



825 NE Multnomah St., Suite 1600
Portland, Oregon 97232

August 25, 2016

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

RE: *PacifiCorp*
Docket No. ER16-_____-000

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act, 16 U.S.C. § 824d (2006), Part 35 of the Federal Energy Regulatory Commission's ("Commission") regulations, 18 C.F.R. Part 35 (2015), and Order No. 714¹ regarding electronic filing of tariff submittals, PacifiCorp hereby tenders for filing the following jurisdictional agreement:

Ancillary Services Agreement ("Agreement") between Surprise Valley Electrification Corp. ("SVEC") and PacifiCorp, to be designated as PacifiCorp Rate Schedule No. 722.

1. Background and Reason for Filing

SVEC is an electric utility located in southern Oregon, with its service territory located primarily within PacifiCorp's Balancing Authority Area ("BAA"). SVEC owns a geothermal generation facility, the Paisley Project, which is interconnected to the SVEC-owned electric system located within PacifiCorp's BAA. The Paisley Project is a Qualifying Facility ("QF") under the Public Utility Regulatory Policies Act of 1978.

SVEC will utilize its own electric system to transfer energy from the SVEC generating facility to the point of interconnection between SVEC's system and PacifiCorp's system. SVEC intends to make this transfer of energy over SVEC's system using a firm delivery arrangement. SVEC is not self-providing, or contracting with any third party to provide, ancillary services to support SVEC's firm delivery arrangement, so it has requested that PacifiCorp, as the Balancing Authority, provide certain ancillary services to support SVEC's firm delivery arrangement.

SVEC is not a transmission customer under PacifiCorp's OATT, and PacifiCorp is not providing transmission service, or any other type of delivery service, to SVEC. PacifiCorp, as the Balancing Authority, is required to provide ancillary services, if requested, to transmission

¹ *Electronic Tariff Filings*, Order No. 714, 124 FERC ¶ 61,270 (2008).

customers of other transmission providers located within PacifiCorp's BAA. SVEC and PacifiCorp have entered into this Agreement to set forth the terms and conditions for the provision by PacifiCorp of certain ancillary services to SVEC and the payment of costs for such services. Accordingly, PacifiCorp respectfully requests that the Commission accept the Agreement, attached hereto, for filing.

2. Effective Date and Request for Waiver

PacifiCorp respectfully requests waiver of the Commission's prior notice and filing requirements so as to permit a September 1, 2016 effective date for the Agreement. The Commission has determined that it will grant waiver of such prior notice requirements for good cause shown. Good cause exists to grant this waiver request because the QF power purchase agreement between SVEC and PacifiCorp Energy Supply Management will go into effect on September 1, 2016, and the parties desire PacifiCorp Transmission's provision of the ancillary services supporting the associated firm delivery arrangement to begin on the same date.

To the extent that any filing requirement in Part 35 of the Commission's regulations is not satisfied by this filing and the materials enclosed herewith, PacifiCorp respectfully requests waiver of such requirements.

3. Designation

PacifiCorp requests that the Agreement be designated as PacifiCorp Rate Schedule No. 721.

4. Enclosure

The following enclosure is attached hereto:

Agreement between SVEC and PacifiCorp, to be designated as PacifiCorp Rate Schedule No. 721.

5. Communications

All communications and correspondence regarding this filing should be forwarded to the following persons:

Patrick C. Cannon
Senior Counsel
PacifiCorp
825 N.E. Multnomah, Suite 1800
Portland, OR 97232
(503) 813-5613
(503) 813-6508 (facsimile)
Patrick.Cannon@PacifiCorp.com

Rick Vail
Vice President, Transmission
PacifiCorp
825 N.E. Multnomah, Suite 1600
Portland, OR 97232
(503) 813-6938
(503) 813-6893 (facsimile)
Richard.Vail@PacifiCorp.com

6. Service List

Pursuant to Rule 2010 of the Commission's Rules of Practice and Procedure, a copy of this filing is being served on the following:

Brad Kresge
Surprise Valley Electrification Corp.
516 U.S. Highway 395E
Alturas, CA 96101
bradsvec@frontier.com

Public Utility Commission of Oregon
550 Capitol St NE #215
PO Box 2148
Salem OR 97308-2148
PUC.FilingCenter@state.or.us

If you have any questions, or if I can be of further assistance, please do not hesitate to contact me.

Respectfully Submitted,

/s/ Patrick C. Cannon
Patrick C. Cannon

Attorney for PacifiCorp

CERTIFICATE OF SERVICE

I hereby certify that I have on this day caused a copy of the foregoing document to be served via first-class mail or electronic mail upon each of the parties listed in the enclosed Service List.

Dated at Portland, Oregon this 25th day of August, 2016.

/s/ Patrick C. Cannon _____

Patrick C. Cannon
PacifiCorp
825 N.E. Multnomah, Suite 1800
Portland, OR 97232
(503) 813-5613
(503) 813-6508 (facsimile)
patrick.cannon@pacificorp.com

ANCILLARY SERVICES AGREEMENT

BETWEEN

PACIFICORP

AND

SURPRISE VALLEY ELECTRIFICATION CORP.

**ANCILLARY SERVICES AGREEMENT
BETWEEN
PACIFICORP
AND
SURPRISE VALLEY ELECTRIFICATION CORP.**

THIS ANCILLARY SERVICES AGREEMENT (“Agreement”), dated as of the 23rd day of August, 2016, is entered into by and between PacifiCorp and Surprise Valley Electrification Corp. (“SVEC” or “Customer”). PacifiCorp and SVEC are sometimes referred to herein individually as a “Party” and collectively as the “Parties.”

WHEREAS, SVEC is an electric utility located in southern Oregon, with its service territory located primarily within PacifiCorp’s Balancing Authority Area (“BAA”);

WHEREAS, SVEC owns a geothermal generation facility, the Paisley Project, which is interconnected to the SVEC-owned electric system located within PacifiCorp’s BAA;

WHEREAS, SVEC owns and operates certain electric facilities which are located within the PacifiCorp West (“PACW”) BAA;

WHEREAS, SVEC will utilize its own electric system to transfer energy from the SVEC generating facility to the point of interconnection between SVEC’s system and PacifiCorp’s system;

WHEREAS, SVEC seeks to make this transfer of energy over SVEC’s system a firm delivery arrangement;

WHEREAS, SVEC is not self-providing, or contracting with any third party to provide, Ancillary Services to support SVEC’s firm delivery arrangement, so it has requested that PacifiCorp, as the Balancing Authority, provide certain Ancillary Services to support SVEC’s firm delivery arrangement;

WHEREAS, SVEC is not a transmission customer under PacifiCorp’s OATT, and PacifiCorp is not providing transmission service, or any other type of delivery service, to SVEC;

WHEREAS, PacifiCorp, as the Balancing Authority, is required to provide Ancillary Services, if requested, by transmission customers of other transmission providers located within PacifiCorp’s BAA;

WHEREAS, SVEC and PacifiCorp hereby agree to enter into this Agreement to set forth the terms and conditions for the provision by PacifiCorp of certain Ancillary Services to SVEC and the payment of costs for such services.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 1. DEFINITIONS

As used in this Agreement, the following terms shall have the meanings stated below. Terms defined in other sections of this Agreement shall have the meanings stated in those sections. Capitalized terms used in this Agreement but not defined herein shall have the meanings stated in PacifiCorp's OATT.

Ancillary Services shall mean the services described in Section 3 and certain Schedules of PacifiCorp's Open Access Transmission Tariff and as shown in Exhibit 1 of this Agreement necessary to support transfer of Paisley Project output across SVEC's system to the Point of Interconnection between SVEC's system and PacifiCorp's system.

Applicable Reliability Standards shall mean requirements, guidelines and criteria of NERC, WECC and NAESB.

Balancing Authority shall mean PacifiCorp as the responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a BAA, and supports interconnection frequency in real time.

Balancing Authority Area or **BAA** means the collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority.

Energy Management System (EMS) shall mean the computer system used to monitor, control and optimize the transmission and generation systems including remote control of individual switching devices and generating units. The EMS also acts as an accounting and detailed calculation platform to refine and store data. SVEC will retain operational control over all facilities owned by SVEC.

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

Good Utility Practice shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility 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.

NERC shall mean the North American Electric Reliability Corporation, the entity designated as the electric reliability organization certified by FERC to establish and enforce the reliability standards of the bulk power system, or its successor organization(s).

OASIS shall mean the Open Access Same Time Information System of PacifiCorp.

Open Access Transmission Tariff or **OATT** shall mean PacifiCorp's Open Access Transmission Tariff on file with FERC, as may be amended from time to time.

WECC shall mean the Western Electricity Coordinating Council or its successor organization.

ARTICLE 2. SCOPE OF SERVICES

2.1 Scope of Services. PacifiCorp shall provide to SVEC the Ancillary Services listed in Exhibit 1 of this Agreement, as necessary, to support delivery of power from the Paisley Project across SVEC's system to the Point of Delivery with PacifiCorp.

2.2 Term of Service. This Agreement shall be effective upon the date of acceptance by FERC, and will remain in effect until one or both Parties seek to terminate this Agreement in accordance with Article 6.

The Parties shall cooperate in good faith and undertake reasonable efforts to make all additional and necessary filings with FERC to effectuate timely termination of this Agreement consistent with the terms hereof.

2.3 Balancing Authority Business Practices. SVEC is responsible for compliance with all PacifiCorp business practices and protocols applicable to entities within the BAA.

2.4 Schedules. SVEC is responsible for ensuring timely submission of day-ahead hourly schedules in whole MW increments and otherwise in accordance with PacifiCorp's OASIS business practices and protocols.

2.5 Costs for Services. SVEC's costs for services under this Agreement shall be as provided in PacifiCorp's OATT (as such costs may be amended from time to time) provided that billings shall be based on generator output as specified in Section 5.2. SVEC shall timely pay for the services provided under this Agreement in accordance with the provisions provided in Article 5 of this Agreement.

2.6 Filing with FERC. This Agreement shall be filed with FERC for review and acceptance. The Parties shall cooperate in good faith in submitting this Agreement for review and acceptance by FERC. SVEC shall provide PacifiCorp all necessary documents and support, as reasonably requested by PacifiCorp, to obtain acceptance of this Agreement by FERC. In the event FERC does not accept this Agreement, this Agreement shall

terminate and be of no further force or effect, and shall be withdrawn by PacifiCorp without prejudice.

ARTICLE 3. TECHNICAL REQUIREMENTS

- 3.1 Metering.** SVEC shall ensure that appropriate metering is installed at its geothermal generating facility to ensure that the services provided under the terms of this Agreement can be accurately accessed and billed to SVEC by PacifiCorp. Metering equipment shall be owned and maintained by SVEC at its sole expense. SVEC shall provide real-time data from its meters to PacifiCorp in accordance with PacifiCorp's generally applicable metering and communications requirements. Standard meter system accuracy test shall be completed with at least a bi-annual certification and PacifiCorp may choose to witness the SVEC meter tests to ensure compliance. SVEC shall provide PacifiCorp notification of meter tests at least two weeks in advance and a copy of the test results shall be given to PacifiCorp meter engineering. All metering, communications, and data exchanges required to implement this Agreement shall be automated to the greatest extent reasonably practicable. The standards and specifications for metering and communications equipment as well as any related hardware and software required to implement this Agreement shall, if reasonably practicable, be compatible with PacifiCorp's existing or planned facilities or software, meet all applicable WECC and NERC requirements, and be consistent with Good Utility Practice. All metering test data shall be sent to PacifiCorp 825 NE Multnomah Street, Suite 1600, Portland, Oregon 97232, Attention: Metering Engineering.
- 3.2 Modifications to Meters.** In the event SVEC intends to modify or replace any of its meters, SVEC shall notify PacifiCorp in writing not less than thirty (30) days prior to making any such modifications or replacements, except in the case of an emergency, in which case SVEC shall provide PacifiCorp as much notice as reasonably practicable.
- 3.3 Operations.** SVEC's electrical system shall be electrically connected to PacifiCorp at the interconnections specifically identified on Exhibit 2 hereto.
- 3.4 Outage Schedules.** The Parties shall cooperate in scheduling the time and duration of removal from service of important circuits on the Parties' systems for inspection, maintenance, or repair to minimize hazard to consumers. The arranging of such coordinated schedules shall be a responsibility of the Parties' representatives.
- 3.5 Communication and Control Facilities.** The type and arrangement of inter-system communication facilities for load dispatch and system operations, of equipment for tie line load control and of relay equipment for control of any interconnection circuits shall be recommended by the Parties' representatives, and the operating procedures in connection therewith shall be in accordance with standard practices established from time to time by the Parties' representatives.

- 3.6 Minimum Operations.** The Parties will operate within the Applicable Reliability Standards, as such criteria may be modified or revised from time to time.
- 3.7 Testing and Reading of Meters.** Metering equipment, the registrations of which are involved in settlements for transactions hereunder, shall be inspected and tested by the owner at annual intervals or at such shorter intervals as may be agreed upon by the Parties' representative(s), and any inaccuracy disclosed by such tests shall be promptly corrected by the owner. The owner, upon request of the other Party, shall make additional inspections and tests at particular installations. Representatives of the other Party involved shall be afforded the opportunity to be present at all such inspections and tests. If, at any test, a meter is found to be inaccurate under the Applicable Reliability Standards, an adjustment shall be made in settlements hereunder between the Parties to compensate for the effect of such inaccuracy over a preceding period extending to the second preceding meter reading or over such shorter period as the inaccuracy may be determined to have existed. If, at any time, a meter should fail to register or its registration should be so erratic as to be meaningless, the estimated correct registration for billing purposes shall be based upon records of check meters, if available, or otherwise upon the best obtainable data. Kilowatt-hour meters involved in settlements hereunder shall be read monthly by the owner, and representatives of the other Party shall be afforded the opportunity to be present at such readings. The Parties' representatives shall make arrangements with respect to reading of meters belonging to any third person.
- 3.8 Coordination with other Balancing Authorities.** PacifiCorp will coordinate with adjacent Balancing Authorities on the installation of common metering equipment.
- 3.9 Communications.** SVEC shall ensure primary and backup communication on independent paths is installed for generation data. The data to be transmitted and/or telecommunicated between PacifiCorp and adjacent Balancing Authorities shall include, for each direction of flow at the meter point:
- 3.9.1 Instantaneous (analog) uncompensated MW and MVAR values each two (2) seconds if available, however in no event more than four (4) seconds; and
 - 3.9.2 Uncompensated MWh and MVARh values each hour (accumulator).
- 3.10 Generators in Excess of three (3) MW.** SVEC shall provide PacifiCorp with status, MW, and MVAR information for any generators connected to the SVEC electric system (other than emergency backup) exceeding three (3) MW rated output.
- 3.11 Network Planning Information.** For PacifiCorp to plan on an ongoing basis to meet SVEC's firm long-term requirements for BAA services hereunder, SVEC shall provide PacifiCorp in writing, by no later than October 15 of each year during the term, SVEC's best forecast of the monthly peak generation and load by meter point in both kW and kVAR for the following two (2) calendar years. Such forecast shall be made

using forecasting techniques consistent with Good Utility Practice. In addition, SVEC shall provide PacifiCorp with any other data PacifiCorp deems reasonably necessary for PacifiCorp to plan for and provide the BAA services hereunder.

3.12 Record-Keeping Obligations. Each Party shall maintain such records in connection with the services provided under this Agreement as are required by WECC, NERC, any applicable Governmental Authority, and this Agreement, and all data, documents, or other materials relating to or substantiating any charges, costs or expenses payable or reimbursable by the other Party under and in accordance with the requirements of this Agreement, for a minimum period, in each instance, the longer of the term required by the Applicable Reliability Standard or three (3) years from the date on which the records are created.

3.13 Obligations of SVEC. SVEC, as an unregistered entity, shall reasonably cooperate and provide reasonable support to PacifiCorp in connection with any (i) external audit or investigation of PacifiCorp by WECC, NERC, FERC, and/or other applicable Governmental Authority; (ii) internal audit conducted by PacifiCorp or its agents or contractors; and (iii) data requests, self-reports and/or mitigation plans regarding PacifiCorp's compliance with the requirements of the Applicable Reliability Standards.

PacifiCorp, under this Agreement, assumes no obligation for performing any services or complying with Applicable Reliability Standards for any functions other than Balancing Authority on the SVEC side of the points of interconnection with respect to the SVEC load. In the event SVEC becomes a Registered Entity in the future, PacifiCorp shall reasonably cooperate and provide reasonable support to SVEC in connection with any (i) external audit or investigation by WECC, NERC, FERC, and/or other applicable Governmental Authority; (ii) internal audit conducted by SVEC or its agents or contractors; and (iii) data requests, self-reports and/or mitigation plans regarding SVEC's compliance with the requirements of the Applicable Reliability Standards, but only to the extent related to PacifiCorp's performance hereunder.

3.14 Installation of Utility-Scale Renewable Generation Resources within the PacifiCorp BAA. To ensure PacifiCorp has adequate generation to cover intra-hour energy swings associated with certain renewable generators located or to be located within the PacifiCorp BAA, SVEC shall, twelve months prior to energizing such renewable generation facility with a rated alternating current capacity of three (3) MW or greater, provide notice to PacifiCorp. PacifiCorp shall, within two (2) months of receiving that notice, provide to SVEC the results of its assessment as to whether energizing such renewable generation facility will negatively affect PacifiCorp's ability to provide reliable BAA services and propose additional requirements, if any are required, to ensure PacifiCorp can provide reliable BAA services. Acceptance of any additional requirements will be subject to PacifiCorp and SVEC's agreement.

ARTICLE 4. NOTICES

- 4.1 Notices to PacifiCorp.** Notices to PacifiCorp under this Agreement shall be provided in writing to the following addresses:

PacifiCorp
Attn: Vice President, Transmission
825 NE Multnomah Street, Suite 1600
Portland, OR 97232

with a copy to:

PacifiCorp
Attn: Legal Department
825 NE Multnomah Street, Suite 1800
Portland, OR 97232

- 4.2 Notices to SVEC.** Notices to SVEC under this Agreement shall be provided in writing to the following addresses:

Brad Kresge
Surprise Valley Electrification Corp.
516 U.S. Highway 395E
Alturas, CA 96101

- 4.3 Modification of Contacts.** Each Party may modify its contacts or addresses or specify additional contacts or addresses for notices under this Agreement upon written notice to the other Party.

ARTICLE 5. BILLING

- 5.1 Invoices.** PacifiCorp shall provide SVEC with monthly invoices for the services provided under this Agreement. SVEC shall pay such invoices within twenty (20) days of receipt.
- 5.2 Billing Determinant.** The ancillary services charges shall be based on the Paisley generator output as measured at the Paisley generator meter, averaged over the month.
- 5.3 Dispute of Invoiced Amount.** In the event SVEC believes that any of the amounts invoiced are in error, SVEC shall give notice thereof to the contacts listed in Article 4 of this Agreement as soon as practicable, but in no event later than sixty (60) days following receipt of such invoice. SVEC shall pay all invoiced amounts, including any disputed amount, in accordance with Article 5.1. The Parties will mutually work in good faith to address any disputes arising from any invoice for services under this Agreement pursuant

to Article 7 of this Agreement. In the event resolution of a dispute results in a refund of an amount paid by SVEC, such refund shall bear interest from the date of payment to the date of refund in accordance with the refund requirements provided in 18 C.F.R. § 35.19a, or at such other interest rate as may be approved by FERC for PacifiCorp under the provisions of its OATT.

- 5.4 Failure to Pay Invoices.** In the event SVEC fails to timely pay any invoiced amounts, PacifiCorp will provide notice to SVEC of its failure to timely pay its invoices (the “Notice to Cure”). Following receipt of a Notice to Cure, SVEC shall have thirty (30) days to cure (the “Cure Period”) and pay the outstanding invoiced amounts. In the event SVEC fails to cure within the Cure Period, SVEC will be deemed to be in default of this Agreement.

ARTICLE 6. TERMINATION

- 6.1 Termination by Party(ies).** PacifiCorp may terminate this Agreement, at its sole discretion, upon notice of termination of the transfer arrangements identified in Exhibit 2 to this Agreement. SVEC may request termination of this Agreement following:

- (a) Two-months’ notice to PacifiCorp of the termination of all transfer arrangements identified in Exhibit 2 to this Agreement; or
- (b) Six-months’ notice to PacifiCorp following execution of an agreement between SVEC and an alternative provider of Ancillary Services to support the transfer arrangements identified in Exhibit 2 to this Agreement; provided, however, that PacifiCorp may refuse to terminate this agreement if PacifiCorp, in its sole discretion, finds that SVEC’s arrangements for an alternative provider of Ancillary Services are not sufficient to maintain the reliability of system.

Following receipt of such termination request, the Parties will work in good faith using reasonable efforts to execute any necessary agreements or otherwise make any necessary application with FERC to effectuate termination of this Agreement. Each party shall bear any and all costs it incurs associated with the termination of this Agreement.

- 6.2 Termination for Default.** In the event Customer fails to timely pay any invoiced amounts for services provided under this Agreement and, following a Notice to Cure, fails to cure within the Cure Period, PacifiCorp will provide Customer with a Notice of Default and may seek to terminate this Agreement. In the event of a termination for default, Customer shall continue to be responsible for all costs of providing services under this Agreement and as provided in this Agreement and shall cooperate and work in good faith with PacifiCorp to make all necessary filings with FERC, or otherwise, to terminate this Agreement. Upon termination of this Agreement for default, Customer shall immediately seek terminate the transfer arrangements identified in Exhibit 2 to this Agreement.

- 6.3 Effect of Termination.** No termination of this Agreement shall be effective until filed and accepted by FERC. The Parties shall remain obligated under the terms of this Agreement until a termination of this Agreement is accepted by FERC.

ARTICLE 7. DISPUTES

In the event either Party has a dispute under the terms of this Agreement, the disputing Party shall provide timely notice of that dispute to the non-disputing Party and such dispute shall be referred to a senior representative of each Party for resolution of the dispute on an informal basis as promptly as reasonably practicable. In the event the designated representatives are unable to resolve the dispute within sixty (60) days (or such other time as the Parties may agree upon), such designated representatives may submit the dispute to FERC's dispute resolution office or may resolve the dispute in any other manner mutually agreeable to the Parties. Each Party shall be responsible for its own costs associated with resolution of a dispute which is submitted to a third party.

ARTICLE 8. MISCELLANEOUS

- 8.1 PacifiCorp's Reservation of Rights.** Nothing contained in this Agreement shall be construed as affecting in any way the right of PacifiCorp to unilaterally make any application to FERC for a change in rates, terms and conditions, charges, classification of service, rule or regulation under Section 205 of the Federal Power Act and pursuant to FERC's rules and regulations promulgated thereunder.
- 8.2 Customer's Reservation of Rights.** Nothing in this Agreement shall be construed as affecting in any way the ability of SVEC to exercise any of its rights under the Federal Power Act and pursuant to FERC's rules and regulations promulgated thereunder.
- 8.3 Relationship of Parties.** The obligations and liabilities of the Parties under this Agreement are several and not joint or collective, and nothing herein contained shall be construed to create an association, joint venture, trust, or partnership, or to impose a trust or partnership, obligation or liability on or with regard to the other Party. Each Party shall be individually liable for its own obligations and liabilities provided herein. Neither Party shall be under the control of the other Party nor be deemed to be under the control of the other Party, and neither Party shall be the agent of nor have the right or power to bind the other Party, without such other Party's express written consent.
- 8.4 Non-Dedication of Facilities.** An undertaking by either Party to the other Party under this Agreement shall not constitute the dedication of the system, or any portion thereof, of that Party to the public or to the other Party, or affect the status of that Party as an independent system.

- 8.5 Governing Law.** This Agreement shall be interpreted, governed and construed under the laws of the State of Oregon or the laws of the United States as applicable, as if executed and to be performed wholly within the State of Oregon.
- 8.6 Captions and Headings.** All captions and headings appearing in this Agreement are inserted to facilitate reference and shall not govern the interpretations of the provisions hereof, except where logically necessary.
- 8.7 Entire Agreement.** All attachments to this Agreement, including Exhibits 1 and 2, are incorporated into and made part of this Agreement.
- 8.8 Execution in Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.
- 8.9 No Third-Party Beneficiary.** The provisions of this Agreement are for the benefit of the Parties and not for any other person or third-party beneficiary. The provisions of this Agreement shall not impart rights enforceable by any person, firm or organization other than a Party or a successor or assignee of a Party to this Agreement.
- 8.10 Assignment.** PacifiCorp may at any time assign its rights and delegate its obligations under this Agreement, in whole or in part, including, without limitation, transferring its rights and obligations under this Agreement to any: (i) affiliate; (ii) successor in interest, or (iii) corporation or any other business entity in conjunction with a merger, consolidation or other business reorganization to which PacifiCorp is a party. Affiliate includes any entity in which Berkshire Hathaway Inc. owns more than a 5% interest, over which Berkshire Hathaway Energy exercises management control, or which is listed on an exhibit to this Agreement. SVEC shall not assign its rights, nor delegate its obligations, under this Agreement without the prior written consent of PacifiCorp, and any attempted transfer in violation of this restriction shall be void.
- 8.11** TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF THE PARTIES HERETO WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT. EACH PARTY FURTHER WAIVES ANY RIGHT TO CONSOLIDATE, OR TO REQUEST THE CONSOLIDATION OF, ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED.

ARTICLE 9. SIGNATURES

The signatories hereto represent that they have been appropriately authorized to enter into this Agreement on behalf of the Party for which they sign.

PACIFICORP

By /s/ Rick Vail

Name Rick Vail

Title VP, Transmission

Date Signed 8/23/16

SURPRISE VALLEY ELECTRIFICATION
CORP.

By /s/ Bradley A. Kresge

Name Bradley A. Kresge

Title General Manager

Date Signed 8/19/16

EXHIBIT 1

1. Scheduling, System Control, and Dispatch Service (OATT Schedule 1)
2. Reactive Supply and Voltage Control Service (OATT Schedule 2)
3. Generator Regulation and Frequency Response Service (OATT Schedule 3A)
4. Operating Reserve – Spinning Reserve Service (OATT Schedule 5)
5. Operating Reserve – Supplemental Reserve Service (OATT Schedule 6)
6. Generator Imbalance Service (OATT Schedule 9)

EXHIBIT 2

Points of Interconnection with PacifiCorp: Bonneville Power Administration Meter Point 41

Transfer Arrangements: SVEC responsible for all arrangements to deliver power from Paisley generator, across SVEC's system, to Point of Interconnection with PacifiCorp

RECEIVED

AUG 22 2016

TRANSMISSION SERVICES
PACIFICORP

ANCILLARY SERVICES AGREEMENT

BETWEEN

PACIFICORP

AND

SURPRISE VALLEY ELECTRIFICATION CORP.

**ANCILLARY SERVICES AGREEMENT
BETWEEN
PACIFICORP
AND
SURPRISE VALLEY ELECTRIFICATION CORP.**

THIS ANCILLARY SERVICES AGREEMENT ("Agreement"), dated as of the 23rd day of August, 2016, is entered into by and between PacifiCorp and Surprise Valley Electrification Corp. ("SVEC" or "Customer"). PacifiCorp and SVEC are sometimes referred to herein individually as a "Party" and collectively as the "Parties."

WHEREAS, SVEC is an electric utility located in southern Oregon, with its service territory located primarily within PacifiCorp's Balancing Authority Area ("BAA");

WHEREAS, SVEC owns a geothermal generation facility, the Paisley Project, which is interconnected to the SVEC-owned electric system located within PacifiCorp's BAA;

WHEREAS, SVEC owns and operates certain electric facilities which are located within the PacifiCorp West ("PACW") BAA;

WHEREAS, SVEC will utilize its own electric system to transfer energy from the SVEC generating facility to the point of interconnection between SVEC's system and PacifiCorp's system;

WHEREAS, SVEC seeks to make this transfer of energy over SVEC's system a firm delivery arrangement;

WHEREAS, SVEC is not self-providing, or contracting with any third party to provide, Ancillary Services to support SVEC's firm delivery arrangement, so it has requested that PacifiCorp, as the Balancing Authority, provide certain Ancillary Services to support SVEC's firm delivery arrangement;

WHEREAS, SVEC is not a transmission customer under PacifiCorp's OATT, and PacifiCorp is not providing transmission service, or any other type of delivery service, to SVEC;

WHEREAS, PacifiCorp, as the Balancing Authority, is required to provide Ancillary Services, if requested, by transmission customers of other transmission providers located within PacifiCorp's BAA;

WHEREAS, SVEC and PacifiCorp hereby agree to enter into this Agreement to set forth the terms and conditions for the provision by PacifiCorp of certain Ancillary Services to SVEC and the payment of costs for such services.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as

follows:

ARTICLE 1. DEFINITIONS

As used in this Agreement, the following terms shall have the meanings stated below. Terms defined in other sections of this Agreement shall have the meanings stated in those sections. Capitalized terms used in this Agreement but not defined herein shall have the meanings stated in PacifiCorp's OATT.

Ancillary Services shall mean the services described in Section 3 and certain Schedules of PacifiCorp's Open Access Transmission Tariff and as shown in Exhibit 1 of this Agreement necessary to support transfer of Paisley Project output across SVEC's system to the Point of Interconnection between SVEC's system and PacifiCorp's system.

Applicable Reliability Standards shall mean requirements, guidelines and criteria of NERC, WECC and NAESB.

Balancing Authority shall mean PacifiCorp as the responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a BAA, and supports interconnection frequency in real time.

Balancing Authority Area or **BAA** means the collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority.

Energy Management System (EMS) shall mean the computer system used to monitor, control and optimize the transmission and generation systems including remote control of individual switching devices and generating units. The EMS also acts as an accounting and detailed calculation platform to refine and store data. SVEC will retain operational control over all facilities owned by SVEC.

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

Good Utility Practice shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility 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.

NERC shall mean the North American Electric Reliability Corporation, the entity designated as the electric reliability organization certified by FERC to establish and enforce the reliability standards of the bulk power system, or its successor organization(s).

OASIS shall mean the Open Access Same Time Information System of PacifiCorp.

Open Access Transmission Tariff or **OATT** shall mean PacifiCorp's Open Access Transmission Tariff on file with FERC, as may be amended from time to time.

WECC shall mean the Western Electricity Coordinating Council or its successor organization.

ARTICLE 2. SCOPE OF SERVICES

2.1 Scope of Services. PacifiCorp shall provide to SVEC the Ancillary Services listed in Exhibit 1 of this Agreement, as necessary, to support delivery of power from the Paisley Project across SVEC's system to the Point of Delivery with PacifiCorp.

2.2 Term of Service. This Agreement shall be effective upon the date of acceptance by FERC, and will remain in effect until one or both Parties seek to terminate this Agreement in accordance with Article 6.

The Parties shall cooperate in good faith and undertake reasonable efforts to make all additional and necessary filings with FERC to effectuate timely termination of this Agreement consistent with the terms hereof.

2.3 Balancing Authority Business Practices. SVEC is responsible for compliance with all PacifiCorp business practices and protocols applicable to entities within the BAA.

2.4 Schedules. SVEC is responsible for ensuring timely submission of day-ahead hourly schedules in whole MW increments and otherwise in accordance with PacifiCorp's OASIS business practices and protocols.

2.5 Costs for Services. SVEC's costs for services under this Agreement shall be as provided in PacifiCorp's OATT (as such costs may be amended from time to time) provided that billings shall be based on generator output as specified in Section 5.2. SVEC shall timely pay for the services provided under this Agreement in accordance with the provisions provided in Article 5 of this Agreement.

2.6 Filing with FERC. This Agreement shall be filed with FERC for review and acceptance. The Parties shall cooperate in good faith in submitting this Agreement for review and acceptance by FERC. SVEC shall provide PacifiCorp all necessary documents and support, as reasonably requested by PacifiCorp, to obtain acceptance of this Agreement by FERC. In the event FERC does not accept this Agreement, this Agreement shall terminate and be of no further force or effect, and shall be withdrawn by PacifiCorp without prejudice.

ARTICLE 3. TECHNICAL REQUIREMENTS

- 3.1 **Metering.** SVEC shall ensure that appropriate metering is installed at its geothermal generating facility to ensure that the services provided under the terms of this Agreement can be accurately accessed and billed to SVEC by PacifiCorp. Metering equipment shall be owned and maintained by SVEC at its sole expense. SVEC shall provide real-time data from its meters to PacifiCorp in accordance with PacifiCorp's generally applicable metering and communications requirements. Standard meter system accuracy test shall be completed with at least a bi-annual certification and PacifiCorp may choose to witness the SVEC meter tests to ensure compliance. SVEC shall provide PacifiCorp notification of meter tests at least two weeks in advance and a copy of the test results shall be given to PacifiCorp meter engineering. All metering, communications, and data exchanges required to implement this Agreement shall be automated to the greatest extent reasonably practicable. The standards and specifications for metering and communications equipment as well as any related hardware and software required to implement this Agreement shall, if reasonably practicable, be compatible with PacifiCorp's existing or planned facilities or software, meet all applicable WECC and NERC requirements, and be consistent with Good Utility Practice. All metering test data shall be sent to PacifiCorp 825 NE Multnomah Street, Suite 1600, Portland, Oregon 97232, Attention: Metering Engineering.
- 3.2 **Modifications to Meters.** In the event SVEC intends to modify or replace any of its meters, SVEC shall notify PacifiCorp in writing not less than thirty (30) days prior to making any such modifications or replacements, except in the case of an emergency, in which case SVEC shall provide PacifiCorp as much notice as reasonably practicable.
- 3.3 **Operations.** SVEC's electrical system shall be electrically connected to PacifiCorp at the interconnections specifically identified on Exhibit 2 hereto.
- 3.4 **Outage Schedules.** The Parties shall cooperate in scheduling the time and duration of removal from service of important circuits on the Parties' systems for inspection, maintenance, or repair to minimize hazard to consumers. The arranging of such coordinated schedules shall be a responsibility of the Parties' representatives.
- 3.5 **Communication and Control Facilities.** The type and arrangement of inter-system communication facilities for load dispatch and system operations, of equipment for tie line load control and of relay equipment for control of any interconnection circuits shall be recommended by the Parties' representatives, and the operating procedures in connection therewith shall be in accordance with standard practices established from time to time by the Parties' representatives.
- 3.6 **Minimum Operations.** The Parties will operate within the Applicable Reliability Standards, as such criteria may be modified or revised from time to time.
- 3.7 **Testing and Reading of Meters.** Metering equipment, the registrations of which are involved in settlements for transactions hereunder, shall be inspected and tested by the owner at annual intervals or at such shorter intervals as may be agreed upon by the Parties' representative(s), and any inaccuracy disclosed by such tests shall be promptly

corrected by the owner. The owner, upon request of the other Party, shall make additional inspections and tests at particular installations. Representatives of the other Party involved shall be afforded the opportunity to be present at all such inspections and tests. If, at any test, a meter is found to be inaccurate under the Applicable Reliability Standards, an adjustment shall be made in settlements hereunder between the Parties to compensate for the effect of such inaccuracy over a preceding period extending to the second preceding meter reading or over such shorter period as the inaccuracy may be determined to have existed. If, at any time, a meter should fail to register or its registration should be so erratic as to be meaningless, the estimated correct registration for billing purposes shall be based upon records of check meters, if available, or otherwise upon the best obtainable data. Kilowatt-hour meters involved in settlements hereunder shall be read monthly by the owner, and representatives of the other Party shall be afforded the opportunity to be present at such readings. The Parties' representatives shall make arrangements with respect to reading of meters belonging to any third person.

3.8 Coordination with other Balancing Authorities. PacifiCorp will coordinate with adjacent Balancing Authorities on the installation of common metering equipment.

3.9 Communications. SVEC shall ensure primary and backup communication on independent paths is installed for generation data. The data to be transmitted and/or telecommunicated between PacifiCorp and adjacent Balancing Authorities shall include, for each direction of flow at the meter point:

3.9.1 Instantaneous (analog) uncompensated MW and MVAR values each two (2) seconds if available, however in no event more than four (4) seconds; and

3.9.2 Uncompensated MWh and MVARh values each hour (accumulator).

3.10 Generators in Excess of three (3) MW. SVEC shall provide PacifiCorp with status, MW, and MVAR information for any generators connected to the SVEC electric system (other than emergency backup) exceeding three (3) MW rated output.

3.11 Network Planning Information. For PacifiCorp to plan on an ongoing basis to meet SVEC's firm long-term requirements for BAA services hereunder, SVEC shall provide PacifiCorp in writing, by no later than October 15 of each year during the term, SVEC's best forecast of the monthly peak generation and load by meter point in both kW and kVAR for the following two (2) calendar years. Such forecast shall be made using forecasting techniques consistent with Good Utility Practice. In addition, SVEC shall provide PacifiCorp with any other data PacifiCorp deems reasonably necessary for PacifiCorp to plan for and provide the BAA services hereunder.

3.12 Record-Keeping Obligations. Each Party shall maintain such records in connection with the services provided under this Agreement as are required by WECC, NERC, any applicable Governmental Authority, and this Agreement, and all data, documents, or other materials relating to or substantiating any charges, costs or expenses payable or reimbursable by the other Party under and in accordance with the requirements of this Agreement, for a minimum period, in each instance, the longer of the term required by the

Applicable Reliability Standard or three (3) years from the date on which the records are created.

- 3.13 Obligations of SVEC.** SVEC, as an unregistered entity, shall reasonably cooperate and provide reasonable support to PacifiCorp in connection with any (i) external audit or investigation of PacifiCorp by WECC, NERC, FERC, and/or other applicable Governmental Authority; (ii) internal audit conducted by PacifiCorp or its agents or contractors; and (iii) data requests, self-reports and/or mitigation plans regarding PacifiCorp's compliance with the requirements of the Applicable Reliability Standards.

PacifiCorp, under this Agreement, assumes no obligation for performing any services or complying with Applicable Reliability Standards for any functions other than Balancing Authority on the SVEC side of the points of interconnection with respect to the SVEC load. In the event SVEC becomes a Registered Entity in the future, PacifiCorp shall reasonably cooperate and provide reasonable support to SVEC in connection with any (i) external audit or investigation by WECC, NERC, FERC, and/or other applicable Governmental Authority; (ii) internal audit conducted by SVEC or its agents or contractors; and (iii) data requests, self-reports and/or mitigation plans regarding SVEC's compliance with the requirements of the Applicable Reliability Standards, but only to the extent related to PacifiCorp's performance hereunder.

- 3.14 Installation of Utility-Scale Renewable Generation Resources within the PacifiCorp BAA.** To ensure PacifiCorp has adequate generation to cover intra-hour energy swings associated with certain renewable generators located or to be located within the PacifiCorp BAA, SVEC shall, twelve months prior to energizing such renewable generation facility with a rated alternating current capacity of three (3) MW or greater, provide notice to PacifiCorp. PacifiCorp shall, within two (2) months of receiving that notice, provide to SVEC the results of its assessment as to whether energizing such renewable generation facility will negatively affect PacifiCorp's ability to provide reliable BAA services and propose additional requirements, if any are required, to ensure PacifiCorp can provide reliable BAA services. Acceptance of any additional requirements will be subject to PacifiCorp and SVEC's agreement.

ARTICLE 4. NOTICES

- 4.1 Notices to PacifiCorp.** Notices to PacifiCorp under this Agreement shall be provided in writing to the following addresses:

PacifiCorp
Attn: Vice President, Transmission
825 NE Multnomah Street, Suite 1600
Portland, OR 97232

with a copy to:

PacifiCorp
Attn: Legal Department

825 NE Multnomah Street, Suite 1800
Portland, OR 97232

- 4.2 **Notices to SVEC.** Notices to SVEC under this Agreement shall be provided in writing to the following addresses:

Brad Kresge
Surprise Valley Electrification Corp.
516 U.S. Highway 395E
Alturas, CA 96101

- 4.3 **Modification of Contacts.** Each Party may modify its contacts or addresses or specify additional contacts or addresses for notices under this Agreement upon written notice to the other Party.

ARTICLE 5. BILLING

- 5.1 **Invoices.** PacifiCorp shall provide SVEC with monthly invoices for the services provided under this Agreement. SVEC shall pay such invoices within twenty (20) days of receipt.
- 5.2 **Billing Determinant.** The ancillary services charges shall be based on the Paisley generator output as measured at the Paisley generator meter, averaged over the month.
- 5.3 **Dispute of Invoiced Amount.** In the event SVEC believes that any of the amounts invoiced are in error, SVEC shall give notice thereof to the contacts listed in Article 4 of this Agreement as soon as practicable, but in no event later than sixty (60) days following receipt of such invoice. SVEC shall pay all invoiced amounts, including any disputed amount, in accordance with Article 5.1. The Parties will mutually work in good faith to address any disputes arising from any invoice for services under this Agreement pursuant to Article 7 of this Agreement. In the event resolution of a dispute results in a refund of an amount paid by SVEC, such refund shall bear interest from the date of payment to the date of refund in accordance with the refund requirements provided in 18 C.F.R. § 35.19a, or at such other interest rate as may be approved by FERC for PacifiCorp under the provisions of its OATT.
- 5.4 **Failure to Pay Invoices.** In the event SVEC fails to timely pay any invoiced amounts, PacifiCorp will provide notice to SVEC of its failure to timely pay its invoices (the "Notice to Cure"). Following receipt of a Notice to Cure, SVEC shall have thirty (30) days to cure (the "Cure Period") and pay the outstanding invoiced amounts. In the event SVEC fails to cure within the Cure Period, SVEC will be deemed to be in default of this Agreement.

ARTICLE 6. TERMINATION

- 6.1 **Termination by Party(ies).** PacifiCorp may terminate this Agreement, at its sole

discretion, upon notice of termination of the transfer arrangements identified in Exhibit 2 to this Agreement. SVEC may request termination of this Agreement following:

- (a) Two-months' notice to PacifiCorp of the termination of all transfer arrangements identified in Exhibit 2 to this Agreement; or
- (b) Six-months' notice to PacifiCorp following execution of an agreement between SVEC and an alternative provider of Ancillary Services to support the transfer arrangements identified in Exhibit 2 to this Agreement; provided, however, that PacifiCorp may refuse to terminate this agreement if PacifiCorp, in its sole discretion, finds that SVEC's arrangements for an alternative provider of Ancillary Services are not sufficient to maintain the reliability of system.

Following receipt of such termination request, the Parties will work in good faith using reasonable efforts to execute any necessary agreements or otherwise make any necessary application with FERC to effectuate termination of this Agreement. Each party shall bear any and all costs it incurs associated with the termination of this Agreement.

6.2 Termination for Default. In the event Customer fails to timely pay any invoiced amounts for services provided under this Agreement and, following a Notice to Cure, fails to cure within the Cure Period, PacifiCorp will provide Customer with a Notice of Default and may seek to terminate this Agreement. In the event of a termination for default, Customer shall continue to be responsible for all costs of providing services under this Agreement and as provided in this Agreement and shall cooperate and work in good faith with PacifiCorp to make all necessary filings with FERC, or otherwise, to terminate this Agreement. Upon termination of this Agreement for default, Customer shall immediately seek terminate the transfer arrangements identified in Exhibit 2 to this Agreement.

6.3 Effect of Termination. No termination of this Agreement shall be effective until filed and accepted by FERC. The Parties shall remain obligated under the terms of this Agreement until a termination of this Agreement is accepted by FERC.

ARTICLE 7. DISPUTES

In the event either Party has a dispute under the terms of this Agreement, the disputing Party shall provide timely notice of that dispute to the non-disputing Party and such dispute shall be referred to a senior representative of each Party for resolution of the dispute on an informal basis as promptly as reasonably practicable. In the event the designated representatives are unable to resolve the dispute within sixty (60) days (or such other time as the Parties may agree upon), such designated representatives may submit the dispute to FERC's dispute resolution office or may resolve the dispute in any other manner mutually agreeable to the Parties. Each Party shall be responsible for its own costs associated with resolution of a dispute which is submitted to a third party.

ARTICLE 8. MISCELLANEOUS

- 8.1 **PacifiCorp's Reservation of Rights.** Nothing contained in this Agreement shall be construed as affecting in any way the right of PacifiCorp to unilaterally make any application to FERC for a change in rates, terms and conditions, charges, classification of service, rule or regulation under Section 205 of the Federal Power Act and pursuant to FERC's rules and regulations promulgated thereunder.
- 8.2 **Customer's Reservation of Rights.** Nothing in this Agreement shall be construed as affecting in any way the ability of SVEC to exercise any of its rights under the Federal Power Act and pursuant to FERC's rules and regulations promulgated thereunder.
- 8.3 **Relationship of Parties.** The obligations and liabilities of the Parties under this Agreement are several and not joint or collective, and nothing herein contained shall be construed to create an association, joint venture, trust, or partnership, or to impose a trust or partnership, obligation or liability on or with regard to the other Party. Each Party shall be individually liable for its own obligations and liabilities provided herein. Neither Party shall be under the control of the other Party nor be deemed to be under the control of the other Party, and neither Party shall be the agent of nor have the right or power to bind the other Party, without such other Party's express written consent.
- 8.4 **Non-Dedication of Facilities.** An undertaking by either Party to the other Party under this Agreement shall not constitute the dedication of the system, or any portion thereof, of that Party to the public or to the other Party, or affect the status of that Party as an independent system.
- 8.5 **Governing Law.** This Agreement shall be interpreted, governed and construed under the laws of the State of Oregon or the laws of the United States as applicable, as if executed and to be performed wholly within the State of Oregon.
- 8.6 **Captions and Headings.** All captions and headings appearing in this Agreement are inserted to facilitate reference and shall not govern the interpretations of the provisions hereof, except where logically necessary.
- 8.7 **Entire Agreement.** All attachments to this Agreement, including Exhibits 1 and 2, are incorporated into and made part of this Agreement.
- 8.8 **Execution in Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.
- 8.9 **No Third-Party Beneficiary.** The provisions of this Agreement are for the benefit of the Parties and not for any other person or third-party beneficiary. The provisions of this Agreement shall not impart rights enforceable by any person, firm or organization other than a Party or a successor or assignee of a Party to this Agreement.
- 8.10 **Assignment.** PacifiCorp may at any time assign its rights and delegate its obligations under this Agreement, in whole or in part, including, without limitation, transferring its

rights and obligations under this Agreement to any: (i) affiliate; (ii) successor in interest, or (iii) corporation or any other business entity in conjunction with a merger, consolidation or other business reorganization to which PacifiCorp is a party. Affiliate includes any entity in which Berkshire Hathaway Inc. owns more than a 5% interest, over which Berkshire Hathaway Energy exercises management control, or which is listed on an exhibit to this Agreement. SVEC shall not assign its rights, nor delegate its obligations, under this Agreement without the prior written consent of PacifiCorp, and any attempted transfer in violation of this restriction shall be void.

8.11 TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF THE PARTIES HERETO WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT. EACH PARTY FURTHER WAIVES ANY RIGHT TO CONSOLIDATE, OR TO REQUEST THE CONSOLIDATION OF, ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED.

ARTICLE 9. SIGNATURES

The signatories hereto represent that they have been appropriately authorized to enter into this Agreement on behalf of the Party for which they sign.

PACIFICORP

By *Rick Voil*

Name *Rick Voil*

Title *VP, Transmission*

Date Signed *8/23/16*

SURPRISE VALLEY ELECTRIFICATION
CORP.

By *Bradley A Kresge*

Name *Bradley A Kresge*

Title *General Manager*

Date Signed *8/19/16*

EXHIBIT 1

1. Scheduling, System Control, and Dispatch Service (OATT Schedule 1)
2. Reactive Supply and Voltage Control Service (OATT Schedule 2)
3. Generator Regulation and Frequency Response Service (OATT Schedule 3A)
4. Operating Reserve – Spinning Reserve Service (OATT Schedule 5)
5. Operating Reserve – Supplemental Reserve Service (OATT Schedule 6)
6. Generator Imbalance Service (OATT Schedule 9)

EXHIBIT 2

Points of Interconnection with PacifiCorp: Bonneville Power Administration Meter Point 41

Transfer Arrangements: SVEC responsible for all arrangements to deliver power from Paisley generator, across SVEC's system, to Point of Interconnection with PacifiCorp