection Customer, Transmission Provider shall provide to Interconnection Customer an Interconnection System Impact Study Agreement in the form of Appendix 3 to this QF-LGIP. The Interconnection System Impact Study Agreement shall provide that Interconnection Customer shall compensate Transmission Provider for the actual cost of the Interconnection System Impact Study. Within three (3) Business Days following the interconnection Feasibility Study results meeting, Transmission Provider shall provide to Interconnection Customer a non-binding good faith estimate of the cost and timeframe for completing the Interconnection System Impact Study.

7.2 Execution of Interconnection System Impact Study Agreement.

Interconnection Customer shall execute the Interconnection System impact Study Agreement and deliver the executed Interconnection System Impact Study Agreement to Transmission Provider no later than thirty (30) Calendar Days after its receipt along with demonstration of Site Control, and a $ 50,000 deposit.

If Interconnection Customer does not provide all such technical data when it delivers the Interconnection System Impact Study Agreement, Transmission Provider shall notify Interconnection Customer of the deficiency within five (5) Business Days of the receipt of the executed interconnection System Impact Study Agreement and Interconnection Customer shall cure the deficiency within ten (10) Business Days of receipt of the notice, provided, however, such deficiency does not include failure to deliver the executed Interconnection System Impact Study Agreement or deposit.

If the interconnection System Impact Study uncovers any unexpected result(s) not contemplated during the Soaping Meeting and the Interconnection Feasibility Study, a substitute Point of Interconnection identified by either Interconnection Customer or

Transmission Provider, and acceptable to the other, such acceptance not to be unreasonably withheld, will be substituted for the designated Point of Interconnection specified above without loss of Queue Position, and restudies shall be completed pursuant to Article 7.6 as applicable. For the purpose of this Article 7.2, if Transmission Provider and Interconnection Customer cannot agree on the substituted Point of Interconnection, then Interconnection Customer may direct that one of the alternatives as specified in the Interconnection Feasibility Study Agreement, as specified pursuant to Article 3.3.4, shall be the substitute.

7.3 Scope of Interconnection System Impact Study.

The Interconnection System Impact Study shall evaluate the impact of the proposed interconnection on the reliability of the Transmission System. The Interconnection System Impact Study will consider the Base Case as well as all generating facilities (and with respect to (iii) below, any identified Network Upgrades associated with such higher queued interconnection) that, on the date the Interconnection System Impact Study is commenced: (i) are directly interconnected to the Transmission System; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending higher queued Interconnection Request to interconnect to the Transmission System; and (iv) have no Queue Position but have executed a QF-LGIA, or pursuant to the transmission provider's OATT, have executed a LGIA or have requested that an unexecuted LGIA be filed with FERC.

The Interconnection System Impact Study will consist of a short circuit analysis, a stability analysis, and a power flow analysis. The Interconnection System Impact Study will state the assumptions upon which it is based; state the results or the analyses; and provide the requirements or potential impediments to providing the requested interconnection service, including a preliminary indication of the cost and length of time that would he necessary to correct any problems identified in those analyses and implement the interconnection. The Interconnection System Impact Study will provide a list of facilities that are required as a result of the Interconnection Request and a non-binding good faith estimate of cost responsibility and a non-binding good faith estimated time to construct.

7.4 Interconnection System Impact Study Procedures.

Transmission Provider shall coordinate the Interconnection System Impact Study with any Affected System that is affected by the Interconnection Request pursuant to Article 3.5 above. Transmission Provider shall utilize existing studies to the extent practicable when it performs the study. Transmission Provider shall use Reasonable Efforts to complete the Interconnection System Impact Study within ninety (90) Calendar Days after the receipt of the Interconnection System Impact Study Agreement or notification to proceed, study payment, and technical data. If Transmission Provider uses Clustering, Transmission Provider shall use Reasonable Efforts to deliver a completed Interconnection System Impact Study within ninety (90) Calendar Days after the close of the Queue Cluster Window.

At the request of Interconnection Customer or at any time Transmission Provider determines that it will not meet the required time frame for completing the Interconnection System Impact Study, Transmission Provider shall notify Interconnection Customer as to the schedule status of the Interconnection System Impact Study. If Transmission Provider is unable to complete the Interconnection System Impact Study within the time period, it shall notify Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required. Upon request, Transmission Provider shall provide Interconnection Customer all supporting documentation, workpapers and relevant pre-Interconnection Request and post-Interconnection Request power flow, short circuit and stability databases for the Interconnection System Impact Study, subject to confidentiality arrangements consistent with Article 13.1.

7.5 Meeting with Transmission Provider.

Within ten (10) Business Days of providing an Interconnection System Impact Study report to Interconnection Customer, Transmission Provider and Interconnection Customer shall meet to discuss the results of the Interconnection System Impact Study.

7.6 Re-Study.

If Re-Study of the Interconnection System Impact Study is required due to a higher queued project dropping out of the queue, or a modification of a higher queued project subject to Article 4.4, or re-designation of the Point of Interconnection pursuant to Article 7.2 Transmission Provider shall notify Interconnection Customer in writing. Such Re-Study shall take no longer than sixty (60) Calendar Days from the date of notice. Any cost of Re-Study shall be borne by the Interconnection Customer being re-studied.

Article 8. Interconnection Facilities Study

8.1 Interconnection Facilities Study Agreement.

Simultaneously with the delivery of' the Interconnection System Impact Study to Interconnection Customer, Transmission Provider shall provide to Interconnection Customer an Interconnection Facilities Study Agreement in the form of Appendix 4 to this QF-LGIP. The Interconnection Facilities Study Agreement shall provide that Interconnection Customer shall compensate Transmission Provider for the actual cost of the Interconnection Facilities Study. Within three (3) Business Days following the Interconnection System Impact Study results meeting, Transmission Provider shall provide to Interconnection Customer a non-binding good faith estimate of the cost and timeframe for completing the Interconnection Facilities Study. Interconnection Customer shall execute the Interconnection Facilities Study Agreement and deliver the executed Interconnection Facilities Study Agreement to Transmission Provider within thirty (30) Calendar Days after its receipt, together with the required technical data and the greater of $ 100,000 or Interconnection Customer's portion of the estimated monthly cost of conducting the Interconnection Facilities Study.

8.1.1 Transmission Provider shall invoice Interconnection Customer on a monthly basis for the work to be conducted on the Interconnection Facilities Study each month. Interconnection Customer shall pay invoiced amounts within thirty (30) Calendar Days of receipt of invoice. Transmission Provider shall continue to hold the amounts on deposit until settlement of the final invoice.

8.2 Scope of Interconnection Facilities Study.

The Interconnection Facilities Study shall specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the Interconnection System Impact Study in accordance with Good Utility Practice to physically and electrically connect the Interconnection Facility to the Transmission System. The Interconnection Facilities Study shall also identify the electrical switching configuration of the connection equipment, including, without limitation: the transformer, switchgear, meters, and other station equipment; the nature and estimated cost of any Transmission Provider's Interconnection Facilities, Network Upgrades, and Distribution Upgrades necessary to accomplish the interconnection; and an estimate of the time required to complete the construction and installation of such facilities.

8.3 Interconnection Facilities Study Procedures.

Transmission Provider shall coordinate the Interconnection Facilities Study with any Affected System pursuant to Article 3.5 above. Transmission Provider shall utilize existing studies to the extent practicable in performing the Interconnection Facilities Study. Transmission Provider shall use Reasonable Efforts to complete the study and issue a draft Interconnection Facilities Study report to Interconnection Customer within the following number of days after receipt of an executed Interconnection Facilities Study Agreement: ninety (90) Calendar Days, with no more than a +/- 20 percent cost estimate contained in the report; or one hundred eighty (180) Calendar Days, if Interconnection Customer requests a +/- 10 percent cost estimate.

At the request of Interconnection Customer or at any time Transmission Provider determines that it will not meet the required time frame for completing the Interconnection Facilities Study, Transmission Provider shall notify Interconnection Customer as to the schedule status of the Interconnection Facilities Study. If Transmission Provider is unable to complete the Interconnection Facilities Study and issue a draft Interconnection Facilities Study report within the time required, it shall notify Interconnection Customer and provide an estimated completion date and an explanation of the reasons why additional time is required.

Interconnection Customer may, within thirty (30) Calendar Days after receipt of the draft report, provide written comments to Transmission Provider, which Transmission Provider shall include in the final report. Transmission Provider shall issue the final Interconnection Facilities Study report within fifteen (15) Business Days of receiving Interconnection Customer's comments or promptly upon receiving Interconnection

Customer's statement that it will not provide comments. Transmission Provider may reasonably extend such fifteen-day period upon notice to Interconnection Customer if Interconnection Customer's comments require Transmission Provider to perform additional analyses or make other significant modifications prior to the issuance of the final Interconnection Facilities Report. Upon request, Transmission Provider shall provide Interconnection Customer supporting documentation, workpapers, and databases or data developed in the preparation of the Interconnection Facilities Study, subject to confidentiality arrangements consistent with Article 13.1.

8.4 Meeting with Transmission Provider.

Within ten (10) Business Days of providing a draft Interconnection Facilities Study report to Interconnection Customer, Transmission Provider and Interconnection Customer shall meet to discuss the results of the Interconnection Facilities Study.

8.5 Re-Study.

If Re-Study of the Interconnection Facilities Study is required due to a higher queued project dropping out of the queue or a modification of a higher queued project pursuant to Article 4.4, Transmission Provider shall so notify Interconnection Customer in writing. Such Re-Study shall take no longer than sixty (60) Calendar Days from the date of notice. Any cost of Re-Study shall be borne by the Interconnection Customer being re-studied.

Article 9. Engineering & Procurement ('E&P') Agreement.

Prior to executing a QF-LGIA, an Interconnection Customer may, in order to advance the implementation of its interconnection, request and Transmission Provider shall offer the Interconnection Customer, an E&P Agreement that authorizes Transmission Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection. However, Transmission Provider shall not be obligated to offer an E&P Agreement if Interconnection Customer is in Dispute Resolution as a result of an allegation that Interconnection Customer has failed to meet any milestones or comply with any prerequisites specified in other parts of the QF-LGIP. The E&P Agreement is an optional procedure and it will not alter the Interconnection Customer's Queue Position or In-Service Date. The E&P Agreement shall provide for Interconnection Customer to pay the cost of all activities authorized by Interconnection Customer and to make advance payments or provide other satisfactory security for such costs.

Interconnection Customer shall pay the cost of such authorized activities and any cancellation costs for equipment that is already ordered for its interconnection, which cannot be mitigated as hereafter described, whether or not such items or equipment later become unnecessary. If Interconnection Customer withdraws its application for interconnection or either Party terminates the E&P Agreement, to the extent the equipment ordered can be canceled under reasonable terms, Interconnection Customer shall be obligated to pay the associated cancellation costs. To the extent that the equipment cannot be reasonably canceled, Transmission Provider may elect: (i) to take

title to the equipment, in which event Transmission Provider shall refund Interconnection Customer any amounts paid by Interconnection Customer for such equipment and shall pay the cost of delivery of such equipment, or (ii) to transfer title to and deliver such equipment to Interconnection Customer, in which event Interconnection Customer shall pay any unpaid balance and cost of delivery of such equipment.

Article 10. Optional Interconnection Study

10.1 Optional Interconnection Study Agreement.

On or after the date when Interconnection Customer receives Interconnection System Impact Study results, Interconnection Customer may request, and Transmission Provider shall perform a reasonable number of Optional Studies. The request shall describe the assumptions that Interconnection Customer wishes Transmission Provider to study within the scope described in Article 10.2. Within five (5) Business Days after receipt of a request for an Optional Interconnection Study, Transmission Provider shall provide to Interconnection Customer an Optional Interconnection Study Agreement in the form of Appendix 5.

The Optional Interconnection Study Agreement shall: (i) specify the technical data that Interconnection Customer must provide for each phase of the Optional Interconnection Study, (ii) specify Interconnection Customer's assumptions as to which Interconnection Requests with earlier queue priority dates will be excluded from the Optional Interconnection Study case and assumptions as to the type of interconnection service for Interconnection Requests remaining in the Optional Interconnection Study case, and (iii) Transmission Provider's estimate of the cost of the Optional Interconnection Study. To the extent known by Transmission Provider, such estimate shall include any costs expected to be incurred by any Affected System whose participation is necessary to complete the Optional Interconnection Study. Notwithstanding the above, Transmission Provider shall not be required as a result of an Optional Interconnection Study request to conduct any additional Interconnection Studies with respect to any other Interconnection Request.

Interconnection Customer shall execute the Optional Interconnection Study Agreement within ten (10) Business Days of receipt and deliver the Optional Interconnection Study Agreement, the technical data and a $ 10,000 deposit to Transmission Provider.

10.2 Scope of Optional Interconnection Study.

The Optional Interconnection Study will consist of a sensitivity analysis based on the assumptions specified by Interconnection Customer in the Optional Interconnection Study Agreement. The Optional Interconnection Study will also identify Transmission Provider's Interconnection Facilities, Distribution Upgrades, and the Network Upgrades, and the estimated cost thereof, that may be required to provide transmission service or Interconnection Service based upon the results of the Optional Interconnection Study. The Optional Interconnection Study shall be performed solely for informational

purposes. Transmission Provider shall use Reasonable Efforts to coordinate the study with any Affected Systems that may be affected by the types of Interconnection Services that are being studied. Transmission Provider shall utilize existing studies to the extent practicable in conducting the Optional Interconnection Study.

10.3 Optional Interconnection Study Procedures.

The executed Optional Interconnection Study Agreement, the prepayment, and technical and other data called for therein must be provided to Transmission Provider within ten (10) Business Days of Interconnection Customer receipt of the Optional Interconnection Study Agreement. Transmission Provider shall use Reasonable Efforts to complete the Optional Interconnection Study within a mutually agreed upon time period specified within the Optional Interconnection Study Agreement. If Transmission Provider is unable to complete the Optional Interconnection Study within such time period, it shall notify Interconnection Customer and provide an estimated completion date and an explanation of the reasons why additional time is required. Any difference between the study payment and the actual cost of the study shall be paid to Transmission Provider or refunded to Interconnection Customer, as appropriate. Upon request, Transmission Provider shall provide Interconnection Customer supporting documentation and workpapers and databases or data developed in the preparation of the Optional Interconnection Study, subject to confidentiality arrangements consistent with Article 13.1.

Article 11. Standard Oregon Qualifying Facility Large Generator Interconnection Agreement (QF-LGIA)

11.1 Tender.

As provided in Article 8.3, Interconnection Customer shall tender comments on the draft Interconnection Facilities Study Report within thirty (30) Calendar Days of receipt of the report. Within thirty (30) Calendar Days after the Interconnection Customer's comments are submitted, Transmission Provider shall tender a draft QF-LGIA, together with draft appendices completed to the extent practicable. The draft QF-LGIA shall be in the form of Transmission Provider's OPUC-approved standard form QF-LGIA, which is in Appendix 6. Interconnection Customer shall execute and return, the completed draft appendices within thirty (30) Calendar Days, or upon a later date agreed upon between the Parties.

11.2 Negotiation.

Notwithstanding Article 11.1, at the request of Interconnection Customer Transmission Provider shall begin negotiations with Interconnection Customer concerning the appendices to the QF-LGIA at any time after Interconnection Customer executes the Interconnection Facilities Study Agreement. Transmission Provider and Interconnection Customer shall negotiate concerning any disputed provisions of the appendices to the draft QF-LGIA for not more than sixty (60) Calendar Days after tender of the final Interconnection Facilities Study Report. If Interconnection Customer determines that

negotiations are at an impasse, it may request termination of the negotiations at any time after tender of the draft QF-LGIA pursuant to Article 11.1 and initiate Dispute Resolution procedures pursuant to Article 13.5. If Interconnection Customer requests termination of the negotiations, but within sixty (60) Calendar Days thereafter fails to initiate Dispute Resolution, it shall be deemed to have withdrawn its Interconnection Request. Unless otherwise agreed by the Parties, if Interconnection Customer has not executed the QF-LGIA, or initiated Dispute Resolution procedures pursuant to Article 13.5 within sixty (60) Calendar Days of tender of draft QF-LGIA, it shall be deemed to have withdrawn its Interconnection Request. Transmission Provider shall provide to Interconnection Customer a final QF-LGIA within fifteen (15) Business Days after the completion of the negotiation process.

11.3 Execution and Filing.

Within fifteen (15) Business Days after receipt of the final QF-LGIA, and prior to execution of the final QF-LGIA, Interconnection Customer shall provide Transmission Provider (A) reasonable evidence of continued Site Control or (B) posting of $250,000, non-refundable additional security, which shall be applied toward future construction costs. At the same time, Interconnection Customer also shall provide reasonable evidence that one or more of the following milestones in the development of the Large Generating Facility, at Interconnection Customer election if Interconnection Customer selected Network Resource Interconnection Service, has been achieved:

(i) the execution of a contract for the supply or transportation of fuel to the Large Generating Facility;

(ii) the execution of a contract for the supply of cooling water to the Large Generating Facility;

(iii) execution of a contract for the engineering for, procurement of major equipment for, or construction of, the Large Generating Facility;

(iv) execution of a contract for the sale of electric energy or capacity from the Large Generating Facility; or

(v) application for an air, water, or land use permit.

If Interconnection Customer selected Energy Resource Interconnection Service, Interconnection Customer shall provide an attestation that it has executed a non-standard Qualifying Facility contract for the sale of electric energy or capacity from the Large Generating Facility. The attestation must be signed by the Interconnection Customer and the counterparty to the non-standard Qualifying Facility contract. Notwithstanding Article 11.2, if Interconnection Customer selecting Energy Resource Interconnection Service has not executed the QF-LGIA, or initiated Dispute Resolution procedures pursuant to Article 13.5 within one-hundred-twenty (120) Calendar Days of tender of the final QF-LGIA, with optional 30-Calendar Day extensions upon agreement of

Interconnection Customer and Transmission Provider, it shall be deemed to have withdrawn its Interconnection Request.

At the same time, Interconnection customer also shall provide reasonable evidence that it has obtained certification as a Qualifying Facility pursuant to 18 C.F.R. § 292.207.

Interconnection Customer shall execute two originals of the tendered QF-LGIA and return them to Transmission Provider.

11.4 Commencement of Interconnection Activities.

If Interconnection Customer executes the final QF-LGIA, Transmission Provider and Interconnection Customer shall perform their respective obligations in accordance with the terms of the QF-LGIA, subject to modification by OPUC.

Article 12. Construction of Transmission Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades

12.1 Schedule.

Transmission Provider and Interconnection Customer shall negotiate in good faith concerning a schedule for the construction of Transmission Provider's Interconnection Facilities, Distribution Upgrades, and the Network Upgrades.

12.2 Construction Sequencing.

12.2.1 General.

In general, the In-Service Date of an Interconnection Customers seeking interconnection to the Transmission System will determine the sequence of construction of Distribution Upgrades and Network Upgrades.

12.2.2 Advance Construction of Network Upgrades that are an Obligation of an Entity other than Interconnection Customer.

An Interconnection Customer with a QF-LGIA, in order to maintain its In-Service Date, may request that Transmission Provider advance to the extent necessary the completion of Network Upgrades that: (i) were assumed in the Interconnection Studies for such Interconnection Customer, (ii) are necessary to support such In-Service Date, and (iii) would otherwise not be completed, pursuant to a contractual obligation of an entity other than Interconnection Customer that is seeking interconnection to the Transmission System, in time to support such In-Service Date. Upon such request, Transmission Provider will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that Interconnection Customer commits to pay Transmission Provider: (i) any associated expediting costs and (ii) the cost of such Network Upgrades. The entity with a contractual obligation to construct such Network Upgrades ("Obligated Entity") shall be obligated to pay Transmission Provider for

such Network Upgrades. Payment by the Obligated Entity shall be due on the date that it's payment would have been due had there been no request for advance construction. Transmission Provider shall forward to Interconnection Customer the amount paid by the Obligated Entity. If Transmission Provider's interconnection agreement, if any, with the Obligated Entity requires Transmission Provider to refund the Obligated Entity for amounts paid for Network Upgrades, Transmission Provider then shall refund to the Obligated Entity the amount that it paid for the Network Upgrades, in accordance with said interconnection agreement.

12.2.3 Advancing Construction of Network Upgrades that are Part of an Expansion Plan of the Transmission Provider.

An Interconnection Customer with an QF-LGIA, in order to maintain its In-Service Date, may request that Transmission Provider advance to the extent necessary the completion of Network Upgrades that: (i) are necessary to support such In-Service Date and (ii) would otherwise not be completed, pursuant to an expansion plan of Transmission Provider, in time to support such In-Service Date. Upon such request, Transmission Provider will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that Interconnection Customer commits to pay Transmission Provider any associated expediting costs.

12.2.4 Amended Interconnection System Impact Study.

An Interconnection System Impact Study will be amended to determine the facilities necessary to support the requested In-Service Date. This amended study will include those transmission and Large Generating Facilities that are expected to be in service on or before the requested In-Service Date.

Article 13. Miscellaneous

13.1 Confidentiality.

Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of an QF-LGIA.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Article warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental

Authority. Each Party shall be responsible for the costs associated with affording confidential treatment of its information. The release of Confidential Information shall be subject to Applicable Laws and Regulations and Applicable Reliability Standards.

13.1.1 Scope.

Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of the QF-LGIA; or (6) is required, in accordance with Article 13.1.6, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under the QF-LGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

13.1.2 Release of Confidential Information.

Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with these procedures, unless such person has first been advised of the confidentiality provisions of this Article 13.1 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 13.1.

13.1.3 Rights.

Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Party of Confidential Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

13.1.4 No Warranties.

By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying

Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.

13.1.5 Standard of Care.

Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under these procedures or its regulatory requirements.

13.1.6 Order of Disclosure.

If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of the QF-LGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

13.1.7 Remedies.

The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Article 13.1. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Article 13.1, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 13.1, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 13.1.

13.1.8 Disclosure to OPUC or its Staff.

Notwithstanding anything in this Article 13.1 to the contrary, if the OPUC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence

pursuant to the QF-LGIP, the Party shall provide the requested information to the OPUC or its staff, within the time provided for in the request for information. In providing the information to the OPUC or its staff, the Party must, consistent with 18 OAR 860-011-0080, request that the information be treated as confidential and non-public by the OPUC and its staff and that the information be withheld from public disclosure. Parties must notify the other Party prior to the release of the Confidential Information to the OPUC or its staff. The Party shall notify the other Party to the QF-LGIA when its is notified by the OPUC or its staff that a request to release Confidential Information has been received by the OPUC, at which time either of the Parties may respond before such information would be made public, pursuant to OAR 860-011-0080. Requests from FERC, in the course of conducting an investigation, shall be treated in a similar manner, consistent with applicable federal rules and regulations.

13.1.9 Subject to the exception in Article 13.1.8, any information that a Party claims is competitively sensitive, commercial or financial information ("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this QF-LGIP or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a subregional, regional or national reliability organization or planning group. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

13.1.10 This provision shall not apply to any information that was or is hereafter in the public domain (except as a result of a Breach of this provision).

13.1.11 Transmission Provider shall, at Interconnection Customer's election, destroy, in a confidential manner, or return the Confidential Information provided at the time of Confidential Information is no longer needed.

13.2 Delegation of Responsibility.

Transmission Provider may use the services of subcontractors as it deems appropriate to perform its obligations under this QF-LGIP. Transmission Provider shall remain primarily liable to Interconnection Customer for the performance of such

subcontractors and compliance with its obligations of this QF-LGIP. The subcontractor shall keep all information provided confidential and shall use such information solely for the performance of such obligation for which it was provided and no other purpose.

13.3 Obligation for Study Costs.

Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Studies. Any difference between the study deposit and the actual cost of the applicable Interconnection Study shall be paid by or refunded, except as otherwise provided herein, to Interconnection Customer or offset against the cost of any future Interconnection Studies associated with the applicable Interconnection Request prior to beginning of any such future Interconnection Studies. Any invoices for Interconnection Studies shall include a detailed and itemized accounting of the cost of each Interconnection Study. Interconnection Customer shall pay any such undisputed costs within thirty (30) Calendar Days of receipt of an invoice therefore. Transmission Provider shall not be obligated to perform or continue to perform any studies unless Interconnection Customer has paid all undisputed amounts in compliance herewith.

13.4 Third Parties Conducting Studies.

If (i) at the time of the signing of an Interconnection Study Agreement there is disagreement as to the estimated time to complete an Interconnection Study, (ii) Interconnection Customer receives notice pursuant to Articles 6.3, 7.4 or 8.3 that Transmission Provider will not complete an Interconnection Study within the applicable timeframe for such Interconnection Study, or (iii) Interconnection Customer receives neither the Interconnection Study nor a notice under Articles 6.3, 7.4 or 8.3 within the applicable timeframe for such Interconnection Study, then Interconnection Customer may require Transmission Provider to utilize a third party consultant reasonably acceptable to Interconnection Customer and Transmission Provider to perform such Interconnection Study under the direction of Transmission Provider. At other times, Transmission Provider may also utilize a third party consultant to perform such Interconnection Study, either in response to a general request of Interconnection Customer, or on its own volition.

In all cases, use of a third party consultant shall be in accord with Article 26 of the QF-LGIA (Subcontractors) and limited to situations where Transmission Provider determines that doing so will help maintain or accelerate the study process for Interconnection Customer's pending Interconnection Request and not interfere with Transmission Provider's progress on Interconnection Studies for other pending Interconnection Requests. In cases where Interconnection Customer requests use of a third party consultant to perform such Interconnection Study, Interconnection Customer and Transmission Provider shall negotiate all of the pertinent terms and conditions, including reimbursement arrangements and the estimated study completion date and study review deadline. Transmission Provider shall convey all workpapers, data bases, study results and all other supporting documentation prepared to date with respect to the Interconnection Request as soon as soon as practicable upon Interconnection Customer's request subject to the confidentiality provision in Article 13.1. In any case, such third

party contract may be entered into with either Interconnection Customer or Transmission Provider at Transmission Provider's discretion. In the ease of (iii) Interconnection Customer maintains its right to submit a claim to Dispute Resolution to recover the costs of such third party study. Such third party consultant shall be required to comply with this QF-LGIP, Article 26 of the QF-LGIA (Subcontractors), and the relevant procedures and protocols as would apply if Transmission Provider were to conduct the Interconnection Study and shall use the information provided to it solely for purposes of performing such services and for no other purposes. Transmission Provider shall cooperate with such third party consultant and Interconnection Customer to complete and issue the Interconnection Study in the shortest reasonable time.

13.5 Disputes.

13.5.1 Submission.

In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with the QF-LGIA, the QF-LGIP, or their performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this QF-LGIA.

13.5.2 Arbitration of Disputes.

1) An interconnecting public utility or an interconnection applicant may petition the Commission for arbitration of disputes arising during review of an application to interconnect a large generator facility or during negotiation of an interconnection agreement. If the public utility or the applicant petitions the Commission to arbitrate their dispute, then the Commission will use an administrative law judge (ALJ) as arbitrator unless workload constraints necessitate the use of an outside arbitrator.

(2) A petition for arbitration of an interconnection agreement must contain: (a) A statement of all unresolved issues; (b) A description of each party's position on the unresolved issues; and (c) A proposed agreement addressing all issues, including those on which the parties have reached agreement and those that are in dispute.

(3) A petition for arbitration of a dispute arising during review of an application to interconnect a large generator facility must contain: (a) A statement of all

unresolved issues; (b) A description of each party's position on the unresolved issues; and (c) A proposed resolution for each unresolved issue.

(4) Respondent may file a response within 25 calendar days of the petition for arbitration. In the response, the respondent must address each issue listed in the petition, describe the respondent's position on those issues, and present any additional issues for which the respondent seeks resolution.

(5) The filing of a petition for arbitration of a dispute arising during review of an application to interconnect a large generator facility does not affect the application's queue position.

(6) The arbitration is conducted in a manner similar to a contested case proceeding, and the arbitrator has the same authority to conduct the arbitration process as an AU has in conducting hearings under the Commission's rules, but the arbitration process is streamlined. The arbitrator holds an early conference to discuss processing of the case. The arbitrator establishes the schedule and decides whether an oral hearing is necessary. After the oral hearing or other procedures (for example, rounds of comments), each party submits its final proposed interconnection agreement or resolution of disputed issues. The arbitrator chooses between the two final offers. If neither offer is consistent with applicable statutes, Commission rules, and Commission policies, then the arbitrator will make a decision that meets those requirements.

(7) The arbitrator may allow formal discovery only to the extent deemed necessary. Parties are required to make good faith attempts to exchange information relevant to any disputed issue in an informal, voluntary, and prompt manner. Unresolved discovery disputes are resolved by the arbitrator upon request of a party. The arbitrator will order a party to provide information if the arbitrator determines the requesting party has a reasonable need for the requested information and that the request is not overly burdensome.

(8) Only the two negotiating parties have full party status. The arbitrator may confer with Commission staff for assistance throughout the arbitration process.

(9) To keep the process moving forward, appeals to the Commission are not allowed during the arbitration process. An arbitrator may certify a question to the Commission if the arbitrator believes it is necessary.

(10) To accommodate the need for flexibility, the arbitrator may use different procedures so long as the procedures are fair, treat the parties equitably, and substantially comply with the procedures listed here.

(11) The arbitrator must serve the arbitration decision on the interconnecting public utility and the interconnection applicant. The parties may file comments on the arbitration decision with the Commission within 10 calendar days after service.

(12) The Commission must accept, reject, or modify an arbitration decision within 30 calendar days after service of the decision.

(13) Within 14 calendar days after the Commission issues an order on a petition for arbitration of an interconnection agreement, the petitioner must prepare an interconnection agreement complying with the terms of the decision and serve it on respondent. Respondent must either sign and file the interconnection agreement or file objections to it within 10 calendar days of service of the agreement. If objections are filed, respondent must state how the interconnection agreement fails to comply with the Commission order and offer substitute language complying with the decision. The Commission must approve or reject a filed interconnection agreement within 20 calendar days of its filing or the agreement is deemed approved.

(14) If petitioner, without respondent's consent, fails to timely prepare and serve an interconnection agreement on respondent, respondent may file a motion requesting the Commission dismiss the petition for arbitration with prejudice. The Commission may grant such motion if the petitioner's failure to timely prepare and serve the interconnection agreement was the result of inexcusable neglect on the part of petitioner.

(15) The public utility and the applicant may agree to hire an outside arbitrator rather than file a petition with the Commission pursuant to article 13.5.3.

13.5.3 External Arbitration Procedures.

An external arbitration initiated under these procedures shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator (s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules"); provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 13, the terms of this Article 13 shall prevail.

13.5.4 Arbitration Decisions.

Unless otherwise agreed by the Parties, the arbitrator (s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefore. The arbitrator (s) shall be authorized only to interpret and apply the provisions of the QF-LGIA and QF-LGIP and shall have no power to modify or change any provision of the QF-LGIA and QF-LGIP in any manner. The decision of the arbitrator (s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator (s) may be appealed solely on the grounds that the conduct of the arbitrator (s), or the decision itself, violated the standards set forth in the ORS 36.600 to ORS 36.740.

13.5.5 Costs.

Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.

13.6 Local Furnishing Bonds.

13.6.1 Transmission Providers That Own Facilities Financed by Local Furnishing Bonds.

This provision is applicable only to a Transmission Provider that has financed facilities for the local furnishing of electric energy with tax-exempt bonds, as described in Article 142(f) of the Internal Revenue Code ("local furnishing bonds"). Notwithstanding any other provision of this QF-LGIA and QF-LGIP, Transmission Provider shall not be required to provide Interconnection Service to Interconnection Customer pursuant to this QF-LGIA and QF-LGIP if the provision of such Interconnection Service would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance Transmission Provider's facilities that would be used in providing such Interconnection Service.

13.6.2 Alternative Procedures for Requesting Interconnection Service.

If Transmission Provider determines that the provision of Interconnection Service requested by Interconnection Customer would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance its facilities that would be used in providing such Interconnection Service, it shall advise the Interconnection Customer within thirty (30) Calendar Days of receipt of the Interconnection Request.

Interconnection Customer thereafter may renew its request for interconnection using the process specified in Article 5.2(ii) of the Transmission Provider's OATT.

APPENDIX 1 to QF-LGIP
INTERCONNECTION REQUEST FOR A
QF LARGE GENERATING FACILITY

1. The undersigned Interconnection Customer submits this request to interconnect its Large Generating Facility which is a Qualifying Facility with Transmission Provider's Transmission System pursuant to Transmission Provider's QF-LGIP.

2. This Interconnection Request is for (check one):
   ____ A proposed new Large Generating Facility that is a Qualifying Facility.
   ____ An increase in the generating capacity or a Material Modification of an existing Generating Facility that is a Qualifying Facility.

3. The type of interconnection service requested (check one)

   _____Network Resource Interconnection Service.

   _____Check here only if Interconnection Customer requesting Network Resource Interconnection Service also seeks to have its Generating Facility studied for Energy Resource Interconnection Service

4. ____ Check here if Interconnection Customer has initiated the process of certifying the Large Generating Facility as a Qualifying Facility as provided in 18 C.F.R. 292.207.

5. Interconnection Customer provides the following information:

   a. Address or location or the proposed new Large Generating Facility site (to the extent known) or, in the case of an existing Generating Facility, the name and specific location of the existing Generating Facility;

   b. Maximum summer at ___ degrees C and winter at ___ degrees C megawatt electrical output of the proposed new Large Generating Facility or the amount of megawatt increase in the generating capacity of an existing Generating Facility;

   c. General description of the equipment configuration;

   d. Commercial Operation Date (Day, Month, and Year);

   e. Name, address, telephone number, and e-mail address of Interconnection Customer's contact person;

   f. Approximate location of the proposed Point of Interconnection (optional); and

   g. Interconnection Customer Data (set forth in Attachment A)

6. Applicable deposit amount as sped fled in the QF-LGIP.

7. Evidence of Site Control as specified in the QF-LGIP (check one)
   ____ Is attached to this Interconnection Request
   ____ Will be provided at a later date in accordance with this QF-LGIP

8. This Interconnection Request shall be submitted to the representative indicated below:

   [To be completed by Transmission Provider]

9. Representative of Interconnection Customer to contact:

   [To be completed by Interconnection Customer]

10. This Interconnection Request is submitted by:

    Name of Interconnection Customer: _____

    By (signature): _____

    Name (type or print): _____

    Title: _____

    Date: _____

QF LARGE GENERATING FACILITY DATA

UNIT RATINGS

kVA _____ °F _____ Voltage _____
Power Factor _____
Speed (RPM) _____ Connection (e.g. Wye) _____
Short Circuit Ratio _____ Frequency, Hertz _____
Stator Amperes at Rated kVA _____ Field Volts _____
Max Turbine MW _____ °F _____

COMBINED TURBINE-GENERATOR-EXCITER INERTIA DATA

Inertia Constant, H = _____ kW sec/kVA
Moment-of-Inertia, WR^2 = _____ lb. $ft.^2$

REACTANCE DATA (PER UNIT-RATED KVA)

	DIRECT AXIS	QUADRATURE AXIS
Synchronous -- saturated	X_{dv} _____	X_{qv} _____
Synchronous -- unsaturated	X_{di} _____	X_{qi} _____
Transient saturated	X'_{dv} _____	X'_{qv} _____
Transient -- unsaturated	X'_{di} _____	X'_{qi} _____
Subtransient -- saturated	X''_{dv} _____	X''_{qv} _____
Subtransient -- unsaturated	X''_{di} _____	X''_{qi} _____
Negative Sequence -- saturated	$X2_v$ _____	
Negative Sequence -- unsaturated	$X2_i$ _____	
Zero Sequence -- saturated	$X0_v$ _____	
Zero Sequence unsaturated	$X0_i$ _____	
Leakage Reactance	Xl_m _____	

FIELD TIME CONSTANT DATA (SEC)

Open Circuit	T'_{do} _____	T'_{qo} _____
Three-Phase Short Circuit Transient	T'_{d3} _____	T'_{q} _____
Line to Line Short Circuit Transient	T'_{d2} _____	
Line to Neutral Short Circuit Transient	T'_{d1} _____	
Short Circuit Subtransient	T''_{d} _____	T''_{q} _____
Open Circuit Subtransient	T''_{do} _____	T''_{qo} _____

ARMATURE TIME CONSTANT DATA (SEC)

Three Phase Short Circuit	T_{a3} _____
Line to Line Short Circuit	T_{a2} _____
Line to Neutral Short Circuit	T_{a1} _____

NOTE: If requested information is not applicable, indicate by marking "N/A."

MW CAPABILITY AND PLANT CONFIGURATION LARGE GENERATING FACILITY DATA

ARMATURE WINDING RESISTANCE DATA (PER UNIT)

Positive	R_1 _____
Negative	R_2 _____
Zero	R_0 _____

Rotor Short Time Thermal Capacity I_2^2t = _____
Field Current at Rated kVA, Armature Voltage and PF = _____ amps
Field Current at Rated kVA and Armature Voltage, 0 PF = _____ amps
Three Phase Armature Winding Capacitance = _____ microfarad
Field Winding Resistance = _____ ohms _____ °C
Armature Winding Resistance (Per Phase) = _____ ohms _____ °C

CURVES

Provide Saturation, Vee, Reactive Capability, Capacity Temperature Correction curves. Designate normal and emergency Hydrogen Pressure operating range for multiple curves.

GENERATOR STEP-UP TRANSFORMER DATA RATINGS

Capacity Self-cooled/ Maximum Nameplate
_____/_____/ kVA

Voltage Ratio(Generator Side/System side/Tertiary)
_____/_____/_____ kV

Winding Connections (Low V/High V/Tertiary V (Delta or Wye))
_____/_____/_____

Fixed Taps Available _____

Present Tap Setting _____

IMPEDANCE

Positive Z_1 (on self-cooled kVA rating) _____ % _____ X/R
Zero Z_0 (on self-cooled kVA rating) _____ % _____ X/R

EXCITATION SYSTEM DATA

Identify appropriate IEEE model block diagram of excitation system and power system stabilizer (PSS) for computer representation in power system stability simulations and the corresponding excitation system and PSS constants for use in the model.

GOVERNOR SYSTEM DATA

Identify appropriate IEEE model block diagram of governor system for computer representation in power system stability simulations and the corresponding governor system constants for use in the model.

WIND GENERATORS

Number of generators to be interconnected pursuant to this Interconnection Request:

_____

Elevation: _____ Single Phase _____ Three Phase _____

Inverter manufacturer, model name, number, and version:

_____

List of adjustable setpoints for the protective equipment or software:

_____

Note: A completed General Electric Company Power Systems Load Flow (PSLF) data sheet or other compatible formats, such as IEEE and PTI power flow models, must be supplied with the Interconnection Request. If other data sheets are more appropriate to the proposed device, then they shall be provided and discussed at Scoping Meeting.

INDUCTION GENERATORS

(*) Field Volts: _____
(*) Field Amperes: _____
(*) Motoring Power (kW): _____
(*) Neutral Grounding Resistor (If Applicable): _____
(*) I_2^2t or K (Heating Time Constant): _____
(*) Rotor Resistance: _____
(*) Stator Resistance: _____
(*) Stator Reactance: _____
(*) Rotor Reactance: _____
(*) Magnetizing Reactance: _____
(*) Short Circuit Reactance: _____
(*) Exciting Current: _____
(*) Temperature Rise: _____
(*) Frame Size: _____
(*) Design Letter: _____
(*) Reactive Power Required In Vars (No Load): _____
(*) Reactive Power Required In Vars (Full Load): _____
(*) Total Rotating Inertia, H: _____ Per Unit on KVA Base _____

Note: Please consult Transmission Provider prior to submitting the Interconnection Request to determine if the information designated by (*) is required.

APPENDIX 2 to QF-LGIP
INTERCONNECTION FEASIBILITY STUDY AGREEMENT

THIS AGREEMENT is made and entered into this day of , 20 by and between_____ , a _____organized and existing under the laws of the State of_____, ("Interconnection Customer,") and _____, existing under the laws of the State of _____, ("Transmission Provider "). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated; and

WHEREAS, Interconnection Customer desires to interconnect the Large Generating Facility with the Transmission System; and

WHEREAS, Interconnection Customer has requested Transmission Provider to perform an Interconnection Feasibility Study to assess the feasibility of interconnecting the proposed Large Generating Facility to the Transmission System, and of any Affected Systems;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's OPUC-approved QF-LGIP.

2.0 Interconnection Customer elects and Transmission Provider shall cause to be performed an Interconnection Feasibility Study consistent with Article 6.0 of this QF-LGIP.

3.0 The scope of the Interconnection Feasibility Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 The Interconnection Feasibility Study shall be based on the technical information provided by Interconnection Customer in the Interconnection Request, as may be modified as the result of the Scoping Meeting. Transmission Provider reserves the right to request additional technical information from Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Interconnection Feasibility Study and as designated in accordance with Article 3.3.4 of the QF-LGIP. If, after the designation of the Point of Interconnection pursuant to Article 3.3.4 of the QF-LGIP, Interconnection Customer modifies its Interconnection Request pursuant to Article 4.4, the time to complete the Interconnection Feasibility Study may be extended.

5.0 The Interconnection Feasibility Study report shall provide the following information:

- preliminary identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
- preliminary identification of any thermal overload or voltage limit violations resulting from the interconnection; and
- preliminary description and non-bonding estimated cost of facilities required to interconnect the Large Generating Facility to the Transmission System and to address the identified short circuit and power flow issues.

6.0 Interconnection Customer shall provide a deposit of $ 10,000 for the performance of the Interconnection Feasibility Study.

Upon receipt of the Interconnection Feasibility Study Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Feasibility Study.

Any difference between the deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.

7.0 Miscellaneous. The Interconnection Feasibility Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, and that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the QF-LGIP and the QF-LGIA.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Transmission Provider or Transmission Owner, if applicable]

By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

Attachment A to Appendix 2
Interconnection Feasibility
Study Agreement

ASSUMPTIONS USED IN CONDUCTING THE INTERCONNECTION FEASIBILITY STUDY

The Interconnection Feasibility Study will be based upon the information set forth in the Interconnection Request and agreed upon in the Scoping Meeting held on _____ :

Designation of Point of Interconnection and configuration to be studied.
Designation of alternative Point(s) of Interconnection and configuration.

[Above assumptions to be completed by Interconnection Customer and other assumptions to be provided by Interconnection Customer and Transmission Provider]

APPENDIX 3 to QF-LGIP
INTERCONNECTION SYSTEM IMPACT STUDY AGREEMENT

THIS AGREEMENT is made and entered into this day of , 20 by and between, a organized and existing under the laws of the State of , ("Interconnection Customer,") and a existing under the laws of the State of , ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer desires to interconnect the Large Generating Facility with the Transmission System;

WHEREAS, Transmission Provider has completed an Interconnection Feasibility Study (the "Feasibility Study") and provided the results of said study to Interconnection Customer (This recital to be omitted if Transmission Provider does not require the Interconnection Feasibility Study.); and

WHEREAS, Interconnection Customer has requested Transmission Provider to perform an Interconnection System Impact Study to assess the impact of interconnecting the Large Generating Facility to the Transmission System, and of any Affected Systems;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's OPUC-approved QF-LGIP.

2.0 Interconnection Customer elects and Transmission Provider shall cause to be performed an Interconnection System Impact Study consistent with Article 7.0 of this QF-LGIP in accordance with the Tariff.

3.0 The scope of the Interconnection System Impact Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 The Interconnection System Impact Study will be based upon the results of the Interconnection Feasibility Study and the technical information provided by Interconnection Customer in the Interconnection Request, subject to any modifications in accordance with Article 4.4 of the QF-LGIP. Transmission

Provider reserves the right to request additional technical information from Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Interconnection Customer System Impact Study. If Interconnection Customer modifies its designated Point of Interconnection, Interconnection Request, or the technical information provided therein is modified, the time to complete the Interconnection System Impact Study may be extended.

5.0 The Interconnection System Impact Study report shall provide the following information:

- identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
- identification of any thermal overload or voltage limit violations resulting from the interconnection;
- identification of any instability or inadequately damped response to system disturbances resulting from the interconnection and
- description and non-binding, good faith estimated cost of facilities required to interconnect the Large Generating Facility to the Transmission System and to address the identified short circuit, instability, and power flow issues.

6.0 Interconnection Customer shall provide a deposit of $ 50,000 for the performance of the Interconnection System Impact Study. Transmission Provider's good faith estimate for the time of completion of the Interconnection System Impact Study is [insert date].

Upon receipt of the Interconnection System Impact Study, Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection System Impact Study.

Any difference between the deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.

7.0 Miscellaneous. The Interconnection System Impact Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, that are consistent with regional practices, Applicable Laws and Regulations and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the QF-LGIP and the QF-LGIA.

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Transmission Provider or Transmission Owner, if applicable]

By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

Attachment A To Appendix 3
Interconnection System Impact
Study Agreement

ASSUMPTIONS USED IN CONDUCTING THE INTERCONNECTION SYSTEM IMPACT STUDY

The Interconnection System Impact Study will be based upon the results of the Interconnection Feasibility Study, subject to any modifications in accordance with Article 4.4 of the QF-LGIP, and the following assumptions:

Designation of Point of Interconnection and configuration to be studied.
Designation of alternative Point(s) of Interconnection and configuration.

[Above assumptions to be completed by Interconnection Customer and other assumptions to be provided by Interconnection Customer and Transmission Provider]

APPENDIX 4 to QF-LGIP
INTERCONNECTION FACILITIES STUDY AGREEMENT

THIS AGREEMENT is made and entered into this day of , 20 by and between , a organized and existing under the laws of the State of , ("Interconnection Customer,") and a existing under the laws of the State of, ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer desires to interconnect the Large Generating Facility with the Transmission System;

WHEREAS, Transmission Provider has completed an Interconnection System Impact Study (the "System Impact Study") and provided the results of said study to Interconnection Customer; and

WHEREAS, Interconnection Customer has requested Transmission Provider to perform an Interconnection Facilities Study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the Interconnection System Impact Study in accordance with Good Utility Practice to physically and electrically connect the Large Generating Facility to the Transmission System.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's OPUC-approved QF-LGIP.

2.0 Interconnection Customer elects and Transmission Provider shall cause an Interconnection Facilities Study consistent with Article 8.0 of this QF-LGIP.

3.0 The scope of the Interconnection Facilities Study shall be subject to the assumptions set forth in Attachment A and the data provided in Attachment B to this Agreement.

4.0 The Interconnection Facilities Study report (i) shall provide a description, estimated cost of (consistent with Attachment A), schedule for required facilities to interconnect the Large Generating Facility to the Transmission System and (ii) shall

address the short circuit, instability, and power flow issues identified in the Interconnection System Impact Study.

5.0 Interconnection Customer shall provide a deposit of $ 100,000 for the performance of the Interconnection Facilities Study. The time for completion of the Interconnection Facilities Study is specified in Attachment A.

Transmission Provider shall invoice Interconnection Customer on a monthly basis for the work to be conducted on the Interconnection Facilities Study each month. Interconnection Customer shall pay invoiced amounts within thirty (30) Calendar Days of receipt of invoice. Transmission Provider shall continue to hold the amounts on deposit until settlement of the final invoice for the study.

6.0 Miscellaneous. The Interconnection Facility Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, and that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the QF-LGIP and the QF-LGIA.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Transmission Provider or Transmission Owner, if applicable]

By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

INTERCONNECTION CUSTOMER SCHEDULE ELECTION FOR CONDUCTING THE INTERCONNECTION FACILITIES STUDY

Transmission Provider shall use Reasonable Efforts to complete the study and issue a draft Interconnection Facilities Study report to Interconnection Customer within the following number of days after of receipt of an executed copy of this Interconnection Facilities Study Agreement:

- ninety (90) Calendar Days with no more than a +/- 20 percent cost estimate contained in the report, or
- one hundred eighty (180) Calendar Days with no more than a +/- 10 percent cost estimate contained in the report.

Attachment B to Appendix 4
Interconnection Facilities
Study Agreement

DATA FORM TO BE PROVIDED BY INTERCONNECTION CUSTOMER WITH THE INTERCONNECTION FACILITIES STUDY AGREEMENT

Type of Interconnection Service Requested:

_____Network Resource Interconnection Service

_____Energy Resource Interconnection Service

Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, transmission circuits, etc.

One set of metering is required for each generation connection to the new ring bus or existing Transmission Provider station. Number of generation connections:

On the one line diagram indicate the generation capacity attached at each metering location. (Maximum load on CT/PT)

On the one line diagram indicate the location of auxiliary power. (Minimum load on CT/PT) Amps

Will an alternate source of auxiliary power be available during CT/PT maintenance? _____Yes _____ No

Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation? _____ Yes _____ No (Please indicate on one line diagram).

What type of control system or PLC will be located at Interconnection Customer's Large Generating Facility?

_____

What protocol does the control system or PLC use?

_____

Please provide a 7.5-minute quadrangle of the site. Sketch the plant, station, transmission line, and property line.

_____

Physical dimensions of the proposed interconnection station:

_____

Bus length from generation to interconnection station:

_____

Line length from interconnection station to Transmission Provider's transmission line.

_____

Tower number observed in the field. (Painted on tower leg)* _____

Number of third party easements required for transmission lines*: _____

* To be completed in coordination with Transmission Provider.

Is the Large Generating Facility in the Transmission Provider's service area? _____ Yes _____ No Local provider: _____

Please provide proposed schedule dates:

Begin Construction	Date: _____
Generator step-up transformer receives back feed power	Date: _____
Generation Testing	Date: _____
Commercial Operation	Date: _____

APPENDIX 5 to QF-LGIP
OPTIONAL INTERCONNECTION STUDY AGREEMENT

THIS AGREEMENT is made and entered into this day of , 20 by and between , a organized and existing under the laws of the State of , ("Interconnection Customer,") and a existing under the laws of the State of , ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____ ;

WHEREAS, Interconnection Customer is proposing to establish an interconnection with the Transmission System; and

WHEREAS, Interconnection Customer has submitted to Transmission Provider an Interconnection Request; and

WHEREAS, on or after the date when Interconnection Customer receives the Interconnection System Impact Study results, Interconnection Customer has further requested that Transmission Provider prepare an Optional Interconnection Study;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agree as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's OPUC-approved QF-LGIP.

2.0 Interconnection Customer elects and Transmission Provider shall cause an Optional Interconnection Study consistent with Article 10.0 of this QF-LGIP.

3.0 The scope of the Optional Interconnection Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 The Optional Interconnection Study shall be performed solely for informational purposes.

5.0 The Optional Interconnection Study report shall provide a sensitivity analysis based on the assumptions specified by Interconnection Customer in Attachment A to this Agreement. The Optional Interconnection Study will identify Transmission Provider's Interconnection Facilities and the Network Upgrades, and the estimated

cost thereof, that may be required to provide transmission service or interconnection service based upon the assumptions specified by Interconnection Customer in Attachment A.

6.0 Interconnection Customer shall provide a deposit of $ 10,000 for the performance of the Optional Interconnection Study. Transmission Provider's good faith estimate for the time of completion of the Optional Interconnection Study is [insert date].

Upon receipt of the Optional Interconnection Study, Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Optional Study.

Any difference between the initial payment and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.

7.0 Miscellaneous. The Optional Interconnection Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, and that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the QF-LGIP and the QF-LGIA.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Transmission Provider or Transmission Owner, if applicable]

By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

[Insert name of Interconnection Customer]

By:

Title:

Date:

APPENDIX 6 to QF-LGIP
QF Large Generator Interconnection Agreement

Is in a separate file.

APPENDIX 7 to QF-LGIP
INTERCONNECTION PROCEDURES FOR A
WIND GENERATING PLANT

Appendix 7 sets forth procedures specific to a wind generating plant. All other requirements of the QF-LGIP continue to apply to wind generating plant interconnections.

A. Special Procedures Applicable to Wind Generators

The wind plant Interconnection Customer, in completing the Interconnection Request required by Article 3.3 of the QF-LGIP, may provide to the Transmission Provider a set of preliminary electrical design specification depicting the wind plant as a single equivalent generator. Upon satisfying these and other applicable Interconnection Request conditions, the wind plant may enter the queue and receive the base case data as provided for in the QF-LGIP.

No later than six months after submitting an Interconnection Request completed in this manner, the wind plant Interconnection Customer must submit completed detailed electrical design specifications and other data (including collector system layout data) needed to allow the Transmission Provider to complete the System Impact Study.

Docket UM 2032

CLEAN VERSION

Idaho Power Company's Revised Schedule 85

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, receiving Network Resource Interconnection Service if the Qualifying Facility interconnects directly to the Company's distribution or transmission system, 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) (C) (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, or on-system Qualifying Facilities of any size receiving Energy Resource Interconnection Service a negotiated Non-Standard Contract between the Seller and the Company is required. (C) (C)

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:

1. For all standalone solar QF projects:
    a. With a Nameplate Capacity no greater than 3 MW_{AC} – the project is eligible for a Standard Contract with fixed terms and standard avoided cost prices;
    b. With a Nameplate Capacity above 3 MW_{AC} 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 Solar and Storage QF projects:
    a. With a solar Nameplate Capacity no greater than 3 MW_{AC} and collocated storage with a Nameplate Capacity between 25 and 100 percent of the Nameplate Capacity of the solar resource, a duration of two to four hours, and a maximum combined Nameplate Capacity no greater than 3 MW_{AC}– the project is eligible for a Standard Contract with fixed terms and Interim Standard Avoided Cost Prices;
        i. Interim Standard Avoided Cost Prices are limited to the Company's cumulative system cap of 50 MW_{AC} of Solar and Storage QF Nameplate Capacity (measured as total solar Nameplate Capacity);
        ii. Projects that otherwise meet the criteria above but are in excess of the system cap are eligible for contracts per paragraph b. below.
        iii. Projects with a solar Nameplate Capacity 100 kW or smaller that otherwise meet the criteria above but are in excess of the system cap are eligible for contracts per paragraph a.
    b. With a solar Nameplate Capacity above 3 MWAC and less than or equal to 10 MWAC and a collocated storage Nameplate Capacity between 25 and 100 percent of the capacity of the solar resource and two to four hours in duration, and a maximum combined Nameplate Capacity above 3 MWAC and less or equal to 10 MWAC – the project is eligible for a Standard Contract with fixed terms and negotiated avoided cost prices;
3. For all non-solar QF projects with a Nameplate Capacity of 10 MW_{AC} or less – the project is eligible for a Standard Contract with fixed terms and standard avoided cost prices.

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

DEFINITIONS (Continued)

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. (M) (M) (M)

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 Load Serving Operations 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.

Interim Standard Avoided Cost Prices are temporary pricing applicable to Solar and Storage QFs as approved by the Oregon Public Utility Commission in docket UM 2000, to be replaced at a later date by a permanent rate methodology.

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.

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.

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.

Non-Standard Contract is a negotiated contract between any Seller that owns or operates a Qualifying Facility with a nameplate capacity rating which either does not meet the Eligibility Threshold or receives Energy Resource Interconnection Service if the Qualifying Facility is on-system 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) (C)

1. The utility's system cost data; and

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;

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

DEFINITIONS (Continued)

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; (M) (M)

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.

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

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.

Premium Peak Hours are the four hours per day designated by the Company as representing the hours of greatest capacity need. Premium Peak Hours are separately determined for each month of the year. Premium Peak Hours exclude all hours on Sundays, New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

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.

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

DEFINITIONS (Continued)

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

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). (M)

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

Solar and Storage QFs are any Qualifying Facility with a photovoltaic solar resource and collocated battery storage resource with a photovoltaic solar resource and collocated battery storage resource that meet the eligibility requirements measured in accordance with OAR 860-029-0045(4) The storage resource must only be charged by the on-site solar resource and be collocated with the generating solar resource behind the point of interconnection. The storage resource can be connected on the AC or DC side of the QF's inverter(s), so long as it meets the other criteria.

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 receiving Network Resource Interconnection Service and Intermittent and non-intermittent off-system Qualifying Facilities, with a Nameplate Capacity that meets the Eligibility Threshold. (C) (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 Load Serving Operations Business Unit at 1-208-388-2658 for further information. To be eligible for a Standard Contract, an on-system QF must receive Network Resource Interconnection Service. To receive Energy Resource Interconnection Service, the QF shall provide an attestation that it has executed a Non-Standard Contract between the Seller and the Company. The attestation must be signed by the Seller and the Company and delivered to the Company before the execution of an interconnection agreement. The attestation must be provided by the Seller within 120 days of the Seller receiving a final interconnection agreement (subject to optional 30-day extensions upon agreement of the Seller and the Company) or the interconnection application will be deemed withdrawn. (C) (N) (N)

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

QUALIFYING FACILITY INFORMATION INQUIRY PROCESS (Continued)

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. (M)

2. Energy Sales Agreement

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

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

QUALIFYING FACILITY INFORMATION INQUIRY PROCESS (Continued)

(M)

q) Point of Delivery
r) Status of the Generation Interconnection Process

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.

(M)

b. Procedures (Continued)

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)
2023	$116.25	$81.19
2024	$54.14	$38.51
2025	$56.27	$40.28
2026	$59.61	$43.25
2027	$68.43	$51.70
2028	$65.45	$48.33
2029	$64.35	$46.83
2030	$63.83	$45.91
2031	$64.56	$46.23
2032	$65.90	$47.15
2033	$67.84	$48.66
2034	$71.52	$51.89
2035	$73.95	$53.87
2036	$75.23	$54.69
2037	$76.77	$55.76
2038	$78.33	$56.84
2039	$80.02	$58.04
2040	$84.31	$61.82
2041	$87.07	$64.06
2042	$88.94	$65.40
2043	$91.38	$67.30
2044	$95.93	$71.30
2045	$99.73	$74.53
2046	$102.27	$76.49
2047	$105.37	$78.99

Notes:
(a) 2023: On-peak Market Prices; 2024-2047: On-peak capacity value of the Proxy Baseload resource plus Fuel and Capitalized Energy Cost of the Proxy Baseload resource.
(b) 2023 Off-Peak Market Prices; 2024-2047: Fuel and Capitalized Energy Cost of the Proxy Baseload resource.

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)
2023	$116.25	$81.19	$0.83	$115.42	$80.36
2024	$44.39	$38.51	$0.85	$43.54	$37.66
2025	$46.29	$40.28	$0.87	$45.42	$39.41
2026	$49.40	$43.25	$0.89	$48.51	$42.36
2027	$57.99	$51.70	$0.91	$57.08	$50.79
2028	$54.77	$48.33	$0.93	$53.84	$47.40
2029	$53.41	$46.83	$0.95	$52.46	$45.88
2030	$52.65	$45.91	$0.97	$51.68	$44.94
2031	$53.12	$46.23	$0.99	$52.13	$45.24
2032	$54.20	$47.15	$1.02	$53.18	$46.13
2033	$55.87	$48.66	$1.04	$54.83	$47.62
2034	$59.27	$51.89	$1.06	$58.21	$50.83
2035	$61.42	$53.87	$1.09	$60.33	$52.78
2036	$62.41	$54.69	$1.11	$61.30	$53.58
2037	$63.66	$55.76	$1.14	$62.52	$54.62
2038	$64.92	$56.84	$1.16	$63.76	$55.68
2039	$66.30	$58.04	$1.19	$65.11	$56.85
2040	$70.27	$61.82	$1.22	$69.05	$60.60
2041	$72.71	$64.06	$1.25	$71.46	$62.81
2042	$74.25	$65.40	$1.28	$72.97	$64.12
2043	$76.35	$67.30	$1.30	$75.05	$66.00
2044	$80.56	$71.30	$1.33	$79.23	$69.97
2045	$84.00	$74.53	$1.37	$82.63	$73.16
2046	$86.18	$76.49	$1.40	$84.78	$75.09
2047	$88.91	$78.99	$1.43	$87.48	$77.56

Notes:

(a) 2023 On-Peak Market Prices; 2024-2047: Value of on-peak capacity allocated to on-peak hours of a Wind resource plus Fuel and Capitalized Energy Cost of the Proxy Baseload resource.

(b) 2023 Off-Peak Market Prices; 2024-2047: Fuel and Capitalized Energy Cost of the Proxy Baseload resource.

(c) Wind Integration Charges based on current penetration level of 727-1397 MW. The integration charge will be updated when the next penetration level is reached.

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)
2023	$116.25	$81.19	$4.13	$112.12	$77.06
2024	$42.62	$38.51	$4.23	$38.39	$34.28
2025	$44.48	$40.28	$4.32	$40.16	$35.96
2026	$47.55	$43.25	$4.42	$43.13	$38.83
2027	$56.10	$51.70	$4.53	$51.57	$47.17
2028	$52.83	$48.33	$4.63	$48.20	$43.70
2029	$51.43	$46.83	$4.74	$46.69	$42.09
2030	$50.62	$45.91	$4.85	$45.77	$41.06
2031	$51.05	$46.23	$4.96	$46.09	$41.27
2032	$52.08	$47.15	$5.07	$47.01	$42.08
2033	$53.70	$48.66	$5.19	$48.51	$43.47
2034	$57.05	$51.89	$5.31	$51.74	$46.58
2035	$59.15	$53.87	$5.43	$53.72	$48.44
2036	$60.09	$54.69	$5.55	$54.54	$49.14
2037	$61.28	$55.76	$5.68	$55.60	$50.08
2038	$62.49	$56.84	$5.81	$56.68	$51.03
2039	$63.82	$58.04	$5.95	$57.87	$52.09
2040	$67.73	$61.82	$6.08	$61.65	$55.74
2041	$70.11	$64.06	$6.22	$63.89	$57.84
2042	$71.59	$65.40	$6.37	$65.22	$59.03
2043	$73.63	$67.30	$6.51	$67.12	$60.79
2044	$77.77	$71.30	$6.66	$71.11	$64.64
2045	$81.15	$74.53	$6.81	$74.34	$67.72
2046	$83.27	$76.49	$6.97	$76.30	$69.52
2047	$85.92	$78.99	$7.13	$78.79	$71.86

Notes:

(a) 2023 On-Peak Market Prices; 2024-2047: Value of on-peak capacity allocated to on-peak hours of a PV Solar resource plus Fuel and Capitalized Energy Cost of the Proxy Baseload resource.

(b) 2023 Off-Peak Market Prices; 2024-2047: Fuel and Capitalized Energy Cost of the Proxy Baseload resource.

(c) Solar Integration Charges based on current penetration level of 562-1355 MW. The integration charge will be updated when the next penetration level is reached.

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

Interim Standard Avoided Cost Prices with Integration Charges for Solar and Storage QFs

Year	Premium-Peak Hours ($/MWh) (a)	Non-Premium Hours $/MWh (b)	PV Solar Integration Charge $/MWh (c)	Premium Peak Hours with Integration Charge $/MWh (d) (a)-(c)	Non-Premium Hours with Integration Charge $/MWh (e) (b)-(c)
2023	$116.25	$81.19	$4.13	$112.12	$77.06
2024	$85.25	$38.51	$4.23	$81.02	$34.28
2025	$88.09	$40.28	$4.32	$83.77	$35.96
2026	$92.17	$43.25	$4.42	$87.75	$38.83
2027	$101.74	$51.70	$4.53	$97.21	$47.17
2028	$99.52	$48.33	$4.63	$94.89	$43.70
2029	$99.20	$46.83	$4.74	$94.46	$42.09
2030	$99.48	$45.91	$4.85	$94.63	$41.06
2031	$101.04	$46.23	$4.96	$96.08	$41.27
2032	$103.22	$47.15	$5.07	$98.15	$42.08
2033	$106.02	$48.66	$5.19	$100.83	$43.47
2034	$110.57	$51.89	$5.31	$105.26	$46.58
2035	$113.90	$53.87	$5.43	$108.47	$48.44
2036	$116.10	$54.69	$5.55	$110.55	$49.14
2037	$118.58	$55.76	$5.68	$112.90	$50.08
2038	$121.10	$56.84	$5.81	$115.29	$51.03
2039	$123.77	$58.04	$5.95	$117.82	$52.09
2040	$129.06	$61.82	$6.08	$122.98	$55.74
2041	$132.86	$64.06	$6.22	$126.64	$57.84
2042	$135.78	$65.40	$6.37	$129.41	$59.03
2043	$139.30	$67.30	$6.51	$132.79	$60.79
2044	$144.95	$71.30	$6.66	$138.29	$64.64
2045	$149.88	$74.53	$6.81	$143.07	$67.72
2046	$153.58	$76.49	$6.97	$146.61	$69.52
2047	$157.58	$78.99	$7.13	$150.72	$71.86

Notes:

(a) 2023 On-Peak Market Prices; 2024-2047: Value of Premium-peak capacity allocated to Premium-Peak Hours of a PV Solar and Storage resource plus Fuel and Capitalized Energy Cost of the Proxy Baseload resource.

(b) 2023 Off-Peak Market Prices; 2024-2047: Fuel and Capitalized Energy Cost of the Proxy Baseload resource.

(c) Solar Integration Charges based on current penetration level of 562-1355 MW. The integration charge will be updated when the next penetration level is reached.

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

The premium peak hours will be derived from the highest-risk hours identified in Integrated Resource Plan cycles and are subject to change. The current premium peak hours are:
(all times are in Mountain Time)

Jan	Feb	Mar	April	May	June	July	August	Sept	Oct	Nov	Dec
6-8 am 5-7 pm	6-8 am 5-7 pm	6-8 am 5-7 pm	6-8 am 5-7 pm	7-11 pm	7-11 pm	7-11 pm	7-11 pm	7-11 pm	7-11 pm	6-8 am 5-7 pm	6-8 am 5-7 pm

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

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

NET ENERGY PURCHASE PRICE (Continued)

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

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.

For Solar and Storage resources:

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

The Premium 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 Non-Premium hours the Net Energy Purchase Price will be:

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

MISCELLANEOUS PROVISIONS

Insurance

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

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

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.

   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.

   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:

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)

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.

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.

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)

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.

    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.

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)

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.

Docket UM 2032

REDLINED VERSION

Idaho Power Company's Revised Schedule 85

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, receiving Network Resource Interconnection Service if the Qualifying Facility interconnects directly to the Company's distribution or transmission system, 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, or on-system Qualifying Facilities of any size receiving Energy Resource Interconnection Service a negotiated Non-Standard Contract between the Seller and the Company is required. (C)

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: ~~(C)~~

1. For all standalone solar QF projects:
   a. With a Nameplate Capacity no greater than 3 MW_{AC} – the project is eligible for a Standard Contract with fixed terms and standard avoided cost prices;
   b. With a Nameplate Capacity above 3 MW_{AC} and less than or equal to 10 MW – the project is eligible for a Standard Contract with fixed terms and negotiated avoided cost prices; ~~N~~
2. For all Solar and Storage QF projects:
   a. With a solar Nameplate Capacity no greater than 3 MW_{AC} and collocated storage with a Nameplate Capacity between 25 and 100 percent of the Nameplate Capacity of the solar resource, a duration of two to four hours, and a maximum combined Nameplate Capacity no greater than 3 MW_{AC}– the project is eligible for a Standard Contract with fixed terms and Interim Standard Avoided Cost Prices;
      i. Interim Standard Avoided Cost Prices are limited to the Company's cumulative system cap of 50 MW_{AC} of Solar and Storage QF Nameplate Capacity (measured as total solar Nameplate Capacity);
      ii. Projects that otherwise meet the criteria above but are in excess of the system cap are eligible for contracts per paragraph b. below.
      iii. Projects with a solar Nameplate Capacity 100 kW or smaller that otherwise meet the criteria above but are in excess of the system cap are eligible for contracts per paragraph a.
   b. With a solar Nameplate Capacity above 3 MWAC and less than or equal to 10 MWAC and a collocated storage Nameplate Capacity between 25 and 100 percent of the capacity of the solar resource and two to four hours in duration, and a maximum combined Nameplate Capacity above 3 MWAC and less or equal to 10 MWAC – the project is eligible for a Standard Contract with fixed terms and negotiated avoided cost prices; ~~(N)~~
3. For all non-solar QF projects with a Nameplate Capacity of 10 MW_{AC} or less – the project is eligible for a Standard Contract with fixed terms and standard avoided cost prices.

~~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.~~

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

DEFINITIONS (Continued)

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. (M) (M) (M)

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~~ Load Serving Operations Business Unit.

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

~~(M)~~

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. ~~(N)~~ ~~(N)~~ ~~(N)~~

Interim Standard Avoided Cost Prices are temporary pricing applicable to Solar and Storage QFs as approved by the Oregon Public Utility Commission in docket UM 2000, to be replaced at a later date by a permanent rate methodology.

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.

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.

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.

Non-Standard Contract is a negotiated contract between any Seller that owns or operates a Qualifying Facility with a nameplate capacity rating which either does not meet the Eligibility Threshold or receives Energy Resource Interconnection Service if the Qualifying Facility is on-system 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

1. The utility's system cost data; and

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

   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;~~

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

DEFINITIONS (Continued)

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; (M)(~~M~~)

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. (M)

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.

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. (N)

Premium Peak Hours are the four hours per day designated by the Company as representing the hours of greatest capacity need. Premium Peak Hours are separately determined for each month of the year. Premium Peak Hours exclude all hours on Sundays, New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. (N)

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. (M)

~~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).~~

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

DEFINITIONS (Continued)

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

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. (N)

Solar and Storage QFs are any Qualifying Facility with a photovoltaic solar resource and collocated battery storage resource with a photovoltaic solar resource and collocated battery storage resource that meet the eligibility requirements measured in accordance with OAR 860-029-0045(4) The storage resource must only be charged by the on-site solar resource and be collocated with the generating solar resource behind the point of interconnection. The storage resource can be connected on the AC or DC side of the QF's inverter(s), so long as it meets the other criteria. (C) (M)

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 receiving Network Resource Interconnection Service and Intermittent and non-intermittent off-system Qualifying Facilities, with a Nameplate Capacity that meets the Eligibility Threshold. (M)

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 (C)

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~~ Load Serving Operations Business Unit at 1-208-388-2658 for further information. To be eligible for a Standard Contract, an on-system QF must receive Network Resource Interconnection Service. To receive Energy Resource Interconnection Service, the QF shall provide an attestation that it has executed a Non-Standard Contract between the Seller and the Company. The attestation must be signed by the Seller and the Company and delivered to the Company before the execution of an interconnection agreement. The attestation must be provided by the Seller within 120 days of the Seller receiving a final interconnection agreement (subject to optional 30-day extensions upon agreement of the Seller and the Company) or the interconnection application will be deemed withdrawn. (C)

~~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.~~

~~2. Energy Sales Agreement~~

~~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.~~

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

QUALIFYING FACILITY INFORMATION INQUIRY PROCESS (Continued)

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. (M)

2. Energy Sales Agreement

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~~

~~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.~~

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

QUALIFYING FACILITY INFORMATION INQUIRY PROCESS (Continued)

(M)

g) Point of Delivery
r) Status of the Generation Interconnection Process

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.

(M)

b. Procedures (Continued)

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.

~~(M)~~

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

(M)

Year	On-Peak	Off-Peak
	$/MWh	$/MWh
	(a)	(b)
2023	$116.25	$81.19
2024	$54.14	$38.51
2025	$56.27	$40.28
2026	$59.61	$43.25
2027	$68.43	$51.70
2028	$65.45	$48.33
2029	$64.35	$46.83
2030	$63.83	$45.91
2031	$64.56	$46.23
2032	$65.90	$47.15
2033	$67.84	$48.66
2034	$71.52	$51.89
2035	$73.95	$53.87
2036	$75.23	$54.69
2037	$76.77	$55.76
2038	$78.33	$56.84
2039	$80.02	$58.04
2040	$84.31	$61.82
2041	$87.07	$64.06
2042	$88.94	$65.40
2043	$91.38	$67.30
2044	$95.93	$71.30
2045	$99.73	$74.53
2046	$102.27	$76.49
2047	$105.37	$78.99

Notes:
(a) 2023: On-peak Market Prices; 2024-2047: On-peak capacity value of the Proxy Baseload resource plus Fuel and Capitalized Energy Cost of the Proxy Baseload resource.
(b) 2023 Off-Peak Market Prices; 2024-2047: Fuel and Capitalized Energy Cost of the Proxy Baseload resource.

(M)

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

Standard Avoided Cost Prices with Integration Charges for a Wind QF

(M)

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)
2023	$116.25	$81.19	$0.83	$115.42	$80.36
2024	$44.39	$38.51	$0.85	$43.54	$37.66
2025	$46.29	$40.28	$0.87	$45.42	$39.41
2026	$49.40	$43.25	$0.89	$48.51	$42.36
2027	$57.99	$51.70	$0.91	$57.08	$50.79
2028	$54.77	$48.33	$0.93	$53.84	$47.40
2029	$53.41	$46.83	$0.95	$52.46	$45.88
2030	$52.65	$45.91	$0.97	$51.68	$44.94
2031	$53.12	$46.23	$0.99	$52.13	$45.24
2032	$54.20	$47.15	$1.02	$53.18	$46.13
2033	$55.87	$48.66	$1.04	$54.83	$47.62
2034	$59.27	$51.89	$1.06	$58.21	$50.83
2035	$61.42	$53.87	$1.09	$60.33	$52.78
2036	$62.41	$54.69	$1.11	$61.30	$53.58
2037	$63.66	$55.76	$1.14	$62.52	$54.62
2038	$64.92	$56.84	$1.16	$63.76	$55.68
2039	$66.30	$58.04	$1.19	$65.11	$56.85
2040	$70.27	$61.82	$1.22	$69.05	$60.60
2041	$72.71	$64.06	$1.25	$71.46	$62.81
2042	$74.25	$65.40	$1.28	$72.97	$64.12
2043	$76.35	$67.30	$1.30	$75.05	$66.00
2044	$80.56	$71.30	$1.33	$79.23	$69.97
2045	$84.00	$74.53	$1.37	$82.63	$73.16
2046	$86.18	$76.49	$1.40	$84.78	$75.09
2047	$88.91	$78.99	$1.43	$87.48	$77.56

Notes:

(a) 2023 On-Peak Market Prices; 2024-2047: Value of on-peak capacity allocated to on-peak hours of a Wind resource plus Fuel and Capitalized Energy Cost of the Proxy Baseload resource.

(b) 2023 Off-Peak Market Prices; 2024-2047: Fuel and Capitalized Energy Cost of the Proxy Baseload resource.

(c) Wind Integration Charges based on current penetration level of 727-1397 MW. The integration charge will be updated when the next penetration level is reached.

(M)

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

(M)

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)
2023	$116.25	$81.19	$4.13	$112.12	$77.06
2024	$42.62	$38.51	$4.23	$38.39	$34.28
2025	$44.48	$40.28	$4.32	$40.16	$35.96
2026	$47.55	$43.25	$4.42	$43.13	$38.83
2027	$56.10	$51.70	$4.53	$51.57	$47.17
2028	$52.83	$48.33	$4.63	$48.20	$43.70
2029	$51.43	$46.83	$4.74	$46.69	$42.09
2030	$50.62	$45.91	$4.85	$45.77	$41.06
2031	$51.05	$46.23	$4.96	$46.09	$41.27
2032	$52.08	$47.15	$5.07	$47.01	$42.08
2033	$53.70	$48.66	$5.19	$48.51	$43.47
2034	$57.05	$51.89	$5.31	$51.74	$46.58
2035	$59.15	$53.87	$5.43	$53.72	$48.44
2036	$60.09	$54.69	$5.55	$54.54	$49.14
2037	$61.28	$55.76	$5.68	$55.60	$50.08
2038	$62.49	$56.84	$5.81	$56.68	$51.03
2039	$63.82	$58.04	$5.95	$57.87	$52.09
2040	$67.73	$61.82	$6.08	$61.65	$55.74
2041	$70.11	$64.06	$6.22	$63.89	$57.84
2042	$71.59	$65.40	$6.37	$65.22	$59.03
2043	$73.63	$67.30	$6.51	$67.12	$60.79
2044	$77.77	$71.30	$6.66	$71.11	$64.64
2045	$81.15	$74.53	$6.81	$74.34	$67.72
2046	$83.27	$76.49	$6.97	$76.30	$69.52
2047	$85.92	$78.99	$7.13	$78.79	$71.86

Notes:

(a) 2023 On-Peak Market Prices; 2024-2047: Value of on-peak capacity allocated to on-peak hours of a PV Solar resource plus Fuel and Capitalized Energy Cost of the Proxy Baseload resource.

(b) 2023 Off-Peak Market Prices; 2024-2047: Fuel and Capitalized Energy Cost of the Proxy Baseload resource.

(c) Solar Integration Charges based on current penetration level of 562-1355 MW. The integration charge will be updated when the next penetration level is reached.

(M)

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

(N)

Interim Standard Avoided Cost Prices with Integration Charges for Solar and Storage QFs

Year	Premium-Peak Hours	Non-Premium Hours	PV Solar Integration Charge	Premium Peak Hours with Integration Charge	Non-Premium Hours with Integration Charge
	($/MWh)	$/MWh	$/MWh	$/MWh	$/MWh
	(a)	(b)	(c)	(d)	(e)
				(a)-(c)	(b)-(c)
2023	$116.25	$81.19	$4.13	$112.12	$77.06
2024	$85.25	$38.51	$4.23	$81.02	$34.28
2025	$88.09	$40.28	$4.32	$83.77	$35.96
2026	$92.17	$43.25	$4.42	$87.75	$38.83
2027	$101.74	$51.70	$4.53	$97.21	$47.17
2028	$99.52	$48.33	$4.63	$94.89	$43.70
2029	$99.20	$46.83	$4.74	$94.46	$42.09
2030	$99.48	$45.91	$4.85	$94.63	$41.06
2031	$101.04	$46.23	$4.96	$96.08	$41.27
2032	$103.22	$47.15	$5.07	$98.15	$42.08
2033	$106.02	$48.66	$5.19	$100.83	$43.47
2034	$110.57	$51.89	$5.31	$105.26	$46.58
2035	$113.90	$53.87	$5.43	$108.47	$48.44
2036	$116.10	$54.69	$5.55	$110.55	$49.14
2037	$118.58	$55.76	$5.68	$112.90	$50.08
2038	$121.10	$56.84	$5.81	$115.29	$51.03
2039	$123.77	$58.04	$5.95	$117.82	$52.09
2040	$129.06	$61.82	$6.08	$122.98	$55.74
2041	$132.86	$64.06	$6.22	$126.64	$57.84
2042	$135.78	$65.40	$6.37	$129.41	$59.03
2043	$139.30	$67.30	$6.51	$132.79	$60.79
2044	$144.95	$71.30	$6.66	$138.29	$64.64
2045	$149.88	$74.53	$6.81	$143.07	$67.72
2046	$153.58	$76.49	$6.97	$146.61	$69.52
2047	$157.58	$78.99	$7.13	$150.72	$71.86

Notes:

(a) 2023 On-Peak Market Prices; 2024-2047: Value of Premium-peak capacity allocated to Premium-Peak Hours of a PV Solar and Storage resource plus Fuel and Capitalized Energy Cost of the Proxy Baseload resource.

(b) 2023 Off-Peak Market Prices; 2024-2047: Fuel and Capitalized Energy Cost of the Proxy Baseload resource.

(c) Solar Integration Charges based on current penetration level of 562-1355 MW. The integration charge will be updated when the next penetration level is reached.

(N)

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

The premium peak hours will be derived from the highest-risk hours identified in Integrated Resource Plan cycles and are subject to change. The current premium peak hours are: (N)
(all times are in Mountain Time)

Jan	Feb	Mar	April	May	June	July	August	Sept	Oct	Nov	Dec
6-8 am 5-7 pm	6-8 am 5-7 pm	6-8 am 5-7 pm	6-8 am 5-7 pm	7-11 pm	7-11 pm	7-11 pm	7-11 pm	7-11 pm	7-11 pm	6-8 am 5-7 pm	6-8 am 5-7 pm

(N)

NET ENERGY PURCHASE PRICE

(M)

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 (M)

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

NET ENERGY PURCHASE PRICE (Continued)

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

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. ~~(M)~~

For Solar and Storage resources: ~~(N)~~

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

The Premium 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 Non-Premium hours the Net Energy Purchase Price will be:

The Non-Premium Peak price from the preceding applicable Standard Avoided Cost Price tables multiplied by the appropriate Seasonality Factor. ~~(N)~~

MISCELLANEOUS PROVISIONS

Insurance

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

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 (M)

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.

   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.

   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: (M)

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COGENERATION AND SMALL POWER
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CONTRACT RATES
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GUIDELINES FOR NEGOTIATION OF POWER PURCHASE AGREEMENTS
FOR QFS NOT MEETING THE ELIGIBILITY THRESHOLD (Continued) (M)

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.

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. (M)

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) (M)

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.

    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.

(M)

SCHEDULE 85
COGENERATION AND SMALL POWER
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FOR QFS NOT MEETING THE ELIGIBILITY THRESHOLD (Continued) (M)

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. (M)