



**Portland General Electric Company**  
121 SW Salmon Street • Portland, Oregon 97204  
PortlandGeneral.com

October 5, 2017

**Email / US Mail**

Public Utility Commission of Oregon  
Filing Center  
201 SE High Street  
P.O. Box 1088  
Salem, OR 97308-1088

**RE: UM 1514 –PGE’s Errata Application for Reauthorization of Deferral of Incremental Costs Associated with Non-Residential Demand Response**

On September 21, 2017, Portland General Electric Company’s (“PGE”) filed its application for reauthorization of deferral of costs associated with Non-Residential Demand Response. PGE is making minor changes to the draft tariff Schedule 26 provided in Attachment B. Rather than waiting until the program is approved and including the changes in the forthcoming advice filing for Schedule 26, PGE is including the changes as an erratum in this deferral filing.

A redline version and a clean version of Attachment B are attached to this letter.

If you have any questions or require further information, please call Rob Macfarlane at (503) 464-8954. Please direct all formal correspondence and requests to the following email address: [pge.opuc.filings@pgn.com](mailto:pge.opuc.filings@pgn.com).

Sincerely,

A handwritten signature in black ink that reads "Karla Wenzel". The signature is written in a cursive, flowing style.

Karla Wenzel  
Manager, Pricing & Tariffs

KW/sp  
Enclosures

**SCHEDULE 26  
NONRESIDENTIAL DEMAND RESPONSE PILOT PROGRAM**

**PURPOSE**

This schedule is an optional supplemental service that provides participating Large Nonresidential Customers incentives for reducing a committed amount of load at the request of the Company. Under this tariff, the Customer provides a Firm Load Reduction Commitment that the Company calls at any time according to the conditions listed below. The pilot is expected to be conducted from November 1, 2017 through September 30, 2020.

**AVAILABLE**

In all territory served by the Company.

**APPLICABLE**

To qualifying Nonresidential Customers served under Schedules 32, 38, 47, 49, 75, 83, 85, 89, and 90. Participating Customers must execute a Schedule 26, Firm Load Reduction Agreement (Agreement) to participate in this program. The Agreement specifies the Customer's Firm Load Reduction Commitment and selected Firm Load Reduction Options.

**CUSTOMER ENROLLMENT**

Qualified Customers must enroll at least one week have enrolled and completed enablement at least 5 business days prior to the Participation Month.

At the time of enrollment, for each event window, the Customer chooses the load reduction amount, advance-notice option, and maximum event hours per season option. At the time of enrollment, the Customer chooses the participation option, the maximum event hours per season option, the advance-notice option and the event windows for which they want to participate. The load reduction amount is agreed to by the Customer and the Company or its representative. First-time participants can also opt-in for a commissioning test.

Within five business days of enrollment, the Company will confirm receipt of the PODID(s) the Customer intends to enroll under this schedule and the Company or its representatives will send a signed Agreement to the Customer's representative. The Customer may choose to aggregate PODIDs.

Each Agreement will automatically renew for successive annual terms on January 1st of subsequent calendar years unless the Customer elects to terminate such Agreement by notifying PGE prior to January 1st or this Schedule is withdrawn, revoked or otherwise terminated. A customer may also choose to change their contracted participation options by notifying PGE prior to January 1st.

**Advice No. 17-XX  
Issued Month DD, 2017  
James F. Lobdell, Senior Vice President**

**Effective for service  
on and after Month DD, 2017**

**SCHEDULE 26 (Continued)**

**CUSTOMER PARTICIPATION OPTIONS**

Customers are offered three participation options: Option 1 provides that the Customer participates for all eight months of the contracted program year. Options two and three offer the Customer summer or winter seasonal participation. In the second option the Customer participates for four months in the summer – June, July, August and September. The third option is the Customer participates for four months in the winter – November, December, January and February. Customers select one of the three options at the time of enrollment.

Customer Option	Participation Months	Number of Months Participating
1	Nov, Dec, Jan, Feb, Jun, Jul, Aug, Sep	Eight-month – both seasons
2	Jun, Jul, Aug, Sep	Four-month seasonal – summer
3	Nov, Dec, Jan, Feb	Four-month seasonal – winter

**FIRM LOAD REDUCTION OPTIONS**

Several firm load reduction options are available to Customers in the Reservation Price Section: Options include differing maximum event hours per season, notification periods, and event windows. ~~For each event window (time period for an event) per season, the Customer must choose only one option or choose not to participate in that event window. For example, for the summer 11 am to 4 pm event window, the Customer can choose an 18 hour ahead notification period with a maximum of 20 event hours per season, but cannot make any other selections for the summer 11 am to 4 pm event window. For each season only one 'maximum hours' selection and one 'notification period' selection can be chosen for all event windows in which the Customer chooses to participate.~~

**RESERVATION PRICE**

**20 Event Hours Maximum per Season**

Monthly Payment per kW

	Notification Period		
	18 hours	4 hours	10 minutes
Summer (June - September)			
11 am -4 pm	\$1.68	\$1.80	\$1.91
4 pm - 8 pm	\$1.95	\$2.08	\$2.22
8 pm - 10 pm	\$0.39	\$0.42	\$0.45
All summer windows	\$4.02	\$4.30	\$4.57
Winter (November - February)			
7 am - 11 am	\$1.27	\$1.35	\$1.44
11 am -4 pm	\$0.73	\$0.78	\$0.83
4 pm - 8 pm	\$2.07	\$2.22	\$2.36
8 pm - 10 pm	\$0.73	\$0.78	\$0.83
All winter windows	\$4.80	\$5.13	\$5.46



**SCHEDULE 26 (Continued)**

RESERVATION PRICE (Continued)

**40 Event Hours per Season**

Monthly Payment per kW

<b>Windows</b>	<b>Notification Period</b>		
	<b>18 hours</b>	<b>4 hours</b>	<b>10 minutes</b>
Summer (June - September)			
11 am -4 pm	\$2.52	\$2.69	\$2.87
4 pm - 8 pm	\$2.92	\$3.12	\$3.32
8 pm - 10 pm	\$0.59	\$0.63	\$0.67
All summer windows	\$6.04	\$6.45	\$6.86
Winter (November - February)			
7 am - 11 am	\$1.90	\$2.03	\$2.16
11 am -4 pm	\$1.09	\$1.17	\$1.24
4 pm - 8 pm	\$3.11	\$3.32	\$3.54
8 pm - 10 pm	\$1.09	\$1.17	\$1.24
All winter windows	\$7.20	\$7.70	\$8.19

**80 Event Hours Maximum per Season**

Monthly Payment per kW

	<b>Notification Period</b>		
	<b>18 hours</b>	<b>4 hours</b>	<b>10 minutes</b>
Summer (June - September)			
11 am -4 pm	\$3.35	\$3.58	\$3.81
4 pm - 8 pm	\$3.89	\$4.16	\$4.42
8 pm - 10 pm	\$0.79	\$0.84	\$0.89
All summer windows	\$8.03	\$8.58	\$9.12
Winter (November - February)			
7 am - 11 am	\$2.53	\$2.70	\$2.87
11 am -4 pm	\$1.46	\$1.56	\$1.65
4 pm - 8 pm	\$4.14	\$4.42	\$4.70
8 pm - 10 pm	\$1.46	\$1.56	\$1.65
All winter windows	\$9.58	\$10.23	\$10.89

## SCHEDULE 26 (Continued)

### COMMITTED LOAD REDUCTION

If a Customer has completed a test event, but not participated in actual events, their Committed Load Reduction will be based on nominated load identified in the agreement. If a Customer has completed only one event, their Committed Load Reduction will be the higher of either their nominated load or their first event performance. If a Customer has participated in more than one event, their Committed Load Reduction will be based on an average of actual load reductions during event hours. The Customer, at its discretion, may choose to increase its nomination above the levels described above.

### QUALIFIED LOAD REDUCTION

If no events are called in a Participation Month, the Customer qualifies for the full Reservation Payment; the Qualified Load Reduction is the Committed Load Reduction.

In order to qualify for the full Reservation Payment during a month with events, the Customer must provide a minimum of 90% of the Committed Load Reduction ~~for each and every hour on~~ average over each event for which the Customer is enrolled during events in that month. If the Customer qualifies for the full Reservation Payment; the Qualified Load Reduction is the Committed Load Reduction.

In order to qualify for a proportional reservation payment during a month with events, the Customer must deliver a minimum of 70% of the Committed Load Reduction ~~for each and every hour on~~ average over each event for which the Customer is enrolled during events in that month. If the Customer qualifies for a reduced reservation payment; the Qualified Load Reduction is the average load reduction percentage for all event hours during that month.

If the Customer fails to deliver a minimum of 70% of the Committed Load Reduction ~~for each and every hour on~~ average during an event for which the Customer is enrolled during events in that month, the Customer is not eligible for the Energy Reduction Payment for that Event and the Reservation Payment for that month. If other Load Reduction Events are called in the same month, and the Customer complies, the corresponding Energy Reduction Payments are paid for each event that the Customer delivers a minimum of 70% of the Committed Load Reduction ~~for each and every hour on~~ average over each event for which the Customer is enrolled during events in that month.

### RESERVATION PAYMENTS

The Reservation Payment is the Customer's Qualified Load Reduction (kW) multiplied by the sum of each applicable Reservation Price (\$/kW) based on the Options selected by the Customer adjusted for losses based on the Customer's delivery voltage. For each event window (time period for an event) per season, only one price is applicable. The Reservation Payment is made to the Customer no later than 60 days after the month in which they participated.

**Issued Month DD, 2017**  
**James F. Lobdell, Senior Vice President**

**Effective for service**  
**on and after Month DD, 2017**



**SCHEDULE 26 (Continued)**

**ENERGY PAYMENTS**

The Energy Payment is the Mid-Columbia Electricity Index (Mid-C) as reported by the Powerdex, adjusted for losses based on the Customer's delivery voltage. The Firm Energy Reduction Amount can be up to 120% of the commitment.

The monthly prices for energy per MWh are:

Nov 2017	Dec 2017	Jan 2018	Feb 2018	Jun 2018	Jul 2018	Aug 2018	Sep 2018
\$29.95	\$36.30	\$29.88	\$27.99	\$18.17	\$26.02	\$29.24	\$27.01

The Firm Energy Reduction Payment rates will be updated annually by December 1<sup>st</sup> for the next calendar year. Evaluation and settlement of the Firm Energy Reduction Payment will occur within 60 days of the Firm Load Reduction Event.

\*Holidays are New Year's Day (January 1), President's Day (February), Memorial Day (last Monday in May), Independence Day (July 4), Labor Day (first Monday in September), Thanksgiving Day (fourth Thursday in November), and Christmas Day (December 25). If a holiday falls on Saturday, Friday is designated a holiday. If a holiday falls on Sunday, the following Monday is designated a holiday.

**LINE LOSSES**

Losses will be included by multiplying the applicable price by the following adjustment factors:

Subtransmission Delivery Voltage	1.0356
Primary Delivery Voltage	1.0496
Secondary Delivery Voltage	1.0685

**LOAD REDUCTION MEASUREMENT**

Load Reduction is measured as a reduction of Demand from a Customer Baseline Load calculation during each hour of the Load Reduction Event. Although the Firm Load Reduction Agreement shall specify the Customer Baseline Load calculation methodology to be used, PGE generally uses the following baseline methodology:

Baseline Load Profile

The Baseline Load Profile is based upon the average hourly load of the five highest load days in the last ten Typical Operational Days for the Event period. For Customers choosing the four-hour or 10-minute notification options there is an adjustment to the amounts above to reflect the day-of operational characteristics leading up to the Event if the Event starts at 11 am or later. This adjustment is the difference between the Event day load and the average load of the five highest days used in the load profile above during the two-hour period ending four hours prior to the start of the Event.

## SCHEDULE 26 (Continued)

### LOAD REDUCTION MEASUREMENT (Continued)

#### Typical Operational Days

Typical Operational Days exclude days that a Customer has participated in a Firm Load Reduction Event or pre-scheduled opt-out days as defined in the Special Conditions. Typical Operational Days for the baseline calculation are defined as the ten applicable days closest to the Load Reduction Event. Typical Operational Days may exclude Saturdays, Sundays and WECC holidays.

The Company may decline the Customer's enrollment application when the Company determines the Customer's energy usage is highly variable and the Company is not able to verify that a reduction will be made when called upon.

### FIRM ENERGY REDUCTION

The Firm Energy Reduction amount is the difference between the Customer's Baseline Energy profile and the Customer's measured hourly energy usage during the Load Reduction Event.

### LOAD REDUCTION EVENT

The Company, at its discretion, initiates a Load Reduction Event by providing the participating Customer with the appropriate notification consistent with the Customer's selected Firm Load Reduction Option. The Customer reduces its Demand served by the Company, for each hour of the Load Reduction Event to achieve its Committed Load Reduction. Each load reduction event will last from one to five hours in duration. For pilot purposes, the Company will call at least one event per season.

The Company initiates Load Reduction Events during January, February, June, July, August, September, November, and December.

### EVENT NOTIFICATION

The Company notifies the participating Customer of a Load Reduction Event using a mutually agreed upon method at the time of enrollment. The Company's notification includes a time and date by which the Customer must reduce the committed Demand for each period of the Load Reduction Event.

The Customer is responsible to notify the Company if the Customer's contact information specified at the time of the enrollment changes as soon as such change occurs.

### FIRST-TIME PARTICIPANT OPTIONAL COMMISSION TEST

A commissioning test is available to Customers who are participating on this schedule for the first time. Interested participants will work with the Company to learn the details of this process.

**SCHEDULE 26 (Continued)**

**SPECIAL CONDITIONS**

1. Customers cannot use on-site generation equipment for load reductions to meet load reduction commitments under this tariff.
2. Customers that choose to take service under Schedules 86, 485, 489, 490, 532, 538, 549, 575, 583, 585, 589, or 590 will be withdrawn from this program.
3. Firm Load Reduction by Schedule 75 Customers will not exceed the Customer's Baseline Demand as specified in the written service agreement between the Customer and the Company. Customer cannot use purchases under Schedule 76 to meet load reduction commitments under this tariff. In the case of Customers participating on Schedule 76R – Partial Requirements Economic Replacement Power Rider – at the time of the event, the energy imbalance will not apply during event hours and for the event energy amount.
4. The Company is not responsible for any consequences to the participating Customer that results from the Firm Load Reduction Event or the Customer's effort to reduce Energy in response to a Firm Load Reduction Event.
5. This tariff is not applicable when the Company requests or initiates Load Reduction affecting a Customer PODID under system emergency conditions described in Rule N or Rule C(2)(B).
6. The Company will not cancel or shorten the duration of a Firm Reduction Event once notification has been provided.
7. The Company will file any adjustment to the Reservation Rate by August 1<sup>st</sup> for the next program year.
8. Participating Customers are required to have interval metering and meter communication in place prior to initiation of service under this schedule. The Company will provide and install necessary equipment which allows the Company and the Customer to monitor the Customer's energy usage.
9. If the Customer experiences operational changes or a service disconnection that impairs the ability of the customer to provide the Firm Load Reduction as requested under this schedule, the agreement will be terminated.
10. If the Company is not allowed to recover any costs of this program by the Commission, the Company may at its option terminate service under this agreement with 30-day notice.

**SCHEDULE 26 (Continued)**

SPECIAL CONDITIONS (Continued)

11. The Customer may pre-schedule four opt-out days per season ~~at nomination and as~~ indicated in the Agreement. If the Company calls a Load Reduction Event on a pre-scheduled opt-out day, the Customer is exempt from providing load reduction and receives no Firm Energy Reduction Payment, whether or not they choose to operate. The Customer will receive the Reservation payment if otherwise eligible. An opt-out day will not be included in the calculation of the Baseline Demand Profile.

12. Customers who opt for this Schedule may be placed on a calendar monthly billing cycle.

**TERM**

This pilot term is November 1, 2017 through September 30, 2020.

**SCHEDULE 26  
NONRESIDENTIAL DEMAND RESPONSE PILOT PROGRAM**

**PURPOSE**

This schedule is an optional supplemental service that provides participating Large Nonresidential Customers incentives for reducing a committed amount of load at the request of the Company. Under this tariff, the Customer provides a Firm Load Reduction Commitment that the Company calls at any time according to the conditions listed below. The pilot is expected to be conducted from November 1, 2017 through September 30, 2020.

**AVAILABLE**

In all territory served by the Company.

**APPLICABLE**

To qualifying Nonresidential Customers served under Schedules 32, 38, 47, 49, 75, 83, 85, 89, and 90. Participating Customers must execute a Schedule 26, Firm Load Reduction Agreement (Agreement) to participate in this program. The Agreement specifies the Customer's Firm Load Reduction Commitment and selected Firm Load Reduction Options.

**CUSTOMER ENROLLMENT**

Qualified Customers must have enrolled and completed enablement at least 5 business days prior to the Participation Month.

At the time of enrollment, the Customer chooses the participation option, the maximum event hours per season option, the advance-notice option and the event windows for which they want to participate. The load reduction amount is agreed to by the Customer and the Company or its representative. First-time participants can also opt-in for a commissioning test.

Within five business days of enrollment, the Company will confirm receipt of the PODID(s) the Customer intends to enroll under this schedule and the Company or its representatives will send a signed Agreement to the Customer's representative. The Customer may choose to aggregate PODIDs.

Each Agreement will automatically renew for successive annual terms on January 1st of subsequent calendar years unless the Customer elects to terminate such Agreement by notifying PGE prior to January 1st or this Schedule is withdrawn, revoked or otherwise terminated.

**SCHEDULE 26 (Continued)**

**CUSTOMER PARTICIPATION OPTIONS**

Customers are offered three participation options: Option 1 provides that the Customer participates for all eight months of the contracted program year. Options two and three offer the Customer summer or winter seasonal participation. In the second option the Customer participates for four months in the summer – June, July, August and September. The third option is the Customer participates for four months in the winter – November, December, January and February. Customers select one of the three options at the time of enrollment.

Customer Option	Participation Months	Number of Months Participating
1	Nov, Dec, Jan, Feb, Jun, Jul, Aug, Sep	Eight-month – both seasons
2	Jun, Jul, Aug, Sep	Four-month seasonal – summer
3	Nov, Dec, Jan, Feb	Four-month seasonal – winter

**FIRM LOAD REDUCTION OPTIONS**

Several firm load reduction options are available to Customers in the Reservation Price Section: Options include differing maximum event hours per season, notification periods, and event windows. For each season only one ‘maximum hours’ selection and one ‘notification period’ selection can be chosen for all event windows in which the Customer chooses to participate.

**RESERVATION PRICE**

**20 Event Hours Maximum per Season**

Monthly Payment per kW

	Notification Period		
	18 hours	4 hours	10 minutes
Summer (June - September)			
11 am -4 pm	\$1.68	\$1.80	\$1.91
4 pm - 8 pm	\$1.95	\$2.08	\$2.22
8 pm - 10 pm	\$0.39	\$0.42	\$0.45
All summer windows	\$4.02	\$4.30	\$4.57
Winter (November - February)			
7 am - 11 am	\$1.27	\$1.35	\$1.44
11 am -4 pm	\$0.73	\$0.78	\$0.83
4 pm - 8 pm	\$2.07	\$2.22	\$2.36
8 pm - 10 pm	\$0.73	\$0.78	\$0.83
All winter windows	\$4.80	\$5.13	\$5.46

Advice No. 17-XX  
Issued Month DD, 2017  
James F. Lobdell, Senior Vice President

Effective for service  
on and after Month DD, 2017

**SCHEDULE 26 (Continued)**

RESERVATION PRICE (Continued)

**40 Event Hours per Season**

Monthly Payment per kW

<b>Windows</b>	<b>Notification Period</b>		
	<b>18 hours</b>	<b>4 hours</b>	<b>10 minutes</b>
Summer (June - September)			
11 am -4 pm	\$2.52	\$2.69	\$2.87
4 pm - 8 pm	\$2.92	\$3.12	\$3.32
8 pm - 10 pm	\$0.59	\$0.63	\$0.67
All summer windows	\$6.04	\$6.45	\$6.86
Winter (November - February)			
7 am - 11 am	\$1.90	\$2.03	\$2.16
11 am -4 pm	\$1.09	\$1.17	\$1.24
4 pm - 8 pm	\$3.11	\$3.32	\$3.54
8 pm - 10 pm	\$1.09	\$1.17	\$1.24
All winter windows	\$7.20	\$7.70	\$8.19

**80 Event Hours Maximum per Season**

Monthly Payment per kW

	<b>Notification Period</b>		
	<b>18 hours</b>	<b>4 hours</b>	<b>10 minutes</b>
Summer (June - September)			
11 am -4 pm	\$3.35	\$3.58	\$3.81
4 pm - 8 pm	\$3.89	\$4.16	\$4.42
8 pm - 10 pm	\$0.79	\$0.84	\$0.89
All summer windows	\$8.03	\$8.58	\$9.12
Winter (November - February)			
7 am - 11 am	\$2.53	\$2.70	\$2.87
11 am -4 pm	\$1.46	\$1.56	\$1.65
4 pm - 8 pm	\$4.14	\$4.42	\$4.70
8 pm - 10 pm	\$1.46	\$1.56	\$1.65
All winter windows	\$9.58	\$10.23	\$10.89

## SCHEDULE 26 (Continued)

### COMMITTED LOAD REDUCTION

If a Customer has completed a test event, but not participated in actual events, their Committed Load Reduction will be based on nominated load identified in the agreement. If a Customer has completed only one event, their Committed Load Reduction will be the higher of either their nominated load or their first event performance. If a Customer has participated in more than one event, their Committed Load Reduction will be based on an average of actual load reductions during event hours. The Customer, at its discretion, may choose to increase its nomination above the levels described above.

### QUALIFIED LOAD REDUCTION

If no events are called in a Participation Month, the Customer qualifies for the full Reservation Payment; the Qualified Load Reduction is the Committed Load Reduction.

In order to qualify for the full Reservation Payment during a month with events, the Customer must provide a minimum of 90% of the Committed Load Reduction on average over each event for which the Customer is enrolled during events in that month. If the Customer qualifies for the full Reservation Payment; the Qualified Load Reduction is the Committed Load Reduction.

In order to qualify for a proportional reservation payment during a month with events, the Customer must deliver a minimum of 70% of the Committed Load Reduction on average over each event for which the Customer is enrolled during events in that month. If the Customer qualifies for a reduced reservation payment; the Qualified Load Reduction is the average load reduction percentage for all event hours during that month.

If the Customer fails to deliver a minimum of 70% of the Committed Load Reduction on average during an event for which the Customer is enrolled during events in that month, the Customer is not eligible for the Energy Reduction Payment for that Event and the Reservation Payment for that month. If other Load Reduction Events are called in the same month, and the Customer complies, the corresponding Energy Reduction Payments are paid for each event that the Customer delivers a minimum of 70% of the Committed Load Reduction on average over each event for which the Customer is enrolled during events in that month.

### RESERVATION PAYMENTS

The Reservation Payment is the Customer's Qualified Load Reduction (kW) multiplied by the sum of each applicable Reservation Price (\$/kW) based on the Options selected by the Customer adjusted for losses based on the Customer's delivery voltage. For each event window (time period for an event) per season, only one price is applicable. The Reservation Payment is made to the Customer no later than 60 days after the month in which they participated.



**SCHEDULE 26 (Continued)**

**ENERGY PAYMENTS**

The Energy Payment is the Mid-Columbia Electricity Index (Mid-C) as reported by the Powerdex, adjusted for losses based on the Customer's delivery voltage. The Firm Energy Reduction Amount can be up to 120% of the commitment.

The monthly prices for energy per MWh are:

<b>Nov 2017</b>	<b>Dec 2017</b>	<b>Jan 2018</b>	<b>Feb 2018</b>	<b>Jun 2018</b>	<b>Jul 2018</b>	<b>Aug 2018</b>	<b>Sep 2018</b>
\$29.95	\$36.30	\$29.88	\$27.99	\$18.17	\$26.02	\$29.24	\$27.01

The Firm Energy Reduction Payment rates will be updated annually by December 1<sup>st</sup> for the next calendar year. Evaluation and settlement of the Firm Energy Reduction Payment will occur within 60 days of the Firm Load Reduction Event.

\*Holidays are New Year's Day (January 1), President's Day (February), Memorial Day (last Monday in May), Independence Day (July 4), Labor Day (first Monday in September), Thanksgiving Day (fourth Thursday in November), and Christmas Day (December 25). If a holiday falls on Saturday, Friday is designated a holiday. If a holiday falls on Sunday, the following Monday is designated a holiday.

**LINE LOSSES**

Losses will be included by multiplying the applicable price by the following adjustment factors:

Subtransmission Delivery Voltage	1.0356
Primary Delivery Voltage	1.0496
Secondary Delivery Voltage	1.0685

**LOAD REDUCTION MEASUREMENT**

Load Reduction is measured as a reduction of Demand from a Customer Baseline Load calculation during each hour of the Load Reduction Event. Although the Firm Load Reduction Agreement shall specify the Customer Baseline Load calculation methodology to be used, PGE generally uses the following baseline methodology:

Baseline Load Profile

The Baseline Load Profile is based upon the average hourly load of the five highest load days in the last ten Typical Operational Days for the Event period. For Customers choosing the four-hour or 10-minute notification options there is an adjustment to the amounts above to reflect the day-of operational characteristics leading up to the Event if the Event starts at 11 am or later. This adjustment is the difference between the Event day load and the average load of the five highest days used in the load profile above during the two-hour period ending four hours prior to the start of the Event.

**SCHEDULE 26 (Continued)**

**LOAD REDUCTION MEASUREMENT (Continued)**

Typical Operational Days

Typical Operational Days exclude days that a Customer has participated in a Firm Load Reduction Event or pre-scheduled opt-out days as defined in the Special Conditions. Typical Operational Days for the baseline calculation are defined as the ten applicable days closest to the Load Reduction Event. Typical Operational Days may exclude Saturdays, Sundays and WECC holidays.

The Company may decline the Customer's enrollment application when the Company determines the Customer's energy usage is highly variable and the Company is not able to verify that a reduction will be made when called upon.

**FIRM ENERGY REDUCTION**

The Firm Energy Reduction amount is the difference between the Customer's Baseline Energy profile and the Customer's measured hourly energy usage during the Load Reduction Event.

**LOAD REDUCTION EVENT**

The Company, at its discretion, initiates a Load Reduction Event by providing the participating Customer with the appropriate notification consistent with the Customer's selected Firm Load Reduction Option. The Customer reduces its Demand served by the Company, for each hour of the Load Reduction Event to achieve its Committed Load Reduction. Each load reduction event will last from one to five hours in duration. For pilot purposes, the Company will call at least one event per season.

The Company initiates Load Reduction Events during January, February, June, July, August, September, November, and December.

**EVENT NOTIFICATION**

The Company notifies the participating Customer of a Load Reduction Event using a mutually agreed upon method at the time of enrollment. The Company's notification includes a time and date by which the Customer must reduce the committed Demand for each period of the Load Reduction Event.

The Customer is responsible to notify the Company if the Customer's contact information specified at the time of the enrollment changes as soon as such change occurs.

**FIRST-TIME PARTICIPANT OPTIONAL COMMISSION TEST**

A commissioning test is available to Customers who are participating on this schedule for the first time. Interested participants will work with the Company to learn the details of this process.

**SCHEDULE 26 (Continued)**

**SPECIAL CONDITIONS**

1. Customers cannot use on-site generation equipment for load reductions to meet load reduction commitments under this tariff.
2. Customers that choose to take service under Schedules 86, 485, 489, 490, 532, 538, 549, 575, 583, 585, 589, or 590 will be withdrawn from this program.
3. Firm Load Reduction by Schedule 75 Customers will not exceed the Customer's Baseline Demand as specified in the written service agreement between the Customer and the Company. Customer cannot use purchases under Schedule 76 to meet load reduction commitments under this tariff. In the case of Customers participating on Schedule 76R – Partial Requirements Economic Replacement Power Rider – at the time of the event, the energy imbalance will not apply during event hours and for the event energy amount.
4. The Company is not responsible for any consequences to the participating Customer that results from the Firm Load Reduction Event or the Customer's effort to reduce Energy in response to a Firm Load Reduction Event.
5. This tariff is not applicable when the Company requests or initiates Load Reduction affecting a Customer PODID under system emergency conditions described in Rule N or Rule C(2)(B).
6. The Company will not cancel or shorten the duration of a Firm Reduction Event once notification has been provided.
7. The Company will file any adjustment to the Reservation Rate by August 1<sup>st</sup> for the next program year.
8. Participating Customers are required to have interval metering and meter communication in place prior to initiation of service under this schedule. The Company will provide and install necessary equipment which allows the Company and the Customer to monitor the Customer's energy usage.
9. If the Customer experiences operational changes or a service disconnection that impairs the ability of the customer to provide the Firm Load Reduction as requested under this schedule, the agreement will be terminated.
10. If the Company is not allowed to recover any costs of this program by the Commission, the Company may at its option terminate service under this agreement with 30-day notice.

**SCHEDULE 26 (Continued)**

**SPECIAL CONDITIONS (Continued)**

11. The Customer may pre-schedule four opt-out days per season as indicated in the Agreement. If the Company calls a Load Reduction Event on a pre-scheduled opt-out day, the Customer is exempt from providing load reduction and receives no Firm Energy Reduction Payment, whether or not they choose to operate. The Customer will receive the Reservation payment if otherwise eligible. An opt-out day will not be included in the calculation of the Baseline Demand Profile.

12. Customers who opt for this Schedule may be placed on a calendar monthly billing cycle.

**TERM**

This pilot term is November 1, 2017 through September 30, 2020.