

**BEFORE THE PUBLIC UTILITY COMMISSION**

**OF OREGON**

UM 1887

**Served electronically at Salem, Oregon, 8/11/17 to:**

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Re: UM 1887, PORTLAND GENERAL ELECTRIC COMPANY, Complainant  
vs. COVANTA MARION, INC., Respondent

PORTLAND GENERAL ELECTRIC COMPANY has filed a complaint against COVANTA MARION, INC. A copy of the complaint is attached and served on Respondent, under ORS 756.512(1). The Commission has assigned Docket No. UM 1887 to this complaint. Please use this number whenever you refer to this case.

The Public Utility Commission must receive an Answer from the Respondent or its attorney by August 31, 2017, under OAR 860-001-0400(4)(a). A copy must be served on the complainant.

After the filing of the answer, the PUC will contact the parties to provide information about further proceedings in this matter.

PUBLIC UTILITY COMMISSION OF OREGON

/s/Cheryl Walker

Cheryl Walker

Administrative Specialist 2

Administrative Hearings Division

(503) 378-2849

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Attachments: Complaint  
Notice of Contested Case Rights and Procedures

## NOTICE OF CONTESTED CASE RIGHTS AND PROCEDURES

Oregon law requires state agencies to provide parties written notice of contested case rights and procedures. Under ORS 183.413, you are entitled to be informed of the following:

**Hearing:** The time and place of any hearing held in these proceedings will be noticed separately. The Commission will hold the hearing under its general authority set forth in ORS 756.040 and use procedures set forth in ORS 756.518 through 756.610 and OAR Chapter 860, Division 001. Copies of these statutes and rules may be accessed via the Commission's website at [www.puc.state.or.us](http://www.puc.state.or.us). The Commission will hear issues as identified by the parties.

**Right to Attorney:** As a party to these proceedings, you may be represented by counsel. Should you desire counsel but cannot afford one, legal aid may be able to assist you; parties are ordinarily represented by counsel. The Commission Staff, if participating as a party in the case, will be represented by the Department of Justice. Generally, once a hearing has begun, you will not be allowed to postpone the hearing to obtain counsel.

**Administrative Law Judge:** The Commission has delegated the authority to preside over hearings to Administrative Law Judges (ALJs). The scope of an ALJ's authority is defined in OAR 860-001-0090. The ALJs make evidentiary and other procedural rulings, analyze the contested issues, and present legal and policy recommendations to the Commission.

**Hearing Rights:** You have the right to respond to all issues identified and present evidence and witnesses on those issues. *See* OAR 860-001-0450 through OAR 860-001-0490. You may obtain discovery from other parties through depositions, subpoenas, and data requests. *See* ORS 756.538 and 756.543; OAR 860-001-0500 through 860-001-0540.

**Evidence:** Evidence is generally admissible if it is of a type relied upon by reasonable persons in the conduct of their serious affairs. *See* OAR 860-001-0450. Objections to the admissibility of evidence must be made at the time the evidence is offered. Objections are generally made on grounds that the evidence is unreliable, irrelevant, repetitious, or because its probative value is outweighed by the danger of unfair prejudice, confusion of the issues, or undue delay. The order of presenting evidence is determined by the ALJ. The burden of presenting evidence to support an allegation rests with the person raising the allegation. Generally, once a hearing is completed, the ALJ will not allow the introduction of additional evidence without good cause.

**Record:** The hearing will be recorded, either by a court reporter or by audio digital recording, to preserve the testimony and other evidence presented. Parties may contact the court reporter about ordering a transcript or request, if available, a copy of the audio recording from the Commission for a fee set forth in OAR 860-001-0060. The hearing record will be made part of the evidentiary record that serves as the basis for the Commission's decision and, if necessary, the record on any judicial appeal.

**Final Order and Appeal:** After the hearing, the ALJ will prepare a draft order resolving all issues and present it to the Commission. The draft order is not open to party comment. The Commission will make the final decision in the case and may adopt, modify, or reject the ALJ's recommendation. If you disagree with the Commission's decision, you may request reconsideration of the final order within 60 days from the date of service of the order. *See* ORS 756.561 and OAR 860-001-0720. You may also file a petition for review with the Court of Appeals within 60 days from the date of service of the order. *See* ORS 756.610.



ALISHA TILL  
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August 11, 2017

**VIA ELECTRONIC FILING AND OVERNIGHT DELIVERY**

Attention: Filing Center  
Public Utility Commission of Oregon  
201 High Street SE, Suite 100  
P.O. Box 1088  
Salem, Oregon 97308-1088

**Re: Docket UM \_\_\_\_\_: Portland General Electric Company's Complaint and Request for Dispute Resolution**

Dear Filing Center:

Attached for filing in the above-captioned docket is a copy of PGE's Complaint and Request for Dispute Resolution against Covanta Marion, Inc.

Please contact this office with any questions.

Very truly yours,

Alisha Till  
Administrative Assistant

Attachment

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BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON

UM \_\_\_\_\_

Portland General Electric Company,  
Complainant  
  
v.  
  
Covanta Marion, Inc.,  
Respondent.

**Complaint and Request for Dispute  
Resolution**

Pursuant to ORS 756.500, Portland General Electric Company (PGE) petitions the Public Utility Commission of Oregon (Commission) to resolve a dispute that has arisen between PGE and Covanta Marion, Inc. (Covanta). Covanta is self-certified with the Federal Energy Regulatory Commission (FERC) as a qualifying facility (QF) under the Public Utility Regulatory Policies Act (PURPA), with a current capacity rating of approximately 15 MW. Covanta claims that it is entitled to a standard contract because it plans to redesign its facility to a capacity of 10 MW or under. PGE requests that the Commission confirm that Covanta is not entitled to a standard contract and instead should be required to negotiate a power purchase agreement (PPA) if it wishes to sell its output to PGE.

**I. INTRODUCTION**

Since the enactment of PURPA, both FERC and this Commission have struggled to balance the competing interests and goals created by the legislation—to encourage distributed generation, by requiring utilities to purchase the output of qualifying facilities, while at the same time protecting utility customers from harm caused by any increased costs associated with those purchases. On no issue has this tension played out more frequently than with respect to QF eligibility for standard contracts. On one hand, FERC has required that standard contracts, with standard avoided cost prices, be available for the smallest of the QFs to remove barriers to contracting. On the other hand, FERC recognizes that standard

1 prices can only approximate the costs avoided by the utility when it purchases a QF's output,  
2 and therefore can result in utilities—and ultimately their customers—overpaying for energy.  
3 Accordingly, FERC has found that larger QFs may be required to negotiate contracts that  
4 reflect the actual value received by the utility while standard contracts must be made available  
5 to QFs sized at 100 kW or less. This Commission has exercised its discretion to broaden the  
6 group of QFs entitled to standard contracts, setting the threshold at 10 MW, based on the  
7 nameplate capacity of the project components.

8 In this case, a QF with a nameplate capacity of over 15 MW proposes to take itself  
9 offline and undergo a redesign of its facility to reduce its capacity to 10 MW, for the sole  
10 purpose of evading the Commission's 10 MW threshold for standard contracts. The  
11 Commission should reject this attempt for the following reasons.

12 **First**, this Commission has concluded that a QF with a nameplate capacity in excess  
13 of 10 MW may not voluntarily constrain its output to become eligible for a standard contract.  
14 That is precisely what Covanta proposes to do. Covanta is operating at its current nameplate  
15 capacity, but wishes to make physical changes to its equipment to limit its output to 10 MW,  
16 in an attempt to render itself eligible for a standard contract. The fact that Covanta may be  
17 successful in its effort to obtain a 10 MW nameplate does not alter the basic fact that Covanta's  
18 redesign is an impermissible attempt to avoid the 10 MW threshold and should not be  
19 rewarded.

20 **Second**, broad policy concerns suggest that Covanta should not be entitled to a  
21 standard contract. The purpose behind the standard-contract threshold is to provide a path  
22 to a contract for those QFs that lack the resources to negotiate a PPA. Covanta has shown  
23 itself to have the financial resources to successfully negotiate a contract with PGE, and should  
24 be required to continue to do so. Moreover, Covanta's action to reduce the energy that can  
25 be generated by its project is itself contrary to PURPA's policies, and for that reason should  
26 not be encouraged.



1 C.F.R. § 292.304(2), states unequivocally that “[n]othing in this subpart requires any electric  
2 utility to pay more than the avoided costs for purchases.”<sup>6</sup> In setting this standard, FERC  
3 intended that utility customers should be neither helped nor harmed by the utility’s purchase  
4 of QF power, and, in fact, should remain “indifferent as to whether the utility used more  
5 traditional sources of power or the newly-encouraged alternatives.”<sup>7</sup> The avoided cost  
6 requirement also ensures that QFs are not subsidized at customers’ expense.<sup>8</sup> The United  
7 States Supreme Court has upheld FERC’s rules, concluding that PURPA “sets full avoided  
8 cost as the *maximum* rate that [FERC] may prescribe.”<sup>9</sup>

9 PURPA’s policy goal of reducing market barriers to QF development, and its legal  
10 requirement that utilities be held indifferent to QF generation, create an inherent tension, and  
11 this Commission has correctly recognized its responsibility to balance these objectives.<sup>10</sup> The  
12 need to balance competing interests is particularly critical to the determination of which QFs  
13 are entitled to standard contracts, with standard avoided cost rates, and which QFs must  
14 negotiate a contract with the utility. Both FERC and this Commission have long intended  
15 “standard contract rates, terms and conditions . . . to be used as a means to remove  
16 transaction costs associated with QF contract negotiation, when such costs act as a market  
17 barrier to QF development.”<sup>11</sup> On the other hand, both FERC and this Commission have  
18 recognized that standard avoided cost prices are only an approximation of a utility’s actual  
19 avoided costs because the standard price does not take into account the QF’s specific project

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<sup>6</sup> *So. Cal. Edison Co.*, 71 F.E.R.C. ¶ 61,269, 62,079 (F.E.R.C. 1995).

22 <sup>7</sup> *So. Cal. Edison Co.*, 71 F.E.R.C. ¶ 61,269, 62,079 (F.E.R.C. 1995).

23 <sup>8</sup> *Indep. Energy Producers Ass’n v. Cal. Pub. Util. Comm’n*, 36 F.3d 848, 858 (9th Cir. 1994).

<sup>9</sup> *Am. Paper Institute, Inc. v. Am. Elec. Power Serv. Corp.*, 461 U.S. 402, 413 (1983).

24 <sup>10</sup> *Re Investigation Relating to Electric Utility Purchases from Qualifying Facilities*, Docket No. UM  
1129, Order No. 05-584 at 16, 19 (May 13, 2005).

25 <sup>11</sup> Order No. 05-584 at 16; *Small Power Production and Cogeneration Facilities: Regulations*  
Implementing Section 210 of the Public Utility Regulatory Policy Act of 1978, Order No. 69, 45 Fed.  
Reg. 12,214, 12,223 (Feb. 19, 1980).

26

1 characteristics.<sup>12</sup> As a result, customers may overpay for QF generation provided under a  
2 standard contract.

3 FERC has resolved the issue by determining that standard contracts must be made  
4 available to the smallest QFs only—those sized at 100 kW or under.<sup>13</sup> This Commission has  
5 exercised its discretion to set the standard-contract threshold at 10 MW.<sup>14</sup> In setting this  
6 standard, the Commission has emphasized that those QFs with the financial resources to do  
7 so should be required to negotiate a contract that accounts for unique project characteristics.<sup>15</sup>

### 8 III. Factual Background

9 Covanta is self-certified with the Federal Energy Regulatory Commission (FERC) as  
10 a qualifying facility (QF) under the Public Utility Regulatory Policies Act (PURPA). Covanta  
11 was first certified as a QF in 1984, and is currently certified with a capacity rating of  
12 approximately 15 MW. Since Covanta began operations, it has sold all of its output to PGE  
13 under a negotiated power<sup>16</sup> purchase agreement (PPA). Covanta regularly produces in  
14 excess of 10 MW.<sup>17</sup>

15 On March 2, 2017, Covanta forwarded to PGE a signed Schedule 201 standard  
16 contract template as well as a cover letter stating that Covanta “hereby elects as of the date  
17 of this letter to enter into . . . the enclosed Schedule 201 Contract.” The letter further stated  
18 as follows: “Covanta is undertaking a turbine modification and re-rate project at the Facility to  
19 achieve a Nameplate Capacity Rating of 10,000 kW and a Commercial Operation Date of  
20 September 20, 2019.”<sup>18</sup>

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22 <sup>12</sup> See Order No. 05-584 at 16; *Small Power Production and Cogeneration Facilities: Regulations*  
23 *Implementing Section 210 of the Public Utility Regulatory Policy Act of 1978*, Order No. 69, 45 Fed.  
Reg. 12,214, 12,223 (Feb. 19, 1980).

24 <sup>13</sup> 18 C.F.R. § 292.304(c)(1).

25 <sup>14</sup> Order No. 05-584 at 40.

26 <sup>15</sup> Order No. 05-584 at 40.

<sup>16</sup> A copy of Covanta’s current FERC Form 556 is Attachment A.

<sup>17</sup> Declaration of Ryin Khandoker, ¶5.

<sup>18</sup> See Declaration of Ryin Khandoker, ¶ 2.

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2 On May 5, 2017, PGE wrote a letter to Covanta, explaining that the FERC Form 556  
3 provided by Covanta listed the facility's nameplate capacity as 15 MW—and for that reason  
4 Covanta was not eligible for a standard contract. The letter also stated, in error, that upon  
5 completion of the re-rate, Covanta could request a standard contract.<sup>19</sup>

6 On June 8, 2017, PGE's counsel, Lisa Rackner, contacted counsel for Covanta,  
7 Catherine McCarthy. Ms. McCarthy confirmed that Covanta intended to take the project offline  
8 to complete a redesign so that its operations would be reduced to 10 MW. Ms. Rackner  
9 explained that regardless of Covanta's intent to reduce operations and rerate the facility, PGE  
10 could not provide Covanta with a standard contract if the reason for the redesign was to avoid  
11 the 10 MW threshold. Ms. Rackner explained that the Commission has stated that QFs with  
12 a nameplate capacity greater than 10 MW cannot avoid the 10 MW cap by taking voluntary  
13 measures to constrain output. Ms. Rackner did offer that if Covanta had an engineering or  
14 business justification for reducing its capacity, other than simply to avoid the 10 MW threshold,  
15 Covanta should provide that information to PGE. Ms. McCarthy stated that she would check  
16 with her clients and would provide such information about the redesign if appropriate.<sup>20</sup>

17 Covanta did not provide any information about the redesign and has never provided  
18 any justification for reducing output, other than to avoid the 10 MW threshold.<sup>21</sup> On July 21,  
19 2017, Covanta filed a Petition for Enforcement against the Commission at FERC (Covanta's  
20 FERC Petition).<sup>22</sup>

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23 <sup>19</sup> See Declaration of Ryin Khandoker, ¶ 3. As explained in Mr. Khandoker's Declaration, the letter  
24 was in error because it is PGE's policy – based on the policy of this Commission-- that a QF with a  
25 nameplate capacity greater than 10 MW is not entitled to a standard contract by virtue of undergoing  
26 a redesign to constrain output for the purpose of avoiding the 10 MW threshold.

25 <sup>20</sup> See Declaration of Lisa Rackner, ¶ 3.

25 <sup>21</sup> See Declaration of Lisa Rackner, ¶ 4 and Declaration of Ryin Khandoker, ¶ 4.

26 <sup>22</sup> A copy of the FERC Petition is Attachment B.

1 Covanta's FERC Petition alleges that this Commission's orders are in violation of  
2 PURPA because they unlawfully impose a condition that QFs complete construction and  
3 commence commercial operation before a legally enforceable obligation incurs. PGE has  
4 intervened in the FERC action and has argued that (1) FERC should dismiss the case  
5 because its requests raise issues primarily of state law, and because the Petition fails to show  
6 a violation of PURPA or FERC's regulations; and (2) that FERC should declare that (a) it is  
7 within this Commission's authority to determine how changes to existing QF facilities should  
8 be treated for rate and contracting purposes, (b) an investment in existing qualifying facilities  
9 to reduce their generation capacity but to do so at a higher rate is not the kind of investment  
10 that Congress intended to encourage when it enacted PURPA, and (c) the rates Covanta  
11 seeks are unjust and unreasonable to PGE's customers.

12 **IV. Argument**

13 The key issue in this case is whether Covanta can successfully evade the  
14 Commission's 10 MW threshold for standard contracts by redesigning its equipment to  
15 constrain output. The Commission's past orders and broad public policy concerns establish  
16 that it may not.

17 **A. Commission precedent prohibits a QF from gaining a standard contract by**  
18 **voluntarily constraining output.**

19 In Order No. 05-084, the Commission first set 10 MW as the threshold for QF eligibility  
20 for standard contracts.<sup>23</sup> At the same time, the Commission addressed two issues critical to  
21 an analysis of this case. **First**, the Commission reaffirmed and expanded on its use of  
22 nameplate capacity as a reference point for determining eligibility.<sup>24</sup> The Commission stated

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<sup>23</sup> Order No. 05-584 at 40.

24 <sup>24</sup> The Commission established design capacity as the criterion for standard contract eligibility in  
25 1981, *In the Matter of the Investigation into Electric Utility Tariffs for Cogeneration and Small Power*  
26 *Production Facilities*, Docket No. R-58, Order No. 81-319 at 4 (May 6, 1981), and reaffirmed this  
approach in 2005, Order No. 05-584 at 40.

1 that it would continue to use “[d]esign capacity, as defined by the manufacturer’s nameplate  
2 capacity for a QF project,” to determine a QF’s eligibility for a standard contract.<sup>25</sup> The  
3 Commission observed that Staff had recommended this approach because “nameplate  
4 capacity provides a clear standard that is not subject to manipulation.”<sup>26</sup>

5 **Second**, the Commission made clear that QFs would not be allowed to evade the 10  
6 MW threshold by actions taken voluntarily to constrain QF output.<sup>27</sup> This issue came up at  
7 hearing, when a witness for Weyerhaeuser asked whether a QF with a nameplate capacity  
8 greater than the threshold limit could agree to sell an amount of power equal to or lower than  
9 the threshold in order to qualify for standard contract terms.<sup>28</sup> Staff argued against this result,  
10 pointing out that QFs larger than the threshold size are capable of negotiating a contract and  
11 should not be eligible for standard terms.<sup>29</sup> The Commission firmly sided with Staff, stating:

12 We have determined that QF projects larger in size than 10 MW have  
13 the financial resources to engage in QF purchase contract negotiations  
14 despite the hurdles posed by market barriers that they face.  
15 **Consequently, we do not discern any justification for permitting a  
QF with a nameplate capacity larger than 10 MW to reduce  
operations to 10 MW or less in order to receive a standard contract  
terms and conditions.**<sup>30</sup>

16 The application of these policies leads to the conclusion that Covanta is not entitled to  
17 a standard contract. It is undisputed that the current nameplate capacity of Covanta’s project  
18 is well in excess of 10 MW. It is also undisputed that Covanta plans to take the project off-  
19 line and expend funds to redesign the project to reduce the nameplate capacity—all for the  
20 sole purpose of evading the Commission’s 10 MW threshold for standard contracts. These

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23 <sup>25</sup> Order No. 05-584 at 40. Although Idaho Power advocated for a different method of determining  
24 eligibility in UM 1129, the Commission found that it had not been presented with sufficient evidence to  
25 fully examine Idaho Power’s argument that nameplate capacity was an inappropriate metric. *Id.*

26 <sup>26</sup> Order No. 05-584 at 39.

27 <sup>27</sup> Order No. 05-584 at 40.

28 <sup>28</sup> Order No. 05-584 at 40.

29 <sup>29</sup> Order No. 05-584 at 40.

30 <sup>30</sup> Order No. 05-584 at 40.

1 actions are the equivalent of the “voluntary” constraint of output addressed in Order No. 05-  
2 584.

3 It is true that Covanta has represented that after the redesign it will obtain a nameplate  
4 of 10 MW or less. However, PGE disagrees that a QF’s ability to obtain a new nameplate is  
5 dispositive without any consideration of the reason for the redesign or the validity of the new  
6 nameplate. The Commission adopted the 10 MW cap as a proxy for a determination as to  
7 whether a QF has the financial ability to negotiate a contract; the cap is not a limit that a QF  
8 can purposefully avoid, at additional cost, in order to obtain more favorable contract prices  
9 and terms.

10 **B. Policy considerations suggest that Covanta should not be allowed a**  
11 **standard contract.**

12 Moreover, broad policy concerns support PGE’s position that Covanta is not entitled  
13 to a standard contract. The Commission has consistently referenced financial resources as  
14 the primary market barrier faced by QFs—and has found that QFs larger in size than 10 MW  
15 have the financial wherewithal to negotiate a contract.<sup>31</sup> Here, Covanta had the financial  
16 resources to purchase a 15 MW project, and further has the additional resources required to  
17 redesign the project in an effort to qualify for a standard contract. Allowing Covanta to  
18 succeed in this effort would undermine the purpose of the Commission’s 10 MW threshold.

19 In addition, Covanta’s decision to reduce the capacity of its generation facility in order  
20 to qualify for a standard contract is contrary to PURPA’s very foundation. Covanta’s  
21 generation exceeds 10 MW over many hours in a typical month,<sup>32</sup> and it proposes to alter  
22 operations for the purpose of producing under 10 MW. As the U.S. Supreme Court has  
23 explained, PURPA seeks to encourage the development of cogeneration and small power  
24 production facilities because “Congress believed that *increased* use of these sources of  
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26 <sup>31</sup> Order No. 05-584 at 40.

<sup>32</sup> See Declaration of Ryn Khandoker at ¶ 5.

1 energy would reduce the demand for traditional fossil fuels.”<sup>33</sup> PURPA was not intended to  
2 encourage the **reduction** of QF energy, thereby increasing the demand for traditional fuels.

3 And finally, support of PGE’s position in this case is necessary to prevent more gaming  
4 of the Commission’s 10 MW threshold. Importantly, Covanta is not the only QF currently in  
5 communication with PGE that has taken or proposes to take affirmative measures to modify  
6 its facility and/or restrict its generation to evade the 10 MW cap. Evergreen BioPower  
7 purchased a 21 MW generator and turbine and had them modified to constrain output to bring  
8 its facility under the 10 MW threshold. PGE is currently litigating a complaint brought by  
9 Evergreen when PGE found that Evergreen was not eligible for a standard contract.<sup>34</sup> In  
10 addition, PGE has a number of solar QFs in its queue who have proposed to oversize their  
11 generation significantly above the 10 MW threshold, and then use inverters to “throttle” output  
12 down to 10 MW, in order to remain eligible for a standard contract. In each of these cases,  
13 sophisticated and experienced QFs either have purchased or propose to purchase equipment  
14 well in excess of 10 MW and expend additional funds to redesign or otherwise constrain  
15 output, all for the purpose of remaining eligible for standard contracts, and presumably higher  
16 rates. These are not the small QFs lacking the funds to negotiate that FERC and this  
17 Commission envisioned when requiring standard contracts for purchases from certain QFs.<sup>35</sup>

18 In sum, PGE’s interpretation of the nameplate capacity definition must be adopted if  
19 the Commission’s intent in setting the 10 MW cap is to have any meaning. The Commission  
20 should find that, for the purposes of the threshold for standard QF contracts, Covanta’s  
21 nameplate capacity exceeds 10 MW and that Covanta’s proposed redesign will not make it  
22 eligible for a standard contract.

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25 <sup>33</sup> *FERC v. Mississippi*, 456 U.S. 742, 750 (1982) (emphasis added).

26 <sup>34</sup> *Evergreen BioPower, LLC v. Portland Gen. Elec. Co.*, Docket No. UM 1844.

<sup>35</sup> See 18 C.F.R. § 292.304(c)(1); Order No. 05-584 at 16.

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**V. Request for Relief**

For all of the above reasons, PGE requests that the Commission find that Covanta is not entitled to a standard contract and further that if Covanta wishes to sell its output to PGE after the expiration of its current contract that it be required to negotiate a PPA.

Dated August 11, 2017

**MCDOWELL RACKNER & GIBSON PC**  
  
\_\_\_\_\_  
Lisa F. Rackner  
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Portland, Oregon 97205  
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**PORTLAND GENERAL ELECTRIC COMPANY**  
  
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denise.saunders@pgn.com  
  
Attorneys for Portland General Electric Company

ATTACHMENT A

To

Portland General Electric's

Complaint and Request for Dispute Resolution

UM \_\_\_ Complaint  
Attachment A  
Page 1

**ORIGINAL**

**LEBOEUF, LAMB, GREENE & MACRAE**  
L.L.P.

A LIMITED LIABILITY PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

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March 3, 2004

**BY HAND**

Secretary Magalie Salas  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

Re: Covanta Marion, Inc., Docket No. OF83-118-001 ✓

Dear Secretary Salas:

Pursuant to Section 292.207(a)(ii) of the Federal Energy Regulatory Commission's (the "Commission") regulations, enclosed please find an original and fourteen (14) copies of a "Notice of Self-Recertification of Qualifying Facility Status for Cogeneration Facility" on behalf of Covanta Marion, Inc. In accordance with the Commission's regulations, Covanta Marion, Inc. has served copies of this filing on each electric utility with which it expects to be or is interconnected, sells energy to or purchases backup energy from and the State regulatory authority of each State where the facility and each such electric utility is located.

I appreciate your attention to this matter and would be pleased to answer any questions you may have.

Sincerely,

H. Liza Moses  
Attorney for  
Covanta Marion, Inc.

Enclosure

CC: Public Utility Commission of Oregon  
Portland General Electric Company

**ORIGINAL**

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

FILED  
OFFICE OF THE  
SECRETARY

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FEDERAL ENERGY  
REGULATORY COMMISSION  
Docket No. QF83-118-001

**Covanta Marion, Inc. )  
f/k/a Trans Energy-Oregon, Inc. )**

**NOTICE OF SELF-RECERTIFICATION AS A  
QUALIFYING SMALL POWER  
PRODUCTION FACILITY**

Pursuant to Section 292.207(a)(1) of the regulations of the Federal Energy Regulatory Commission ("Commission"), 18 C.F.R. § 292.207(a)(1)(2003), Covanta Marion, Inc., formerly known as Trans Energy-Oregon, Inc. ("Applicant"), hereby submits a notice of self-recertification for a municipal solid waste fueled generator located in Marion County, Oregon ("Facility"). The purpose of this Notice is to notify the Commission of a change in the name and the upstream ownership of the Applicant. In support of this Notice, Applicant submits Form 556 attached hereto as Attachment A. The Facility is a qualifying small power production facility ("Qualifying Facility" or "QF") pursuant to Section 210 of the Public Utility Regulatory Policies Act of 1978 ("PURPA") and satisfies the criteria set forth in Section 292.203(a) of the Commission's regulations, 18 C.F.R. § 292.203(a).

**FORM 556**

**PART A: GENERAL INFORMATION TO BE SUBMITTED BY ALL APPLICANTS**

**1a. Full Name:**

The full name of the Applicant is Covanta Marion, Inc.

The docket number assigned to the immediately preceding submittal filed with the Commission in connection with the instant Notice is QF83-118-000. The Commission previously certified the Facility as a qualifying small power production facility by order dated March 24, 1983. *Trans Energy-Oregon, Inc.*, 22 FERC ¶ 62,406 (1983). In 1984, all of the outstanding capital stock of Trans Energy-Oregon, Inc. was acquired by Ogden Martin Systems, Inc., a wholly-owned indirect subsidiary of Ogden Corporation, and the name was changed from Trans Energy-Oregon, Inc. to Ogden Martin Systems of Marion, Inc. In connection with the change in name of Applicant's parent company from Ogden Corporation to Covanta Energy Corporation as of March 2001, Ogden Martin Systems of Marion, Inc. changed its name to Covanta Marion, Inc.

The purpose of this Notice is to recertify the Facility as a QF following a change in the upstream ownership of the Facility.

**1b. Full address of Applicant:**

The address of the Applicant is:

Covanta Marion, Inc.  
4850 Brooklake Road N.E.  
P.O. Box 9126  
Brooks, Oregon 97305-9126

- 1c. **Indicate the owner of the facility (including the percentage of ownership held by any electric utility or electric utility holding company, or by any persons owned by either) and the operator of the facility. Note that any combination of direct and/or indirect electric utility or electric utility holding company ownership cannot exceed 50 percent of the total ownership (Sections 292.206 and 292.202(n)). For non-electric utility owners, identify the upstream owners, including owners holding 10 percent or more of the equity interest of such non-electric utility owners. Additionally, state whether or not any of the non-electric utility owners or their upstream owners are engaged in the generation or sale of electric power, or have any ownership or operating interest in any electric facilities other than qualifying facilities. In order to facilitate review of the application, the applicant may also provide an ownership chart identifying the upstream ownership of the facility. Such chart should indicate ownership percentages where appropriate.**

The Applicant owns and operates the Facility and is a wholly-owned indirect subsidiary of Covanta Energy Corporation ("Covanta"). None of Covanta or its subsidiaries is engaged in the generation or sale of electric power, other than from QFs located in the United States or exempt wholesale generators ("EWGs") or foreign utility companies ("FUCOs") outside the United States. None of Covanta or its subsidiaries has any ownership or operating interest in any electric facilities other than QFs, EWGs and FUCOs.

Covanta and a number of its direct and indirect subsidiaries filed voluntary petitions for relief under chapter 11 of title 11 of the United States Bankruptcy Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"). In connection with its reorganization and emergence from bankruptcy, Covanta will become a wholly-owned subsidiary of Danielson Holding Corporation ("Danielson") as a result of the consummation of transactions contemplated by the Investment and Purchase Agreement by and between Covanta and Danielson dated as of December 2, 2003 (the "Transaction"). Consequently, all of Covanta's indirect ownership interests in the Facility will be held ultimately by Danielson.<sup>1</sup> This change in ownership will not result in electric utilities or electric utility

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<sup>1</sup> The Commission approved the Transaction pursuant to Section 203 of the Federal Power Act ("FPA"), 16 U.S.C. § 824b with respect to certain affiliated qualifying small power production facilities owned or leased by

holding companies, or any combination thereof, holding more than fifty percent of the equity interests in the Facility. Accordingly, the Facility will satisfy the ownership criteria stated in 18 C.F.R. § 292.206.

Danielson is a Delaware corporation that engages through subsidiaries in the financial services and specialty insurance business. Danielson is a publicly traded company whose shares are widely held by individual investors as well as financial entities. None of Danielson nor any of its affiliates is an "electric utility holding company" as defined in 18 C.F.R. § 292.202(n). To Danielson's knowledge, based in part upon information publicly filed with the U.S. Securities and Exchange Commission, the largest shareholders in Danielson are: SZ Investments, LLC ("SZ Investments") – a private equity investment fund – which beneficially owns an approximately 18.8 percent interest; D. E. Shaw Laminar Portfolios, L.L.C. ("D. E. Shaw Laminar") – an investment fund – approximately 7.8 percent; Commissioner of Insurance of the State of California – approximately 5.0 percent; and Third Avenue Value Fund ("Third Avenue") – an investment company managed by Third Avenue Management – which beneficially owns approximately 7.2 percent interest. Following the closing of the Transaction and completion of all financing matters contemplated by the Transaction, the minimum percentages of Danielson common stock that SZ Investments, D. E. Shaw Laminar, and Third Avenue would own would be 16.3, 19.2, and 6.6 percent, respectively, and the maximum percentages they would own would be 21.5, 25.9, and 14.9 percent, respectively. To Danielson's knowledge, except as set forth herein with respect to D. E. Shaw Laminar, no entity that owns ten percent or more of Danielson's voting securities is, or is affiliated with an entity that is, engaged in the generation or

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Covanta that are subject to Section 203 of the FPA. *Covanta Energy Corporation, et al.*, Docket No. EC04-52-000, 105 FERC ¶ 62,093 (2004).

sale of electric power or has any ownership or operating interest in any electric facilities other than qualifying facilities.

D. E. Shaw Laminar, which, as set out above, may own up to a 29.5 percent voting interest in Danielson, is affiliated with power marketers that are engaged in the sale of electric power from facilities other than qualifying facilities. The managing member of D. E. Shaw Laminar is D. E. Shaw & Co., L.L.C., which indirectly owns or controls D. E. Shaw Plasma Trading, L.L.C., D. E. Shaw Plasma Power, L.L.C. and D. E. Shaw & Co. Energy, L.L.C., each of which has received Commission authorization to sell electric power at wholesale at market-based rates.<sup>2</sup> None of the public utilities that are affiliated with D. E. Shaw Laminar owns or controls any physical facilities for the generation, transmission or distribution of electricity for sale. The Commission has held that "ownership of [a] power marketer does not confer electric utility holding company status on its owner." *Louis Dreyfus Electric Power, Inc.*, 62 FERC ¶ 61,234 (1993); *see also Selkirk Cogen Partners, L.P.*, 70 FERC ¶ 62,084 at 64,229 n.5 (1995); *Brooklyn Navy Yard Cogeneration Partners, L.P.*, 74 FERC ¶ 61,015 at 61,047 (1996). Accordingly, no more than fifty percent of the ownership interests in the Facility will be held by electric utilities or electric utility holding companies or any combination thereof.

**1d. Signature of authorized individual evidencing accuracy and authenticity of information provided by applicant:**

The required signature appears at the end of this form.

**2. Person to whom communications regarding the filed information may be addressed:**

Jeffrey R. Horowitz  
Senior Vice President and General Counsel  
Covanta Energy Corporation

<sup>2</sup> See unpublished Letter Order dated July 23, 2003 in Docket Nos. ER03-879-000, ER03-880-000, and ER03-882-000. *See also D. E. Shaw Plasma Power, L.L.C.*, 102 FERC ¶ 61,265 at ¶¶ 15, 23 (2003); *D.E. Shaw Plasma Power, L.L.C.*, 104 FERC ¶ 61,150 (2003).

40 Lane Road  
Fairfield, New Jersey 07004  
(973) 882-7355

**3a. Location of facility to be certified:**

State: Oregon  
County: Marion  
City: Brooks  
Street Address (if known): 4850 Brooklake Road N.E.  
Brooks, Oregon 97305

**3b. Indicate the electric utilities that are contemplated to transact with the qualifying facility (if known) and describe the services those electric utilities are expected to provide:**

Portland General Electric Co.

**4a. Describe the principal components of the facility including boilers, prime movers and electrical generators, and explain their operation. Include transmission lines, transformers and switchyard equipment, if included as part of the facility:**

The Facility is a mass burning solid waste incineration/electric generation plant with a generation capacity of approximately 15 megawatts (MW). The Facility has the capacity to process a minimum of 145,000 tons per year of solid waste and a maximum daily processing capacity of 550 tons per day using 5,000 Btu solid waste.

**4b. Indicate the maximum gross and maximum net electric power production capacity of the facility at the point(s) of delivery and show the derivation:**

The quantity of electricity produced by the Facility varies depending upon the quantity and quality of solid waste processed by the Facility. For 145,000 tons per year of 4,000 Btu/lb (LHV) solid waste, the annual gross electrical production is approximately 66,700 MWH per year. Subtracting for the facility use, the net electrical production is 61,000 MWH per year.

- 4c. Indicate the actual or expected installation and operation dates of the facility, or the actual or expected date of completion of the reported modification to the facility:**

The Facility is an operational small power production facility which commenced commercial operations in March 1987.

- 4d. Describe the primary energy input (e.g., hydro, coal, oil (Section 292.202(1)), natural gas (Section 292.202(k)), solar geothermal, wind, waste, biomass (Section 292.202(a)), or other). For a waste energy input that does not fall within one of the categories on the Commission's list of previously opened wastes, demonstrated that such energy input has little or no commercial value and that it exists in the absence of the qualifying facility industry (Section 292.202(b)):**

The primary energy input is municipal solid waste.

- 5. Provide the average annual hourly energy input in terms of Btu for the following fossil fuel energy inputs, and provide the related percentage of the total average annual hourly input to the facility (Section 292.202(j)). For any oil or natural gas fuel, use lower heating value (Section 292.202(m)):**

There is no usage of coal. Each of the two boilers has one natural gas burner. These burners are used for start-up and shut-down of the Facility and emission control. The annual usage of natural gas for all burners is less than  $2.9 \times 10^9$  Btu/yr.

- 6. Discuss any particular characteristic of the facility which the cogenerator or small power producer believes might bear on its qualifying status:**

Not Applicable.

**PART B: DESCRIPTION OF THE SMALL POWER PRODUCTION FACILITY**

7. **Describe how fossil fuel use will not exceed 25 percent of the total annual energy input limit (Sections 292.202(j) and 292.204(b)). Also, describe how the use of fossil fuel will be limited to the following purposes to conform to Federal Power Act Section 3(17)(B): Ignition, start-up, testing, flame stabilization, control use and minimal amounts of fuel required to alleviate or prevent unanticipated equipment outages and emergencies directly affecting the public.**

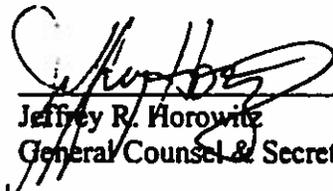
The annual usage of natural gas for all burners is less than  $2.9 \times 10^{11}$  Btu/year, which is less than twenty-five percent (25%) of the total energy input of the Facility during any calendar year period. Natural gas is used in some limited circumstances permitted by FPA Section 3(17)(B).

8. **If the facility reported herein is not an eligible solar, wind, waste or geothermal facility, and if any other non-eligible facility located within one mile of the instant facility is owned by any of the entities (or their affiliates) reported in Part A at item 1c. above and uses the same primary energy input, provide the following information about the other facility for the purpose of demonstrating that the total of the power production capacities of these facilities does not exceed 80 MW (Section 292.204(a)):**

Neither the Applicant nor its affiliates own a generating facility using the same primary energy input within one mile of the Facility.

Respectfully submitted,

Covanta Marion, Inc.

  
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Jeffrey R. Horowitz  
General Counsel & Secretary

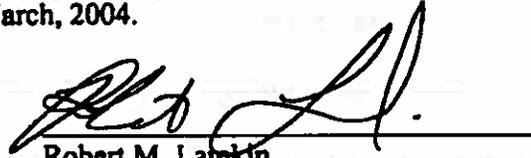
Dated: March \_\_, 2004

- • UM Complaint  
Attachment A  
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### CERTIFICATE OF SERVICE

I hereby certify that I have on this day served the foregoing document by first class mail upon the Secretary of the Oregon Public Utility Commission, Portland General Electric Co. and all persons appearing at the official service list maintained by the Secretary of the Commission for this proceeding.

Dated at New York, New York this 3rd day of March, 2004.



Robert M. Lankin  
LeBoeuf, Lamb, Greene & MacRae, L.L.P.  
125 West 55th Street  
New York, New York 10019

ATTACHMENT B

To

Portland General Electric's

Complaint and Request for Dispute Resolution

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

**Covanta Marion, Inc.**

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**Docket No. EL17-\_\_\_-000**

**PETITION FOR ENFORCEMENT PURSUANT TO THE PUBLIC UTILITY  
REGULATORY POLICIES ACT OF 1978**

Pursuant to Section 210(h)(2)(B) of the Public Utility Regulatory Policies Act of 1978, Pub. L. No. 95-617, 92 Stat. 3117, as amended (“PURPA”), Covanta Marion, Inc. (“Covanta Marion” or “Petitioner”) hereby petitions the Federal Energy Regulatory Commission (“Commission”) to initiate an enforcement action against the Public Utility Commission of Oregon (“OPUC”) to remedy OPUC’s improper implementation of PURPA.

As discussed further below, OPUC issued an order on May 13, 2005 that established the policies and procedures regarding electric utility purchases from qualifying facilities (“QFs”) related to PURPA and the Commission’s regulations implementing PURPA.<sup>1</sup> As applied, the May 2005 Order unlawfully imposes a condition that QFs complete construction and begin commercial operation (*i.e.*, be fully developed or in this case, be fully re-developed) before a legally enforceable PURPA purchase obligation incurs. Imposing such a condition, as was done here, is contrary to PURPA and Commission precedent.

**I. PETITIONER DESCRIPTION**

Covanta Marion, a Delaware corporation, is a subsidiary of Covanta Holding Corporation (“Covanta Holding”). Covanta Holding is a public utility holding company organized under the

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<sup>1</sup> *In re Pub. Util. Comm’n of Ore. Staff’s Investigation Relating to Elec. Util. Purchases from Qualifying Facilities*, Order No. 05-584 (OPUC May 13, 2005) (“May 2005 Order”).

laws of the state of Delaware, is listed on the New York Stock Exchange and is engaged in the energy business through its subsidiaries. Covanta Holding's indirect energy subsidiaries are engaged in the business of developing, constructing, owning and operating projects for the conversion of waste to energy and independent power production both domestically and abroad and providing related infrastructure services. Covanta Holding, through its subsidiaries, owns or leases and operates approximately forty-five qualifying small power production facilities throughout the United States; including, as relevant to this proceeding, a municipal solid waste fueled generator located in Marion County, Oregon owned and operated by Covanta Marion. Covanta Marion's Marion County electric generation facility has "qualifying small power producer" status within the meaning of Section 210(h)(2)(B) of PURPA.<sup>2</sup> Covanta Marion's facility is interconnected to and sells the entire output of the facility to Portland General Electric Company ("PGE").

## II. COMMUNICATIONS

Please direct all correspondence and communications regarding this petition to the individuals indicated below:

Catherine P. McCarthy  
Bracewell LLP  
2001 M Street N.W., Suite 900  
Washington, D.C. 20036  
(202) 828-5839  
cathy.mccarthy@bracewell.com

Kirk J. Bily  
Covanta Energy Corporation  
Vice President & Deputy General Counsel  
445 South Street  
Morristown, NJ 07960  
862-345-5045  
kbily@covantaenergy.com

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<sup>2</sup> See also Covanta Marion, Inc., Notice of Self-Recertification as a Qualifying Small Power Production Facility, Docket No. QF83-118-001 (filed Mar. 3, 2004).

### III. BACKGROUND

In the May 2005 Order, the OPUC established the threshold to qualify for standard offer rates at 10 MW.<sup>3</sup> The OPUC further established that “design capacity” is determined by the manufacturer’s nameplate capacity for the QF.<sup>4</sup> Thus, the OPUC concluded that “[i]n order to be eligible to receive standard contract terms and conditions, a QF must have a manufacturer’s nameplate capacity at or under 10 MW.”<sup>5</sup>

In accordance with the May 2005 Order, PGE has on file with the OPUC Schedule 201, Qualifying Facility Power Purchase Information for Qualifying Facilities 10 MW or Less. Schedule 201 establishes the rates, terms and conditions of power purchases by PGE from QFs 10 MW or less. Included as part of Schedule 201 is a standard offer contract that PGE and the QF are to execute for the sale of the energy by the facility to PGE. A copy of Schedule 201, including the standard in-system non-variable power purchase agreement, is attached hereto as Exhibit A. As discussed further below, a legally enforceable obligation was created between the Petitioner, as the QF, and PGE, as the purchasing electric utility, on March 2, 2017 when the Petitioner

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<sup>3</sup> May 2005 Order at 40.

<sup>4</sup> *Id.*

<sup>5</sup> *Id.* In addition to imposing the requirement that the Petitioner complete construction and begin commercial operation of the reconfigured facility prior to recognizing a legally enforceable obligation on the part of PGE, the May 2005 Order states: “We have determined that QF projects larger in size than 10 MW have the financial resources to engage in QF purchase contract negotiations despite the hurdles posed by market barriers that they face.” *Id.* Although Petitioner’s position is that the order establishes 10 MW as a bright-line test, to the extent that the May 2005 Order requires a review of the applicant’s size and financial resources, this would be inconsistent with PURPA. Granting electric utilities and state commissions the deference to decide who must negotiate QF purchase contracts based on the financial resources of the QF’s owner, as opposed to establishing a bright line rule, will result in arbitrary decisions and runs contrary to Commission’s stated purpose in requiring electric utilities put into effect standard offer rates for purchases for small QFs. The purpose of requiring electric utilities to purchase energy and capacity from small QF pursuant to standard offer rates is to limit transaction costs associated with smaller QF projects that may render these projects uneconomic. Although the costs of negotiating a QF purchase contract, aptly classified as transaction costs by the Commission, do not widely vary based on the size of the QF, the percentage of the total investment costs associated with transaction costs for a smaller QF naturally will be higher than the percentage for larger QFs. The language in the May 2005 Order regarding analysis of the size and finances of the owner, to the extent it interferes with a QF contract such as it may here, runs contrary to PURPA and the Commission’s regulations by determining eligibility for standard offer rates on the basis of the financial resources of the QF’s owner.

submitted an executed standard offer contract utilizing PGE’s OPUC-approved form (Schedule 201) committing the entire capacity and energy produced by the Petitioner’s QF of 10 MW beginning on September 20, 2019. The September 20, 2019 date is the scheduled Commercial Operation Date for the facility following planned turbine modifications that would result in a manufacturer nameplate designation for the facility decreasing from 13.1 MW to 10 MW. In this case, that would be a rerate with a resulting manufacturer’s nameplate designation of 10 MW. Pursuant to Section 292.304(d)(2)(ii) of the Commission’s regulations,<sup>6</sup> the Petitioner elected PGE’s avoided costs calculated at the time that it committed the 10 MW capacity of the facility to PGE as of September 20, 2019 pursuant to PGE’s standard offer rates in effect at that time. A copy of the Petitioner’s commitment embodied in the executed, standard offer contract is attached hereto as Exhibit B.

Subsequent to submitting the executed standard offer contract, PGE informed the Petitioner via a letter dated May 5, 2017 that Covanta Marion’s facility “does not meet the requirements necessary to qualify for [standard offer rates].” A copy of PGE’s letter is attached hereto as Exhibit C. PGE based its determination that Covanta Marion’s facility did not qualify for standard offer rates on the fact that the facility is an existing facility with a nameplate capacity of 13.1 MW even though Covanta Marion committed the entire capacity of the facility for the period beginning on the Commercial Operation Date of the facility after Covanta Marion’s investment would result in the facility being rerated by the turbine manufacturer to 10 MW. PGE also informed Covanta Marion that it could “[s]ubmit a new request for [standard offer rates] *upon completion of the rerate.*”<sup>7</sup>

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<sup>6</sup> 18 C.F.R. § 292.304(d)(2)(ii).

<sup>7</sup> Exhibit C at 1 (emphasis added).

#### IV. PETITIONER SEEKS COMMISSION ACTION TO ENFORCE PURPA

The Petitioner requests that the Commission seek Federal District Court action to enforce PURPA and to invalidate and enjoin the OPUC's May 2005 Order as well as all rules and practices of the OPUC that interfere with Covanta Marion's and other QFs' entitlement to a legally enforceable right to sell its output to the interconnected utility at the standard offer rates in effect at the time the QF commits its energy and capacity to the electric utility in accordance with 18 C.F.R. § 292.304(d)(2)(ii).

##### A. Neither OPUC Nor PGE Have the Authority to Condition a QF's Right to a Legally Enforceable Obligation.

Pursuant to Section 210 of PURPA, unless explicitly exempted by the Commission, electric utilities, such as PGE, are required to purchase all energy and capacity *offered to them by a QF*. The Commission's PURPA regulations gives "each" QF the option to choose to sell on what is known as an "as available" basis,<sup>8</sup> or to sell pursuant to a "legally enforceable obligation."<sup>9</sup> The difference between these two options for a QF is: "when a QF chooses to sell pursuant to a legally enforceable obligation, it commits ahead of time to sell all or some part (e.g., during certain hours) of its output to an electric utility; when a QF chooses instead to sell on an 'as available' basis, it makes no such advance commitment to the electric utility and may choose to make sales to the electric utility essentially at its discretion."<sup>10</sup> If the QF chooses to sell pursuant to a legally enforceable obligation, it has the express right to choose a rate based on either the avoided costs of the utility calculated at the time of delivery or the avoided costs of the utility calculated at the time the obligation is incurred.<sup>11</sup> As explained by the Commission in Order No. 69 implementing

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<sup>8</sup> 18 C.F.R. § 292.304(d)(1).

<sup>9</sup> *Id.* § 292.304(d)(2).

<sup>10</sup> *JD Wind I, LLC*, 130 FERC ¶ 61,127, at P 16 n.25 (2010) ("*JD Wind*").

<sup>11</sup> 18 C.F.R. § 292.304(d)(2)(i)-(ii).

PURPA, the “[u]se of the term ‘legally enforceable obligation’ is intended to prevent a utility from circumventing the requirement that provides capacity credit for an eligible qualifying facility merely by refusing to enter into a contract with the qualifying facility.”<sup>12</sup> A legally enforceable obligation is created when “*the qualifying facility has agreed to obligate itself to deliver at a future date energy and capacity to the electric utility.*”<sup>13</sup>

PGE’s rejection of Covanta Marion’s election to sell the entire output of its facility at PGE’s standard offer rates, which reflect PGE’s avoided costs approved by the OPUC, in effect at the time that Covanta Marion committed the energy and capacity to PGE violates PURPA and the Commission’s PURPA regulations by unlawfully imposing a condition to a legally enforceable obligation, *i.e.*, that development of the facility must be complete prior to a legally enforceable obligation being created.

Requiring a QF to complete construction and receive the manufacturer’s nameplate of 10 MW before a legally enforceable obligation is created in this case is contrary to Commission precedent interpreting PURPA. To the extent that the May 2005 Order requires a QF to complete construction at the 10 MW threshold before qualifying for avoided cost, standard offer rates, the May 2005 Order violates PURPA and the Commission’s PURPA regulations. Therefore, the Petitioner seeks the Commission to enforce its PURPA rights.

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<sup>12</sup> Order No. 69, FERC Stats. & Regs. ¶ 30,128, at 30,880 *order on reh’g*, Order No. 69-A, FERC Stats. & Regs. ¶ 30,160 (1980).

<sup>13</sup> Order No. 69 at 57 (emphasis added); *see also Cedar Creek Wind, LLC*, 137 FERC ¶ 61,006, at P 32 (2011) (“a QF, by committing itself to sell to an electric utility, also commits the electric utility to buy from the QF”) (“*Cedar Creek*”).

**B. State Requirements Cannot Limit the Formation of a Legally Enforceable Obligation, the Term of that Obligation or a QF's Entitlement to a Standard Offer Rate.**

The plain language of PURPA and the Commission's regulations allow for no State limitation on either the forming of a legally enforceable obligation, the term of the legally enforceable obligation or a QF's entitlement to the rate prescribed by 18 C.F.R. § 292.304(d)(2)(ii). For that reason, and additionally because such limitations do not promote QF generation, the Commission has consistently rejected attempts to impose any requirement beyond what is in the Commission's regulations.<sup>14</sup> Moreover, the Commission has consistently rejected state commission action that discourages or interferes with QF wholesale sales or a QF's right to a legally enforceable obligation as inconsistent or in violation of PURPA.<sup>15</sup> When a state commission ignores requirements of PURPA, as implemented in the Commission's regulations, the QF has a right under PURPA to seek enforcement of its PURPA rights.<sup>16</sup>

The concept of a QF's entitlement to a "legally enforceable obligation" is imposed by the Commission's regulations. The term "legally enforceable obligation" is a federal law provision, not a state law provision. There is no basis in either the statute or the Commission's regulations on which to conclude that a State has the authority to define parameters around a legally

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<sup>14</sup> See *Cedar Creek*, 137 FERC ¶ 61,006 at P 37; see also *Grouse Creek Wind Park, LLC*, 142 FERC ¶ 61,187, at P 36 (2013) ("a QF, by committing itself to sell to an electric utility, also commits the electric utility to buy from the QF; these commitments result either in contracts or in non-contractual, but binding, legally enforceable obligations.").

<sup>15</sup> *Cedar Creek* at P 35 (stating "Idaho PUC and other protesters interpret West Penn's discussion to give broad discretion to the states as to what constitutes a legally enforceable obligation and when such obligation is incurred. We disagree. While West Penn stands for the notion that the Commission gives deference to the states to determine the date on which a legally enforceable obligation is incurred, such deference is subject to the terms of the Commission's regulations. West Penn does not, as Idaho PUC argues, give states the unlimited discretion to limit the ways a legally enforceable obligation is incurred. Indeed, Commission regulations and Order No. 69 expressly use the terms 'contract' and 'legally enforceable obligation' in the disjunctive to demonstrate that a legally enforceable obligation includes, but is not limited to, a contract."); *JD Wind* at P 24 (stating "that the Commission generally leaves [the issue of when a legally enforceable obligation is created] to the states, does not mean that a state is free to ignore the requirements of PURPA or the Commission's regulations.").

<sup>16</sup> *JD Wind* at P 24.

enforceable obligation. Nor is there any basis in the statute or the Commission's regulations for any sort of deference to a State commission or a nonregulated utility with regard to the formation of a legally enforceable obligation.

There is nothing in the language of PURPA Section 210(f) that provides States or nonregulated utilities with the authority to amend, condition, supplement or otherwise adjust the Commission's rules. The language of PURPA Section 210(f) only speaks of those entities implementing the Commission's regulations. Requiring that the Commission's rules be followed does not imply some power to amend, supplement, condition or otherwise adjust those rules.

A clear mandate of PURPA is to encourage the development of QF generation. It is well-established that a facility needs a long-term contract in order to obtain financing to allow it to be constructed. A QF's right to a legally enforceable obligation, to fix the rate at the beginning of the obligation, and designate the term over which the rate is fixed are all necessary elements provided by the Commission's regulations. Requiring a QF to make an investment into its facility, complete all associated construction, and begin commercial operation of the facility before the QF may fix the rate with the electric utility violates PURPA and the Commission's regulations implementing PURPA, which allow QFs, at their sole discretion, to lock-in the rate for the period of the contract prior to making the needed investment in the facilities in order to encourage the development of QFs.

## **V. CONCLUSION AND REQUEST FOR RELIEF**

As is made clear above, federal law imposes on every utility (regulated and nonregulated) the obligation to agree to purchase *any* energy and capacity *offered* by a QF. The process starts with the QF making the offer. Here, the Petitioner offered to commit to supply energy and capacity

for 15 years beginning on September 20, 2019 (*i.e.*, the scheduled Commercial Operation Date of facility once all turbine modifications were complete) at PGE's standard offer rate – PGE's avoided costs at the time of the Petitioner's offer. Pursuant to PURPA and the Commission's regulations implementing PURPA, PGE was required to accept that offer, fixing the time the legally enforceable obligation was incurred. Neither the OPUC nor PGE may lawfully impose a condition that QFs complete construction and begin commercial operation (*i.e.*, be fully developed or in this case, be fully re-developed) before a legally enforceable obligation incurs. As discussed above, imposing such a condition, as was done here, runs contrary to PURPA and Commission precedent.<sup>17</sup>

Section 210(h)(2)(A) of PURPA permits the Commission to initiate an enforcement action against a State for failure to implement the Commission's PURPA regulations, and Section 210(h)(2)(B) of PURPA permits QFs, such as the Petitioner, to petition the Commission to initiate such an enforcement action against a State. If the Commission does not initiate an enforcement action against the OPUC within 60 days of the filing of this petition, the Petitioner has the right to bring an action in the appropriate United States district court to require the OPUC to comply with the Commission's PURPA regulations, and such court may issue such injunctive or other relief as may be appropriate.

The Petitioner seeks Commission action to enforce PURPA against the OPUC to invalidate and permanently enjoin all conditions imposed upon a QF's right to a legally enforceable

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<sup>17</sup> Once the legally enforceable obligation incurred between the Petitioner and PGE, the only remaining issue pursuant to Section 292.304(d)(ii) of the Commission's regulations would be the calculation of PGE's avoided costs at the time the legally enforceable obligation was created. Because the Petitioner's facility met the eligibility requirements for PGE's standard offer rates on the legally enforceable obligation, as discussed above, PGE's avoided costs rate for the Petitioner was already calculated and approved by the OPUC, leaving no open issues with respect to the rate of purchase for the energy and capacity committed by the Petitioner.

obligation and the right to an avoided cost contract based upon the PGE's standard offer rate for purchase required by Sections 292.304(c)(2) and 292.304(d)(2)(ii) of the Commission's regulations.<sup>18</sup>

Respectfully submitted

/s/ Catherine P. McCarthy

Catherine P. McCarthy

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<sup>18</sup> 18 C.F.R. §§ 292.304(c)(2), 292.304(d)(2)(ii).

# **Exhibit A**

Portland General Electric Company

Schedule 201

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

**PURPOSE**

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

**AVAILABLE**

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

**APPLICABLE**

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

**ESTABLISHING CREDITWORTHINESS**

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

**POWER PURCHASE INFORMATION**

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

**PPA**

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

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

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

**SCHEDULE 201 (Continued)**

## PPA (Continued)

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

**STANDARD PPA (Nameplate capacity of 10 MW or less)**

A Seller choosing a Standard PPA will complete all informational and price option selection requirements in the applicable Standard PPA and submit the executed Agreement to the Company prior to service under this schedule. The Standard PPA is available at [www.portlandgeneral.com](http://www.portlandgeneral.com). The available Standard PPAs are:

- Standard In-System Non-Variable Power Purchase Agreement
- Standard Off-System Non-Variable Power Purchase Agreement
- Standard In-System Variable Power Purchase Agreement
- Standard Off-System Variable Power Purchase Agreement
- Standard Renewable In-System Non-Variable Power Purchase Agreement
- Standard Renewable Off-System Non-Variable Power Purchase Agreement
- Standard Renewable In-System Variable Power Purchase Agreement
- Standard Renewable Off-System Variable Power Purchase Agreement

The Standard PPAs applicable to variable resources are available only to QFs utilizing wind, solar or run of river hydro as the primary motive force.

**GUIDELINES FOR 10 MW OR LESS FACILITIES ELECTING STANDARD PPA**

To execute the Standard PPA the Seller must complete all of the general project information requested in the applicable Standard PPA.

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

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

When both parties are in full agreement as to all terms and conditions of the draft Standard PPA, the Company will prepare and forward to the Seller a final executable version of the agreement within 15 business days. Following the Company's execution, an executed copy will be returned to the Seller.

Prices and other terms and conditions in the PPA will not be final and binding until the Standard PPA has been executed by both parties.

**SCHEDULE 201 (Continued)****OFF-SYSTEM PPA**

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

**BASIS FOR POWER PURCHASE PRICE****AVOIDED COST SUMMARY**

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

Monthly On-Peak prices are included in both the Standard Avoided Costs as listed in Tables 1a, 2a, and 3a and Renewable Avoided Costs as listed in Tables 4a, 5a, and 6a. Monthly Off-Peak prices are included in both the Standard Avoided Costs as listed in Tables 1b, 2b, and 3b and Renewable Avoided Costs as listed in Tables 4b, 5b, and 6b.

**ON-PEAK PERIOD**

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

**OFF-PEAK PERIOD**

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

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

Renewable Avoided Costs are based on forward market price estimates through the Renewable Resource Sufficiency Period, the period of time during which the Company's Renewable Avoided Costs are associated with incremental purchases of energy and capacity from the market. For the Renewable Resource Deficiency Period, the Renewable Avoided Costs reflect the fully allocated costs of a wind plant including capital costs.

**SCHEDULE 201 (Continued)**

**PRICING FOR STANDARD PPA**

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

The Standard PPA pricing will be based on either the Standard or Renewable Avoided Costs in effect at the time the agreement is executed.

The Company will pay the Seller either the Off-Peak Standard Avoided Cost pursuant to Tables 1b, 2b, or 3b or the Off-Peak Renewable Avoided Costs pursuant to Tables 4b, 5b, or 6b for: (a) all Net Output delivered prior to the Commercial Operation Date; (b) all Net Output deliveries greater than Maximum Net Output in any PPA year; (c) any generation subject to and as adjusted by the provisions of Section 4.3 of the Standard PPA; (d) Net Output delivered in the Off-Peak Period; and (e) deliveries above the nameplate capacity in any hour. The Company will pay the Seller either the On-Peak Standard Avoided Cost pursuant to Tables 1a, 2a, or 3a or the On-Peak Renewable Avoided Costs pursuant to Tables 4a, 5a, or 6a for all other Net Output. (See the PPA for defined terms.)

**1) Standard Fixed Price Option**

The Standard Fixed Price Option is based on Standard Avoided Costs including forecasted natural gas prices. It is available to all QFs.

This option is available for a maximum term of 15 years. Prices will be as established at the time the Standard PPA is executed and will be equal to the Standard Avoided Costs in Tables 1a and 1b, 2a and 2b, or 3a and 3c, depending on the type of QF, effective at execution. QFs using any resource type other than wind and solar are assumed to be Base Load QFs.

Prices paid to the Seller under the Standard Fixed Price Option include adjustments for the capacity contribution of the QF resource type relative to that of the avoided proxy resource. Both the Base Load QF resources (Tables 1a and 1b) and the avoided proxy resource, the basis used to determine Standard Avoided Costs for the Standard Fixed Price Option, are assumed to have a capacity contribution to peak of 100%. The capacity contribution for Wind QF resources (Tables 2a and 2b) is assumed to be 5%. The capacity contribution for Solar QF resources (Tables 3a and 3b) is assumed to be 5%.

Prices paid to the Seller under the Standard Fixed Price Option for Wind QFs (Tables 2a and 2b) include a reduction for the wind integration costs in Table 7. However, if the Wind QF is outside of PGE's Balancing Authority Area as contemplated in the Commission's Order No. 14-058, the Seller is paid the wind integration charges in Table 7, in addition to the prices listed in Tables 2a and 2b, for a net-zero effect.

**SCHEDULE 201 (Continued)**

PRICING OPTIONS FOR STANDARD PPA (Continued)  
Standard Fixed Price Option (Continued)

Sellers with PPAs exceeding 15 years will receive pricing equal to the Mid-C Index Price for all years up to five in excess of the initial 15.

**SCHEDULE 201 (Continued)**PRICING OPTIONS FOR STANDARD PPA (Continued)  
Standard Fixed Price Option (Continued)

TABLE 1a												
Avoided Costs												
Standard Fixed Price Option for Base Load QF												
On-Peak Forecast (\$/MWH)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2017	42.81	30.21	19.11	12.56	16.71	18.71	29.71	33.71	30.21	27.21	29.21	35.71
2018	31.71	31.11	28.10	19.97	19.21	19.21	28.16	31.40	28.82	25.64	28.54	31.96
2019	32.37	31.76	28.69	20.40	19.63	19.63	28.75	32.05	29.42	26.18	29.14	32.62
2020	34.85	34.19	30.88	21.93	21.10	21.10	30.95	34.51	31.67	28.17	31.37	35.13
2021	62.41	62.19	61.99	60.93	60.73	60.74	60.79	60.84	60.93	61.16	61.76	62.44
2022	64.10	64.19	64.27	63.87	63.84	63.93	64.00	64.10	64.20	64.30	65.26	65.35
2023	67.48	67.59	67.69	67.06	67.11	67.22	67.31	67.40	67.52	67.62	68.68	68.79
2024	69.99	70.11	70.22	69.82	69.50	69.62	69.72	69.83	69.95	70.62	70.85	70.98
2025	72.67	72.80	72.93	72.99	72.19	72.23	72.34	72.47	72.59	72.71	73.55	73.69
2026	75.30	75.45	75.57	74.87	74.74	74.85	74.96	75.09	75.22	75.35	76.40	76.54
2027	78.22	78.36	78.50	77.76	77.61	77.68	77.81	77.94	78.10	78.23	79.36	79.50
2028	81.14	81.30	81.45	80.70	80.63	80.69	80.83	80.97	81.15	81.28	82.65	82.83
2029	84.83	85.00	85.16	84.37	84.30	84.37	84.48	84.64	84.22	84.37	85.47	85.64
2030	87.51	87.70	87.57	86.46	86.68	85.53	85.69	85.84	86.03	86.19	87.36	87.55
2031	89.53	89.73	89.77	88.64	88.86	88.39	88.54	88.71	88.91	89.07	90.39	90.59
2032	92.27	92.47	92.59	91.42	91.60	91.64	91.81	91.99	92.20	92.38	93.65	93.87
2033	96.34	96.55	96.65	95.42	95.65	94.02	94.19	94.39	94.59	94.77	96.09	96.31
2034	98.49	98.72	97.24	96.01	96.24	95.79	95.98	96.17	96.38	96.57	98.03	98.25
2035	100.40	100.63	100.56	99.28	99.52	98.82	99.00	99.19	99.43	99.62	101.11	101.34
2036	102.77	103.00	102.93	101.62	101.89	101.16	101.36	101.55	101.79	101.99	103.52	103.73
2037	105.59	105.82	105.75	104.40	104.68	103.94	104.13	104.34	104.57	104.78	106.33	106.56
2038	108.31	108.55	108.46	107.11	107.39	106.62	106.83	107.04	107.27	107.49	109.07	109.30
2039	110.86	111.12	111.03	109.65	109.93	109.15	109.36	109.56	109.83	110.04	111.63	111.89
2040	113.79	114.03	113.96	112.54	112.81	112.04	112.24	112.45	112.71	112.93	114.58	114.82
2041	116.46	116.72	116.63	115.20	115.47	114.67	114.89	115.10	115.37	115.58	117.26	117.52

**SCHEDULE 201 (Continued)**PRICING OPTIONS FOR STANDARD PPA (Continued)  
Standard Fixed Price Option (Continued)

TABLE 1b												
Avoided Costs												
Standard Fixed Price Option for Base Load QF												
Off-Peak Forecast (\$/MWH)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2017	30.96	25.46	12.96	4.46	7.71	9.21	17.71	24.96	25.21	23.71	24.96	29.71
2018	24.82	26.66	24.24	15.66	11.92	10.25	17.66	24.16	24.06	22.13	24.58	26.67
2019	25.39	27.27	24.80	16.04	12.22	10.52	18.08	24.72	24.62	22.65	25.15	27.28
2020	27.90	29.97	27.24	17.56	13.34	11.45	19.82	27.15	27.04	24.86	27.63	29.99
2021	23.86	23.65	23.45	22.38	22.19	22.20	22.25	22.30	22.38	22.62	23.21	23.90
2022	24.81	24.90	24.99	24.59	24.55	24.64	24.71	24.81	24.91	25.01	25.97	26.07
2023	27.30	27.42	27.52	26.88	26.94	27.04	27.14	27.23	27.35	27.44	28.51	28.62
2024	29.30	29.42	29.53	29.13	28.81	28.94	29.03	29.14	29.26	29.94	30.17	30.29
2025	31.06	31.20	31.32	31.39	30.58	30.63	30.74	30.86	30.98	31.11	31.95	32.08
2026	32.90	33.04	33.16	32.46	32.33	32.44	32.55	32.68	32.82	32.94	33.99	34.13
2027	34.99	35.13	35.27	34.54	34.38	34.45	34.58	34.71	34.87	35.00	36.13	36.27
2028	37.08	37.23	37.39	36.64	36.57	36.63	36.77	36.91	37.09	37.22	38.59	38.77
2029	39.92	40.09	40.25	39.46	39.39	39.46	39.57	39.72	39.31	39.46	40.56	40.73
2030	41.73	41.92	41.80	40.68	40.90	39.75	39.91	40.06	40.25	40.41	41.59	41.77
2031	42.86	43.07	43.10	41.98	42.20	41.73	41.88	42.04	42.25	42.41	43.72	43.93
2032	45.01	45.20	45.33	44.16	44.34	44.38	44.55	44.73	44.93	45.11	46.39	46.61
2033	47.85	48.06	48.17	46.94	47.17	45.54	45.71	45.91	46.11	46.29	47.61	47.83
2034	48.91	49.14	47.67	46.43	46.66	46.22	46.41	46.59	46.81	47.00	48.46	48.67
2035	50.03	50.26	50.19	48.91	49.15	48.45	48.63	48.82	49.06	49.25	50.74	50.97
2036	51.59	51.83	51.76	50.44	50.71	49.98	50.18	50.38	50.61	50.81	52.34	52.55
2037	53.26	53.48	53.41	52.06	52.35	51.61	51.79	52.01	52.23	52.45	54.00	54.22
2038	54.97	55.20	55.12	53.77	54.04	53.27	53.49	53.69	53.93	54.14	55.73	55.96
2039	56.49	56.74	56.65	55.28	55.56	54.78	54.98	55.19	55.46	55.66	57.26	57.51
2040	58.37	58.61	58.54	57.12	57.39	56.62	56.82	57.03	57.28	57.51	59.15	59.40
2041	59.97	60.23	60.14	58.70	58.98	58.18	58.40	58.61	58.87	59.09	60.77	61.03

**SCHEDULE 201 (Continued)**PRICING OPTIONS FOR STANDARD PPA (Continued)  
Standard Fixed Price Option (Continued)

TABLE 2a												
Avoided Costs												
Standard Fixed Price Option for Wind QF												
On-Peak Forecast (\$/MWH)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2017	38.90	26.30	15.20	8.65	12.80	14.80	25.80	29.80	26.30	23.30	25.30	31.80
2018	27.72	27.12	24.11	15.98	15.22	15.22	24.17	27.41	24.83	21.65	24.55	27.97
2019	28.30	27.69	24.62	16.33	15.56	15.56	24.68	27.98	25.35	22.11	25.07	28.55
2020	30.70	30.04	26.73	17.78	16.95	16.95	26.80	30.36	27.52	24.02	27.22	30.98
2021	25.66	25.45	25.25	24.18	23.99	24.00	24.05	24.10	24.18	24.42	25.01	25.69
2022	26.64	26.74	26.82	26.42	26.39	26.47	26.55	26.64	26.75	26.84	27.81	27.90
2023	29.20	29.31	29.41	28.78	28.83	28.94	29.03	29.12	29.24	29.34	30.40	30.51
2024	31.19	31.31	31.42	31.03	30.71	30.83	30.93	31.04	31.16	31.83	32.06	32.18
2025	33.01	33.15	33.27	33.34	32.53	32.57	32.69	32.81	32.93	33.06	33.90	34.03
2026	34.88	35.03	35.14	34.44	34.32	34.42	34.54	34.66	34.80	34.92	35.98	36.11
2027	37.01	37.15	37.29	36.56	36.41	36.48	36.60	36.73	36.90	37.02	38.16	38.30
2028	39.14	39.30	39.45	38.70	38.63	38.69	38.83	38.97	39.15	39.28	40.65	40.83
2029	42.02	42.19	42.35	41.56	41.49	41.56	41.67	41.83	41.42	41.56	42.67	42.84
2030	43.87	44.06	43.94	42.82	43.04	41.89	42.05	42.20	42.39	42.55	43.73	43.91
2031	45.04	45.24	45.28	44.16	44.37	43.91	44.06	44.22	44.42	44.59	45.90	46.10
2032	47.19	47.39	47.52	46.34	46.52	46.56	46.73	46.91	47.12	47.30	48.57	48.79
2033	50.13	50.34	50.44	49.21	49.44	47.82	47.99	48.18	48.38	48.56	49.88	50.10
2034	51.25	51.47	50.00	48.77	49.00	48.55	48.74	48.93	49.14	49.33	50.79	51.01
2035	52.38	52.62	52.55	51.26	51.51	50.81	50.99	51.18	51.41	51.61	53.10	53.33
2036	53.96	54.20	54.13	52.82	53.08	52.36	52.55	52.75	52.99	53.18	54.72	54.92
2037	55.70	55.93	55.86	54.51	54.79	54.05	54.24	54.45	54.68	54.89	56.44	56.67
2038	57.46	57.70	57.61	56.26	56.54	55.77	55.98	56.19	56.42	56.64	58.22	58.45
2039	59.04	59.29	59.20	57.82	58.10	57.32	57.53	57.73	58.00	58.21	59.81	60.06
2040	60.96	61.20	61.12	59.71	59.98	59.21	59.40	59.62	59.87	60.10	61.74	61.98
2041	62.61	62.87	62.78	61.35	61.63	60.83	61.04	61.26	61.52	61.73	63.41	63.67

**SCHEDULE 201 (Continued)**PRICING OPTIONS FOR STANDARD PPA (Continued)  
Standard Fixed Price Option (Continued)

<b>TABLE 2b</b>												
<b>Avoided Costs</b>												
<b>Standard Fixed Price Option for Wind QF</b>												
<b>Off-Peak Forecast (\$/MWH)</b>												
<b>Year</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>
2017	27.05	21.55	9.05	0.55	3.80	5.30	13.80	21.05	21.30	19.80	21.05	25.80
2018	20.83	22.67	20.25	11.67	7.93	6.26	13.67	20.17	20.07	18.14	20.59	22.68
2019	21.32	23.20	20.73	11.97	8.15	6.45	14.01	20.65	20.55	18.58	21.08	23.21
2020	23.75	25.82	23.09	13.41	9.19	7.30	15.67	23.00	22.89	20.71	23.48	25.84
2021	19.63	19.42	19.22	18.15	17.96	17.97	18.02	18.07	18.15	18.39	18.98	19.67
2022	20.50	20.59	20.68	20.28	20.24	20.33	20.40	20.50	20.60	20.70	21.66	21.76
2023	22.91	23.03	23.13	22.49	22.55	22.65	22.75	22.84	22.96	23.05	24.12	24.23
2024	24.83	24.95	25.06	24.66	24.34	24.47	24.56	24.67	24.79	25.47	25.70	25.82
2025	26.50	26.64	26.76	26.83	26.02	26.07	26.18	26.30	26.42	26.55	27.39	27.52
2026	28.25	28.39	28.51	27.81	27.68	27.79	27.90	28.03	28.17	28.29	29.34	29.48
2027	30.25	30.39	30.53	29.80	29.64	29.71	29.84	29.97	30.13	30.26	31.39	31.53
2028	32.25	32.40	32.56	31.81	31.74	31.80	31.94	32.08	32.26	32.39	33.76	33.94
2029	35.00	35.17	35.33	34.54	34.47	34.54	34.65	34.80	34.39	34.54	35.64	35.81
2030	36.71	36.90	36.78	35.66	35.88	34.73	34.89	35.04	35.23	35.39	36.57	36.75
2031	37.74	37.95	37.98	36.86	37.08	36.61	36.76	36.92	37.13	37.29	38.60	38.81
2032	39.80	39.99	40.12	38.95	39.13	39.17	39.34	39.52	39.72	39.90	41.18	41.40
2033	42.54	42.75	42.86	41.63	41.86	40.23	40.40	40.60	40.80	40.98	42.30	42.52
2034	43.49	43.72	42.25	41.01	41.24	40.80	40.99	41.17	41.39	41.58	43.04	43.25
2035	44.51	44.74	44.67	43.39	43.63	42.93	43.11	43.30	43.54	43.73	45.22	45.45
2036	45.96	46.20	46.13	44.81	45.08	44.35	44.55	44.75	44.98	45.18	46.71	46.92
2037	47.52	47.74	47.67	46.32	46.61	45.87	46.05	46.27	46.49	46.71	48.26	48.48
2038	49.12	49.35	49.27	47.92	48.19	47.42	47.64	47.84	48.08	48.29	49.88	50.11
2039	50.53	50.78	50.69	49.32	49.60	48.82	49.02	49.23	49.50	49.70	51.30	51.55
2040	52.29	52.53	52.46	51.04	51.31	50.54	50.74	50.95	51.20	51.43	53.07	53.32
2041	53.78	54.04	53.95	52.51	52.79	51.99	52.21	52.42	52.68	52.90	54.58	54.84

**SCHEDULE 201 (Continued)**PRICING OPTIONS FOR STANDARD PPA (Continued)  
Standard Fixed Price Option (Continued)

TABLE 3a												
Avoided Costs												
Standard Fixed Price Option for Solar QF												
On-Peak Forecast (\$/MWH)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2017	42.81	30.21	19.11	12.56	16.71	18.71	29.71	33.71	30.21	27.21	29.21	35.71
2018	31.71	31.11	28.10	19.97	19.21	19.21	28.16	31.40	28.82	25.64	28.54	31.96
2019	32.37	31.76	28.69	20.40	19.63	19.63	28.75	32.05	29.42	26.18	29.14	32.62
2020	34.85	34.19	30.88	21.93	21.10	21.10	30.95	34.51	31.67	28.17	31.37	35.13
2021	28.96	28.74	28.54	27.48	27.28	27.29	27.34	27.39	27.48	27.71	28.31	28.99
2022	30.00	30.09	30.18	29.78	29.75	29.83	29.90	30.00	30.11	30.20	31.16	31.26
2023	32.61	32.73	32.83	32.19	32.25	32.35	32.45	32.54	32.65	32.75	33.82	33.93
2024	34.67	34.80	34.91	34.51	34.19	34.31	34.41	34.52	34.64	35.31	35.54	35.66
2025	36.56	36.70	36.82	36.89	36.08	36.12	36.24	36.36	36.48	36.61	37.45	37.58
2026	38.50	38.65	38.76	38.06	37.94	38.04	38.16	38.28	38.42	38.54	39.60	39.73
2027	40.70	40.84	40.98	40.25	40.10	40.17	40.29	40.42	40.59	40.71	41.85	41.99
2028	42.90	43.06	43.21	42.46	42.39	42.45	42.59	42.74	42.91	43.04	44.41	44.59
2029	45.85	46.02	46.18	45.39	45.32	45.39	45.50	45.66	45.25	45.39	46.50	46.67
2030	47.78	47.97	47.84	46.73	46.95	45.80	45.96	46.11	46.30	46.46	47.63	47.82
2031	49.03	49.23	49.27	48.15	48.36	47.89	48.05	48.21	48.41	48.58	49.89	50.09
2032	51.26	51.45	51.58	50.41	50.59	50.63	50.79	50.97	51.18	51.36	52.63	52.85
2033	54.26	54.47	54.58	53.34	53.58	51.95	52.12	52.32	52.51	52.70	54.01	54.23
2034	55.46	55.69	54.22	52.98	53.21	52.77	52.96	53.15	53.36	53.55	55.01	55.22
2035	56.68	56.91	56.85	55.56	55.81	55.11	55.29	55.48	55.71	55.90	57.39	57.63
2036	58.35	58.59	58.52	57.21	57.47	56.75	56.94	57.14	57.38	57.57	59.10	59.31
2037	60.17	60.40	60.33	58.98	59.26	58.52	58.71	58.92	59.15	59.36	60.91	61.14
2038	62.02	62.25	62.16	60.82	61.09	60.32	60.54	60.74	60.98	61.19	62.77	63.01
2039	63.68	63.93	63.84	62.46	62.74	61.96	62.17	62.37	62.64	62.85	64.45	64.70
2040	65.69	65.94	65.86	64.44	64.71	63.94	64.14	64.35	64.61	64.83	66.48	66.72
2041	67.43	67.69	67.60	66.17	66.45	65.65	65.86	66.08	66.34	66.55	68.23	68.49

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**Effective for service  
on and after June 1, 2017**

**SCHEDULE 201 (Continued)**PRICING OPTIONS FOR STANDARD PPA (Continued)  
Standard Fixed Price Option (Continued)

TABLE 3b												
Avoided Costs												
Standard Fixed Price Option for Solar QF												
Off-Peak Forecast (\$/MWH)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2017	30.96	25.46	12.96	4.46	7.71	9.21	17.71	24.96	25.21	23.71	24.96	29.71
2018	24.82	26.66	24.24	15.66	11.92	10.25	17.66	24.16	24.06	22.13	24.58	26.67
2019	25.39	27.27	24.80	16.04	12.22	10.52	18.08	24.72	24.62	22.65	25.15	27.28
2020	27.90	29.97	27.24	17.56	13.34	11.45	19.82	27.15	27.04	24.86	27.63	29.99
2021	23.86	23.65	23.45	22.38	22.19	22.20	22.25	22.30	22.38	22.62	23.21	23.90
2022	24.81	24.90	24.99	24.59	24.55	24.64	24.71	24.81	24.91	25.01	25.97	26.07
2023	27.30	27.42	27.52	26.88	26.94	27.04	27.14	27.23	27.35	27.44	28.51	28.62
2024	29.30	29.42	29.53	29.13	28.81	28.94	29.03	29.14	29.26	29.94	30.17	30.29
2025	31.06	31.20	31.32	31.39	30.58	30.63	30.74	30.86	30.98	31.11	31.95	32.08
2026	32.90	33.04	33.16	32.46	32.33	32.44	32.55	32.68	32.82	32.94	33.99	34.13
2027	34.99	35.13	35.27	34.54	34.38	34.45	34.58	34.71	34.87	35.00	36.13	36.27
2028	37.08	37.23	37.39	36.64	36.57	36.63	36.77	36.91	37.09	37.22	38.59	38.77
2029	39.92	40.09	40.25	39.46	39.39	39.46	39.57	39.72	39.31	39.46	40.56	40.73
2030	41.73	41.92	41.80	40.68	40.90	39.75	39.91	40.06	40.25	40.41	41.59	41.77
2031	42.86	43.07	43.10	41.98	42.20	41.73	41.88	42.04	42.25	42.41	43.72	43.93
2032	45.01	45.20	45.33	44.16	44.34	44.38	44.55	44.73	44.93	45.11	46.39	46.61
2033	47.85	48.06	48.17	46.94	47.17	45.54	45.71	45.91	46.11	46.29	47.61	47.83
2034	48.91	49.14	47.67	46.43	46.66	46.22	46.41	46.59	46.81	47.00	48.46	48.67
2035	50.03	50.26	50.19	48.91	49.15	48.45	48.63	48.82	49.06	49.25	50.74	50.97
2036	51.59	51.83	51.76	50.44	50.71	49.98	50.18	50.38	50.61	50.81	52.34	52.55
2037	53.26	53.48	53.41	52.06	52.35	51.61	51.79	52.01	52.23	52.45	54.00	54.22
2038	54.97	55.20	55.12	53.77	54.04	53.27	53.49	53.69	53.93	54.14	55.73	55.96
2039	56.49	56.74	56.65	55.28	55.56	54.78	54.98	55.19	55.46	55.66	57.26	57.51
2040	58.37	58.61	58.54	57.12	57.39	56.62	56.82	57.03	57.28	57.51	59.15	59.40
2041	59.97	60.23	60.14	58.70	58.98	58.18	58.40	58.61	58.87	59.09	60.77	61.03

## SCHEDULE 201 (Continued)

### PRICING OPTIONS FOR STANDARD PPA (Continued)

#### 2) Renewable Fixed Price Option

The Renewable Fixed Price Option is based on Renewable Avoided Costs. It is available only to Renewable QFs that generate electricity from a renewable energy source that may be used by the Company to comply with the Oregon Renewable Portfolio Standard as set forth in ORS 469A.005 to 469A.210.

This option is available for a maximum term of 15 years. Prices will be as established at the time the Standard PPA is executed and will be equal to the Renewable Avoided Costs in Tables 4a and 4b, 5a and 5b, or 6a and 6b, depending on the type of QF, effective at execution. QFs using any resource type other than wind and solar are assumed to be Base Load QFs.

Sellers will retain all Environmental Attributes generated by the facility during the Renewable Resource Sufficiency Period. A Renewable QF choosing the Renewable Fixed Price Option must cede all RPS Attributes generated by the facility to the Company from the start of the Renewable Resource Deficiency Period through the remainder of the PPA term.

Prices paid to the Seller under the Renewable Fixed Price Option include adjustments for the capacity contribution of the QF resource type relative to that of the avoided proxy resource. Both Wind QF resources (Tables 5a and 5b) and the avoided proxy resource, the basis used to determine Renewable Avoided Costs for the Renewable Fixed Price Option, are assumed to have a capacity contribution to peak of 5%. The capacity contribution for Solar QF resources (Tables 6a and 6b) is assumed to be 5%. The capacity contribution for Base Load QF resources (Tables 4a and 4b) is assumed to be 100%.

The Renewable Avoided Costs during the Renewable Resource Deficiency Period reflect an increase for avoided wind integration costs, shown in Table 7.

Prices paid to the Seller under the Renewable Fixed Price Option for Wind QFs (Tables 5a and 5b) include a reduction for the wind integration costs in Table 7, which cancels out wind integration costs included in the Renewable Avoided Costs during the Renewable Resource Deficiency Period. However, if the Wind QF is outside of PGE's Balancing Authority Area as contemplated in the Commission's Order No. 14-058, the Seller is paid the wind integration charges in Table 7, in addition to the prices listed in Tables 5a and 5b.

Sellers with PPAs exceeding 15 years will receive pricing equal to the Mid-C Index Price for all years up to five in excess of the initial 15.

**SCHEDULE 201 (Continued)**

## PRICING OPTIONS FOR STANDARD PPA (Continued)

## Renewable Fixed Price Option (Continued)

TABLE 4a												
Renewable Avoided Costs												
Renewable Fixed Price Option for Base Load QF												
On-Peak Forecast (\$/MWH)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2017	31.96	31.36	28.35	20.22	19.46	19.46	28.41	31.65	29.07	25.89	28.79	32.21
2018	32.63	32.02	28.95	20.66	19.89	19.89	29.01	32.31	29.68	26.44	29.40	32.88
2019	35.13	34.47	31.16	22.21	21.38	21.38	31.23	34.79	31.95	28.45	31.65	35.41
2020	105.59	105.58	104.91	105.31	108.12	107.33	107.05	106.95	105.82	104.97	105.70	104.81
2021	107.97	108.18	106.86	107.80	110.30	109.63	109.13	109.57	108.25	107.36	108.50	107.34
2022	110.29	110.18	108.51	110.03	112.64	111.74	111.34	111.31	110.35	109.47	110.72	109.45
2023	112.83	112.45	110.71	112.53	114.68	114.03	113.73	113.41	112.67	111.65	113.16	112.19
2024	114.30	114.43	112.71	114.48	116.87	115.98	115.88	115.65	115.49	113.39	114.27	114.38
2025	116.91	117.20	115.28	117.34	120.36	119.33	118.49	118.61	117.89	115.92	116.94	116.63
2026	119.80	119.51	118.23	120.15	124.05	121.00	121.00	121.36	121.11	118.42	120.03	119.20
2027	122.14	121.76	120.31	122.17	127.41	123.38	123.05	124.32	123.30	120.82	121.96	121.54
2028	124.42	123.50	121.73	124.67	129.54	125.27	125.89	125.90	125.14	123.37	124.32	123.63
2029	127.02	126.81	124.48	127.44	136.23	128.72	128.78	128.78	128.83	125.88	126.59	126.49
2030	129.65	129.39	127.38	129.92	139.73	132.73	130.84	130.74	131.95	128.33	128.82	128.86
2031	132.04	131.60	130.17	133.11	142.39	136.41	133.28	134.11	134.29	130.94	131.91	131.53
2032	134.05	133.61	132.16	135.15	144.58	138.50	135.32	136.16	136.35	132.94	133.93	133.54
2033	137.18	136.73	135.24	138.30	147.94	141.72	138.47	139.33	139.53	136.04	137.05	136.65
2034	139.98	139.52	138.00	141.12	150.95	144.61	141.30	142.17	142.37	138.82	139.85	139.44
2035	142.53	142.06	140.51	143.69	153.71	147.25	143.87	144.76	144.97	141.35	142.39	141.98
2036	144.86	144.38	142.81	146.04	156.22	149.66	146.23	147.13	147.34	143.66	144.72	144.30
2037	148.08	147.59	145.99	149.29	159.70	152.99	149.48	150.41	150.62	146.85	147.94	147.51
2038	150.94	150.44	148.81	152.17	162.78	155.94	152.36	153.31	153.52	149.69	150.80	150.36
2039	153.85	153.34	151.68	155.11	165.92	158.95	155.30	156.27	156.48	152.58	153.71	153.26
2040	156.54	156.02	154.33	157.81	168.81	161.72	158.01	158.99	159.21	155.24	156.39	155.94
2041	159.85	159.32	157.59	161.15	172.39	165.14	161.36	162.36	162.58	158.52	159.70	159.24

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**Effective for service  
on and after June 1, 2017**

**SCHEDULE 201 (Continued)**PRICING OPTIONS FOR STANDARD PPA (Continued)  
Renewable Fixed Price Option (Continued)

TABLE 4b												
Renewable Avoided Costs												
Renewable Fixed Price Option for Base Load QF												
Off-Peak Forecast (\$/MWH)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2017	25.07	26.91	24.49	15.91	12.17	10.50	17.91	24.41	24.31	22.38	24.83	26.92
2018	25.65	27.53	25.06	16.30	12.48	10.78	18.34	24.98	24.88	22.91	25.41	27.54
2019	28.18	30.25	27.52	17.84	13.62	11.73	20.10	27.43	27.32	25.14	27.91	30.27
2020	55.06	55.29	56.65	55.55	52.58	52.78	53.04	54.06	54.85	55.93	55.76	56.14
2021	56.97	56.29	57.78	56.57	54.03	54.07	54.64	54.94	55.96	57.75	55.61	57.11
2022	57.78	57.49	59.46	57.46	54.79	55.12	56.44	55.58	57.03	58.82	56.52	58.16
2023	58.53	58.57	60.63	59.03	55.13	56.16	57.38	56.90	58.03	60.02	57.37	59.34
2024	59.00	59.06	61.83	58.87	55.44	57.84	56.81	57.13	58.45	60.26	59.15	59.71
2025	60.20	60.19	63.12	59.74	55.43	58.15	58.02	58.89	58.99	61.58	61.14	60.59
2026	60.49	61.29	63.41	60.15	56.02	58.98	58.83	59.45	58.83	62.40	61.28	61.32
2027	62.57	62.55	64.16	61.72	55.88	60.06	60.36	59.81	60.16	64.24	62.01	62.45
2028	63.42	63.96	66.16	63.26	55.35	61.40	61.55	60.38	61.59	64.74	62.71	64.41
2029	63.86	64.58	67.38	64.49	51.11	61.67	62.62	61.41	62.76	65.44	64.59	65.53
2030	64.85	65.65	68.76	64.61	50.89	62.20	63.19	63.34	63.17	66.67	66.12	66.88
2031	66.26	67.30	69.67	64.93	51.92	62.00	64.53	64.67	63.31	67.77	67.62	66.96
2032	67.35	68.41	70.82	66.00	52.77	63.03	65.60	65.74	64.36	68.89	68.74	68.06
2033	68.84	69.92	72.38	67.46	53.94	64.42	67.05	67.19	65.78	70.41	70.26	69.57
2034	70.17	71.27	73.78	68.76	54.98	65.66	68.34	68.49	67.05	71.77	71.61	70.91
2035	71.52	72.65	75.20	70.09	56.04	66.93	69.66	69.81	68.34	73.16	73.00	72.28
2036	72.70	73.85	76.45	71.25	56.97	68.03	70.81	70.97	69.47	74.37	74.20	73.47
2037	74.31	75.48	78.13	72.82	58.22	69.54	72.37	72.53	71.01	76.01	75.84	75.10
2038	75.74	76.94	79.64	74.23	59.35	70.88	73.77	73.93	72.38	77.48	77.30	76.55
2039	77.20	78.42	81.18	75.66	60.49	72.25	75.20	75.36	73.77	78.97	78.80	78.02
2040	78.48	79.72	82.52	76.91	61.49	73.44	76.44	76.61	74.99	80.27	80.10	79.31
2041	80.21	81.48	84.34	78.61	62.85	75.06	78.13	78.30	76.65	82.05	81.87	81.06

Effective for service  
on and after June 1, 2017

**SCHEDULE 201 (Continued)**PRICING OPTIONS FOR STANDARD PPA (Continued)  
Renewable Fixed Price Option (Continued)

TABLE 5a												
Renewable Avoided Costs												
Renewable Fixed Price Option for Wind QF												
On-Peak Forecast (\$/MWH)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2017	28.05	27.45	24.44	16.31	15.55	15.55	24.50	27.74	25.16	21.98	24.88	28.30
2018	28.64	28.03	24.96	16.67	15.90	15.90	25.02	28.32	25.69	22.45	25.41	28.89
2019	31.06	30.40	27.09	18.14	17.31	17.31	27.16	30.72	27.88	24.38	27.58	31.34
2020	65.63	65.62	64.95	65.35	68.16	67.37	67.09	66.99	65.86	65.01	65.74	64.85
2021	67.13	67.33	66.01	66.95	69.45	68.79	68.28	68.73	67.40	66.52	67.66	66.49
2022	68.65	68.54	66.88	68.40	71.01	70.11	69.71	69.68	68.71	67.83	69.09	67.82
2023	70.27	69.89	68.16	69.98	72.13	71.48	71.17	70.85	70.12	69.10	70.60	69.63
2024	71.17	71.30	69.58	71.35	73.75	72.85	72.75	72.52	72.36	70.27	71.15	71.26
2025	72.83	73.12	71.19	73.26	76.28	75.24	74.41	74.52	73.80	71.83	72.86	72.55
2026	74.86	74.57	73.29	75.21	79.12	76.06	76.06	76.42	76.17	73.48	75.09	74.26
2027	76.34	75.95	74.50	76.36	81.61	77.57	77.25	78.51	77.50	75.01	76.15	75.73
2028	77.73	76.81	75.04	77.98	82.85	78.58	79.21	79.22	78.45	76.68	77.63	76.94
2029	79.43	79.22	76.89	79.86	88.64	81.13	81.20	81.20	81.24	78.29	79.00	78.91
2030	81.14	80.88	78.87	81.41	91.22	84.22	82.33	82.23	83.44	79.82	80.31	80.35
2031	82.59	82.15	80.72	83.66	92.94	86.96	83.83	84.66	84.84	81.49	82.46	82.08
2032	83.94	83.50	82.05	85.04	94.47	88.39	85.21	86.05	86.24	82.83	83.82	83.43
2033	85.81	85.36	83.88	86.93	96.58	90.36	87.11	87.97	88.16	84.68	85.69	85.29
2034	87.46	87.00	85.49	88.60	98.43	92.09	88.78	89.66	89.85	86.30	87.33	86.93
2035	89.16	88.68	87.14	90.32	100.34	93.88	90.50	91.39	91.59	87.97	89.02	88.61
2036	90.61	90.13	88.56	91.79	101.97	95.41	91.98	92.88	93.09	89.41	90.47	90.05
2037	92.63	92.14	90.53	93.83	104.24	97.53	94.02	94.95	95.16	91.40	92.49	92.06
2038	94.41	93.91	92.28	95.64	106.25	99.41	95.84	96.78	97.00	93.16	94.27	93.83
2039	96.24	95.73	94.07	97.49	108.31	101.33	97.69	98.65	98.87	94.96	96.09	95.65
2040	97.81	97.29	95.60	99.08	110.08	102.99	99.28	100.26	100.48	96.51	97.66	97.21
2041	99.99	99.46	97.73	101.29	112.53	105.29	101.50	102.50	102.73	98.67	99.84	99.38

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**Effective for service  
on and after June 1, 2017**

**SCHEDULE 201 (Continued)**PRICING OPTIONS FOR STANDARD PPA (Continued)  
Renewable Fixed Price Option (Continued)

TABLE 5b												
Renewable Avoided Costs												
Renewable Fixed Price Option for Wind QF												
Off-Peak Forecast (\$/MWH)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2017	21.23	23.07	20.65	12.07	8.33	6.66	14.07	20.57	20.47	18.54	20.99	23.08
2018	21.74	23.62	21.15	12.39	8.57	6.87	14.43	21.07	20.97	19.00	21.50	23.63
2019	24.19	26.26	23.53	13.85	9.63	7.74	16.11	23.44	23.33	21.15	23.92	26.28
2020	50.91	51.14	52.50	51.40	48.43	48.63	48.89	49.91	50.70	51.78	51.61	51.99
2021	52.74	52.06	53.55	52.34	49.80	49.84	50.41	50.71	51.73	53.52	51.38	52.88
2022	53.47	53.18	55.15	53.15	50.48	50.81	52.13	51.27	52.72	54.51	52.21	53.85
2023	54.14	54.18	56.24	54.64	50.74	51.77	52.99	52.51	53.64	55.63	52.98	54.95
2024	54.53	54.59	57.36	54.40	50.97	53.37	52.34	52.66	53.98	55.79	54.68	55.24
2025	55.64	55.63	58.56	55.18	50.87	53.59	53.46	54.33	54.43	57.02	56.58	56.03
2026	55.84	56.64	58.76	55.50	51.37	54.33	54.18	54.80	54.18	57.75	56.63	56.67
2027	57.83	57.81	59.42	56.98	51.14	55.32	55.62	55.07	55.42	59.50	57.27	57.71
2028	58.59	59.13	61.33	58.43	50.52	56.57	56.72	55.55	56.76	59.91	57.88	59.58
2029	58.94	59.66	62.46	59.57	46.19	56.75	57.70	56.49	57.84	60.52	59.67	60.61
2030	59.83	60.63	63.74	59.59	45.87	57.18	58.17	58.32	58.15	61.65	61.10	61.86
2031	61.14	62.18	64.55	59.81	46.80	56.88	59.41	59.55	58.19	62.65	62.50	61.84
2032	62.14	63.20	65.61	60.79	47.56	57.82	60.39	60.53	59.15	63.68	63.53	62.85
2033	63.53	64.61	67.07	62.15	48.63	59.11	61.74	61.88	60.47	65.10	64.95	64.26
2034	64.75	65.85	68.36	63.34	49.56	60.24	62.92	63.07	61.63	66.35	66.19	65.49
2035	66.00	67.13	69.68	64.57	50.52	61.41	64.14	64.29	62.82	67.64	67.48	66.76
2036	67.07	68.22	70.82	65.62	51.34	62.40	65.18	65.34	63.84	68.74	68.57	67.84
2037	68.57	69.74	72.39	67.08	52.48	63.80	66.63	66.79	65.27	70.27	70.10	69.36
2038	69.89	71.09	73.79	68.38	53.50	65.03	67.92	68.08	66.53	71.63	71.45	70.70
2039	71.24	72.46	75.22	69.70	54.53	66.29	69.24	69.40	67.81	73.01	72.84	72.06
2040	72.40	73.64	76.44	70.83	55.41	67.36	70.36	70.53	68.91	74.19	74.02	73.23
2041	74.02	75.29	78.15	72.42	56.66	68.87	71.94	72.11	70.46	75.86	75.68	74.87

**SCHEDULE 201 (Continued)**PRICING OPTIONS FOR STANDARD PPA (Continued)  
Renewable Fixed Price Option (Continued)

TABLE 6a												
Renewable Avoided Costs												
Renewable Fixed Price Option for Solar QF												
On-Peak Forecast (\$/MWH)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2017	31.96	31.36	28.35	20.22	19.46	19.46	28.41	31.65	29.07	25.89	28.79	32.21
2018	32.63	32.02	28.95	20.66	19.89	19.89	29.01	32.31	29.68	26.44	29.40	32.88
2019	35.13	34.47	31.16	22.21	21.38	21.38	31.23	34.79	31.95	28.45	31.65	35.41
2020	68.87	68.85	68.18	68.58	71.40	70.61	70.33	70.23	69.09	68.24	68.98	68.09
2021	70.42	70.63	69.31	70.25	72.74	72.08	71.57	72.02	70.70	69.81	70.95	69.79
2022	72.01	71.90	70.23	71.76	74.37	73.47	73.07	73.04	72.07	71.19	72.44	71.17
2023	73.69	73.31	71.57	73.39	75.54	74.89	74.59	74.27	73.53	72.51	74.02	73.05
2024	74.65	74.79	73.07	74.84	77.23	76.33	76.24	76.01	75.85	73.75	74.63	74.74
2025	76.38	76.67	74.74	76.81	79.83	78.79	77.96	78.07	77.35	75.38	76.41	76.10
2026	78.48	78.19	76.91	78.83	82.74	79.68	79.68	80.04	79.79	77.11	78.71	77.88
2027	80.03	79.64	78.19	80.05	85.30	81.26	80.94	82.20	81.19	78.71	79.84	79.42
2028	81.49	80.57	78.80	81.74	86.61	82.35	82.97	82.98	82.21	80.45	81.39	80.71
2029	83.26	83.05	80.72	83.69	92.47	84.96	85.03	85.03	85.07	82.12	82.83	82.74
2030	85.04	84.79	82.78	85.32	95.13	88.13	86.24	86.14	87.35	83.73	84.22	84.26
2031	86.57	86.14	84.71	87.65	96.93	90.95	87.82	88.65	88.83	85.48	86.45	86.07
2032	88.01	87.56	86.11	89.10	98.54	92.45	89.27	90.11	90.30	86.90	87.88	87.49
2033	89.95	89.49	88.01	91.06	100.71	94.49	91.24	92.10	92.29	88.81	89.82	89.42
2034	91.68	91.22	89.70	92.82	102.65	96.31	93.00	93.87	94.07	90.52	91.55	91.14
2035	93.45	92.98	91.44	94.61	104.63	98.17	94.80	95.69	95.89	92.27	93.32	92.91
2036	95.00	94.52	92.95	96.18	106.36	99.79	96.36	97.27	97.48	93.80	94.86	94.44
2037	97.10	96.61	95.00	98.30	108.71	102.00	98.49	99.42	99.63	95.87	96.96	96.53
2038	98.97	98.47	96.84	100.20	110.81	103.97	100.39	101.34	101.55	97.72	98.83	98.39
2039	100.88	100.37	98.71	102.13	112.95	105.97	102.33	103.29	103.51	99.60	100.74	100.29
2040	102.54	102.02	100.33	103.82	114.81	107.72	104.02	105.00	105.22	101.25	102.40	101.94
2041	104.81	104.28	102.55	106.11	117.35	110.10	106.32	107.32	107.55	103.49	104.66	104.20

**SCHEDULE 201 (Continued)**PRICING OPTIONS FOR STANDARD PPA (Continued)  
Renewable Fixed Price Option (Continued)

TABLE 6b												
Renewable Avoided Costs												
Renewable Fixed Price Option for Solar QF												
Off-Peak Forecast (\$/MWH)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2017	25.07	26.91	24.49	15.91	12.17	10.50	17.91	24.41	24.31	22.38	24.83	26.92
2018	25.65	27.53	25.06	16.30	12.48	10.78	18.34	24.98	24.88	22.91	25.41	27.54
2019	28.18	30.25	27.52	17.84	13.62	11.73	20.10	27.43	27.32	25.14	27.91	30.27
2020	55.06	55.29	56.65	55.55	52.58	52.78	53.04	54.06	54.85	55.93	55.76	56.14
2021	56.97	56.29	57.78	56.57	54.03	54.07	54.64	54.94	55.96	57.75	55.61	57.11
2022	57.78	57.49	59.46	57.46	54.79	55.12	56.44	55.58	57.03	58.82	56.52	58.16
2023	58.53	58.57	60.63	59.03	55.13	56.16	57.38	56.90	58.03	60.02	57.37	59.34
2024	59.00	59.06	61.83	58.87	55.44	57.84	56.81	57.13	58.45	60.26	59.15	59.71
2025	60.20	60.19	63.12	59.74	55.43	58.15	58.02	58.89	58.99	61.58	61.14	60.59
2026	60.49	61.29	63.41	60.15	56.02	58.98	58.83	59.45	58.83	62.40	61.28	61.32
2027	62.57	62.55	64.16	61.72	55.88	60.06	60.36	59.81	60.16	64.24	62.01	62.45
2028	63.42	63.96	66.16	63.26	55.35	61.40	61.55	60.38	61.59	64.74	62.71	64.41
2029	63.86	64.58	67.38	64.49	51.11	61.67	62.62	61.41	62.76	65.44	64.59	65.53
2030	64.85	65.65	68.76	64.61	50.89	62.20	63.19	63.34	63.17	66.67	66.12	66.88
2031	66.26	67.30	69.67	64.93	51.92	62.00	64.53	64.67	63.31	67.77	67.62	66.96
2032	67.35	68.41	70.82	66.00	52.77	63.03	65.60	65.74	64.36	68.89	68.74	68.06
2033	68.84	69.92	72.38	67.46	53.94	64.42	67.05	67.19	65.78	70.41	70.26	69.57
2034	70.17	71.27	73.78	68.76	54.98	65.66	68.34	68.49	67.05	71.77	71.61	70.91
2035	71.52	72.65	75.20	70.09	56.04	66.93	69.66	69.81	68.34	73.16	73.00	72.28
2036	72.70	73.85	76.45	71.25	56.97	68.03	70.81	70.97	69.47	74.37	74.20	73.47
2037	74.31	75.48	78.13	72.82	58.22	69.54	72.37	72.53	71.01	76.01	75.84	75.10
2038	75.74	76.94	79.64	74.23	59.35	70.88	73.77	73.93	72.38	77.48	77.30	76.55
2039	77.20	78.42	81.18	75.66	60.49	72.25	75.20	75.36	73.77	78.97	78.80	78.02
2040	78.48	79.72	82.52	76.91	61.49	73.44	76.44	76.61	74.99	80.27	80.10	79.31
2041	80.21	81.48	84.34	78.61	62.85	75.06	78.13	78.30	76.65	82.05	81.87	81.06

## SCHEDULE 201 (Continued)

## WIND INTEGRATION

<b>TABLE 7</b>	
<b>Wind Integration</b>	
<b>Year</b>	<b>Cost</b>
2015	3.77
2016	3.84
2017	3.91
2018	3.99
2019	4.07
2020	4.15
2021	4.23
2022	4.31
2023	4.39
2024	4.47
2025	4.56
2026	4.65
2027	4.74
2028	4.83
2029	4.92
2030	5.02
2031	5.12
2032	5.21
2033	5.31
2034	5.42
2035	5.52
2036	5.63
2037	5.74
2038	5.85
2039	5.96
2040	6.08

## **SCHEDULE 201 (Continued)**

### **MONTHLY SERVICE CHARGE**

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

### **INSURANCE REQUIREMENTS**

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

- 1) QFs with nameplate capacity ratings greater than 200 kW are required to secure and maintain a prudent amount of general liability insurance. The Seller must certify to the Company that it is maintaining general liability insurance coverage for each QF at prudent amounts. A prudent amount will be deemed to mean liability insurance coverage for both bodily injury and property damage liability in the amount of not less than \$1,000,000 each occurrence combined single limit, which limits may be required to be increased or decreased by the Company as the Company determines in its reasonable judgment, that economic conditions or claims experience may warrant.
- 2) Such insurance will include an endorsement naming the Company as an additional insured insofar as liability arising out of operations under this schedule and a provision that such liability policies will not be canceled or their limits reduced without 30 days' written notice to the Company. The Seller will furnish the Company with certificates of insurance together with the endorsements required herein. The Company will have the right to inspect the original policies of such insurance.
- 3) QFs with a design capacity of 200 kW or less are encouraged to pursue liability insurance on their own. The Oregon Public Utility Commission in Order No. 05-584 determined that it is inappropriate to require QFs that have a design capacity of 200 kW or less to obtain general liability insurance.

### **TRANSMISSION AGREEMENTS**

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

### **INTERCONNECTION REQUIREMENTS**

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

## SCHEDULE 201 (Continued)

### INTERCONNECTION REQUIREMENTS (Continued)

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

### DEFINITION OF A SMALL COGENERATION FACILITY OR SMALL POWER PRODUCTION FACILITY ELIGIBLE TO RECEIVE PRICING UNDER THE STANDARD PPA

A QF will be eligible to receive pricing under the Standard PPA if the nameplate capacity of the QF, together with any other electric generating facility using the same motive force, owned or controlled by the Same Person(s) or Affiliated Person(s), and located at the Same Site, does not exceed 10 MW. A Community-Based or Family-Owned QF is exempt from these restrictions.

#### Definition of Community-Based

- a. A community project (or a community sponsored project) must have a recognized and established organization located within the county of the project or within 50 miles of the project that has a genuine role in helping the project be developed and must have some not insignificant continuing role with or interest in the project after it is completed and placed in service.
- b. After excluding the passive investor whose ownership interests are primarily related to green tag values and tax benefits as the primary ownership benefit, the equity (ownership) interests in a community sponsored project must be owned in substantial percentage (80 percent or more) by the following persons (individuals and entities): (i) the sponsoring organization, or its controlled affiliates; (ii) members of the sponsoring organization (if it is a membership organization) or owners of the sponsorship organization (if it is privately owned); (iii) persons who live in the county in which the project is located or who live a county adjoining the county in which the project is located; or (iv) units of local government, charities, or other established nonprofit organizations active either in the county in which the project is located or active in a county adjoining the county in which the project is located.

#### Definition of Family-Owned

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

## **SCHEDULE 201 (Continued)**

### **DEFINITION OF A SMALL COGENERATION FACILITY OR SMALL POWER PRODUCTION FACILITY ELIGIBLE TO RECEIVE PRICING UNDER THE STANDARD PPA (Continued)**

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

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

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

#### **Definition of Same Site**

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

#### **Definition of Shared Interconnection and Infrastructure**

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

### **OTHER DEFINITIONS**

#### **Mid-C Index Price**

As used in this schedule, the daily Mid-C Index Price shall be the Day Ahead Intercontinental Exchange (“ICE”) for the bilateral OTC market for energy at the Mid-C Physical for Average

## **SCHEDULE 201 (Continued)**

### **OTHER DEFINITIONS (Continued)**

On-Peak Power and Average Off-Peak Power found on the following website: <https://www.theice.com/products/OTC/Physical-Energy/Electricity>. In the event ICE no longer publishes this index, PGE and the Seller agree to select an alternative successor index representative of the Mid-C trading hub.

#### **Definition of RPS Attributes**

As used in this schedule, RPS Attributes means all attributes related to the Net Output generated by the Facility that are required in order to provide PGE with “qualifying electricity,” as that term is defined in Oregon’s Renewable Portfolio Standard Act, Ore. Rev. Stat. 469A.010, in effect at the time of execution of this Agreement. RPS Attributes do not include Environmental Attributes that are greenhouse gas offsets from methane capture not associated with the generation of electricity and not needed to ensure that there are zero net emissions associated with the generation of electricity.

#### **Definition of Environmental Attributes**

As used in this schedule, Environmental Attributes shall mean any and all claims, credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, resulting from the avoidance of the emission of any gas, chemical, or other substance to the air, soil or water. Environmental Attributes include but are not limited to: (1) any avoided emissions of pollutants to the air, soil, or water such as (subject to the foregoing) sulfur oxides (SO<sub>x</sub>), nitrogen oxides (NO<sub>x</sub>), carbon monoxide (CO), and other pollutants; and (2) any avoided emissions of carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change to contribute to the actual or potential threat of altering the Earth's climate by trapping heat in the atmosphere.

#### **Definition of Resource Sufficiency Period**

This is the period from the current year through 2020.

#### **Definition of Resource Deficiency Period**

This is the period from 2021 through 2034.

#### **Definition of Renewable Resource Sufficiency Period**

This is the period from the current year through 2019.

#### **Definition of Renewable Resource Deficiency Period**

This is the period from 2020 through 2034.

**SCHEDULE 201 (Concluded)****DISPUTE RESOLUTION**

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

The QF may present disputes to the Commission for resolution using the following process:

The QF may file a complaint asking the Commission to adjudicate disputes regarding the formation of the standard contract. The QF may not file such a complaint during any 15-day period in which the utility has the obligation to respond, but must wait until the 15-day period has passed.

The utility may respond to the complaint within ten days of service.

The Commission will limit its review to the issues identified in the complaint and response, and utilize a process similar to the arbitration process adopted to facilitate the execution of interconnection agreements among telecommunications carriers. See OAR 860, Division 016. The administrative law judge will not act as an arbitrator.

**SPECIAL CONDITIONS**

1. Delivery of energy by Seller will be at a voltage, phase, frequency, and power factor as specified by the Company.
2. If the Seller also receives retail Electricity Service from the Company at the same location, any payments under this schedule will be credited to the Seller's retail Electricity Service bill. At the option of the Customer, any net credit over \$10.00 will be paid by check to the Customer.
3. Unless required by state or federal law, if the 1978 Public Utility Regulatory Policies Act (PURPA) is repealed, PPAs entered into pursuant to this schedule will not terminate prior to the Standard or Negotiated PPA's termination date.

**TERM OF AGREEMENT**

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

## STANDARD IN-SYSTEM NON-VARIABLE POWER PURCHASE AGREEMENT

THIS AGREEMENT is between \_\_\_\_\_ ("Seller") and Portland General Electric Company ("PGE") (hereinafter each a "Party" or collectively, "Parties") and is effective upon execution by both Parties ("Effective Date").

### RECITALS

Seller intends to construct, own, operate and maintain a \_\_\_\_\_ facility for the generation of electric power located in \_\_\_\_\_ County, \_\_\_\_\_ with a Nameplate Capacity Rating of \_\_\_\_\_ kilowatt ("kW"), as further described in Exhibit B ("Facility"); and

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

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

### AGREEMENT

NOW, THEREFORE, the Parties mutually agree as follows:

#### SECTION 1: DEFINITIONS

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

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

1.2. "Billing Period" means a period between PGE's readings of its power purchase billing meter at the Facility in the normal course of PGE's business. Such periods may vary and may not coincide with calendar months, however, PGE shall use best efforts to read the power purchase billing meter in 12 equally spaced periods per year.

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

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

1.4.1. (facilities with nameplate under 500 kW exempt from following requirement) PGE has received a certificate addressed to PGE from a Licensed Professional Engineer (“LPE”) acceptable to PGE in its reasonable judgment stating that the Facility is able to generate electric power reliably in amounts required by this Agreement and in accordance with all other terms and conditions of this Agreement (certifications required under this Section 1.4 can be provided by one or more LPEs);

1.4.2. Start-Up Testing of the Facility has been completed in accordance with Section 1.28;

1.4.3. (facilities with nameplate under 500 kW exempt from following requirement) After PGE has received notice of completion of Start-Up Testing, PGE has received a certificate addressed to PGE from an LPE stating that the Facility has operated for testing purposes under this Agreement uninterrupted for a Test Period at a rate in kW of at least 75 percent of average annual Net Output divided by 8,760 based upon any sixty (60) minute period for the entire testing period. The Facility must provide ten (10) working days written notice to PGE prior to the start of the initial testing period. If the operation of the Facility is interrupted during this initial testing period or any subsequent testing period, the Facility shall promptly start a new Test Period and provide PGE forty-eight (48) hours written notice prior to the start of such testing period;

1.4.4. (facilities with nameplate under 500 kW exempt from following requirement) PGE has received a certificate addressed to PGE from an LPE stating that in accordance with the Generation Interconnection Agreement, all required interconnection facilities have been constructed, all required interconnection tests have been completed; and the Facility is physically interconnected with PGE's electric system.

1.4.5. (facilities with nameplate under 500 kW exempt from following requirement) PGE has received a certificate addressed to PGE from an LPE stating that Seller has obtained all Required Facility Documents and if requested by PGE in writing, has provided copies of any or all such requested Required Facility Documents;

1.5. “Contract Price” means the applicable price, including on-peak and off-peak prices, as specified in the Schedule.

1.6. "Contract Year" means each twelve (12) month period commencing upon the Commercial Operation Date or its anniversary during the Term, except the final contract year will be the period from the last anniversary of the Commercial Operation Date during the Term until the end of the Term.

1.7. “Effective Date” has the meaning set forth in Section 2.1.

1.8. “Environmental Attributes” shall mean any and all claims, credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, resulting from the avoidance of the emission of any gas, chemical or other substance to the air, soil or water. Environmental Attributes include but are not limited to: (1) any avoided emissions of pollutants to the air, soil or water such as (subject to the foregoing) sulfur oxides (SOx) nitrogen oxides (NOx), carbon monoxide (CO), and other pollutants; and

(2) any avoided emissions of carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), and other greenhouse gasses (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change to contribute to the actual or potential threat of altering the Earth's climate by trapping heat in the atmosphere.

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

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

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

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

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

1.14. "Lost Energy Value" means for a Contract Year: zero plus any reasonable costs incurred by PGE to purchase replacement power and/or transmission to deliver the replacement power to the Point of Delivery, unless the Contract Year's Net Output is less than the Minimum Net Output and the Contract Year's time-weighted average of the Mid-C Index Price for On-Peak and Off-Peak Hours is greater than the time-weighted average of the Contract Price for On-Peak and Off-Peak Hours for that Contract Year, in which case Lost Energy Value equals: (Minimum Net Output - Net Output for the Contract Year) X (the lower of: the time-weighted average of the Contract Price for On-Peak and Off-Peak Hours; or the time-weighted average of the Mid-C Index Price for On-Peak and Off-Peak Hours – the time-weighted average of the Contract Price for On-Peak and Off-Peak Hours) plus any reasonable costs incurred by

PGE to purchase replacement power and/or transmission to deliver the replacement power to the Point of Delivery.

1.15. "Mid-C Index Price" means the Day Ahead Intercontinental Exchange ("ICE") for the bilateral OTC market for energy at the Mid-C Physical for On Peak Power and Off Peak Power. In the event ICE no longer publishes this index, PGE and the Seller agree to select an alternative successor index representative of the Mid-C trading hub.

1.16. "Minimum Net Output" shall have the meaning provided in Section 4.2 of this Agreement.

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

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

1.19. "Net Output" means all energy expressed in kWhs produced by the Facility, less station and other onsite use and less transformation and transmission losses.

1.20. "Off-Peak Hours" has the meaning provided in the Schedule.

1.21. "On-Peak Hours" has the meaning provided in the Schedule.

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

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

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

optimum practice, method, standard or act to the exclusion of all others, but rather to those practices, methods and acts generally acceptable or approved by a significant portion of the electric power generation industry in the relevant region, during the relevant period, as described in the immediate preceding sentence.

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

1.26. "Schedule" shall mean PGE Schedule 201 filed with the Oregon Public Utilities Commission ("Commission") in effect on the Effective Date of this Agreement and attached hereto as Exhibit E, the terms of which are hereby incorporated by reference.

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

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

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

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

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

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

## SECTION 2: TERM; COMMERCIAL OPERATION DATE

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

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

2.2.1. By \_\_\_\_\_ [*date to be determined by the Seller*] Seller shall begin initial deliveries of Net Output; and

2.2.2. By \_\_\_\_\_ [*date to be determined by the Seller subject to Section 2.2.3 below*] Seller shall have completed all requirements under Section 1.4 and shall have established the Commercial Operation Date.

2.2.3. Unless the Parties agree in writing that a later Commercial Operation Date is reasonable and necessary, the Commercial Operation Date shall be no more than three (3) years from the Effective Date. Buyer will not unreasonably withhold

agreement to a Commercial Operation Date that is more than three (3) years from the Effective date if the Seller has demonstrated that a later Commercial Operation Date is reasonable and necessary.

2.3. This Agreement shall terminate on \_\_\_\_\_, \_\_\_\_ [*date to be chosen by Seller*], or the date the Agreement is terminated in accordance with Section 9 or 11.2, whichever is earlier ("Termination Date").

### SECTION 3: REPRESENTATIONS AND WARRANTIES

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

3.1.1. Seller warrants it is a \_\_\_\_\_ duly organized under the laws of \_\_\_\_\_.

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

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

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

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

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

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

3.1.8. Seller warrants that Net Dependable Capacity of the Facility is \_\_\_\_\_ kW.

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

3.1.10. Seller will deliver from the Facility to PGE at the Point of Delivery Net Output not to exceed a maximum of \_\_\_\_\_ kWh of Net Output during each Contract Year (“Maximum Net Output”).

3.1.11. By the Commercial Operation Date, Seller has entered into a Generation Interconnection Agreement for a term not less than the term of this Agreement.

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

3.1.13. Seller warrants that (i) the Facility satisfies the eligibility requirements specified in the Definition of a Small Cogeneration Facility or Small Power Production Facility Eligible to Receive the Standard Rates and Standard PPA in PGE’s Schedule and (ii) Seller will not make any changes in its ownership, control or management during the term of this Agreement that would cause it to not be in compliance with the Definition of a Small Cogeneration Facility or Small Power Production Facility Eligible to Receive the Standard Rates and Standard PPA in PGE’s Schedule. Seller will provide, upon request by PGE not more frequently than every 36 months, such documentation and information as may be reasonably required to establish Seller’s continued compliance with such Definition. PGE agrees to take reasonable steps to maintain the confidentiality of any portion of the above described documentation and information that the Seller identifies as confidential except PGE will provide all such confidential information to the Commission upon the Commission’s request.

#### SECTION 4: DELIVERY OF POWER AND PRICE

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

4.2. Seller shall deliver to PGE from the Facility for each Contract Year Net Output equal to or greater than the Minimum Net Output (either (a) if Seller does not select the Alternative Minimum Amount as defined in Exhibit A of this Agreement, seventy-five percent (75%) of its average annual Net Output or (b) if selected by Seller, the Alternative Minimum Amount designated for each Contract Year), provided that such Minimum Net Output shall be reduced on a pro-rata basis for any periods during a Contract Year that the Facility was prevented from generating electricity for reasons of Force Majeure.

4.3. Seller agrees that if Seller does not deliver the Minimum Net Output each Contract Year, PGE will suffer losses equal to the Lost Energy Value. As damages for Seller’s failure to deliver the Minimum Net Output (subject to adjustment for reasons of Force Majeure as provided in Section 4.2) in any Contract Year, notwithstanding any

other provision of this Agreement, the purchase price payable by PGE for future deliveries shall be reduced until Lost Energy Value is recovered. PGE and Seller shall work together in good faith to establish the period, in monthly amounts (not more than 24 months), of such reduction so as to avoid Seller's default on its commercial or financing agreements necessary for its continued operation of the Facility. For QF Facilities sized at 100 kW or smaller, the provisions of this section shall not apply.

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

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

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

#### SECTION 5: OPERATION AND CONTROL

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

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

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

#### SECTION 6: CREDITWORTHINESS

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

#### SECTION 7: METERING

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

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

7.3. PGE shall periodically inspect, test, repair and replace the metering equipment as provided in the Generation Interconnection Agreement. If any of the inspections or tests discloses an error exceeding two (2%) percent of the actual energy delivery, either fast or slow, proper correction, based upon the inaccuracy found, shall be made of previous readings for the actual period during which the metering equipment rendered inaccurate measurements if that period can be ascertained. If the actual period cannot be ascertained, the proper correction shall be made to the measurements taken during the time the metering equipment was in service since last tested, but not exceeding three (3) months, in the amount the metering equipment shall have been

shown to be in error by such test. Any correction in billings or payments resulting from a correction in the meter records shall be made in the next billing or payment rendered. Such correction, when made, shall constitute full adjustment of any claim between Seller and PGE arising out of such inaccuracy of metering equipment.

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

#### SECTION 8: BILLINGS, COMPUTATIONS AND PAYMENTS

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

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

#### SECTION 9: DEFAULT, REMEDIES AND TERMINATION

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

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

9.1.2. Seller's failure to provide default security, if required by Section 6, prior to delivery of any Net Output to PGE or within 10 days of notice.

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

9.1.4. If Seller is no longer a Qualifying Facility.

9.1.5. Failure of PGE to make any required payment pursuant to Section 8.1.

9.1.6 Seller's failure to meet the Commercial Operation Date.

9.2. In the event of a default under Section 9.1.6, PGE may provide Seller with written notice of default. Seller shall have one year in which to cure the default during which time the Seller shall pay PGE damages equal to the Lost Energy Value. If Seller is unable to cure the default, PGE may immediately terminate this Agreement as provided in Section 9.3. PGE's resource sufficiency/deficiency position shall have no bearing on PGE's right to terminate the Agreement under this Section 9.2.

9.3. In the event of a default hereunder, the non-defaulting party may immediately terminate this Agreement at its sole discretion by delivering written notice to the other Party, and, except for damages related to a default pursuant to Section 9.1.3 by a QF sized at 100 kW or smaller, may pursue any and all legal or equitable

remedies provided by law or pursuant to this Agreement including damages related to the need to procure replacement power. Such termination shall be effective upon the date of delivery of notice, as provided in Section 20.1. The rights provided in this Section 9 are cumulative such that the exercise of one or more rights shall not constitute a waiver of any other rights.

9.4. If this Agreement is terminated as provided in this Section 9 PGE shall make all payments, within thirty (30) days, that, pursuant to the terms of this Agreement, are owed to Seller as of the time of receipt of notice of default. PGE shall not be required to pay Seller for any Net Output delivered by Seller after such notice of default.

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

9.6. In the event PGE terminates this Agreement pursuant to this Section 9, and Seller wishes to again sell Net Output to PGE following such termination, PGE in its sole discretion may require that Seller shall do so subject to the terms of this Agreement, including but not limited to the Contract Price until the Term of this Agreement (as set forth in Section 2.3) would have run in due course had the Agreement remained in effect. At such time Seller and PGE agree to execute a written document ratifying the terms of this Agreement.

9.7. Sections 9.1 9.4 9.5 9.6, 10, and 19.2 shall survive termination of this Agreement.

#### SECTION 10: INDEMNIFICATION AND LIABILITY

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

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

economic loss of property belonging to PGE, Seller or others, excepting to the extent such loss, claim, action or suit may be caused by the negligence of Seller, its directors, officers, employees, agents or representatives.

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

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

#### SECTION 11: INSURANCE

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

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

11.3. Prior to the connection of the Facility to PGE's electric system and at all other times such insurance policies are renewed or changed, Seller shall provide PGE

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

#### SECTION 12: FORCE MAJEURE

12.1. As used in this Agreement, “Force Majeure” or “an event of Force Majeure” means any cause beyond the reasonable control of the Seller or of PGE which, despite the exercise of due diligence, such Party is unable to prevent or overcome. By way of example, Force Majeure may include but is not limited to acts of God, fire, flood, storms, wars, hostilities, civil strife, strikes, and other labor disturbances, earthquakes, fires, lightning, epidemics, sabotage, restraint by court order or other delay or failure in the performance as a result of any action or inaction on behalf of a public authority which by the exercise of reasonable foresight such Party could not reasonably have been expected to avoid and by the exercise of due diligence, it shall be unable to overcome, subject, in each case, to the requirements of the first sentence of this paragraph. Force Majeure, however, specifically excludes the cost or availability of resources to operate the Facility, changes in market conditions that affect the price of energy or transmission, wind or water droughts, and obligations for the payment of money when due.

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

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

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

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

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

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

#### SECTION 13: SEVERAL OBLIGATIONS

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

#### SECTION 14: CHOICE OF LAW

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

#### SECTION 15: PARTIAL INVALIDITY AND PURPA REPEAL

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

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

#### SECTION 16: WAIVER

Any waiver at any time by either Party of its rights with respect to a default under this Agreement or with respect to any other matters arising in connection with this Agreement must be in writing, and such waiver shall not be deemed a waiver with respect to any subsequent default or other matter.

#### SECTION 17: GOVERNMENTAL JURISDICTION AND AUTHORIZATIONS

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

#### SECTION 18: SUCCESSORS AND ASSIGNS

This Agreement and all of the terms hereof shall be binding upon and inure to the benefit of the respective successors and assigns of the Parties. No assignment hereof by either Party shall become effective without the written consent of the other Party

being first obtained and such consent shall not be unreasonably withheld. Notwithstanding the foregoing, either Party may assign this Agreement without the other Party's consent as part of (a) a sale of all or substantially all of the assigning Party's assets, or (b) a merger, consolidation or other reorganization of the assigning Party.

SECTION 19: ENTIRE AGREEMENT

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

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

SECTION 20: NOTICES

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

To Seller: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

with a copy to: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

To PGE: Contracts Manager  
QF Contracts, 3WTC0306  
PGE - 121 SW Salmon St.  
Portland, Oregon 97204

20.2. The Parties may change the person to whom such notices are addressed, or their addresses, by providing written notices thereof in accordance with this Section 20.

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

PGE

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_

(Name Seller)

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## EXHIBIT A MINIMUM NET OUTPUT

In this Exhibit, Seller may designate an alternative Minimum Net Output to seventy-five (75%) percent of annual average Net Output specified in Section 3.1.9 of the Agreement (“Alternative Minimum Amount”). Such Alternative Minimum Amount, if provided, shall exceed zero, and shall be established in accordance with Prudent Electrical Practices and documentation supporting such a determination shall be provided to PGE upon execution of the Agreement. Such documentation shall be commercially reasonable, and may include, but is not limited to, documents used in financing the project, and data on output of similar projects operated by seller, PGE or others.

EXHIBIT B  
DESCRIPTION OF SELLER'S FACILITY  
**[Seller to Complete]**

EXHIBIT C  
REQUIRED FACILITY DOCUMENTS

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

Sellers Generation Interconnection Agreement

## EXHIBIT D START-UP TESTING

### **[Seller identify appropriate tests]**

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

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

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

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

EXHIBIT E  
SCHEDULE

**[Attach currently in-effect Schedule 201]**

# Exhibit B

Executed, Standard Offer Contract



March 2, 2017

***By Overnight Delivery***

Portland General Electric  
Small Power Production Coordinator  
121 SW Salmon St., 3WTC-0407  
Portland, OR 97204

**Re: Schedule 201 Standard Renewable In-System Non-Variable Power  
Purchase Agreement**

Ladies & Gentlemen:

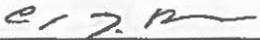
Pursuant to your Schedule 201 and the Public Utility Regulatory Policies Act of 1978, Covanta Marion, Inc. ("Covanta") hereby elects as of the date of this letter to enter into with Portland General Electric the enclosed Schedule 201 Standard Renewable In-System Non-Variable Power Purchase Agreement ("PPA") for Covanta's Brooks, Oregon municipal solid waste to renewable energy qualifying facility (the "Facility").

Therefore, Covanta has completed the enclosed PPA with the requested information and has executed it. As you will see in the PPA, Covanta is undertaking a turbine modification and re-rate project at the Facility to achieve a Nameplate Capacity Rating of 10,000 kW and a Commercial Operation Date of September 20, 2019, as such capitalized terms are defined in the PPA.

Please contact Sami Kabbani at (862) 345-5227 or [skabbani@covanta.com](mailto:skabbani@covanta.com) to coordinate delivery of the fully-executed PPA or with any questions about this letter.

Very truly yours,

Covanta Marion, Inc.

By: 

Name: Christopher J. Baker

Title: Vice President

**STANDARD RENEWABLE IN-SYSTEM NON-VARIABLE POWER PURCHASE  
AGREEMENT**

THIS AGREEMENT is between Covanta Marion, Inc. ("Seller") and Portland General Electric Company ("PGE") (hereinafter each a "Party" or collectively, "Parties") and is effective upon execution by both Parties ("Effective Date").

**RECITALS**

Seller intends to construct, own, operate and maintain a waste to renewable energy facility for the generation of electric power located in Marion County, Oregon with a Nameplate Capacity Rating of 10,000 kilowatt ("kW"), as further described in Exhibit B ("Facility"); and

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

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

**AGREEMENT**

NOW, THEREFORE, the Parties mutually agree as follows:

**SECTION 1: DEFINITIONS**

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

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

1.2. "Billing Period" means a period between PGE's readings of its power purchase billing meter at the Facility in the normal course of PGE's business. Such periods may vary and may not coincide with calendar months, however, PGE shall use best efforts to read the power purchase billing meter in 12 equally spaced periods per year.

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

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

1.4.1. (facilities with nameplate under 500 kW exempt from following requirement) PGE has received a certificate addressed to PGE from a Licensed

Professional Engineer ("LPE") acceptable to PGE in its reasonable judgment stating that the Facility is able to generate electric power reliably in amounts required by this Agreement and in accordance with all other terms and conditions of this Agreement (certifications required under this Section 1.4 can be provided by one or more LPEs);

1.4.2. Start-Up Testing of the Facility has been completed in accordance with Section 1.29;

1.4.3. (facilities with nameplate under 500 kW exempt from following requirement) After PGE has received notice of completion of Start-Up Testing, PGE has received a certificate addressed to PGE from an LPE stating that the Facility has operated for testing purposes under this Agreement uninterrupted for a Test Period at a rate in kW of at least 75 percent of average annual Net Output divided by 8,760 based upon any sixty (60) minute period for the entire testing period. The Facility must provide ten (10) working days written notice to PGE prior to the start of the initial testing period. If the operation of the Facility is interrupted during this initial testing period or any subsequent testing period, the Facility shall promptly start a new Test Period and provide PGE forty-eight (48) hours written notice prior to the start of such testing period;

1.4.4. (facilities with nameplate under 500 kW exempt from following requirement) PGE has received a certificate addressed to PGE from an LPE stating that in accordance with the Generation Interconnection Agreement, all required interconnection facilities have been constructed, all required interconnection tests have been completed; and the Facility is physically interconnected with PGE's electric system.

1.4.5. (facilities with nameplate under 500 kW exempt from following requirement) PGE has received a certificate addressed to PGE from an LPE stating that Seller has obtained all Required Facility Documents and if requested by PGE in writing, has provided copies of any or all such requested Required Facility Documents;

1.5. "Contract Price" means the applicable price, including on-peak and off-peak prices, as specified in the Schedule.

1.6. "Contract Year" means each twelve (12) month period commencing upon the Commercial Operation Date or its anniversary during the Term, except the final contract year will be the period from the last anniversary of the Commercial Operation Date during the Term until the end of the Term.

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

1.8. "Environmental Attributes" shall mean any and all claims, credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, resulting from the avoidance of the emission of any gas, chemical, or other substance to the air, soil or water. Environmental Attributes include but are not limited to: (1) any avoided emissions of pollutants to the air, soil, or water such as (subject to the foregoing) sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO), and other pollutants; and (2) any avoided emissions of carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental

Panel on Climate Change to contribute to the actual or potential threat of altering the Earth's climate by trapping heat in the atmosphere.

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

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

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

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

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

1.14. "Lost Energy Value" means for a Contract Year: zero plus any reasonable costs incurred by PGE to purchase replacement power and/or transmission to deliver the replacement power to the Point of Delivery, unless the Contract Year's Net Output is less than the Minimum Net Output and the Contract Year's time weighted average of the Mid-C Index Price for On-Peak Hours and Off-Peak Hours is greater than the time weighted average of the Contract Price for On-Peak Hours and Off-Peak Hours for that Contract Year, in which case Lost Energy Value equals: (Minimum Net Output - Net Output for the Contract Year) X (the lower of: the time weighted average of the Contract Price for On-Peak and Off-Peak Hours; or the time weighted average of the Mid-C Index Price for On-Peak Hours and Off-Peak Hours – the time-weighted average of the Contract Price for On-Peak Hours and Off-Peak Hours) plus any reasonable costs incurred by PGE to purchase replacement power and/or transmission to deliver the replacement power to the Point of Delivery.

1.15. "Mid-C Index Price" means the Day Ahead Intercontinental Exchange ("ICE") index price for the bilateral OTC market for energy at the Mid-C Physical for Average On Peak Power and Average Off Peak Power found on the following website: <https://www.theice.com/products/OTC/Physical-Energy/Electricity>. In the event ICE no longer publishes this index, PGE and the Seller agree to select an alternative successor index representative of the Mid-C trading hub.

1.16. "Minimum Net Output" shall have the meaning provided in Section 4.2 of this Agreement.

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

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

1.19. "Net Output" means all energy expressed in kWhs produced by the Facility, less station and other onsite use and less transformation and transmission losses.

1.20. "Off-Peak Hours" has the meaning provided in the Schedule.

1.21. "On-Peak Hours" has the meaning provided in the Schedule.

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

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

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

portion of the electric power generation industry in the relevant region, during the relevant period, as described in the immediate preceding sentence.

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

1.26. "RPS Attributes" means all attributes related to the Net Output generated by the Facility that are required in order to provide PGE with "qualifying electricity," as that term is defined in Oregon's Renewable Portfolio Standard Act, Ore. Rev. Stat. 469A.010, in effect at the time of execution of this Agreement. RPS Attributes do not include Environmental Attributes that are greenhouse gas offsets from methane capture not associated with the generation of electricity and not needed to ensure that there are zero net emissions associated with the generation of electricity.

1.27. "Schedule" shall mean PGE Schedule 201 filed with the Oregon Public Utilities Commission ("Commission") in effect on the Effective Date of this Agreement and attached hereto as Exhibit E, the terms of which are hereby incorporated by reference.

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

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

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

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

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

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

## SECTION 2: TERM; COMMERCIAL OPERATION DATE

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

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

2.2.1. By June 1, 2019 [date to be determined by the Seller] Seller shall begin initial deliveries of Net Output; and

2.2.2. By September 20, 2019 [date to be determined by the Seller subject to Section 2.2.3 below] Seller shall have completed all requirements under Section 1.4 and shall have established the Commercial Operation Date.

2.2.3. Unless the Parties agree in writing that a later Commercial Operation Date is reasonable and necessary, the Commercial Operation Date shall be no more than three (3) years from the Effective Date. PGE will not unreasonably withhold agreement to a Commercial Operation Date that is more than three (3) years from the Effective date if the Seller has demonstrated that a later Commercial Operation Date is reasonable and necessary.

2.3. This Agreement shall terminate on September 19, 2034 [date to be chosen by Seller], or the date the Agreement is terminated in accordance with Section 9 or 11.2, whichever is earlier ("Termination Date").

### SECTION 3: REPRESENTATIONS AND WARRANTIES

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

3.1.1. Seller warrants it is a Corporation duly organized under the laws of Oregon.

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

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

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

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

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

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

3.1.8. Seller warrants that Net Dependable Capacity of the Facility is 9,220 kW.

3.1.9. Seller estimates that the average annual Net Output to be delivered by the Facility to PGE is 76,728,840 kilowatt-hours ("kWh"), which amount PGE will include in its resource planning.

3.1.10. Seller will deliver from the Facility to PGE at the Point of Delivery Net Output not to exceed a maximum of 87,600,000 kWh of Net Output during each Contract Year ("Maximum Net Output").

3.1.11. By the Commercial Operation Date, Seller has entered into a Generation Interconnection Agreement for a term not less than the term of this Agreement.

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

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

3.1.14. Seller warrants that it will comply with all requirements necessary for all Transferred RECs (as defined in Section 4.6) associated with Net Output to be issued, monitored, accounted for, and transferred by and through the Western Renewable Energy Generation System consistent with the provisions of OAR 330-160-0005 through OAR 330-160-0050. PGE warrants that it will reasonably cooperate in Seller's efforts to meet such requirements, including, for example serving as the qualified reporting entity for the Facility if the Facility is located in PGE's balancing authority.

#### SECTION 4: DELIVERY OF POWER, PRICE AND RPS ATTRIBUTES

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

4.2. Seller shall deliver to PGE from the Facility for each Contract Year Net Output equal to or greater than the Minimum Net Output (either (a) if Seller does not select the Alternative Minimum Amount as defined in Exhibit A of this Agreement, seventy-five percent (75%) of its average annual Net Output or (b) if selected by Seller, the Alternative Minimum Amount designated for each Contract Year), provided that such Minimum Net Output shall be reduced on a pro-rata basis for any periods during a Contract Year that the Facility was prevented from generating electricity for reasons of Force Majeure.

4.3. Seller agrees that if Seller does not deliver the Minimum Net Output each Contract Year, PGE will suffer losses equal to the Lost Energy Value. As damages for Seller's failure to deliver the Minimum Net Output (subject to adjustment for reasons of Force Majeure as provided in Section 4.2) in any Contract Year, notwithstanding any other provision of this Agreement, the purchase price payable by PGE for future deliveries shall be reduced until Lost Energy Value is recovered. PGE and Seller shall work together in good faith to establish the period, in monthly amounts (not more than 24 months), of such reduction so as to avoid Seller's default on its commercial or financing agreements necessary for its continued operation of the Facility. For QF Facilities sized at 100 kW or smaller, the provisions of this section shall not apply.

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

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

4.6. From the start of the Renewable Resource Deficiency Period through the remainder of the Term of this Agreement, Seller shall provide and PGE shall acquire the RPS Attributes for the Contract Years as specified in the Schedule and Seller shall retain ownership of all other Environmental Attributes (if any). During the Renewable Resource Sufficiency Period, Seller shall retain all Environmental Attributes in accordance with the Schedule. The Contract Price includes full payment for the Net

Output and any RPS Attributes transferred to PGE under this Agreement. With respect to Environmental Attributes not transferred to PGE under this Agreement ("Seller-Retained Environmental Attributes") Seller may report under §1605(b) of the Energy Policy Act of 1992 or under any applicable program as belonging to Seller any of the Seller-Retained Environmental Attributes, and PGE shall not report under such program that such Seller-Retained Environmental Attributes belong to it. With respect to RPS Attributes transferred to PGE under this Agreement ("Transferred RECs"), PGE may report under §1605(b) of the Energy Policy Act of 1992 or under any applicable program as belonging to it any of the Transferred RECs, and Seller shall not report under such program that such Transferred RECs belong to it.

#### SECTION 5: OPERATION AND CONTROL

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

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

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

#### SECTION 6: CREDITWORTHINESS

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

event Seller is not current on construction related financial obligations, Seller shall notify PGE of such delinquency and PGE may, in its discretion, grant an exception to the requirements to provide default security if the QF has negotiated financial arrangements with the construction loan lender that mitigate Seller's financial risk to PGE.

#### SECTION 7: METERING

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

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

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

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

#### SECTION 8: BILLINGS, COMPUTATIONS AND PAYMENTS

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

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

#### SECTION 9: DEFAULT, REMEDIES AND TERMINATION

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

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

9.1.2. Seller's failure to provide default security, if required by Section 6, prior to delivery of any Net Output to PGE or within 10 days of notice.

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

9.1.4. If Seller is no longer a Qualifying Facility.

9.1.5. Failure of PGE to make any required payment pursuant to Section 8.1.

9.1.6. Seller's failure to meet the Commercial Operation Date.

9.2. In the event of a default under Section 9.1.6, PGE may provide Seller with written notice of default. Seller shall have one year in which to cure the default during which time the Seller shall pay PGE damages equal to the Lost Energy Value. If Seller is unable to cure the default, PGE may immediately terminate this Agreement as provided in Section 9.3. PGE's resource sufficiency/deficiency position shall have no bearing on PGE's right to terminate the Agreement under this Section 9.2

9.3. In the event of a default hereunder, the non-defaulting party may immediately terminate this Agreement at its sole discretion by delivering written notice to the other Party, and, except for damages related to a default pursuant to Section 9.1.3 by a QF sized at 100 kW or smaller, may pursue any and all legal or equitable remedies provided by law or pursuant to this Agreement including damages related to the need to procure replacement power. Such termination shall be effective upon the date of delivery of notice, as provided in Section 20.1. The rights provided in this Section 9 are cumulative such that the exercise of one or more rights shall not constitute a waiver of any other rights.

9.4. If this Agreement is terminated as provided in this Section 9 PGE shall make all payments, within thirty (30) days, that, pursuant to the terms of this Agreement, are owed to Seller as of the time of receipt of notice of default. PGE shall not be required to pay Seller for any Net Output delivered by Seller after such notice of default.

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

9.6. In the event PGE terminates this Agreement pursuant to this Section 9, and Seller wishes to again sell Net Output to PGE following such termination, PGE in its sole discretion may require that Seller shall do so subject to the terms of this Agreement, including but not limited to the Contract Price until the Term of this

Agreement (as set forth in Section 2.3) would have run in due course had the Agreement remained in effect. At such time Seller and PGE agree to execute a written document ratifying the terms of this Agreement.

9.7. Sections 9.1, 9.4, 9.5, 9.6, 10, and 19.2 shall survive termination of this Agreement.

#### SECTION 10: INDEMNIFICATION AND LIABILITY

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

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

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

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

#### SECTION 11: INSURANCE

11.1. Prior to the connection of the Facility to PGE's electric system, provided such Facility has a design capacity of 200 kW or more, Seller shall secure and continuously carry for the Term hereof, with an insurance company or companies rated not lower than "B+" by the A. M. Best Company, insurance policies for bodily injury and

property damage liability. Such insurance shall include provisions or endorsements naming PGE, its directors, officers and employees as additional insureds; provisions that such insurance is primary insurance with respect to the interest of PGE and that any insurance or self-insurance maintained by PGE is excess and not contributory insurance with the insurance required hereunder; a cross-liability or severability of insurance interest clause; and provisions that such policies shall not be canceled or their limits of liability reduced without thirty (30) days' prior written notice to PGE. Initial limits of liability for all requirements under this section shall be \$1,000,000 million single limit, which limits may be required to be increased or decreased by PGE as PGE determines in its reasonable judgment economic conditions or claims experience may warrant.

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

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

## SECTION 12: FORCE MAJEURE

12.1. As used in this Agreement, "Force Majeure" or "an event of Force Majeure" means any cause beyond the reasonable control of the Seller or of PGE which, despite the exercise of due diligence, such Party is unable to prevent or overcome. By way of example, Force Majeure may include but is not limited to acts of God, fire, flood, storms, wars, hostilities, civil strife, strikes, and other labor disturbances, earthquakes, fires, lightning, epidemics, sabotage, restraint by court order

or other delay or failure in the performance as a result of any action or inaction on behalf of a public authority which by the exercise of reasonable foresight such Party could not reasonably have been expected to avoid and by the exercise of due diligence, it shall be unable to overcome, subject, in each case, to the requirements of the first sentence of this paragraph. Force Majeure, however, specifically excludes the cost or availability of resources to operate the Facility, changes in market conditions that affect the price of energy or transmission, wind or water droughts, and obligations for the payment of money when due.

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

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

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

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

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

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

### SECTION 13: SEVERAL OBLIGATIONS

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

### SECTION 14: CHOICE OF LAW

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

### SECTION 15: PARTIAL INVALIDITY AND PURPA REPEAL

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

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

### SECTION 16: WAIVER

Any waiver at any time by either Party of its rights with respect to a default under this Agreement or with respect to any other matters arising in connection with this Agreement must be in writing, and such waiver shall not be deemed a waiver with respect to any subsequent default or other matter.

### SECTION 17: GOVERNMENTAL JURISDICTION AND AUTHORIZATIONS

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

### SECTION 18: SUCCESSORS AND ASSIGNS

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

### SECTION 19: ENTIRE AGREEMENT

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

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

SECTION 20: NOTICES

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

To Seller: Plant Manager  
Covanta Marion, Inc.  
4850 Brooklake Road  
Brooks, OR 97305  
Phone: 503-393-0890

with a copy to: General Counsel  
Covanta  
445 South Street  
Morristown, NJ 07960  
Phone: 862-345-5372

To PGE: Contracts Manager  
QF Contracts, 3WTC0306  
PGE - 121 SW Salmon St.  
Portland, Oregon 97204

20.2. The Parties may change the person to whom such notices are addressed, or their addresses, by providing written notices thereof in accordance with this Section 20.

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

PGE

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_

(Name Seller)

By: 

Name: Derek Veenhof

Title: EVP

Date: 3/1/2017

EXHIBIT A  
MINIMUM NET  
OUTPUT

In this Exhibit, Seller may designate an alternative Minimum Net Output to the default of seventy-five (75%) percent of annual average Net Output specified in Section 3.1.9 of the Agreement ("Alternative Minimum Amount"). Such Alternative Minimum Amount, if provided, shall exceed zero, and shall be established in accordance with Prudent Electrical Practices and documentation supporting such a determination shall be provided to PGE upon execution of the Agreement. Such documentation shall be commercially reasonable, and may include, but is not limited to, documents used in financing the project, and data on output of similar projects operated by seller, PGE or others.

## EXHIBIT B DESCRIPTION OF SELLER'S FACILITY

The Marion facility is located in Brooks, Oregon, and has been in operation since 1987. It is comprised of two 275-ton-per-day (TPD) Martin mass burn combustion trains and the fuel is primarily municipal solid waste (MSW). The two boilers feed a steam turbine generator with an original design rating of 13,000 kW, which with the proposed work to be performed, will be modified and re-rated to a Nameplate Capacity Rating of 10,000 kW. Operating throughput for 2016 was 176,298 tons of MSW processed. The material processed came almost entirely from Marion County and consisted primarily of MSW.

We have engaged Mitsubishi Hitachi Power Systems, which is the original equipment manufacturer of the turbine-generator equipment at Marion, to modify and re-rate the turbine to a Nameplate Capacity Rating of 10,000 kW.

**[Seller to Complete]**

**EXHIBIT C  
REQUIRED FACILITY DOCUMENTS**

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

**Sellers Generation Interconnection Agreement**

The facility currently operates under an Interconnection Agreement for Generator Facility with PGE, executed December 20, 2013. The facility has been distributing energy to PGE since the facility was brought online in 1987.

The facility operates under the following permits:

<b>Name</b>	<b>Permit Number</b>	<b>Issuing Authority</b>
Oregon Title V Operating Permit	24-5398-TV-01	Oregon Department of Environmental Quality
Stormwater Discharge Permit	1200-Z	Oregon Department of Environmental Quality
Wastewater Discharge Permit	101240	Oregon Department of Environmental Quality
Solid Waste Disposal Site Permit	364	Oregon Department of Environmental Quality

All of the above permits are current, and there are no additional permits required to execute this agreement or operate the facility. Additionally, there are no permits specific to running the turbine-generator required.

The facility produces “qualifying electricity” as that term is defined in Oregon’s Renewable Portfolio Standard Act, Ore. Rev. Stat. 469A.010. Specifically, Ore. Rev. Stat. 469A.020(6), as amended, applies. The Marion facility is registered with WREGIS, and its Generator Plant-Unit Name is Covanta Marion, Inc. – Covanta Marion Inc. (W3856).

## EXHIBIT D START- UP TESTING

### [Seller identify appropriate tests]

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

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

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

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

EXHIBIT E  
SCHEDULE

[Attach currently in-effect Schedule 201]

Tables 4a and 4b in the attached schedule 201 shall be used to determine the Contract Price for On-Peak Hours and Off-Peak Hours, respectively.

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

**PURPOSE**

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

**AVAILABLE**

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

**APPLICABLE**

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

**ESTABLISHING CREDITWORTHINESS**

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

**POWER PURCHASE INFORMATION**

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

**PPA**

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

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

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

**SCHEDULE 201 (Continued)**

PPA (Continued)

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

**STANDARD PPA (Nameplate capacity of 10 MW or less)**

A Seller choosing a Standard PPA will complete all informational and price option selection requirements in the applicable Standard PPA and submit the executed Agreement to the Company prior to service under this schedule. The Standard PPA is available at [www.portlandgeneral.com](http://www.portlandgeneral.com). The available Standard PPAs are:

- Standard In-System Non-Variable Power Purchase Agreement
- Standard Off-System Non-Variable Power Purchase Agreement
- Standard In-System Variable Power Purchase Agreement
- Standard Off-System Variable Power Purchase Agreement
- Standard Renewable In-System Non-Variable Power Purchase Agreement
- Standard Renewable Off-System Non-Variable Power Purchase Agreement
- Standard Renewable In-System Variable Power Purchase Agreement
- Standard Renewable Off-System Variable Power Purchase Agreement

The Standard PPAs applicable to variable resources are available only to QFs utilizing wind, solar or run of river hydro as the primary motive force.

**GUIDELINES FOR 10 MW OR LESS FACILITIES ELECTING STANDARD PPA**

To execute the Standard PPA the Seller must complete all of the general project information requested in the applicable Standard PPA.

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

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

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

**SCHEDULE 201 (Continued)**

**OFF-SYSTEM PPA**

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

**BASIS FOR POWER PURCHASE PRICE**

**AVOIDED COST SUMMARY**

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

Monthly On-Peak prices are included in both the Standard Avoided Costs as listed in Tables 1a, 2a, and 3a and Renewable Avoided Costs as listed in Tables 4a, 5a, and 6a. Monthly Off-Peak prices are included in both the Standard Avoided Costs as listed in Tables 1b, 2b, and 3b and Renewable Avoided Costs as listed in Tables 4b, 5b, and 6b.

**ON-PEAK PERIOD**

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

**OFF-PEAK PERIOD**

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

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

Renewable Avoided Costs are based on forward market price estimates through the Renewable Resource Sufficiency Period, the period of time during which the Company's Renewable Avoided Costs are associated with incremental purchases of energy and capacity from the market. For the Renewable Resource Deficiency Period, the Renewable Avoided Costs reflect the fully allocated costs of a wind plant including capital costs.

**Portland General Electric Company**

**Sheet No. 201-4**

**SCHEDULE 201 (Continued)**

**PRICING FOR STANDARD PPA**

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

The Standard PPA pricing will be based on either the Standard or Renewable Avoided Costs in effect at the time the agreement is executed.

The Company will pay the Seller either the Off-Peak Standard Avoided Cost pursuant to Tables 1b, 2b, or 3b or the Off-Peak Renewable Avoided Costs pursuant to Tables 4b, 5b, or 6b for: (a) all Net Output delivered prior to the Commercial Operation Date; (b) all Net Output deliveries greater than Maximum Net Output in any PPA year; (c) any generation subject to and as adjusted by the provisions of Section 4.3 of the Standard PPA; (d) Net Output delivered in the Off-Peak Period; and (e) deliveries above the nameplate capacity in any hour. The Company will pay the Seller either the On-Peak Standard Avoided Cost pursuant to Tables 1a, 2a, or 3a or the On-Peak Renewable Avoided Costs pursuant to Tables 4a, 5a, or 6a for all other Net Output. (See the PPA for defined terms.)

**1) Standard Fixed Price Option**

The Standard Fixed Price Option is based on Standard Avoided Costs including forecasted natural gas prices. It is available to all QFs.

This option is available for a maximum term of 15 years. Prices will be as established at the time the Standard PPA is executed and will be equal to the Standard Avoided Costs in Tables 1a and 1b, 2a and 2b, or 3a and 3c, depending on the type of QF, effective at execution. QFs using any resource type other than wind and solar are assumed to be Base Load QFs.

Prices paid to the Seller under the Standard Fixed Price Option include adjustments for the capacity contribution of the QF resource type relative to that of the avoided proxy resource. Both the Base Load QF resources (Tables 1a and 1b) and the avoided proxy resource, the basis used to determine Standard Avoided Costs for the Standard Fixed Price Option, are assumed to have a capacity contribution to peak of 100%. The capacity contribution for Wind QF resources (Tables 2a and 2b) is assumed to be 5%. The capacity contribution for Solar QF resources (Tables 3a and 3b) is assumed to be 5%.

Prices paid to the Seller under the Standard Fixed Price Option for Wind QFs (Tables 2a and 2b) include a reduction for the wind integration costs in Table 7. However, if the Wind QF is outside of PGE's Balancing Authority Area as contemplated in the Commission's Order No. 14-058, the Seller is paid the wind integration charges in Table 7, in addition to the prices listed in Tables 2a and 2b, for a net-zero effect.

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**Effective for service  
on and after October 12, 2016**

**SCHEDULE 201 (Continued)**

**PRICING OPTIONS FOR STANDARD PPA (Continued)**  
**Standard Fixed Price Option (Continued)**

Sellers with PPAs exceeding 15 years will receive pricing equal to the Mid-C Index Price for all years up to five in excess of the initial 15.

**SCHEDULE 201 (Continued)**

**PRICING OPTIONS FOR STANDARD PPA (Continued)**  
**Standard Fixed Price Option (Continued)**

TABLE 1a												
Avoided Costs												
Standard Fixed Price Option for Base Load QF												
On-Peak Forecast (\$/MWH)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	28.21	22.46	15.61	14.71	12.46	16.96	23.96	26.96	24.96	23.71	26.71	31.46
2017	29.96	28.21	24.71	20.96	19.46	20.46	27.96	30.96	29.46	27.71	28.71	33.71
2018	31.71	31.11	28.11	22.13	21.28	21.28	29.93	33.37	30.63	28.61	31.86	35.71
2019	33.94	31.95	27.97	23.70	22.00	23.13	31.67	35.08	33.37	31.38	32.52	38.21
2020	35.74	33.64	29.45	24.95	23.15	24.35	33.34	36.94	35.14	33.04	34.24	40.24
2021	67.43	67.34	65.41	64.69	64.41	64.50	64.61	64.73	64.84	65.48	68.60	68.72
2022	69.01	68.84	68.08	67.13	66.81	66.91	67.04	67.17	67.29	67.83	71.38	71.70
2023	71.95	71.76	70.39	69.19	69.07	69.18	69.31	69.45	69.58	70.12	73.56	73.70
2024	74.17	73.85	72.67	71.29	71.10	71.21	71.35	71.50	71.63	72.20	76.49	76.64
2025	77.19	77.30	75.84	74.88	75.02	75.14	75.30	75.47	75.62	75.80	82.57	82.89
2026	85.18	85.30	82.77	81.28	81.22	81.36	81.56	81.74	81.90	82.36	89.02	88.72
2027	86.85	86.76	85.14	83.12	82.89	83.03	83.00	83.32	83.46	83.97	91.39	91.15
2028	89.32	89.31	87.96	85.46	85.30	85.46	85.31	85.64	85.95	86.65	94.66	93.55
2029	94.06	93.99	91.23	88.74	87.97	88.15	87.71	88.06	88.61	89.34	98.37	98.11
2030	97.60	97.54	94.87	92.62	92.40	92.57	92.61	93.00	93.12	93.68	102.42	102.70
2031	99.56	99.50	96.78	94.48	94.26	94.43	94.47	94.87	94.99	95.56	104.47	104.76
2032	103.85	103.80	100.57	98.18	97.96	98.15	98.23	98.65	98.76	99.36	108.86	109.41
2033	106.56	106.51	103.17	100.72	100.50	100.69	100.78	101.21	101.32	101.93	111.67	112.26
2034	109.12	109.07	105.60	103.10	102.88	103.08	103.17	103.61	103.72	104.35	114.33	114.96
2035	111.55	111.51	107.91	105.35	105.12	105.33	105.43	105.89	105.99	106.63	116.87	117.54
2036	113.85	113.80	110.14	107.53	107.30	107.51	107.60	108.07	108.18	108.83	119.27	119.95
2037	116.50	116.45	112.72	110.06	109.82	110.04	110.14	110.61	110.73	111.39	122.03	122.73
2038	119.08	119.03	115.22	112.51	112.27	112.49	112.59	113.08	113.19	113.87	124.71	125.42
2039	121.47	121.42	117.54	114.77	114.53	114.75	114.85	115.35	115.47	116.15	127.21	127.93
2040	124.25	124.20	120.25	117.43	117.18	117.41	117.51	118.02	118.14	118.84	130.10	130.85
2041	126.72	126.67	122.64	119.76	119.51	119.74	119.85	120.36	120.49	121.20	132.68	133.44

Effective for service  
on and after October 12, 2016

**SCHEDULE 201 (Continued)**

**PRICING OPTIONS FOR STANDARD PPA (Continued)**  
**Standard Fixed Price Option (Continued)**

TABLE 1b												
Avoided Costs												
Standard Fixed Price Option for Base Load QF												
Off-Peak Forecast (\$/MWH)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	25.61	20.71	13.96	11.41	6.31	10.11	15.71	20.96	20.96	21.21	23.46	26.71
2017	25.71	24.21	22.21	15.71	13.71	12.71	19.71	25.21	25.46	24.71	25.71	27.96
2018	26.17	28.12	25.56	19.46	14.68	12.54	19.71	27.04	26.93	25.35	28.20	30.62
2019	29.84	28.09	25.75	18.15	15.81	14.64	22.83	29.26	29.55	28.67	29.84	32.47
2020	31.75	29.88	27.38	19.28	16.79	15.54	24.27	31.12	31.43	30.50	31.75	34.55
2021	28.88	28.79	26.86	26.15	25.87	25.95	26.07	26.19	26.30	26.94	30.06	30.18
2022	29.73	29.56	28.79	27.85	27.53	27.63	27.75	27.88	28.00	28.54	32.09	32.42
2023	31.78	31.59	30.21	29.01	28.90	29.00	29.14	29.27	29.40	29.95	33.38	33.52
2024	33.48	33.16	31.98	30.60	30.41	30.52	30.66	30.81	30.95	31.51	35.80	35.96
2025	35.58	35.69	34.24	33.27	33.42	33.53	33.70	33.86	34.01	34.19	40.97	41.28
2026	42.77	42.89	40.36	38.87	38.81	38.95	39.15	39.34	39.50	39.95	46.62	46.31
2027	43.63	43.54	41.91	39.89	39.66	39.80	39.77	40.09	40.24	40.74	48.16	47.92
2028	45.26	45.25	43.90	41.40	41.23	41.40	41.25	41.58	41.89	42.59	50.60	49.48
2029	49.15	49.08	46.32	43.83	43.06	43.24	42.80	43.15	43.70	44.43	53.46	53.20
2030	51.82	51.76	49.09	46.84	46.62	46.79	46.83	47.22	47.34	47.90	56.64	56.92
2031	52.90	52.84	50.11	47.82	47.59	47.77	47.81	48.21	48.33	48.90	57.81	58.10
2032	56.59	56.54	53.31	50.92	50.70	50.89	50.97	51.39	51.50	52.10	61.60	62.15
2033	58.08	58.03	54.69	52.24	52.02	52.21	52.30	52.73	52.84	53.45	63.19	63.78
2034	59.54	59.50	56.03	53.52	53.30	53.50	53.59	54.04	54.15	54.77	64.76	65.39
2035	61.18	61.14	57.54	54.98	54.75	54.96	55.06	55.52	55.62	56.26	66.50	67.17
2036	62.67	62.62	58.96	56.35	56.12	56.33	56.43	56.89	57.00	57.65	68.09	68.78
2037	64.17	64.12	60.39	57.73	57.49	57.71	57.80	58.28	58.39	59.06	69.69	70.39
2038	65.73	65.69	61.88	59.17	58.93	59.15	59.25	59.73	59.85	60.52	71.37	72.08
2039	67.09	67.04	63.16	60.40	60.15	60.38	60.48	60.98	61.09	61.78	72.83	73.56
2040	68.83	68.78	64.83	62.01	61.76	61.99	62.09	62.60	62.72	63.42	74.68	75.42
2041	70.23	70.17	66.14	63.27	63.02	63.25	63.36	63.87	63.99	64.71	76.19	76.95

Effective for service  
on and after October 12, 2016

## SCHEDULE 201 (Continued)

PRICING OPTIONS FOR STANDARD PPA (Continued)  
Standard Fixed Price Option (Continued)

TABLE 2a												
Avoided Costs												
Standard Fixed Price Option for Wind QF												
On-Peak Forecast (\$/MWH)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	24.37	18.62	11.77	10.87	8.62	13.12	20.12	23.12	21.12	19.87	22.87	27.62
2017	26.05	24.30	20.80	17.05	15.55	16.55	24.05	27.05	25.55	23.80	24.80	29.80
2018	27.72	27.12	24.12	18.14	17.29	17.29	25.94	29.38	26.64	24.62	27.87	31.72
2019	29.87	27.88	23.90	19.63	17.93	19.06	27.60	31.01	29.30	27.31	28.45	34.14
2020	31.59	29.49	25.30	20.80	19.00	20.20	29.19	32.79	30.99	28.89	30.09	36.09
2021	30.68	30.59	28.66	27.94	27.66	27.75	27.87	27.99	28.10	28.74	31.86	31.98
2022	31.56	31.39	30.62	29.68	29.36	29.46	29.59	29.72	29.84	30.38	33.93	34.25
2023	33.67	33.48	32.11	30.91	30.79	30.90	31.03	31.17	31.30	31.84	35.28	35.42
2024	35.38	35.06	33.88	32.49	32.30	32.42	32.56	32.70	32.84	33.40	37.70	37.85
2025	37.53	37.64	36.18	35.22	35.36	35.48	35.64	35.81	35.96	36.14	42.91	43.23
2026	44.75	44.87	42.35	40.86	40.79	40.94	41.13	41.32	41.48	41.94	48.60	48.29
2027	45.65	45.56	43.93	41.91	41.68	41.82	41.79	42.12	42.26	42.76	50.18	49.94
2028	47.32	47.31	45.96	43.46	43.30	43.46	43.31	43.64	43.95	44.65	52.66	51.55
2029	51.25	51.18	48.43	45.94	45.16	45.34	44.90	45.25	45.80	46.53	55.57	55.30
2030	53.96	53.90	51.23	48.98	48.76	48.93	48.97	49.36	49.48	50.04	58.78	59.06
2031	55.08	55.02	52.29	50.00	49.77	49.95	49.99	50.38	50.51	51.08	59.99	60.28
2032	58.77	58.72	55.49	53.10	52.88	53.07	53.15	53.57	53.68	54.28	63.78	64.33
2033	60.35	60.30	56.96	54.51	54.29	54.49	54.57	55.00	55.11	55.72	65.46	66.05
2034	61.88	61.83	58.36	55.86	55.63	55.84	55.93	56.37	56.48	57.10	67.09	67.72
2035	63.54	63.49	59.90	57.34	57.11	57.32	57.42	57.87	57.98	58.62	68.86	69.53
2036	65.04	65.00	61.33	58.72	58.49	58.70	58.80	59.27	59.38	60.03	70.46	71.15
2037	66.61	66.57	62.83	60.17	59.93	60.15	60.25	60.73	60.84	61.50	72.14	72.84
2038	68.23	68.18	64.37	61.66	61.42	61.64	61.74	62.23	62.34	63.02	73.86	74.57
2039	69.64	69.59	65.71	62.94	62.70	62.92	63.03	63.52	63.64	64.33	75.38	76.11
2040	71.42	71.37	67.41	64.60	64.35	64.58	64.68	65.18	65.30	66.00	77.27	78.01
2041	72.87	72.82	68.79	65.92	65.66	65.90	66.00	66.52	66.64	67.35	78.84	79.59

Effective for service  
on and after October 12, 2016

**SCHEDULE 201 (Continued)**

**PRICING OPTIONS FOR STANDARD PPA (Continued)**  
**Standard Fixed Price Option (Continued)**

TABLE 2b												
Avoided Costs												
Standard Fixed Price Option for Wind QF												
Off-Peak Forecast (\$/MWH)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	21.77	16.87	10.12	7.57	2.47	6.27	11.87	17.12	17.12	17.37	19.62	22.87
2017	21.80	20.30	18.30	11.80	9.80	8.80	15.80	21.30	21.55	20.80	21.80	24.05
2018	22.18	24.13	21.57	15.47	10.69	8.55	15.72	23.05	22.94	21.36	24.21	26.63
2019	25.77	24.02	21.68	14.08	11.74	10.57	18.76	25.19	25.48	24.60	25.77	28.40
2020	27.60	25.73	23.23	15.13	12.64	11.39	20.12	26.97	27.28	26.35	27.60	30.40
2021	24.65	24.56	22.63	21.92	21.64	21.72	21.84	21.96	22.07	22.71	25.83	25.95
2022	25.42	25.25	24.48	23.54	23.22	23.32	23.44	23.57	23.69	24.23	27.78	28.11
2023	27.39	27.20	25.82	24.62	24.51	24.61	24.75	24.88	25.01	25.56	28.99	29.13
2024	29.01	28.69	27.51	26.13	25.94	26.05	26.19	26.34	26.48	27.04	31.33	31.49
2025	31.02	31.13	29.68	28.71	28.86	28.97	29.14	29.30	29.45	29.63	36.41	36.72
2026	38.12	38.24	35.71	34.22	34.16	34.30	34.50	34.69	34.85	35.30	41.97	41.66
2027	38.89	38.80	37.17	35.15	34.92	35.06	35.03	35.35	35.50	36.00	43.42	43.18
2028	40.43	40.42	39.07	36.57	36.40	36.57	36.42	36.75	37.06	37.76	45.77	44.65
2029	44.23	44.16	41.40	38.91	38.14	38.32	37.88	38.23	38.78	39.51	48.54	48.28
2030	46.80	46.74	44.07	41.82	41.60	41.77	41.81	42.20	42.32	42.88	51.62	51.90
2031	47.78	47.72	44.99	42.70	42.47	42.65	42.69	43.09	43.21	43.78	52.69	52.98
2032	51.38	51.33	48.10	45.71	45.49	45.68	45.76	46.18	46.29	46.89	56.39	56.94
2033	52.77	52.72	49.38	46.93	46.71	46.90	46.99	47.42	47.53	48.14	57.88	58.47
2034	54.12	54.08	50.61	48.10	47.88	48.08	48.17	48.62	48.73	49.35	59.34	59.97
2035	55.66	55.62	52.02	49.46	49.23	49.44	49.54	50.00	50.10	50.74	60.98	61.65
2036	57.04	56.99	53.33	50.72	50.49	50.70	50.80	51.26	51.37	52.02	62.46	63.15
2037	58.43	58.38	54.65	51.99	51.75	51.97	52.06	52.54	52.65	53.32	63.95	64.65
2038	59.88	59.84	56.03	53.32	53.08	53.30	53.40	53.88	54.00	54.67	65.52	66.23
2039	61.13	61.08	57.20	54.44	54.19	54.42	54.52	55.02	55.13	55.82	66.87	67.60
2040	62.75	62.70	58.75	55.93	55.68	55.91	56.01	56.52	56.64	57.34	68.60	69.34
2041	64.04	63.98	59.95	57.08	56.83	57.06	57.17	57.68	57.80	58.52	70.00	70.76

Effective for service  
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**SCHEDULE 201 (Continued)**

**PRICING OPTIONS FOR STANDARD PPA (Continued)**  
**Standard Fixed Price Option (Continued)**

TABLE 3a												
Avoided Costs												
Standard Fixed Price Option for Solar QF												
On-Peak Forecast (\$/MWH)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	28.21	22.46	15.61	14.71	12.46	16.96	23.96	26.96	24.96	23.71	26.71	31.46
2017	29.96	28.21	24.71	20.96	19.46	20.46	27.96	30.96	29.46	27.71	28.71	33.71
2018	31.71	31.11	28.11	22.13	21.28	21.28	29.93	33.37	30.63	28.61	31.86	35.71
2019	33.94	31.95	27.97	23.70	22.00	23.13	31.67	35.08	33.37	31.38	32.52	38.21
2020	35.74	33.64	29.45	24.95	23.15	24.35	33.34	36.94	35.14	33.04	34.24	40.24
2021	33.98	33.89	31.96	31.24	30.96	31.05	31.16	31.28	31.39	32.03	35.15	35.27
2022	34.92	34.75	33.98	33.04	32.72	32.82	32.94	33.08	33.20	33.74	37.28	37.61
2023	37.09	36.90	35.52	34.32	34.21	34.31	34.44	34.58	34.71	35.26	38.69	38.83
2024	38.86	38.54	37.36	35.98	35.79	35.90	36.04	36.19	36.32	36.88	41.18	41.33
2025	41.08	41.19	39.73	38.77	38.92	39.03	39.19	39.36	39.51	39.69	46.46	46.78
2026	48.37	48.49	45.97	44.48	44.42	44.56	44.75	44.94	45.10	45.56	52.22	51.91
2027	49.34	49.25	47.62	45.61	45.38	45.51	45.48	45.81	45.95	46.45	53.87	53.63
2028	51.08	51.07	49.72	47.22	47.06	47.22	47.07	47.40	47.72	48.41	56.42	55.31
2029	55.08	55.01	52.26	49.77	48.99	49.17	48.73	49.08	49.63	50.36	59.40	59.13
2030	57.87	57.81	55.14	52.89	52.67	52.84	52.88	53.27	53.39	53.95	62.69	62.97
2031	59.07	59.00	56.28	53.98	53.76	53.93	53.98	54.37	54.49	55.06	63.98	64.26
2032	62.83	62.78	59.56	57.16	56.94	57.13	57.21	57.64	57.75	58.34	67.85	68.39
2033	64.49	64.44	61.09	58.64	58.42	58.62	58.70	59.14	59.25	59.86	69.60	70.18
2034	66.10	66.05	62.58	60.08	59.85	60.05	60.14	60.59	60.70	61.32	71.31	71.94
2035	67.84	67.79	64.20	61.64	61.41	61.62	61.71	62.17	62.28	62.92	73.16	73.83
2036	69.43	69.38	65.72	63.11	62.88	63.09	63.19	63.66	63.77	64.42	74.85	75.54
2037	71.08	71.04	67.30	64.64	64.40	64.62	64.72	65.20	65.31	65.97	76.61	77.31
2038	72.78	72.73	68.93	66.22	65.98	66.20	66.30	66.78	66.90	67.57	78.42	79.13
2039	74.28	74.23	70.35	67.58	67.34	67.56	67.67	68.16	68.28	68.97	80.02	80.75
2040	76.15	76.10	72.15	69.33	69.08	69.31	69.42	69.92	70.04	70.74	82.01	82.75
2041	77.69	77.64	73.61	70.74	70.48	70.72	70.82	71.34	71.46	72.17	83.66	84.41

**Effective for service  
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**SCHEDULE 201 (Continued)**

**PRICING OPTIONS FOR STANDARD PPA (Continued)**  
**Standard Fixed Price Option (Continued)**

TABLE 3b												
Avoided Costs												
Standard Fixed Price Option for Solar QF												
Off-Peak Forecast (\$/MWH)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	25.61	20.71	13.96	11.41	6.31	10.11	15.71	20.96	20.96	21.21	23.46	26.71
2017	25.71	24.21	22.21	15.71	13.71	12.71	19.71	25.21	25.46	24.71	25.71	27.96
2018	26.17	28.12	25.56	19.46	14.68	12.54	19.71	27.04	26.93	25.35	28.20	30.62
2019	29.84	28.09	25.75	18.15	15.81	14.64	22.83	29.26	29.55	28.67	29.84	32.47
2020	31.75	29.88	27.38	19.28	16.79	15.54	24.27	31.12	31.43	30.50	31.75	34.55
2021	28.88	28.79	26.86	26.15	25.87	25.95	26.07	26.19	26.30	26.94	30.06	30.18
2022	29.73	29.56	28.79	27.85	27.53	27.63	27.75	27.88	28.00	28.54	32.09	32.42
2023	31.78	31.59	30.21	29.01	28.90	29.00	29.14	29.27	29.40	29.95	33.38	33.52
2024	33.48	33.16	31.98	30.60	30.41	30.52	30.66	30.81	30.95	31.51	35.80	35.96
2025	35.58	35.69	34.24	33.27	33.42	33.53	33.70	33.86	34.01	34.19	40.97	41.28
2026	42.77	42.89	40.36	38.87	38.81	38.95	39.15	39.34	39.50	39.95	46.62	46.31
2027	43.63	43.54	41.91	39.89	39.66	39.80	39.77	40.09	40.24	40.74	48.16	47.92
2028	45.26	45.25	43.90	41.40	41.23	41.40	41.25	41.58	41.89	42.59	50.60	49.48
2029	49.15	49.08	46.32	43.83	43.06	43.24	42.80	43.15	43.70	44.43	53.46	53.20
2030	51.82	51.76	49.09	46.84	46.62	46.79	46.83	47.22	47.34	47.90	56.64	56.92
2031	52.90	52.84	50.11	47.82	47.59	47.77	47.81	48.21	48.33	48.90	57.81	58.10
2032	56.59	56.54	53.31	50.92	50.70	50.89	50.97	51.39	51.50	52.10	61.60	62.15
2033	58.08	58.03	54.69	52.24	52.02	52.21	52.30	52.73	52.84	53.45	63.19	63.78
2034	59.54	59.50	56.03	53.52	53.30	53.50	53.59	54.04	54.15	54.77	64.76	65.39
2035	61.18	61.14	57.54	54.98	54.75	54.96	55.06	55.52	55.62	56.26	66.50	67.17
2036	62.67	62.62	58.96	56.35	56.12	56.33	56.43	56.89	57.00	57.65	68.09	68.78
2037	64.17	64.12	60.39	57.73	57.49	57.71	57.80	58.28	58.39	59.06	69.69	70.39
2038	65.73	65.69	61.88	59.17	58.93	59.15	59.25	59.73	59.85	60.52	71.37	72.08
2039	67.09	67.04	63.16	60.40	60.15	60.38	60.48	60.98	61.09	61.78	72.83	73.56
2040	68.83	68.78	64.83	62.01	61.76	61.99	62.09	62.60	62.72	63.42	74.68	75.42
2041	70.23	70.17	66.14	63.27	63.02	63.25	63.36	63.87	63.99	64.71	76.19	76.95

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**SCHEDULE 201 (Continued)**

**PRICING OPTIONS FOR STANDARD PPA (Continued)**

**2) Renewable Fixed Price Option**

The Renewable Fixed Price Option is based on Renewable Avoided Costs. It is available only to Renewable QFs that generate electricity from a renewable energy source that may be used by the Company to comply with the Oregon Renewable Portfolio Standard as set forth in ORS 469A.005 to 469A.210.

This option is available for a maximum term of 15 years. Prices will be as established at the time the Standard PPA is executed and will be equal to the Renewable Avoided Costs in Tables 4a and 4b, 5a and 5b, or 6a and 6b, depending on the type of QF, effective at execution. QFs using any resource type other than wind and solar are assumed to be Base Load QFs.

Sellers will retain all Environmental Attributes generated by the facility during the Renewable Resource Sufficiency Period. A Renewable QF choosing the Renewable Fixed Price Option must cede all RPS Attributes generated by the facility to the Company from the start of the Renewable Resource Deficiency Period through the remainder of the PPA term.

Prices paid to the Seller under the Renewable Fixed Price Option include adjustments for the capacity contribution of the QF resource type relative to that of the avoided proxy resource. Both Wind QF resources (Tables 5a and 5b) and the avoided proxy resource, the basis used to determine Renewable Avoided Costs for the Renewable Fixed Price Option, are assumed to have a capacity contribution to peak of 5%. The capacity contribution for Solar QF resources (Tables 6a and 6b) is assumed to be 5%. The capacity contribution for Base Load QF resources (Tables 4a and 4b) is assumed to be 100%.

The Renewable Avoided Costs during the Renewable Resource Deficiency Period reflect an increase for avoided wind integration costs, shown in Table 7.

Prices paid to the Seller under the Renewable Fixed Price Option for Wind QFs (Tables 5a and 5b) include a reduction for the wind integration costs in Table 7, which cancels out wind integration costs included in the Renewable Avoided Costs during the Renewable Resource Deficiency Period. However, if the Wind QF is outside of PGE's Balancing Authority Area as contemplated in the Commission's Order No. 14-058, the Seller is paid the wind integration charges in Table 7, in addition to the prices listed in Tables 5a and 5b.

Sellers with PPAs exceeding 15 years will receive pricing equal to the Mid-C Index Price for all years up to five in excess of the initial 15.

**SCHEDULE 201 (Continued)**

PRICING OPTIONS FOR STANDARD PPA (Continued)  
Renewable Fixed Price Option (Continued)

TABLE 4a												
Renewable Avoided Costs												
Renewable Fixed Price Option for Base Load QF												
On-Peak Forecast (\$/MWH)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	28.36	22.61	15.76	14.86	12.61	17.11	24.11	27.11	25.11	23.86	26.86	31.61
2017	30.11	28.36	24.86	21.11	19.61	20.61	28.11	31.11	29.61	27.86	28.86	33.86
2018	31.86	31.26	28.26	22.28	21.43	21.43	30.08	33.52	30.78	28.76	32.01	35.86
2019	34.10	32.11	28.13	23.86	22.16	23.29	31.83	35.24	33.53	31.54	32.68	38.37
2020	115.34	115.32	114.56	115.02	118.22	117.33	117.01	116.89	115.60	114.63	115.47	114.45
2021	117.94	118.18	116.67	117.75	120.59	119.83	119.26	119.77	118.26	117.25	118.55	117.22
2022	120.48	120.36	118.46	120.19	123.17	122.14	121.69	121.65	120.55	119.55	120.98	119.53
2023	123.26	122.83	120.85	122.92	125.37	124.64	124.29	123.92	123.08	121.92	123.63	122.53
2024	124.86	125.01	123.06	125.07	127.80	126.78	126.67	126.41	126.22	123.83	124.83	124.96
2025	127.73	128.05	125.86	128.21	131.66	130.48	129.53	129.66	128.84	126.59	127.76	127.41
2026	130.91	130.58	129.12	131.30	135.76	132.28	132.28	132.69	132.40	129.34	131.17	130.23
2027	133.47	133.03	131.38	133.50	139.48	134.88	134.51	135.95	134.79	131.96	133.26	132.78
2028	135.95	134.91	132.89	136.24	141.79	136.93	137.64	137.65	136.77	134.76	135.84	135.06
2029	138.81	138.57	135.91	139.29	149.30	140.74	140.82	140.82	140.86	137.50	138.32	138.21
2030	141.68	141.39	139.11	142.00	153.18	145.20	143.05	142.93	144.31	140.18	140.75	140.79
2031	144.29	143.79	142.17	145.52	156.10	149.27	145.71	146.65	146.86	143.04	144.15	143.71
2032	146.51	146.00	144.35	147.76	158.51	151.58	147.95	148.91	149.13	145.24	146.37	145.92
2033	149.91	149.40	147.71	151.19	162.18	155.09	151.39	152.37	152.59	148.62	149.77	149.31
2034	152.96	152.43	150.71	154.26	165.46	158.24	154.46	155.46	155.68	151.64	152.81	152.35
2035	155.76	155.22	153.46	157.08	168.50	161.14	157.29	158.31	158.54	154.41	155.60	155.13
2036	158.31	157.76	155.97	159.65	171.26	163.78	159.86	160.90	161.13	156.94	158.15	157.67
2037	161.83	161.27	159.44	163.20	175.07	167.42	163.42	164.48	164.71	160.43	161.67	161.18
2038	164.95	164.38	162.52	166.35	178.45	170.65	166.57	167.65	167.89	163.52	164.79	164.29
2039	168.13	167.55	165.66	169.56	181.89	173.94	169.79	170.89	171.13	166.68	167.97	167.46
2040	171.05	170.46	168.54	172.51	185.04	176.96	172.74	173.85	174.10	169.58	170.89	170.37
2041	174.69	174.08	172.11	176.17	188.98	180.72	176.40	177.55	177.80	173.18	174.52	173.99

Effective for service  
on and after October 12, 2016

**SCHEDULE 201 (Continued)**

**PRICING OPTIONS FOR STANDARD PPA (Continued)**  
**Renewable Fixed Price Option (Continued)**

TABLE 4b												
Renewable Avoided Costs												
Renewable Fixed Price Option for Base Load QF												
Off-Peak Forecast (\$/MWH)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	25.76	20.86	14.11	11.56	6.46	10.26	15.86	21.11	21.11	21.36	23.61	26.86
2017	25.86	24.36	22.36	15.86	13.86	12.86	19.86	25.36	25.61	24.86	25.86	28.11
2018	26.32	28.27	25.71	19.61	14.83	12.69	19.86	27.19	27.08	25.50	28.35	30.77
2019	30.00	28.25	25.91	18.31	15.97	14.80	22.99	29.42	29.71	28.83	30.00	32.63
2020	62.76	63.02	64.56	63.31	59.92	60.16	60.45	61.61	62.52	63.74	63.55	63.99
2021	64.93	64.15	65.85	64.48	61.58	61.62	62.27	62.62	63.78	65.82	63.38	65.09
2022	65.85	65.52	67.77	65.49	62.45	62.82	64.33	63.35	65.00	67.04	64.42	66.29
2023	66.70	66.75	69.10	67.28	62.84	64.01	65.40	64.85	66.14	68.41	65.38	67.63
2024	67.25	67.31	70.47	67.09	63.18	65.92	64.75	65.12	66.62	68.68	67.42	68.05
2025	68.62	68.60	71.94	68.08	63.17	66.28	66.12	67.12	67.23	70.19	69.68	69.06
2026	68.95	69.85	72.28	68.56	63.85	67.22	67.05	67.75	67.05	71.12	69.85	69.89
2027	71.31	71.29	73.13	70.34	63.69	68.45	68.79	68.16	68.57	73.22	70.67	71.18
2028	72.28	72.90	75.41	72.10	63.09	69.98	70.15	68.82	70.20	73.79	71.48	73.41
2029	72.78	73.60	76.79	73.50	58.25	70.29	71.37	70.00	71.53	74.58	73.61	74.68
2030	73.91	74.82	78.36	73.64	58.00	70.89	72.02	72.19	72.00	75.99	75.36	76.23
2031	75.51	76.70	79.40	74.00	59.17	70.67	73.55	73.71	72.16	77.24	77.07	76.31
2032	76.76	77.97	80.71	75.23	60.15	71.83	74.76	74.93	73.35	78.52	78.34	77.57
2033	78.46	79.69	82.50	76.89	61.48	73.42	76.42	76.58	74.97	80.25	80.07	79.29
2034	79.97	81.23	84.09	78.37	62.66	74.84	77.89	78.06	76.42	81.80	81.62	80.82
2035	81.52	82.80	85.71	79.88	63.87	76.28	79.39	79.57	77.89	83.38	83.19	82.38
2036	82.86	84.17	87.13	81.20	64.93	77.54	80.70	80.88	79.18	84.76	84.57	83.74
2037	84.69	86.03	89.05	83.00	66.36	79.25	82.49	82.67	80.93	86.63	86.44	85.59
2038	86.33	87.69	90.77	84.60	67.64	80.78	84.08	84.26	82.49	88.30	88.11	87.24
2039	87.99	89.38	92.52	86.23	68.95	82.34	85.70	85.89	84.08	90.01	89.81	88.92
2040	89.45	90.85	94.05	87.66	70.09	83.70	87.12	87.31	85.47	91.49	91.29	90.39
2041	91.42	92.86	96.13	89.59	71.63	85.55	89.04	89.24	87.36	93.51	93.31	92.39

Effective for service  
on and after October 12, 2016

**SCHEDULE 201 (Continued)**

PRICING OPTIONS FOR STANDARD PPA (Continued)  
Renewable Fixed Price Option (Continued)

TABLE 5a												
Renewable Avoided Costs												
Renewable Fixed Price Option for Wind QF												
On-Peak Forecast (\$/MWH)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	24.52	18.77	11.92	11.02	8.77	13.27	20.27	23.27	21.27	20.02	23.02	27.77
2017	26.20	24.45	20.95	17.20	15.70	16.70	24.20	27.20	25.70	23.95	24.95	29.95
2018	27.87	27.27	24.27	18.29	17.44	17.44	26.09	29.53	26.79	24.77	28.02	31.87
2019	30.03	28.04	24.06	19.79	18.09	19.22	27.76	31.17	29.46	27.47	28.61	34.30
2020	75.38	75.37	74.61	75.06	78.26	77.37	77.05	76.93	75.64	74.67	75.51	74.49
2021	77.10	77.33	75.83	76.90	79.75	78.99	78.41	78.92	77.41	76.40	77.70	76.38
2022	78.85	78.72	76.82	78.56	81.53	80.51	80.05	80.02	78.92	77.92	79.34	77.90
2023	80.71	80.27	78.29	80.37	82.82	82.08	81.73	81.37	80.53	79.36	81.08	79.97
2024	81.74	81.89	79.93	81.95	84.68	83.66	83.55	83.28	83.10	80.71	81.71	81.84
2025	83.64	83.97	81.78	84.13	87.57	86.40	85.44	85.57	84.75	82.51	83.68	83.32
2026	85.97	85.64	84.18	86.37	90.82	87.34	87.34	87.75	87.46	84.40	86.23	85.29
2027	87.67	87.23	85.57	87.69	93.67	89.07	88.71	90.15	88.99	86.16	87.45	86.98
2028	89.26	88.22	86.20	89.55	95.10	90.24	90.95	90.96	90.08	88.07	89.15	88.37
2029	91.22	90.98	88.32	91.70	101.72	93.16	93.23	93.23	93.28	89.92	90.73	90.62
2030	93.17	92.88	90.60	93.49	104.67	96.69	94.54	94.42	95.80	91.67	92.24	92.28
2031	94.84	94.34	92.72	96.07	106.65	99.82	96.26	97.20	97.42	93.59	94.70	94.26
2032	96.40	95.90	94.24	97.65	108.40	101.47	97.85	98.80	99.02	95.13	96.26	95.82
2033	98.55	98.03	96.34	99.82	110.81	103.72	100.02	101.00	101.22	97.25	98.40	97.95
2034	100.44	99.91	98.19	101.74	112.94	105.72	101.94	102.94	103.17	99.12	100.29	99.83
2035	102.38	101.85	100.09	103.71	115.13	107.76	103.92	104.93	105.16	101.04	102.23	101.76
2036	104.06	103.51	101.72	105.40	117.01	109.53	105.61	106.65	106.88	102.69	103.90	103.42
2037	106.37	105.81	103.99	107.74	119.61	111.96	107.96	109.02	109.26	104.97	106.21	105.72
2038	108.42	107.86	105.99	109.82	121.92	114.12	110.05	111.12	111.37	107.00	108.26	107.76
2039	110.52	109.94	108.04	111.95	124.27	116.33	112.17	113.27	113.52	109.07	110.36	109.85
2040	112.32	111.73	109.81	113.77	126.31	118.23	114.00	115.12	115.37	110.85	112.16	111.64
2041	114.83	114.23	112.26	116.31	129.12	120.86	116.55	117.69	117.95	113.32	114.66	114.13

Effective for service  
on and after October 12, 2016

**SCHEDULE 201 (Continued)**

PRICING OPTIONS FOR STANDARD PPA (Continued)  
Renewable Fixed Price Option (Continued)

TABLE 5b												
Renewable Avoided Costs												
Renewable Fixed Price Option for Wind QF												
Off-Peak Forecast (\$/MWH)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	21.92	17.02	10.27	7.72	2.62	6.42	12.02	17.27	17.27	17.52	19.77	23.02
2017	21.95	20.45	18.45	11.95	9.95	8.95	15.95	21.45	21.70	20.95	21.95	24.20
2018	22.33	24.28	21.72	15.62	10.84	8.70	15.87	23.20	23.09	21.51	24.36	26.78
2019	25.93	24.18	21.84	14.24	11.90	10.73	18.92	25.35	25.64	24.76	25.93	28.56
2020	58.61	58.87	60.41	59.16	55.77	56.01	56.30	57.46	58.37	59.59	59.40	59.84
2021	60.70	59.92	61.62	60.25	57.35	57.39	58.04	58.39	59.55	61.59	59.15	60.86
2022	61.54	61.21	63.46	61.18	58.14	58.51	60.02	59.04	60.69	62.73	60.11	61.98
2023	62.31	62.36	64.71	62.89	58.45	59.62	61.01	60.46	61.75	64.02	60.99	63.24
2024	62.78	62.84	66.00	62.62	58.71	61.45	60.28	60.65	62.15	64.21	62.95	63.58
2025	64.06	64.04	67.38	63.52	58.61	61.72	61.56	62.56	62.67	65.63	65.12	64.50
2026	64.30	65.20	67.63	63.91	59.20	62.57	62.40	63.10	62.40	66.47	65.20	65.24
2027	66.57	66.55	68.39	65.60	58.95	63.71	64.05	63.42	63.83	68.48	65.93	66.44
2028	67.45	68.07	70.58	67.27	58.26	65.15	65.32	63.99	65.37	68.96	66.65	68.58
2029	67.86	68.68	71.87	68.58	53.33	65.37	66.45	65.08	66.61	69.66	68.69	69.76
2030	68.89	69.80	73.34	68.62	52.98	65.87	67.00	67.17	66.98	70.97	70.34	71.21
2031	70.39	71.58	74.28	68.88	54.05	65.55	68.43	68.59	67.04	72.12	71.95	71.19
2032	71.55	72.76	75.50	70.02	54.94	66.62	69.55	69.72	68.14	73.31	73.13	72.36
2033	73.15	74.38	77.19	71.58	56.17	68.11	71.11	71.27	69.66	74.94	74.76	73.98
2034	74.55	75.81	78.67	72.95	57.24	69.42	72.47	72.64	71.00	76.38	76.20	75.40
2035	76.00	77.28	80.19	74.36	58.35	70.76	73.87	74.05	72.37	77.86	77.67	76.86
2036	77.23	78.54	81.50	75.57	59.30	71.91	75.07	75.25	73.55	79.13	78.94	78.11
2037	78.95	80.29	83.31	77.26	60.62	73.51	76.75	76.93	75.19	80.89	80.70	79.85
2038	80.48	81.84	84.92	78.75	61.79	74.93	78.23	78.41	76.64	82.45	82.26	81.39
2039	82.03	83.42	86.56	80.27	62.99	76.38	79.74	79.93	78.12	84.05	83.85	82.96
2040	83.37	84.77	87.97	81.58	64.01	77.62	81.04	81.23	79.39	85.41	85.21	84.31
2041	85.23	86.67	89.94	83.40	65.44	79.36	82.85	83.05	81.17	87.32	87.12	86.20

Effective for service  
on and after October 12, 2016

**SCHEDULE 201 (Continued)**

**PRICING OPTIONS FOR STANDARD PPA (Continued)**  
**Renewable Fixed Price Option (Continued)**

TABLE 6a												
Renewable Avoided Costs												
Renewable Fixed Price Option for Solar QF												
On-Peak Forecast (\$/MWH)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	28.36	22.61	15.76	14.86	12.61	17.11	24.11	27.11	25.11	23.86	26.86	31.61
2017	30.11	28.36	24.86	21.11	19.61	20.61	28.11	31.11	29.61	27.86	28.86	33.86
2018	31.86	31.26	28.26	22.28	21.43	21.43	30.08	33.52	30.78	28.76	32.01	35.86
2019	34.10	32.11	28.13	23.86	22.16	23.29	31.83	35.24	33.53	31.54	32.68	38.37
2020	78.62	78.60	77.84	78.30	81.50	80.60	80.29	80.17	78.88	77.91	78.74	77.73
2021	80.39	80.63	79.12	80.20	83.04	82.28	81.71	82.22	80.71	79.70	81.00	79.67
2022	82.21	82.08	80.18	81.92	84.89	83.87	83.41	83.38	82.27	81.27	82.70	81.25
2023	84.12	83.69	81.71	83.78	86.23	85.50	85.15	84.78	83.94	82.78	84.50	83.39
2024	85.22	85.37	83.41	85.43	88.16	87.14	87.03	86.76	86.58	84.19	85.19	85.32
2025	87.19	87.52	85.33	87.68	91.12	89.95	88.99	89.12	88.30	86.06	87.23	86.87
2026	89.59	89.26	87.80	89.99	94.44	90.96	90.96	91.37	91.08	88.02	89.85	88.91
2027	91.36	90.92	89.26	91.39	97.36	92.76	92.40	93.84	92.68	89.85	91.14	90.67
2028	93.02	91.98	89.96	93.31	98.86	94.00	94.71	94.72	93.84	91.84	92.91	92.13
2029	95.05	94.81	92.15	95.53	105.55	96.99	97.06	97.06	97.11	93.75	94.56	94.45
2030	97.08	96.79	94.51	97.40	108.58	100.60	98.45	98.33	99.71	95.58	96.15	96.19
2031	98.83	98.33	96.70	100.05	110.63	103.81	100.25	101.19	101.40	97.58	98.69	98.25
2032	100.47	99.96	98.30	101.71	112.47	105.53	101.91	102.87	103.08	99.20	100.32	99.88
2033	102.68	102.16	100.47	103.95	114.95	107.86	104.16	105.14	105.36	101.38	102.53	102.08
2034	104.66	104.13	102.41	105.96	117.16	109.94	106.16	107.16	107.38	103.34	104.51	104.05
2035	106.68	106.15	104.39	108.01	119.43	112.06	108.21	109.23	109.46	105.34	106.53	106.06
2036	108.44	107.90	106.11	109.79	121.40	113.91	110.00	111.04	111.27	107.08	108.29	107.81
2037	110.84	110.28	108.46	112.21	124.08	116.43	112.43	113.49	113.73	109.44	110.68	110.19
2038	112.98	112.41	110.55	114.38	126.47	118.68	114.60	115.68	115.92	111.55	112.82	112.32
2039	115.16	114.58	112.68	116.59	128.92	120.97	116.81	117.91	118.16	113.71	115.00	114.49
2040	117.06	116.47	114.54	118.51	131.04	122.96	118.74	119.86	120.11	115.58	116.89	116.37
2041	119.65	119.05	117.07	121.13	133.94	125.68	121.37	122.51	122.76	118.14	119.48	118.95

**Effective for service  
on and after October 12, 2016**

**SCHEDULE 201 (Continued)**

**PRICING OPTIONS FOR STANDARD PPA (Continued)  
Renewable Fixed Price Option (Continued)**

TABLE 6b												
Renewable Avoided Costs												
Renewable Fixed Price Option for Solar QF												
Off-Peak Forecast (\$/MWH)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	25.76	20.86	14.11	11.56	6.46	10.26	15.86	21.11	21.11	21.36	23.61	26.86
2017	25.86	24.36	22.36	15.86	13.86	12.86	19.86	25.36	25.61	24.86	25.86	28.11
2018	26.32	28.27	25.71	19.61	14.83	12.69	19.86	27.19	27.08	25.50	28.35	30.77
2019	30.00	28.25	25.91	18.31	15.97	14.80	22.99	29.42	29.71	28.83	30.00	32.63
2020	62.76	63.02	64.56	63.31	59.92	60.16	60.45	61.61	62.52	63.74	63.55	63.99
2021	64.93	64.15	65.85	64.48	61.58	61.62	62.27	62.62	63.78	65.82	63.38	65.09
2022	65.85	65.52	67.77	65.49	62.45	62.82	64.33	63.35	65.00	67.04	64.42	66.29
2023	66.70	66.75	69.10	67.28	62.84	64.01	65.40	64.85	66.14	68.41	65.38	67.63
2024	67.25	67.31	70.47	67.09	63.18	65.92	64.75	65.12	66.62	68.68	67.42	68.05
2025	68.62	68.60	71.94	68.08	63.17	66.28	66.12	67.12	67.23	70.19	69.68	69.06
2026	68.95	69.85	72.28	68.56	63.85	67.22	67.05	67.75	67.05	71.12	69.85	69.89
2027	71.31	71.29	73.13	70.34	63.69	68.45	68.79	68.16	68.57	73.22	70.67	71.18
2028	72.28	72.90	75.41	72.10	63.09	69.98	70.15	68.82	70.20	73.79	71.48	73.41
2029	72.78	73.60	76.79	73.50	58.25	70.29	71.37	70.00	71.53	74.58	73.61	74.68
2030	73.91	74.82	78.36	73.64	58.00	70.89	72.02	72.19	72.00	75.99	75.36	76.23
2031	75.51	76.70	79.40	74.00	59.17	70.67	73.55	73.71	72.16	77.24	77.07	76.31
2032	76.76	77.97	80.71	75.23	60.15	71.83	74.76	74.93	73.35	78.52	78.34	77.57
2033	78.46	79.69	82.50	76.89	61.48	73.42	76.42	76.58	74.97	80.25	80.07	79.29
2034	79.97	81.23	84.09	78.37	62.66	74.84	77.89	78.06	76.42	81.80	81.62	80.82
2035	81.52	82.80	85.71	79.88	63.87	76.28	79.39	79.57	77.89	83.38	83.19	82.38
2036	82.86	84.17	87.13	81.20	64.93	77.54	80.70	80.88	79.18	84.76	84.57	83.74
2037	84.69	86.03	89.05	83.00	66.36	79.25	82.49	82.67	80.93	86.63	86.44	85.59
2038	86.33	87.69	90.77	84.60	67.64	80.78	84.08	84.26	82.49	88.30	88.11	87.24
2039	87.99	89.38	92.52	86.23	68.95	82.34	85.70	85.89	84.08	90.01	89.81	88.92
2040	89.45	90.85	94.05	87.66	70.09	83.70	87.12	87.31	85.47	91.49	91.29	90.39
2041	91.42	92.86	96.13	89.59	71.63	85.55	89.04	89.24	87.36	93.51	93.31	92.39

**Effective for service  
on and after October 12, 2016**

SCHEDULE 201 (Continued)

WIND INTEGRATION

TABLE 7	
Wind Integration	
Year	Cost
2015	3.77
2016	3.84
2017	3.91
2018	3.99
2019	4.07
2020	4.15
2021	4.23
2022	4.31
2023	4.39
2024	4.47
2025	4.56
2026	4.65
2027	4.74
2028	4.83
2029	4.92
2030	5.02
2031	5.12
2032	5.21
2033	5.31
2034	5.42
2035	5.52
2036	5.63
2037	5.74
2038	5.85
2039	5.96
2040	6.08

**SCHEDULE 201 (Continued)**

**MONTHLY SERVICE CHARGE**

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

**INSURANCE REQUIREMENTS**

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

- 1) QFs with nameplate capacity ratings greater than 200 kW are required to secure and maintain a prudent amount of general liability insurance. The Seller must certify to the Company that it is maintaining general liability insurance coverage for each QF at prudent amounts. A prudent amount will be deemed to mean liability insurance coverage for both bodily injury and property damage liability in the amount of not less than \$1,000,000 each occurrence combined single limit, which limits may be required to be increased or decreased by the Company as the Company determines in its reasonable judgment, that economic conditions or claims experience may warrant.
- 2) Such insurance will include an endorsement naming the Company as an additional insured insofar as liability arising out of operations under this schedule and a provision that such liability policies will not be canceled or their limits reduced without 30 days' written notice to the Company. The Seller will furnish the Company with certificates of insurance together with the endorsements required herein. The Company will have the right to inspect the original policies of such insurance.
- 3) QFs with a design capacity of 200 kW or less are encouraged to pursue liability insurance on their own. The Oregon Public Utility Commission in Order No. 05-584 determined that it is inappropriate to require QFs that have a design capacity of 200 kW or less to obtain general liability insurance.

**TRANSMISSION AGREEMENTS**

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

**INTERCONNECTION REQUIREMENTS**

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

**SCHEDULE 201 (Continued)**

**INTERCONNECTION REQUIREMENTS (Continued)**

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

**DEFINITION OF A SMALL COGENERATION FACILITY OR SMALL POWER PRODUCTION FACILITY ELIGIBLE TO RECEIVE PRICING UNDER THE STANDARD PPA**

A QF will be eligible to receive pricing under the Standard PPA if the nameplate capacity of the QF, together with any other electric generating facility using the same motive force, owned or controlled by the Same Person(s) or Affiliated Person(s), and located at the Same Site, does not exceed 10 MW. A Community-Based or Family-Owned QF is exempt from these restrictions.

**Definition of Community-Based**

- a. A community project (or a community sponsored project) must have a recognized and established organization located within the county of the project or within 50 miles of the project that has a genuine role in helping the project be developed and must have some not insignificant continuing role with or interest in the project after it is completed and placed in service.
- b. After excluding the passive investor whose ownership interests are primarily related to green tag values and tax benefits as the primary ownership benefit, the equity (ownership) interests in a community sponsored project must be owned in substantial percentage (80 percent or more) by the following persons (individuals and entities): (i) the sponsoring organization, or its controlled affiliates; (ii) members of the sponsoring organization (if it is a membership organization) or owners of the sponsorship organization (if it is privately owned); (iii) persons who live in the county in which the project is located or who live a county adjoining the county in which the project is located; or (iv) units of local government, charities, or other established nonprofit organizations active either in the county in which the project is located or active in a county adjoining the county in which the project is located.

**Definition of Family-Owned**

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

**SCHEDULE 201 (Continued)**

**DEFINITION OF A SMALL COGENERATION FACILITY OR SMALL POWER PRODUCTION FACILITY ELIGIBLE TO RECEIVE PRICING UNDER THE STANDARD PPA (Continued)**

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

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

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

**Definition of Same Site**

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

**Definition of Shared Interconnection and Infrastructure**

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

**OTHER DEFINITIONS**

**Mid-C Index Price**

As used in this schedule, the daily Mid-C Index Price shall be the Day Ahead Intercontinental Exchange ("ICE") for the bilateral OTC market for energy at the Mid-C Physical for Average

**SCHEDULE 201 (Continued)**

**OTHER DEFINITIONS (Continued)**

On-Peak Power and Average Off-Peak Power found on the following website: <https://www.theice.com/products/OTC/Physical-Energy/Electricity>. In the event ICE no longer publishes this index, PGE and the Seller agree to select an alternative successor index representative of the Mid-C trading hub.

**Definition of RPS Attributes**

As used in this schedule, RPS Attributes means all attributes related to the Net Output generated by the Facility that are required in order to provide PGE with "qualifying electricity," as that term is defined in Oregon's Renewable Portfolio Standard Act, Ore. Rev. Stat. 469A.010, in effect at the time of execution of this Agreement. RPS Attributes do not include Environmental Attributes that are greenhouse gas offsets from methane capture not associated with the generation of electricity and not needed to ensure that there are zero net emissions associated with the generation of electricity.

**Definition of Environmental Attributes**

As used in this schedule, Environmental Attributes shall mean any and all claims, credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, resulting from the avoidance of the emission of any gas, chemical, or other substance to the air, soil or water. Environmental Attributes include but are not limited to: (1) any avoided emissions of pollutants to the air, soil, or water such as (subject to the foregoing) sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO), and other pollutants; and (2) any avoided emissions of carbon dioxide (CO2), methane (CH4), and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change to contribute to the actual or potential threat of altering the Earth's climate by trapping heat in the atmosphere.

**Definition of Resource Sufficiency Period**

This is the period from the current year through 2020.

**Definition of Resource Deficiency Period**

This is the period from 2021 through 2034.

**Definition of Renewable Resource Sufficiency Period**

This is the period from the current year through 2019.

**Definition of Renewable Resource Deficiency Period**

This is the period from 2020 through 2034.

**SCHEDULE 201 (Concluded)**

**DISPUTE RESOLUTION**

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

The QF may present disputes to the Commission for resolution using the following process:

The QF may file a complaint asking the Commission to adjudicate disputes regarding the formation of the standard contract. The QF may not file such a complaint during any 15-day period in which the utility has the obligation to respond, but must wait until the 15-day period has passed.

The utility may respond to the complaint within ten days of service.

The Commission will limit its review to the issues identified in the complaint and response, and utilize a process similar to the arbitration process adopted to facilitate the execution of interconnection agreements among telecommunications carriers. See OAR 860, Division 016. The administrative law judge will not act as an arbitrator.

**SPECIAL CONDITIONS**

1. Delivery of energy by Seller will be at a voltage, phase, frequency, and power factor as specified by the Company.
2. If the Seller also receives retail Electricity Service from the Company at the same location, any payments under this schedule will be credited to the Seller's retail Electricity Service bill. At the option of the Customer, any net credit over \$10.00 will be paid by check to the Customer.
3. Unless required by state or federal law, if the 1978 Public Utility Regulatory Policies Act (PURPA) is repealed, PPAs entered into pursuant to this schedule will not terminate prior to the Standard or Negotiated PPA's termination date.

**TERM OF AGREEMENT**

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

# Exhibit C

Portland General Electric Company Letter



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

**May 5, 2017**

Covanta Marion, Inc  
4850 Brooklake Road  
Brooks, OR 97305  
skabbani@covanta.com

RE: Transmittal of Draft Standard PPA  
**Covanta Marion** project, an existing **15** megawatt **biomass** QF

Dear **Mr. Kabbani**,

Thank you for your interest in entering into a Standard Power Purchase Agreement (Standard PPA) with Portland General Electric (PGE). We received your written response to PGE's *Schedule 201 Initial Information Form* on **April 17, 2017**.

Based on the information you provided, PGE has determined that the Covanta Marion project ("Covanta") does not meet the requirements necessary to qualify for Schedule 201, and we are unable to provide you with a draft Schedule 201 PPA at this time.

Covanta is an existing facility with a rated nameplate capacity of 15 megawatts per the Form 556 submitted, and as such, your project does not qualify for a Schedule 201 at this time.

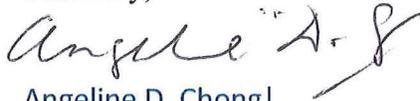
You have shared your intention to rerate the Covanta at 10MW or less, and upon completion of the proposed rerate you may submit a new Schedule 201 PPA request subject to the prevailing terms and conditions at the time of your request. Until such time, Covanta may be eligible for PGE's Schedule 202.

Options available to Covanta are as follows:

1. Submit a new request for consideration under PGE's Schedule 202
2. Negotiate a new bilateral agreement
3. Submit a new request for Schedule 201 upon completion of the rerate

Please let us know how you would to proceed.

Sincerely,



Angeline D. Chong |  
Portland General Electric |  
121 SW Salmon St. 3WTC0306 | Portland, Oregon 97204 |  
W: 503-464-7343 | F: 503-464-2605 |  
E: [angeline.chong@pgn.com](mailto:angeline.chong@pgn.com)

**CERTIFICATE OF SERVICE**

Pursuant to Rule 2010 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.2010, I hereby certify that I have this day served a copy of the foregoing upon the following persons:

Lisa Hardie  
Chair  
Public Utility Commission of Oregon  
P.O. Box 1088  
Salem, OR 97308-1088

Dated at Washington, D.C., this 21st day of July, 2017.

/s/ Blake R. Urban  
Blake R. Urban

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UM \_\_\_\_**

Portland General Electric Company,  
Complainant

v.

Covanta Marion, Inc.  
Respondent.

**DECLARATION OF RYIN KHANDOKER**

I, Ryin Khandoker, declare under penalty of perjury under the laws of the state of Oregon:

1. My full name is Ryin Khandoker. I am employed by Portland General Electric Company (PGE or the Company) as Originator.

2. On March 2, 2017, Covanta Marion Inc., (Covanta) forwarded to PGE a signed Schedule 201 standard contract template as well as a cover letter stating that Covanta “hereby elects as of the date of this letter” to enter into the enclosed Schedule 201 Contract. The letter further stated as follows: “Covanta is undertaking a turbine modification and re-rate project at the Facility to achieve a Nameplate Capacity Rating of 10,000 kW and a Commercial Operation Date of September 20, 2019.” A copy of the letter sent by Covanta is attached to my declaration as Exhibit A.

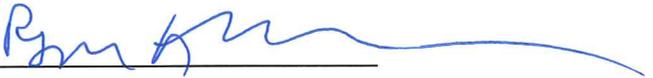
3. On May 5, 2017, PGE wrote a letter to Covanta, explaining that the FERC Form 556 provided by Covanta listed the facility’s nameplate capacity as 15 MW—and for that reason Covanta was not eligible for a standard contract. The letter also stated, in error, that upon completion of the re-rate, Covanta could request a standard contract. I say that the letter was in error because it is PGE’s policy that a QF with a nameplate capacity greater than 10 MW is not entitled to a standard contract by virtue of undergoing a voluntary re-design to constrain its output to 10 MW, simply to avoid the 10 MW threshold for standard contracts. A copy of the letter sent by PGE is attached to my declaration as Exhibit B.

4. Covanta has never provided PGE with any justification for their redesign other than for the purpose of achieving a 10 MW nameplate capacity rating.

5. I have reviewed Covanta's generation output for the past seven-month period and can confirm that in each month Covanta's output has exceeded 10,000 Kwh during many hours. A copy of Covanta's generation profile for March 2017 is attached as Exhibit C.

I hereby declare that the above statement is true to the best of my knowledge and belief, and that I understand it is made for use as evidence before the Public Utility Commission of Oregon and is subject to penalty for perjury.

SIGNED this 10 day of August, 2017, at Portland, Oregon.

Signed: 

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UM \_\_\_\_\_**

**PORTLAND GENERAL ELECTRIC**

**Declaration of Ryin Khandoker**

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Exhibit A

August 11, 2017



March 2, 2017

***By Overnight Delivery***

Portland General Electric  
Small Power Production Coordinator  
121 SW Salmon St., 3WTC-0407  
Portland, OR 97204

**Re: Schedule 201 Standard Renewable In-System Non-Variable Power  
Purchase Agreement**

Ladies & Gentlemen:

Pursuant to your Schedule 201 and the Public Utility Regulatory Policies Act of 1978, Covanta Marion, Inc. ("Covanta") hereby elects as of the date of this letter to enter into with Portland General Electric the enclosed Schedule 201 Standard Renewable In-System Non-Variable Power Purchase Agreement ("PPA") for Covanta's Brooks, Oregon municipal solid waste to renewable energy qualifying facility (the "Facility").

Therefore, Covanta has completed the enclosed PPA with the requested information and has executed it. As you will see in the PPA, Covanta is undertaking a turbine modification and re-rate project at the Facility to achieve a Nameplate Capacity Rating of 10,000 kW and a Commercial Operation Date of September 20, 2019, as such capitalized terms are defined in the PPA.

Please contact Sami Kabbani at (862) 345-5227 or [skabbani@covanta.com](mailto:skabbani@covanta.com) to coordinate delivery of the fully-executed PPA or with any questions about this letter.

Very truly yours,

Covanta Marion, Inc.

By: 

Name: Christopher J. Baker  
Title: Vice President

**STANDARD RENEWABLE IN-SYSTEM NON-VARIABLE POWER PURCHASE  
AGREEMENT**

THIS AGREEMENT is between Covanta Marion, Inc. ("Seller") and Portland General Electric Company ("PGE") (hereinafter each a "Party" or collectively, "Parties") and is effective upon execution by both Parties ("Effective Date").

**RECITALS**

*energy* Seller intends to construct, own, operate and maintain a waste to renewable facility for the generation of electric power located in Marion County, Oregon with a Nameplate Capacity Rating of 10,000 kilowatt ("kW"), as further described in Exhibit B ("Facility"); and

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

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

**AGREEMENT**

NOW, THEREFORE, the Parties mutually agree as follows:

**SECTION 1: DEFINITIONS**

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

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

1.2. "Billing Period" means a period between PGE's readings of its power purchase billing meter at the Facility in the normal course of PGE's business. Such periods may vary and may not coincide with calendar months, however, PGE shall use best efforts to read the power purchase billing meter in 12 equally spaced periods per year.

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

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

1.4.1. (facilities with nameplate under 500 kW exempt from following requirement) PGE has received a certificate addressed to PGE from a Licensed

Professional Engineer ("LPE") acceptable to PGE in its reasonable judgment stating that the Facility is able to generate electric power reliably in amounts required by this Agreement and in accordance with all other terms and conditions of this Agreement (certifications required under this Section 1.4 can be provided by one or more LPEs);

1.4.2. Start-Up Testing of the Facility has been completed in accordance with Section 1.29;

1.4.3. (facilities with nameplate under 500 kW exempt from following requirement) After PGE has received notice of completion of Start-Up Testing, PGE has received a certificate addressed to PGE from an LPE stating that the Facility has operated for testing purposes under this Agreement uninterrupted for a Test Period at a rate in kW of at least 75 percent of average annual Net Output divided by 8,760 based upon any sixty (60) minute period for the entire testing period. The Facility must provide ten (10) working days written notice to PGE prior to the start of the initial testing period. If the operation of the Facility is interrupted during this initial testing period or any subsequent testing period, the Facility shall promptly start a new Test Period and provide PGE forty-eight (48) hours written notice prior to the start of such testing period;

1.4.4. (facilities with nameplate under 500 kW exempt from following requirement) PGE has received a certificate addressed to PGE from an LPE stating that in accordance with the Generation Interconnection Agreement, all required interconnection facilities have been constructed, all required interconnection tests have been completed; and the Facility is physically interconnected with PGE's electric system.

1.4.5. (facilities with nameplate under 500 kW exempt from following requirement) PGE has received a certificate addressed to PGE from an LPE stating that Seller has obtained all Required Facility Documents and if requested by PGE in writing, has provided copies of any or all such requested Required Facility Documents;

1.5. "Contract Price" means the applicable price, including on-peak and off-peak prices, as specified in the Schedule.

1.6. "Contract Year" means each twelve (12) month period commencing upon the Commercial Operation Date or its anniversary during the Term, except the final contract year will be the period from the last anniversary of the Commercial Operation Date during the Term until the end of the Term.

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

1.8. "Environmental Attributes" shall mean any and all claims, credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, resulting from the avoidance of the emission of any gas, chemical, or other substance to the air, soil or water. Environmental Attributes include but are not limited to: (1) any avoided emissions of pollutants to the air, soil, or water such as (subject to the foregoing) sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO), and other pollutants; and (2) any avoided emissions of carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental

Panel on Climate Change to contribute to the actual or potential threat of altering the Earth's climate by trapping heat in the atmosphere.

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

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

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

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

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

1.14. "Lost Energy Value" means for a Contract Year: zero plus any reasonable costs incurred by PGE to purchase replacement power and/or transmission to deliver the replacement power to the Point of Delivery, unless the Contract Year's Net Output is less than the Minimum Net Output and the Contract Year's time weighted average of the Mid-C Index Price for On-Peak Hours and Off-Peak Hours is greater than the time weighted average of the Contract Price for On-Peak Hours and Off-Peak Hours for that Contract Year, in which case Lost Energy Value equals: (Minimum Net Output - Net Output for the Contract Year) X (the lower of: the time weighted average of the Contract Price for On-Peak and Off-Peak Hours; or the time weighted average of the Mid-C Index Price for On-Peak Hours and Off-Peak Hours – the time-weighted average of the Contract Price for On-Peak Hours and Off-Peak Hours) plus any reasonable costs incurred by PGE to purchase replacement power and/or transmission to deliver the replacement power to the Point of Delivery.

1.15. "Mid-C Index Price" means the Day Ahead Intercontinental Exchange ("ICE") index price for the bilateral OTC market for energy at the Mid-C Physical for Average On Peak Power and Average Off Peak Power found on the following website: <https://www.theice.com/products/OTC/Physical-Energy/Electricity>. In the event ICE no longer publishes this index, PGE and the Seller agree to select an alternative successor index representative of the Mid-C trading hub.

1.16. "Minimum Net Output" shall have the meaning provided in Section 4.2 of this Agreement.

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

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

1.19. "Net Output" means all energy expressed in kWhs produced by the Facility, less station and other onsite use and less transformation and transmission losses.

1.20. "Off-Peak Hours" has the meaning provided in the Schedule.

1.21. "On-Peak Hours" has the meaning provided in the Schedule.

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

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

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

portion of the electric power generation industry in the relevant region, during the relevant period, as described in the immediate preceding sentence.

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

1.26. "RPS Attributes" means all attributes related to the Net Output generated by the Facility that are required in order to provide PGE with "qualifying electricity," as that term is defined in Oregon's Renewable Portfolio Standard Act, Ore. Rev. Stat. 469A.010, in effect at the time of execution of this Agreement. RPS Attributes do not include Environmental Attributes that are greenhouse gas offsets from methane capture not associated with the generation of electricity and not needed to ensure that there are zero net emissions associated with the generation of electricity.

1.27. "Schedule" shall mean PGE Schedule 201 filed with the Oregon Public Utilities Commission ("Commission") in effect on the Effective Date of this Agreement and attached hereto as Exhibit E, the terms of which are hereby incorporated by reference.

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

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

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

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

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

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

## SECTION 2: TERM; COMMERCIAL OPERATION DATE

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

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

2.2.1. By June 1, 2019 [date to be determined by the Seller] Seller shall begin initial deliveries of Net Output; and

2.2.2. By September 20, 2019 [date to be determined by the Seller subject to Section 2.2.3 below] Seller shall have completed all requirements under Section 1.4 and shall have established the Commercial Operation Date.

2.2.3. Unless the Parties agree in writing that a later Commercial Operation Date is reasonable and necessary, the Commercial Operation Date shall be no more than three (3) years from the Effective Date. PGE will not unreasonably withhold agreement to a Commercial Operation Date that is more than three (3) years from the Effective date if the Seller has demonstrated that a later Commercial Operation Date is reasonable and necessary.

2.3. This Agreement shall terminate on September 19, 2034 [date to be chosen by Seller], or the date the Agreement is terminated in accordance with Section 9 or 11.2, whichever is earlier ("Termination Date").

### SECTION 3: REPRESENTATIONS AND WARRANTIES

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

3.1.1. Seller warrants it is a Corporation duly organized under the laws of Oregon.

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

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

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

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

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

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

3.1.8. Seller warrants that Net Dependable Capacity of the Facility is 9,220 kW.

3.1.9. Seller estimates that the average annual Net Output to be delivered by the Facility to PGE is 76,728,840 kilowatt-hours ("kWh"), which amount PGE will include in its resource planning.

3.1.10. Seller will deliver from the Facility to PGE at the Point of Delivery Net Output not to exceed a maximum of 87,600,000 kWh of Net Output during each Contract Year ("Maximum Net Output").

3.1.11. By the Commercial Operation Date, Seller has entered into a Generation Interconnection Agreement for a term not less than the term of this Agreement.

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

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

3.1.14. Seller warrants that it will comply with all requirements necessary for all Transferred RECs (as defined in Section 4.6) associated with Net Output to be issued, monitored, accounted for, and transferred by and through the Western Renewable Energy Generation System consistent with the provisions of OAR 330-160-0005 through OAR 330-160-0050. PGE warrants that it will reasonably cooperate in Seller's efforts to meet such requirements, including, for example serving as the qualified reporting entity for the Facility if the Facility is located in PGE's balancing authority.

#### SECTION 4: DELIVERY OF POWER, PRICE AND RPS ATTRIBUTES

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

4.2. Seller shall deliver to PGE from the Facility for each Contract Year Net Output equal to or greater than the Minimum Net Output (either (a) if Seller does not select the Alternative Minimum Amount as defined in Exhibit A of this Agreement, seventy-five percent (75%) of its average annual Net Output or (b) if selected by Seller, the Alternative Minimum Amount designated for each Contract Year), provided that such Minimum Net Output shall be reduced on a pro-rata basis for any periods during a Contract Year that the Facility was prevented from generating electricity for reasons of Force Majeure.

4.3. Seller agrees that if Seller does not deliver the Minimum Net Output each Contract Year, PGE will suffer losses equal to the Lost Energy Value. As damages for Seller's failure to deliver the Minimum Net Output (subject to adjustment for reasons of Force Majeure as provided in Section 4.2) in any Contract Year, notwithstanding any other provision of this Agreement, the purchase price payable by PGE for future deliveries shall be reduced until Lost Energy Value is recovered. PGE and Seller shall work together in good faith to establish the period, in monthly amounts (not more than 24 months), of such reduction so as to avoid Seller's default on its commercial or financing agreements necessary for its continued operation of the Facility. For QF Facilities sized at 100 kW or smaller, the provisions of this section shall not apply.

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

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

4.6. From the start of the Renewable Resource Deficiency Period through the remainder of the Term of this Agreement, Seller shall provide and PGE shall acquire the RPS Attributes for the Contract Years as specified in the Schedule and Seller shall retain ownership of all other Environmental Attributes (if any). During the Renewable Resource Sufficiency Period, Seller shall retain all Environmental Attributes in accordance with the Schedule. The Contract Price includes full payment for the Net

Output and any RPS Attributes transferred to PGE under this Agreement. With respect to Environmental Attributes not transferred to PGE under this Agreement ("Seller-Retained Environmental Attributes") Seller may report under §1605(b) of the Energy Policy Act of 1992 or under any applicable program as belonging to Seller any of the Seller-Retained Environmental Attributes, and PGE shall not report under such program that such Seller-Retained Environmental Attributes belong to it. With respect to RPS Attributes transferred to PGE under this Agreement ("Transferred RECs"), PGE may report under §1605(b) of the Energy Policy Act of 1992 or under any applicable program as belonging to it any of the Transferred RECs, and Seller shall not report under such program that such Transferred RECs belong to it.

#### SECTION 5: OPERATION AND CONTROL

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

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

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

#### SECTION 6: CREDITWORTHINESS

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

event Seller is not current on construction related financial obligations, Seller shall notify PGE of such delinquency and PGE may, in its discretion, grant an exception to the requirements to provide default security if the QF has negotiated financial arrangements with the construction loan lender that mitigate Seller's financial risk to PGE.

#### SECTION 7: METERING

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

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

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

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

#### SECTION 8: BILLINGS, COMPUTATIONS AND PAYMENTS

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

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

#### SECTION 9: DEFAULT, REMEDIES AND TERMINATION

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

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

9.1.2. Seller's failure to provide default security, if required by Section 6, prior to delivery of any Net Output to PGE or within 10 days of notice.

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

9.1.4. If Seller is no longer a Qualifying Facility.

9.1.5. Failure of PGE to make any required payment pursuant to Section 8.1.

9.1.6. Seller's failure to meet the Commercial Operation Date.

9.2. In the event of a default under Section 9.1.6, PGE may provide Seller with written notice of default. Seller shall have one year in which to cure the default during which time the Seller shall pay PGE damages equal to the Lost Energy Value. If Seller is unable to cure the default, PGE may immediately terminate this Agreement as provided in Section 9.3. PGE's resource sufficiency/deficiency position shall have no bearing on PGE's right to terminate the Agreement under this Section 9.2

9.3. In the event of a default hereunder, the non-defaulting party may immediately terminate this Agreement at its sole discretion by delivering written notice to the other Party, and, except for damages related to a default pursuant to Section 9.1.3 by a QF sized at 100 kW or smaller, may pursue any and all legal or equitable remedies provided by law or pursuant to this Agreement including damages related to the need to procure replacement power. Such termination shall be effective upon the date of delivery of notice, as provided in Section 20.1. The rights provided in this Section 9 are cumulative such that the exercise of one or more rights shall not constitute a waiver of any other rights.

9.4. If this Agreement is terminated as provided in this Section 9 PGE shall make all payments, within thirty (30) days, that, pursuant to the terms of this Agreement, are owed to Seller as of the time of receipt of notice of default. PGE shall not be required to pay Seller for any Net Output delivered by Seller after such notice of default.

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

9.6. In the event PGE terminates this Agreement pursuant to this Section 9, and Seller wishes to again sell Net Output to PGE following such termination, PGE in its sole discretion may require that Seller shall do so subject to the terms of this Agreement, including but not limited to the Contract Price until the Term of this

Agreement (as set forth in Section 2.3) would have run in due course had the Agreement remained in effect. At such time Seller and PGE agree to execute a written document ratifying the terms of this Agreement.

9.7. Sections 9.1, 9.4, 9.5, 9.6, 10, and 19.2 shall survive termination of this Agreement.

#### SECTION 10: INDEMNIFICATION AND LIABILITY

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

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

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

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

#### SECTION 11: INSURANCE

11.1. Prior to the connection of the Facility to PGE's electric system, provided such Facility has a design capacity of 200 kW or more, Seller shall secure and continuously carry for the Term hereof, with an insurance company or companies rated not lower than "B+" by the A. M. Best Company, insurance policies for bodily injury and

property damage liability. Such insurance shall include provisions or endorsements naming PGE, its directors, officers and employees as additional insureds; provisions that such insurance is primary insurance with respect to the interest of PGE and that any insurance or self-insurance maintained by PGE is excess and not contributory insurance with the insurance required hereunder; a cross-liability or severability of insurance interest clause; and provisions that such policies shall not be canceled or their limits of liability reduced without thirty (30) days' prior written notice to PGE. Initial limits of liability for all requirements under this section shall be \$1,000,000 million single limit, which limits may be required to be increased or decreased by PGE as PGE determines in its reasonable judgment economic conditions or claims experience may warrant.

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

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

## SECTION 12: FORCE MAJEURE

12.1. As used in this Agreement, "Force Majeure" or "an event of Force Majeure" means any cause beyond the reasonable control of the Seller or of PGE which, despite the exercise of due diligence, such Party is unable to prevent or overcome. By way of example, Force Majeure may include but is not limited to acts of God, fire, flood, storms, wars, hostilities, civil strife, strikes, and other labor disturbances, earthquakes, fires, lightning, epidemics, sabotage, restraint by court order

or other delay or failure in the performance as a result of any action or inaction on behalf of a public authority which by the exercise of reasonable foresight such Party could not reasonably have been expected to avoid and by the exercise of due diligence, it shall be unable to overcome, subject, in each case, to the requirements of the first sentence of this paragraph. Force Majeure, however, specifically excludes the cost or availability of resources to operate the Facility, changes in market conditions that affect the price of energy or transmission, wind or water droughts, and obligations for the payment of money when due.

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

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

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

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

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

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

### SECTION 13: SEVERAL OBLIGATIONS

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

### SECTION 14: CHOICE OF LAW

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

#### SECTION 15: PARTIAL INVALIDITY AND PURPA REPEAL

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

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

#### SECTION 16: WAIVER

Any waiver at any time by either Party of its rights with respect to a default under this Agreement or with respect to any other matters arising in connection with this Agreement must be in writing, and such waiver shall not be deemed a waiver with respect to any subsequent default or other matter.

#### SECTION 17: GOVERNMENTAL JURISDICTION AND AUTHORIZATIONS

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

#### SECTION 18: SUCCESSORS AND ASSIGNS

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

#### SECTION 19: ENTIRE AGREEMENT

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

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

SECTION 20: NOTICES

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

To Seller: Plant Manager  
Covanta Marion, Inc.  
4850 Brooklake Road  
Brooks, OR 97305  
Phone: 503-393-0890

with a copy to: General Counsel  
Covanta  
445 South Street  
Morristown, NJ 07960  
Phone: 862-345-5372

To PGE: Contracts Manager  
QF Contracts, 3WTC0306  
PGE - 121 SW Salmon St.  
Portland, Oregon 97204

20.2. The Parties may change the person to whom such notices are addressed, or their addresses, by providing written notices thereof in accordance with this Section 20.

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

PGE  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_

(Name Seller)

By: 

Name: Derek Veenhof

Title: EVP

Date: 3/1/2017

EXHIBIT A  
MINIMUM NET  
OUTPUT

In this Exhibit, Seller may designate an alternative Minimum Net Output to the default of seventy-five (75%) percent of annual average Net Output specified in Section 3.1.9 of the Agreement ("Alternative Minimum Amount"). Such Alternative Minimum Amount, if provided, shall exceed zero, and shall be established in accordance with Prudent Electrical Practices and documentation supporting such a determination shall be provided to PGE upon execution of the Agreement. Such documentation shall be commercially reasonable, and may include, but is not limited to, documents used in financing the project, and data on output of similar projects operated by seller, PGE or others.

EXHIBIT B  
DESCRIPTION OF SELLER'S FACILITY

The Marion facility is located in Brooks, Oregon, and has been in operation since 1987. It is comprised of two 275-ton-per-day (TPD) Martin mass burn combustion trains and the fuel is primarily municipal solid waste (MSW). The two boilers feed a steam turbine generator with an original design rating of 13,000 kW, which with the proposed work to be performed, will be modified and re-rated to a Nameplate Capacity Rating of 10,000 kW. Operating throughput for 2016 was 176,298 tons of MSW processed. The material processed came almost entirely from Marion County and consisted primarily of MSW.

We have engaged Mitsubishi Hitachi Power Systems, which is the original equipment manufacturer of the turbine-generator equipment at Marion, to modify and re-rate the turbine to a Nameplate Capacity Rating of 10,000 kW.

**[Seller to Complete]**

EXHIBIT C  
REQUIRED FACILITY DOCUMENTS

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

Sellers Generation Interconnection Agreement

The facility currently operates under an Interconnection Agreement for Generator Facility with PGE, executed December 20, 2013. The facility has been distributing energy to PGE since the facility was brought online in 1987.

The facility operates under the following permits:

Name	Permit Number	Issuing Authority
Oregon Title V Operating Permit	24-5398-TV-01	Oregon Department of Environmental Quality
Stormwater Discharge Permit	1200-Z	Oregon Department of Environmental Quality
Wastewater Discharge Permit	101240	Oregon Department of Environmental Quality
Solid Waste Disposal Site Permit	364	Oregon Department of Environmental Quality

All of the above permits are current, and there are no additional permits required to execute this agreement or operate the facility. Additionally, there are no permits specific to running the turbine-generator required.

The facility produces "qualifying electricity" as that term is defined in Oregon's Renewable Portfolio Standard Act, Ore. Rev. Stat. 469A.010. Specifically, Ore. Rev. Stat. 469A.020(6), as amended, applies. The Marion facility is registered with WREGIS, and its Generator Plant-Unit Name is Covanta Marion, Inc. – Covanta Marion Inc. (W3856).

## EXHIBIT D START- UP TESTING

### [Seller identify appropriate tests]

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

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

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

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

EXHIBIT E  
SCHEDULE

[Attach currently in-effect Schedule 201]

Tables 4a and 4b in the attached schedule 201 shall be used to determine the Contract Price for On-Peak Hours and Off-Peak Hours, respectively.

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

**PURPOSE**

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

**AVAILABLE**

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

**APPLICABLE**

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

**ESTABLISHING CREDITWORTHINESS**

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

**POWER PURCHASE INFORMATION**

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

**PPA**

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

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

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

**SCHEDULE 201 (Continued)**

PPA (Continued)

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

**STANDARD PPA (Nameplate capacity of 10 MW or less)**

A Seller choosing a Standard PPA will complete all informational and price option selection requirements in the applicable Standard PPA and submit the executed Agreement to the Company prior to service under this schedule. The Standard PPA is available at [www.portlandgeneral.com](http://www.portlandgeneral.com). The available Standard PPAs are:

- Standard In-System Non-Variable Power Purchase Agreement
- Standard Off-System Non-Variable Power Purchase Agreement
- Standard In-System Variable Power Purchase Agreement
- Standard Off-System Variable Power Purchase Agreement
- Standard Renewable In-System Non-Variable Power Purchase Agreement
- Standard Renewable Off-System Non-Variable Power Purchase Agreement
- Standard Renewable In-System Variable Power Purchase Agreement
- Standard Renewable Off-System Variable Power Purchase Agreement

The Standard PPAs applicable to variable resources are available only to QFs utilizing wind, solar or run of river hydro as the primary motive force.

**GUIDELINES FOR 10 MW OR LESS FACILITIES ELECTING STANDARD PPA**

To execute the Standard PPA the Seller must complete all of the general project information requested in the applicable Standard PPA.

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

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

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

**SCHEDULE 201 (Continued)**

**OFF-SYSTEM PPA**

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

**BASIS FOR POWER PURCHASE PRICE**

**AVOIDED COST SUMMARY**

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

Monthly On-Peak prices are included in both the Standard Avoided Costs as listed in Tables 1a, 2a, and 3a and Renewable Avoided Costs as listed in Tables 4a, 5a, and 6a. Monthly Off-Peak prices are included in both the Standard Avoided Costs as listed in Tables 1b, 2b, and 3b and Renewable Avoided Costs as listed in Tables 4b, 5b, and 6b.

**ON-PEAK PERIOD**

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

**OFF-PEAK PERIOD**

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

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

Renewable Avoided Costs are based on forward market price estimates through the Renewable Resource Sufficiency Period, the period of time during which the Company's Renewable Avoided Costs are associated with incremental purchases of energy and capacity from the market. For the Renewable Resource Deficiency Period, the Renewable Avoided Costs reflect the fully allocated costs of a wind plant including capital costs.

**SCHEDULE 201 (Continued)**

**PRICING FOR STANDARD PPA**

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

The Standard PPA pricing will be based on either the Standard or Renewable Avoided Costs in effect at the time the agreement is executed.

The Company will pay the Seller either the Off-Peak Standard Avoided Cost pursuant to Tables 1b, 2b, or 3b or the Off-Peak Renewable Avoided Costs pursuant to Tables 4b, 5b, or 6b for: (a) all Net Output delivered prior to the Commercial Operation Date; (b) all Net Output deliveries greater than Maximum Net Output in any PPA year; (c) any generation subject to and as adjusted by the provisions of Section 4.3 of the Standard PPA; (d) Net Output delivered in the Off-Peak Period; and (e) deliveries above the nameplate capacity in any hour. The Company will pay the Seller either the On-Peak Standard Avoided Cost pursuant to Tables 1a, 2a, or 3a or the On-Peak Renewable Avoided Costs pursuant to Tables 4a, 5a, or 6a for all other Net Output. (See the PPA for defined terms.)

**1) Standard Fixed Price Option**

The Standard Fixed Price Option is based on Standard Avoided Costs including forecasted natural gas prices. It is available to all QFs.

This option is available for a maximum term of 15 years. Prices will be as established at the time the Standard PPA is executed and will be equal to the Standard Avoided Costs in Tables 1a and 1b, 2a and 2b, or 3a and 3c, depending on the type of QF, effective at execution. QFs using any resource type other than wind and solar are assumed to be Base Load QFs.

Prices paid to the Seller under the Standard Fixed Price Option include adjustments for the capacity contribution of the QF resource type relative to that of the avoided proxy resource. Both the Base Load QF resources (Tables 1a and 1b) and the avoided proxy resource, the basis used to determine Standard Avoided Costs for the Standard Fixed Price Option, are assumed to have a capacity contribution to peak of 100%. The capacity contribution for Wind QF resources (Tables 2a and 2b) is assumed to be 5%. The capacity contribution for Solar QF resources (Tables 3a and 3b) is assumed to be 5%.

Prices paid to the Seller under the Standard Fixed Price Option for Wind QFs (Tables 2a and 2b) include a reduction for the wind integration costs in Table 7. However, if the Wind QF is outside of PGE's Balancing Authority Area as contemplated in the Commission's Order No. 14-058, the Seller is paid the wind integration charges in Table 7, in addition to the prices listed in Tables 2a and 2b, for a net-zero effect.

**SCHEDULE 201 (Continued)**

**PRICING OPTIONS FOR STANDARD PPA (Continued)**  
**Standard Fixed Price Option (Continued)**

Sellers with PPAs exceeding 15 years will receive pricing equal to the Mid-C Index Price for all years up to five in excess of the initial 15.

SCHEDULE 201 (Continued)

PRICING OPTIONS FOR STANDARD PPA (Continued)  
 Standard Fixed Price Option (Continued)

TABLE 1a												
Avoided Costs												
Standard Fixed Price Option for Base Load QF												
On-Peak Forecast (\$/MWH)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	28.21	22.46	15.61	14.71	12.46	16.96	23.96	26.96	24.96	23.71	26.71	31.46
2017	29.96	28.21	24.71	20.96	19.46	20.46	27.96	30.96	29.46	27.71	28.71	33.71
2018	31.71	31.11	28.11	22.13	21.28	21.28	29.93	33.37	30.63	28.61	31.86	35.71
2019	33.94	31.95	27.97	23.70	22.00	23.13	31.67	35.08	33.37	31.38	32.52	38.21
2020	35.74	33.64	29.45	24.95	23.15	24.35	33.34	36.94	35.14	33.04	34.24	40.24
2021	67.43	67.34	65.41	64.69	64.41	64.50	64.61	64.73	64.84	65.48	68.60	68.72
2022	69.01	68.84	68.08	67.13	66.81	66.91	67.04	67.17	67.29	67.83	71.38	71.70
2023	71.95	71.76	70.39	69.19	69.07	69.18	69.31	69.45	69.58	70.12	73.56	73.70
2024	74.17	73.85	72.67	71.29	71.10	71.21	71.35	71.50	71.63	72.20	76.49	76.64
2025	77.19	77.30	75.84	74.88	75.02	75.14	75.30	75.47	75.62	75.80	82.57	82.89
2026	85.18	85.30	82.77	81.28	81.22	81.36	81.56	81.74	81.90	82.36	89.02	88.72
2027	86.85	86.76	85.14	83.12	82.89	83.03	83.00	83.32	83.46	83.97	91.39	91.15
2028	89.32	89.31	87.96	85.46	85.30	85.46	85.31	85.64	85.95	86.65	94.66	93.55
2029	94.06	93.99	91.23	88.74	87.97	88.15	87.71	88.06	88.61	89.34	98.37	98.11
2030	97.60	97.54	94.87	92.62	92.40	92.57	92.61	93.00	93.12	93.68	102.42	102.70
2031	99.56	99.50	96.78	94.48	94.26	94.43	94.47	94.87	94.99	95.56	104.47	104.76
2032	103.85	103.80	100.57	98.18	97.96	98.15	98.23	98.65	98.76	99.36	108.86	109.41
2033	106.56	106.51	103.17	100.72	100.50	100.69	100.78	101.21	101.32	101.93	111.67	112.26
2034	109.12	109.07	105.60	103.10	102.88	103.08	103.17	103.61	103.72	104.35	114.33	114.96
2035	111.55	111.51	107.91	105.35	105.12	105.33	105.43	105.89	105.99	106.63	116.87	117.54
2036	113.85	113.80	110.14	107.53	107.30	107.51	107.60	108.07	108.18	108.83	119.27	119.95
2037	116.50	116.45	112.72	110.06	109.82	110.04	110.14	110.61	110.73	111.39	122.03	122.73
2038	119.08	119.03	115.22	112.51	112.27	112.49	112.59	113.08	113.19	113.87	124.71	125.42
2039	121.47	121.42	117.54	114.77	114.53	114.75	114.85	115.35	115.47	116.15	127.21	127.93
2040	124.25	124.20	120.25	117.43	117.18	117.41	117.51	118.02	118.14	118.84	130.10	130.85
2041	126.72	126.67	122.64	119.76	119.51	119.74	119.85	120.36	120.49	121.20	132.68	133.44

Effective for service  
 on and after October 12, 2016

SCHEDULE 201 (Continued)

PRICING OPTIONS FOR STANDARD PPA (Continued)  
 Standard Fixed Price Option (Continued)

TABLE 1b												
Avoided Costs												
Standard Fixed Price Option for Base Load QF												
Off-Peak Forecast (\$/MWH)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	25.61	20.71	13.96	11.41	6.31	10.11	15.71	20.96	20.96	21.21	23.46	26.71
2017	25.71	24.21	22.21	15.71	13.71	12.71	19.71	25.21	25.46	24.71	25.71	27.96
2018	26.17	28.12	25.56	19.46	14.68	12.54	19.71	27.04	26.93	25.35	28.20	30.62
2019	29.84	28.09	25.75	18.15	15.81	14.64	22.83	29.26	29.55	28.67	29.84	32.47
2020	31.75	29.88	27.38	19.28	16.79	15.54	24.27	31.12	31.43	30.50	31.75	34.55
2021	28.88	28.79	26.86	26.15	25.87	25.95	26.07	26.19	26.30	26.94	30.06	30.18
2022	29.73	29.56	28.79	27.85	27.53	27.63	27.75	27.88	28.00	28.54	32.09	32.42
2023	31.78	31.59	30.21	29.01	28.90	29.00	29.14	29.27	29.40	29.95	33.38	33.52
2024	33.48	33.16	31.98	30.60	30.41	30.52	30.66	30.81	30.95	31.51	35.80	35.96
2025	35.58	35.69	34.24	33.27	33.42	33.53	33.70	33.86	34.01	34.19	40.97	41.28
2026	42.77	42.89	40.36	38.87	38.81	38.95	39.15	39.34	39.50	39.95	46.62	46.31
2027	43.63	43.54	41.91	39.89	39.66	39.80	39.77	40.09	40.24	40.74	48.16	47.92
2028	45.26	45.25	43.90	41.40	41.23	41.40	41.25	41.58	41.89	42.59	50.60	49.48
2029	49.15	49.08	46.32	43.83	43.06	43.24	42.80	43.15	43.70	44.43	53.46	53.20
2030	51.82	51.76	49.09	46.84	46.62	46.79	46.83	47.22	47.34	47.90	56.64	56.92
2031	52.90	52.84	50.11	47.82	47.59	47.77	47.81	48.21	48.33	48.90	57.81	58.10
2032	56.59	56.54	53.31	50.92	50.70	50.89	50.97	51.39	51.50	52.10	61.60	62.15
2033	58.08	58.03	54.69	52.24	52.02	52.21	52.30	52.73	52.84	53.45	63.19	63.78
2034	59.54	59.50	56.03	53.52	53.30	53.50	53.59	54.04	54.15	54.77	64.76	65.39
2035	61.18	61.14	57.54	54.98	54.75	54.96	55.06	55.52	55.62	56.26	66.50	67.17
2036	62.67	62.62	58.96	56.35	56.12	56.33	56.43	56.89	57.00	57.65	68.09	68.78
2037	64.17	64.12	60.39	57.73	57.49	57.71	57.80	58.28	58.39	59.06	69.69	70.39
2038	65.73	65.69	61.88	59.17	58.93	59.15	59.25	59.73	59.85	60.52	71.37	72.08
2039	67.09	67.04	63.16	60.40	60.15	60.38	60.48	60.98	61.09	61.78	72.83	73.56
2040	68.83	68.78	64.83	62.01	61.76	61.99	62.09	62.60	62.72	63.42	74.68	75.42
2041	70.23	70.17	66.14	63.27	63.02	63.25	63.36	63.87	63.99	64.71	76.19	76.95

SCHEDULE 201 (Continued)

PRICING OPTIONS FOR STANDARD PPA (Continued)  
 Standard Fixed Price Option (Continued)

TABLE 2a												
Avoided Costs												
Standard Fixed Price Option for Wind QF												
On-Peak Forecast (\$/MWH)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	24.37	18.62	11.77	10.87	8.62	13.12	20.12	23.12	21.12	19.87	22.87	27.62
2017	26.05	24.30	20.80	17.05	15.55	16.55	24.05	27.05	25.55	23.80	24.80	29.80
2018	27.72	27.12	24.12	18.14	17.29	17.29	25.94	29.38	26.64	24.62	27.87	31.72
2019	29.87	27.88	23.90	19.63	17.93	19.06	27.60	31.01	29.30	27.31	28.45	34.14
2020	31.59	29.49	25.30	20.80	19.00	20.20	29.19	32.79	30.99	28.89	30.09	36.09
2021	30.68	30.59	28.66	27.94	27.66	27.75	27.87	27.99	28.10	28.74	31.86	31.98
2022	31.56	31.39	30.62	29.68	29.36	29.46	29.59	29.72	29.84	30.38	33.93	34.25
2023	33.67	33.48	32.11	30.91	30.79	30.90	31.03	31.17	31.30	31.84	35.28	35.42
2024	35.38	35.06	33.88	32.49	32.30	32.42	32.56	32.70	32.84	33.40	37.70	37.85
2025	37.53	37.64	36.18	35.22	35.36	35.48	35.64	35.81	35.96	36.14	42.91	43.23
2026	44.75	44.87	42.35	40.86	40.79	40.94	41.13	41.32	41.48	41.94	48.60	48.29
2027	45.65	45.56	43.93	41.91	41.68	41.82	41.79	42.12	42.26	42.76	50.18	49.94
2028	47.32	47.31	45.96	43.46	43.30	43.46	43.31	43.64	43.95	44.65	52.66	51.55
2029	51.25	51.18	48.43	45.94	45.16	45.34	44.90	45.25	45.80	46.53	55.57	55.30
2030	53.96	53.90	51.23	48.98	48.76	48.93	48.97	49.36	49.48	50.04	58.78	59.06
2031	55.08	55.02	52.29	50.00	49.77	49.95	49.99	50.38	50.51	51.08	59.99	60.28
2032	58.77	58.72	55.49	53.10	52.88	53.07	53.15	53.57	53.68	54.28	63.78	64.33
2033	60.35	60.30	56.96	54.51	54.29	54.49	54.57	55.00	55.11	55.72	65.46	66.05
2034	61.88	61.83	58.36	55.86	55.63	55.84	55.93	56.37	56.48	57.10	67.09	67.72
2035	63.54	63.49	59.90	57.34	57.11	57.32	57.42	57.87	57.98	58.62	68.86	69.53
2036	65.04	65.00	61.33	58.72	58.49	58.70	58.80	59.27	59.38	60.03	70.46	71.15
2037	66.61	66.57	62.83	60.17	59.93	60.15	60.25	60.73	60.84	61.50	72.14	72.84
2038	68.23	68.18	64.37	61.66	61.42	61.64	61.74	62.23	62.34	63.02	73.86	74.57
2039	69.64	69.59	65.71	62.94	62.70	62.92	63.03	63.52	63.64	64.33	75.38	76.11
2040	71.42	71.37	67.41	64.60	64.35	64.58	64.68	65.18	65.30	66.00	77.27	78.01
2041	72.87	72.82	68.79	65.92	65.66	65.90	66.00	66.52	66.64	67.35	78.84	79.59

Effective for service  
 on and after October 12, 2016

SCHEDULE 201 (Continued)

PRICING OPTIONS FOR STANDARD PPA (Continued)  
 Standard Fixed Price Option (Continued)

TABLE 2b												
Avoided Costs												
Standard Fixed Price Option for Wind QF												
Off-Peak Forecast (\$/MWH)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	21.77	16.87	10.12	7.57	2.47	6.27	11.87	17.12	17.12	17.37	19.62	22.87
2017	21.80	20.30	18.30	11.80	9.80	8.80	15.80	21.30	21.55	20.80	21.80	24.05
2018	22.18	24.13	21.57	15.47	10.69	8.55	15.72	23.05	22.94	21.36	24.21	26.63
2019	25.77	24.02	21.68	14.08	11.74	10.57	18.76	25.19	25.48	24.60	25.77	28.40
2020	27.60	25.73	23.23	15.13	12.64	11.39	20.12	26.97	27.28	26.35	27.60	30.40
2021	24.65	24.56	22.63	21.92	21.64	21.72	21.84	21.96	22.07	22.71	25.83	25.95
2022	25.42	25.25	24.48	23.54	23.22	23.32	23.44	23.57	23.69	24.23	27.78	28.11
2023	27.39	27.20	25.82	24.62	24.51	24.61	24.75	24.88	25.01	25.56	28.99	29.13
2024	29.01	28.69	27.51	26.13	25.94	26.05	26.19	26.34	26.48	27.04	31.33	31.49
2025	31.02	31.13	29.68	28.71	28.86	28.97	29.14	29.30	29.45	29.63	36.41	36.72
2026	38.12	38.24	35.71	34.22	34.16	34.30	34.50	34.69	34.85	35.30	41.97	41.66
2027	38.89	38.80	37.17	35.15	34.92	35.06	35.03	35.35	35.50	36.00	43.42	43.18
2028	40.43	40.42	39.07	36.57	36.40	36.57	36.42	36.75	37.06	37.76	45.77	44.65
2029	44.23	44.16	41.40	38.91	38.14	38.32	37.88	38.23	38.78	39.51	48.54	48.28
2030	46.80	46.74	44.07	41.82	41.60	41.77	41.81	42.20	42.32	42.88	51.62	51.90
2031	47.78	47.72	44.99	42.70	42.47	42.65	42.69	43.09	43.21	43.78	52.69	52.98
2032	51.38	51.33	48.10	45.71	45.49	45.68	45.76	46.18	46.29	46.89	56.39	56.94
2033	52.77	52.72	49.38	46.93	46.71	46.90	46.99	47.42	47.53	48.14	57.88	58.47
2034	54.12	54.08	50.61	48.10	47.88	48.08	48.17	48.62	48.73	49.35	59.34	59.97
2035	55.66	55.62	52.02	49.46	49.23	49.44	49.54	50.00	50.10	50.74	60.98	61.65
2036	57.04	56.99	53.33	50.72	50.49	50.70	50.80	51.26	51.37	52.02	62.46	63.15
2037	58.43	58.38	54.65	51.99	51.75	51.97	52.06	52.54	52.65	53.32	63.95	64.65
2038	59.88	59.84	56.03	53.32	53.08	53.30	53.40	53.88	54.00	54.67	65.52	66.23
2039	61.13	61.08	57.20	54.44	54.19	54.42	54.52	55.02	55.13	55.82	66.87	67.60
2040	62.75	62.70	58.75	55.93	55.68	55.91	56.01	56.52	56.64	57.34	68.60	69.34
2041	64.04	63.98	59.95	57.08	56.83	57.06	57.17	57.68	57.80	58.52	70.00	70.76

Effective for service  
 on and after October 12, 2016

SCHEDULE 201 (Continued)

PRICING OPTIONS FOR STANDARD PPA (Continued)  
 Standard Fixed Price Option (Continued)

TABLE 3a												
Avoided Costs												
Standard Fixed Price Option for Solar QF												
On-Peak Forecast (\$/MWH)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	28.21	22.46	15.61	14.71	12.46	16.96	23.96	26.96	24.96	23.71	26.71	31.46
2017	29.96	28.21	24.71	20.96	19.46	20.46	27.96	30.96	29.46	27.71	28.71	33.71
2018	31.71	31.11	28.11	22.13	21.28	21.28	29.93	33.37	30.63	28.61	31.86	35.71
2019	33.94	31.95	27.97	23.70	22.00	23.13	31.67	35.08	33.37	31.38	32.52	38.21
2020	35.74	33.64	29.45	24.95	23.15	24.35	33.34	36.94	35.14	33.04	34.24	40.24
2021	33.98	33.89	31.96	31.24	30.96	31.05	31.16	31.28	31.39	32.03	35.15	35.27
2022	34.92	34.75	33.98	33.04	32.72	32.82	32.94	33.08	33.20	33.74	37.28	37.61
2023	37.09	36.90	35.52	34.32	34.21	34.31	34.44	34.58	34.71	35.26	38.69	38.83
2024	38.86	38.54	37.36	35.98	35.79	35.90	36.04	36.19	36.32	36.88	41.18	41.33
2025	41.08	41.19	39.73	38.77	38.92	39.03	39.19	39.36	39.51	39.69	46.46	46.78
2026	48.37	48.49	45.97	44.48	44.42	44.56	44.75	44.94	45.10	45.56	52.22	51.91
2027	49.34	49.25	47.62	45.61	45.38	45.51	45.48	45.81	45.95	46.45	53.87	53.63
2028	51.08	51.07	49.72	47.22	47.06	47.22	47.07	47.40	47.72	48.41	56.42	55.31
2029	55.08	55.01	52.26	49.77	48.99	49.17	48.73	49.08	49.63	50.36	59.40	59.13
2030	57.87	57.81	55.14	52.89	52.67	52.84	52.88	53.27	53.39	53.95	62.69	62.97
2031	59.07	59.00	56.28	53.98	53.76	53.93	53.98	54.37	54.49	55.06	63.98	64.26
2032	62.83	62.78	59.56	57.16	56.94	57.13	57.21	57.64	57.75	58.34	67.85	68.39
2033	64.49	64.44	61.09	58.64	58.42	58.62	58.70	59.14	59.25	59.86	69.60	70.18
2034	66.10	66.05	62.58	60.08	59.85	60.05	60.14	60.59	60.70	61.32	71.31	71.94
2035	67.84	67.79	64.20	61.64	61.41	61.62	61.71	62.17	62.28	62.92	73.16	73.83
2036	69.43	69.38	65.72	63.11	62.88	63.09	63.19	63.66	63.77	64.42	74.85	75.54
2037	71.08	71.04	67.30	64.64	64.40	64.62	64.72	65.20	65.31	65.97	76.61	77.31
2038	72.78	72.73	68.93	66.22	65.98	66.20	66.30	66.78	66.90	67.57	78.42	79.13
2039	74.28	74.23	70.35	67.58	67.34	67.56	67.67	68.16	68.28	68.97	80.02	80.75
2040	76.15	76.10	72.15	69.33	69.08	69.31	69.42	69.92	70.04	70.74	82.01	82.75
2041	77.69	77.64	73.61	70.74	70.48	70.72	70.82	71.34	71.46	72.17	83.66	84.41

Effective for service  
 on and after October 12, 2016

SCHEDULE 201 (Continued)

PRICING OPTIONS FOR STANDARD PPA (Continued)  
 Standard Fixed Price Option (Continued)

TABLE 3b												
Avoided Costs												
Standard Fixed Price Option for Solar QF												
Off-Peak Forecast (\$/MWH)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	25.61	20.71	13.96	11.41	6.31	10.11	15.71	20.96	20.96	21.21	23.46	26.71
2017	25.71	24.21	22.21	15.71	13.71	12.71	19.71	25.21	25.46	24.71	25.71	27.96
2018	26.17	28.12	25.56	19.46	14.68	12.54	19.71	27.04	26.93	25.35	28.20	30.62
2019	29.84	28.09	25.75	18.15	15.81	14.64	22.83	29.26	29.55	28.67	29.84	32.47
2020	31.75	29.88	27.38	19.28	16.79	15.54	24.27	31.12	31.43	30.50	31.75	34.55
2021	28.88	28.79	26.86	26.15	25.87	25.95	26.07	26.19	26.30	26.94	30.06	30.18
2022	29.73	29.56	28.79	27.85	27.53	27.63	27.75	27.88	28.00	28.54	32.09	32.42
2023	31.78	31.59	30.21	29.01	28.90	29.00	29.14	29.27	29.40	29.95	33.38	33.52
2024	33.48	33.16	31.98	30.60	30.41	30.52	30.66	30.81	30.95	31.51	35.80	35.96
2025	35.58	35.69	34.24	33.27	33.42	33.53	33.70	33.86	34.01	34.19	40.97	41.28
2026	42.77	42.89	40.36	38.87	38.81	38.95	39.15	39.34	39.50	39.95	46.62	46.31
2027	43.63	43.54	41.91	39.89	39.66	39.80	39.77	40.09	40.24	40.74	48.16	47.92
2028	45.26	45.25	43.90	41.40	41.23	41.40	41.25	41.58	41.89	42.59	50.60	49.48
2029	49.15	49.08	46.32	43.83	43.06	43.24	42.80	43.15	43.70	44.43	53.46	53.20
2030	51.82	51.76	49.09	46.84	46.62	46.79	46.83	47.22	47.34	47.90	56.64	56.92
2031	52.90	52.84	50.11	47.82	47.59	47.77	47.81	48.21	48.33	48.90	57.81	58.10
2032	56.59	56.54	53.31	50.92	50.70	50.89	50.97	51.39	51.50	52.10	61.60	62.15
2033	58.08	58.03	54.69	52.24	52.02	52.21	52.30	52.73	52.84	53.45	63.19	63.78
2034	59.54	59.50	56.03	53.52	53.30	53.50	53.59	54.04	54.15	54.77	64.76	65.39
2035	61.18	61.14	57.54	54.98	54.75	54.96	55.06	55.52	55.62	56.26	66.50	67.17
2036	62.67	62.62	58.96	56.35	56.12	56.33	56.43	56.89	57.00	57.65	68.09	68.78
2037	64.17	64.12	60.39	57.73	57.49	57.71	57.80	58.28	58.39	59.06	69.69	70.39
2038	65.73	65.69	61.88	59.17	58.93	59.15	59.25	59.73	59.85	60.52	71.37	72.08
2039	67.09	67.04	63.16	60.40	60.15	60.38	60.48	60.98	61.09	61.78	72.83	73.56
2040	68.83	68.78	64.83	62.01	61.76	61.99	62.09	62.60	62.72	63.42	74.68	75.42
2041	70.23	70.17	66.14	63.27	63.02	63.25	63.36	63.87	63.99	64.71	76.19	76.95

**SCHEDULE 201 (Continued)**

**PRICING OPTIONS FOR STANDARD PPA (Continued)**

**2) Renewable Fixed Price Option**

The Renewable Fixed Price Option is based on Renewable Avoided Costs. It is available only to Renewable QFs that generate electricity from a renewable energy source that may be used by the Company to comply with the Oregon Renewable Portfolio Standard as set forth in ORS 469A.005 to 469A.210.

This option is available for a maximum term of 15 years. Prices will be as established at the time the Standard PPA is executed and will be equal to the Renewable Avoided Costs in Tables 4a and 4b, 5a and 5b, or 6a and 6b, depending on the type of QF, effective at execution. QFs using any resource type other than wind and solar are assumed to be Base Load QFs.

Sellers will retain all Environmental Attributes generated by the facility during the Renewable Resource Sufficiency Period. A Renewable QF choosing the Renewable Fixed Price Option must cede all RPS Attributes generated by the facility to the Company from the start of the Renewable Resource Deficiency Period through the remainder of the PPA term.

Prices paid to the Seller under the Renewable Fixed Price Option include adjustments for the capacity contribution of the QF resource type relative to that of the avoided proxy resource. Both Wind QF resources (Tables 5a and 5b) and the avoided proxy resource, the basis used to determine Renewable Avoided Costs for the Renewable Fixed Price Option, are assumed to have a capacity contribution to peak of 5%. The capacity contribution for Solar QF resources (Tables 6a and 6b) is assumed to be 5%. The capacity contribution for Base Load QF resources (Tables 4a and 4b) is assumed to be 100%.

The Renewable Avoided Costs during the Renewable Resource Deficiency Period reflect an increase for avoided wind integration costs, shown in Table 7.

Prices paid to the Seller under the Renewable Fixed Price Option for Wind QFs (Tables 5a and 5b) include a reduction for the wind integration costs in Table 7, which cancels out wind integration costs included in the Renewable Avoided Costs during the Renewable Resource Deficiency Period. However, if the Wind QF is outside of PGE's Balancing Authority Area as contemplated in the Commission's Order No. 14-058, the Seller is paid the wind integration charges in Table 7, in addition to the prices listed in Tables 5a and 5b.

Sellers with PPAs exceeding 15 years will receive pricing equal to the Mid-C Index Price for all years up to five in excess of the initial 15.

**SCHEDULE 201 (Continued)**

PRICING OPTIONS FOR STANDARD PPA (Continued)  
 Renewable Fixed Price Option (Continued)

TABLE 4a												
Renewable Avoided Costs												
Renewable Fixed Price Option for Base Load QF												
On-Peak Forecast (\$/MWH)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	28.36	22.61	15.76	14.86	12.61	17.11	24.11	27.11	25.11	23.86	26.86	31.61
2017	30.11	28.36	24.86	21.11	19.61	20.61	28.11	31.11	29.61	27.86	28.86	33.86
2018	31.86	31.26	28.26	22.28	21.43	21.43	30.08	33.52	30.78	28.76	32.01	35.86
2019	34.10	32.11	28.13	23.86	22.16	23.29	31.83	35.24	33.53	31.54	32.68	38.37
2020	115.34	115.32	114.56	115.02	118.22	117.33	117.01	116.89	115.60	114.63	115.47	114.45
2021	117.94	118.18	116.67	117.75	120.59	119.83	119.26	119.77	118.26	117.25	118.55	117.22
2022	120.48	120.36	118.46	120.19	123.17	122.14	121.69	121.65	120.55	119.55	120.98	119.53
2023	123.26	122.83	120.85	122.92	125.37	124.64	124.29	123.92	123.08	121.92	123.63	122.53
2024	124.86	125.01	123.06	125.07	127.80	126.78	126.67	126.41	126.22	123.83	124.83	124.96
2025	127.73	128.05	125.86	128.21	131.66	130.48	129.53	129.66	128.84	126.59	127.76	127.41
2026	130.91	130.58	129.12	131.30	135.76	132.28	132.28	132.69	132.40	129.34	131.17	130.23
2027	133.47	133.03	131.38	133.50	139.48	134.88	134.51	135.95	134.79	131.96	133.26	132.78
2028	135.95	134.91	132.89	136.24	141.79	136.93	137.64	137.65	136.77	134.76	135.84	135.06
2029	138.81	138.57	135.91	139.29	149.30	140.74	140.82	140.82	140.86	137.50	138.32	138.21
2030	141.68	141.39	139.11	142.00	153.18	145.20	143.05	142.93	144.31	140.18	140.75	140.79
2031	144.29	143.79	142.17	145.52	156.10	149.27	145.71	146.65	146.86	143.04	144.15	143.71
2032	146.51	146.00	144.35	147.76	158.51	151.58	147.95	148.91	149.13	145.24	146.37	145.92
2033	149.91	149.40	147.71	151.19	162.18	155.09	151.39	152.37	152.59	148.62	149.77	149.31
2034	152.96	152.43	150.71	154.26	165.46	158.24	154.46	155.46	155.68	151.64	152.81	152.35
2035	155.76	155.22	153.46	157.08	168.50	161.14	157.29	158.31	158.54	154.41	155.60	155.13
2036	158.31	157.76	155.97	159.65	171.26	163.78	159.86	160.90	161.13	156.94	158.15	157.67
2037	161.83	161.27	159.44	163.20	175.07	167.42	163.42	164.48	164.71	160.43	161.67	161.18
2038	164.95	164.38	162.52	166.35	178.45	170.65	166.57	167.65	167.89	163.52	164.79	164.29
2039	168.13	167.55	165.66	169.56	181.89	173.94	169.79	170.89	171.13	166.68	167.97	167.46
2040	171.05	170.46	168.54	172.51	185.04	176.96	172.74	173.85	174.10	169.58	170.89	170.37
2041	174.69	174.08	172.11	176.17	188.98	180.72	176.40	177.55	177.80	173.18	174.52	173.99

**SCHEDULE 201 (Continued)**

**PRICING OPTIONS FOR STANDARD PPA (Continued)**  
**Renewable Fixed Price Option (Continued)**

TABLE 4b												
Renewable Avoided Costs												
Renewable Fixed Price Option for Base Load QF												
Off-Peak Forecast (\$/MWH)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	25.76	20.86	14.11	11.56	6.46	10.26	15.86	21.11	21.11	21.36	23.61	26.86
2017	25.86	24.36	22.36	15.86	13.86	12.86	19.86	25.36	25.61	24.86	25.86	28.11
2018	26.32	28.27	25.71	19.61	14.83	12.69	19.86	27.19	27.08	25.50	28.35	30.77
2019	30.00	28.25	25.91	18.31	15.97	14.80	22.99	29.42	29.71	28.83	30.00	32.63
2020	62.76	63.02	64.56	63.31	59.92	60.16	60.45	61.61	62.52	63.74	63.55	63.99
2021	64.93	64.15	65.85	64.48	61.58	61.62	62.27	62.62	63.78	65.82	63.38	65.09
2022	65.85	65.52	67.77	65.49	62.45	62.82	64.33	63.35	65.00	67.04	64.42	66.29
2023	66.70	66.75	69.10	67.28	62.84	64.01	65.40	64.85	66.14	68.41	65.38	67.63
2024	67.25	67.31	70.47	67.09	63.18	65.92	64.75	65.12	66.62	68.68	67.42	68.05
2025	68.62	68.60	71.94	68.08	63.17	66.28	66.12	67.12	67.23	70.19	69.68	69.06
2026	68.95	69.85	72.28	68.56	63.85	67.22	67.05	67.75	67.05	71.12	69.85	69.89
2027	71.31	71.29	73.13	70.34	63.69	68.45	68.79	68.16	68.57	73.22	70.67	71.18
2028	72.28	72.90	75.41	72.10	63.09	69.98	70.15	68.82	70.20	73.79	71.48	73.41
2029	72.78	73.60	76.79	73.50	58.25	70.29	71.37	70.00	71.53	74.58	73.61	74.68
2030	73.91	74.82	78.36	73.64	58.00	70.89	72.02	72.19	72.00	75.99	75.36	76.23
2031	75.51	76.70	79.40	74.00	59.17	70.67	73.55	73.71	72.16	77.24	77.07	76.31
2032	76.76	77.97	80.71	75.23	60.15	71.83	74.76	74.93	73.35	78.52	78.34	77.57
2033	78.46	79.69	82.50	76.89	61.48	73.42	76.42	76.58	74.97	80.25	80.07	79.29
2034	79.97	81.23	84.09	78.37	62.66	74.84	77.89	78.06	76.42	81.80	81.62	80.82
2035	81.52	82.80	85.71	79.88	63.87	76.28	79.39	79.57	77.89	83.38	83.19	82.38
2036	82.86	84.17	87.13	81.20	64.93	77.54	80.70	80.88	79.18	84.76	84.57	83.74
2037	84.69	86.03	89.05	83.00	66.36	79.25	82.49	82.67	80.93	86.63	86.44	85.59
2038	86.33	87.69	90.77	84.60	67.64	80.78	84.08	84.26	82.49	88.30	88.11	87.24
2039	87.99	89.38	92.52	86.23	68.95	82.34	85.70	85.89	84.08	90.01	89.81	88.92
2040	89.45	90.85	94.05	87.66	70.09	83.70	87.12	87.31	85.47	91.49	91.29	90.39
2041	91.42	92.86	96.13	89.59	71.63	85.55	89.04	89.24	87.36	93.51	93.31	92.39

Effective for service  
 on and after October 12, 2016

SCHEDULE 201 (Continued)

PRICING OPTIONS FOR STANDARD PPA (Continued)  
 Renewable Fixed Price Option (Continued)

TABLE 5a												
Renewable Avoided Costs												
Renewable Fixed Price Option for Wind QF												
On-Peak Forecast (\$/MWH)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	24.52	18.77	11.92	11.02	8.77	13.27	20.27	23.27	21.27	20.02	23.02	27.77
2017	26.20	24.45	20.95	17.20	15.70	16.70	24.20	27.20	25.70	23.95	24.95	29.95
2018	27.87	27.27	24.27	18.29	17.44	17.44	26.09	29.53	26.79	24.77	28.02	31.87
2019	30.03	28.04	24.06	19.79	18.09	19.22	27.76	31.17	29.46	27.47	28.61	34.30
2020	75.38	75.37	74.61	75.06	78.26	77.37	77.05	76.93	75.64	74.67	75.51	74.49
2021	77.10	77.33	75.83	76.90	79.75	78.99	78.41	78.92	77.41	76.40	77.70	76.38
2022	78.85	78.72	76.82	78.56	81.53	80.51	80.05	80.02	78.92	77.92	79.34	77.90
2023	80.71	80.27	78.29	80.37	82.82	82.08	81.73	81.37	80.53	79.36	81.08	79.97
2024	81.74	81.89	79.93	81.95	84.68	83.66	83.55	83.28	83.10	80.71	81.71	81.84
2025	83.64	83.97	81.78	84.13	87.57	86.40	85.44	85.57	84.75	82.51	83.68	83.32
2026	85.97	85.64	84.18	86.37	90.82	87.34	87.34	87.75	87.46	84.40	86.23	85.29
2027	87.67	87.23	85.57	87.69	93.67	89.07	88.71	90.15	88.99	86.16	87.45	86.98
2028	89.26	88.22	86.20	89.55	95.10	90.24	90.95	90.96	90.08	88.07	89.15	88.37
2029	91.22	90.98	88.32	91.70	101.72	93.16	93.23	93.23	93.28	89.92	90.73	90.62
2030	93.17	92.88	90.60	93.49	104.67	96.69	94.54	94.42	95.80	91.67	92.24	92.28
2031	94.84	94.34	92.72	96.07	106.65	99.82	96.26	97.20	97.42	93.59	94.70	94.26
2032	96.40	95.90	94.24	97.65	108.40	101.47	97.85	98.80	99.02	95.13	96.26	95.82
2033	98.55	98.03	96.34	99.82	110.81	103.72	100.02	101.00	101.22	97.25	98.40	97.95
2034	100.44	99.91	98.19	101.74	112.94	105.72	101.94	102.94	103.17	99.12	100.29	99.83
2035	102.38	101.85	100.09	103.71	115.13	107.76	103.92	104.93	105.16	101.04	102.23	101.76
2036	104.06	103.51	101.72	105.40	117.01	109.53	105.61	106.65	106.88	102.69	103.90	103.42
2037	106.37	105.81	103.99	107.74	119.61	111.96	107.96	109.02	109.26	104.97	106.21	105.72
2038	108.42	107.86	105.99	109.82	121.92	114.12	110.05	111.12	111.37	107.00	108.26	107.76
2039	110.52	109.94	108.04	111.95	124.27	116.33	112.17	113.27	113.52	109.07	110.36	109.85
2040	112.32	111.73	109.81	113.77	126.31	118.23	114.00	115.12	115.37	110.85	112.16	111.64
2041	114.83	114.23	112.26	116.31	129.12	120.86	116.55	117.69	117.95	113.32	114.66	114.13

Effective for service  
 on and after October 12, 2016

SCHEDULE 201 (Continued)

PRICING OPTIONS FOR STANDARD PPA (Continued)  
 Renewable Fixed Price Option (Continued)

TABLE 5b												
Renewable Avoided Costs												
Renewable Fixed Price Option for Wind QF												
Off-Peak Forecast (\$/MWH)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	21.92	17.02	10.27	7.72	2.62	6.42	12.02	17.27	17.27	17.52	19.77	23.02
2017	21.95	20.45	18.45	11.95	9.95	8.95	15.95	21.45	21.70	20.95	21.95	24.20
2018	22.33	24.28	21.72	15.62	10.84	8.70	15.87	23.20	23.09	21.51	24.36	26.78
2019	25.93	24.18	21.84	14.24	11.90	10.73	18.92	25.35	25.64	24.76	25.93	28.56
2020	58.61	58.87	60.41	59.16	55.77	56.01	56.30	57.46	58.37	59.59	59.40	59.84
2021	60.70	59.92	61.62	60.25	57.35	57.39	58.04	58.39	59.55	61.59	59.15	60.86
2022	61.54	61.21	63.46	61.18	58.14	58.51	60.02	59.04	60.69	62.73	60.11	61.98
2023	62.31	62.36	64.71	62.89	58.45	59.62	61.01	60.46	61.75	64.02	60.99	63.24
2024	62.78	62.84	66.00	62.62	58.71	61.45	60.28	60.65	62.15	64.21	62.95	63.58
2025	64.06	64.04	67.38	63.52	58.61	61.72	61.56	62.56	62.67	65.63	65.12	64.50
2026	64.30	65.20	67.63	63.91	59.20	62.57	62.40	63.10	62.40	66.47	65.20	65.24
2027	66.57	66.55	68.39	65.60	58.95	63.71	64.05	63.42	63.83	68.48	65.93	66.44
2028	67.45	68.07	70.58	67.27	58.26	65.15	65.32	63.99	65.37	68.96	66.65	68.58
2029	67.86	68.68	71.87	68.58	53.33	65.37	66.45	65.08	66.61	69.66	68.69	69.76
2030	68.89	69.80	73.34	68.62	52.98	65.87	67.00	67.17	66.98	70.97	70.34	71.21
2031	70.39	71.58	74.28	68.88	54.05	65.55	68.43	68.59	67.04	72.12	71.95	71.19
2032	71.55	72.76	75.50	70.02	54.94	66.62	69.55	69.72	68.14	73.31	73.13	72.36
2033	73.15	74.38	77.19	71.58	56.17	68.11	71.11	71.27	69.66	74.94	74.76	73.98
2034	74.55	75.81	78.67	72.95	57.24	69.42	72.47	72.64	71.00	76.38	76.20	75.40
2035	76.00	77.28	80.19	74.36	58.35	70.76	73.87	74.05	72.37	77.86	77.67	76.86
2036	77.23	78.54	81.50	75.57	59.30	71.91	75.07	75.25	73.55	79.13	78.94	78.11
2037	78.95	80.29	83.31	77.26	60.62	73.51	76.75	76.93	75.19	80.89	80.70	79.85
2038	80.48	81.84	84.92	78.75	61.79	74.93	78.23	78.41	76.64	82.45	82.26	81.39
2039	82.03	83.42	86.56	80.27	62.99	76.38	79.74	79.93	78.12	84.05	83.85	82.96
2040	83.37	84.77	87.97	81.58	64.01	77.62	81.04	81.23	79.39	85.41	85.21	84.31
2041	85.23	86.67	89.94	83.40	65.44	79.36	82.85	83.05	81.17	87.32	87.12	86.20

Effective for service  
 on and after October 12, 2016

SCHEDULE 201 (Continued)

PRICING OPTIONS FOR STANDARD PPA (Continued)  
 Renewable Fixed Price Option (Continued)

TABLE 6a												
Renewable Avoided Costs												
Renewable Fixed Price Option for Solar QF												
On-Peak Forecast (\$/MWH)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	28.36	22.61	15.76	14.86	12.61	17.11	24.11	27.11	25.11	23.86	26.86	31.61
2017	30.11	28.36	24.86	21.11	19.61	20.61	28.11	31.11	29.61	27.86	28.86	33.86
2018	31.86	31.26	28.26	22.28	21.43	21.43	30.08	33.52	30.78	28.76	32.01	35.86
2019	34.10	32.11	28.13	23.86	22.16	23.29	31.83	35.24	33.53	31.54	32.68	38.37
2020	78.62	78.60	77.84	78.30	81.50	80.60	80.29	80.17	78.88	77.91	78.74	77.73
2021	80.39	80.63	79.12	80.20	83.04	82.28	81.71	82.22	80.71	79.70	81.00	79.67
2022	82.21	82.08	80.18	81.92	84.89	83.87	83.41	83.38	82.27	81.27	82.70	81.25
2023	84.12	83.69	81.71	83.78	86.23	85.50	85.15	84.78	83.94	82.78	84.50	83.39
2024	85.22	85.37	83.41	85.43	88.16	87.14	87.03	86.76	86.58	84.19	85.19	85.32
2025	87.19	87.52	85.33	87.68	91.12	89.95	88.99	89.12	88.30	86.06	87.23	86.87
2026	89.59	89.26	87.80	89.99	94.44	90.96	90.96	91.37	91.08	88.02	89.85	88.91
2027	91.36	90.92	89.26	91.39	97.36	92.76	92.40	93.84	92.68	89.85	91.14	90.67
2028	93.02	91.98	89.96	93.31	98.86	94.00	94.71	94.72	93.84	91.84	92.91	92.13
2029	95.05	94.81	92.15	95.53	105.55	96.99	97.06	97.06	97.11	93.75	94.56	94.45
2030	97.08	96.79	94.51	97.40	108.58	100.60	98.45	98.33	99.71	95.58	96.15	96.19
2031	98.83	98.33	96.70	100.05	110.63	103.81	100.25	101.19	101.40	97.58	98.69	98.25
2032	100.47	99.96	98.30	101.71	112.47	105.53	101.91	102.87	103.08	99.20	100.32	99.88
2033	102.68	102.16	100.47	103.95	114.95	107.86	104.16	105.14	105.36	101.38	102.53	102.08
2034	104.66	104.13	102.41	105.96	117.16	109.94	106.16	107.16	107.38	103.34	104.51	104.05
2035	106.68	106.15	104.39	108.01	119.43	112.06	108.21	109.23	109.46	105.34	106.53	106.06
2036	108.44	107.90	106.11	109.79	121.40	113.91	110.00	111.04	111.27	107.08	108.29	107.81
2037	110.84	110.28	108.46	112.21	124.08	116.43	112.43	113.49	113.73	109.44	110.68	110.19
2038	112.98	112.41	110.55	114.38	126.47	118.68	114.60	115.68	115.92	111.55	112.82	112.32
2039	115.16	114.58	112.68	116.59	128.92	120.97	116.81	117.91	118.16	113.71	115.00	114.49
2040	117.06	116.47	114.54	118.51	131.04	122.96	118.74	119.86	120.11	115.58	116.89	116.37
2041	119.65	119.05	117.07	121.13	133.94	125.68	121.37	122.51	122.76	118.14	119.48	118.95

SCHEDULE 201 (Continued)

PRICING OPTIONS FOR STANDARD PPA (Continued)  
 Renewable Fixed Price Option (Continued)

TABLE 6b												
Renewable Avoided Costs												
Renewable Fixed Price Option for Solar QF												
Off-Peak Forecast (\$/MWH)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	25.76	20.86	14.11	11.56	6.46	10.26	15.86	21.11	21.11	21.36	23.61	26.86
2017	25.86	24.36	22.36	15.86	13.86	12.86	19.86	25.36	25.61	24.86	25.86	28.11
2018	26.32	28.27	25.71	19.61	14.83	12.69	19.86	27.19	27.08	25.50	28.35	30.77
2019	30.00	28.25	25.91	18.31	15.97	14.80	22.99	29.42	29.71	28.83	30.00	32.63
2020	62.76	63.02	64.56	63.31	59.92	60.16	60.45	61.61	62.52	63.74	63.55	63.99
2021	64.93	64.15	65.85	64.48	61.58	61.62	62.27	62.62	63.78	65.82	63.38	65.09
2022	65.85	65.52	67.77	65.49	62.45	62.82	64.33	63.35	65.00	67.04	64.42	66.29
2023	66.70	66.75	69.10	67.28	62.84	64.01	65.40	64.85	66.14	68.41	65.38	67.63
2024	67.25	67.31	70.47	67.09	63.18	65.92	64.75	65.12	66.62	68.68	67.42	68.05
2025	68.62	68.60	71.94	68.08	63.17	66.28	66.12	67.12	67.23	70.19	69.68	69.06
2026	68.95	69.85	72.28	68.56	63.85	67.22	67.05	67.75	67.05	71.12	69.85	69.89
2027	71.31	71.29	73.13	70.34	63.69	68.45	68.79	68.16	68.57	73.22	70.67	71.18
2028	72.28	72.90	75.41	72.10	63.09	69.98	70.15	68.82	70.20	73.79	71.48	73.41
2029	72.78	73.60	76.79	73.50	58.25	70.29	71.37	70.00	71.53	74.58	73.61	74.68
2030	73.91	74.82	78.36	73.64	58.00	70.89	72.02	72.19	72.00	75.99	75.36	76.23
2031	75.51	76.70	79.40	74.00	59.17	70.67	73.55	73.71	72.16	77.24	77.07	76.31
2032	76.76	77.97	80.71	75.23	60.15	71.83	74.76	74.93	73.35	78.52	78.34	77.57
2033	78.46	79.69	82.50	76.89	61.48	73.42	76.42	76.58	74.97	80.25	80.07	79.29
2034	79.97	81.23	84.09	78.37	62.66	74.84	77.89	78.06	76.42	81.80	81.62	80.82
2035	81.52	82.80	85.71	79.88	63.87	76.28	79.39	79.57	77.89	83.38	83.19	82.38
2036	82.86	84.17	87.13	81.20	64.93	77.54	80.70	80.88	79.18	84.76	84.57	83.74
2037	84.69	86.03	89.05	83.00	66.36	79.25	82.49	82.67	80.93	86.63	86.44	85.59
2038	86.33	87.69	90.77	84.60	67.64	80.78	84.08	84.26	82.49	88.30	88.11	87.24
2039	87.99	89.38	92.52	86.23	68.95	82.34	85.70	85.89	84.08	90.01	89.81	88.92
2040	89.45	90.85	94.05	87.66	70.09	83.70	87.12	87.31	85.47	91.49	91.29	90.39
2041	91.42	92.86	96.13	89.59	71.63	85.55	89.04	89.24	87.36	93.51	93.31	92.39

**SCHEDULE 201 (Continued)**

**WIND INTEGRATION**

<b>TABLE 7</b>	
<b>Wind Integration</b>	
<b>Year</b>	<b>Cost</b>
2015	3.77
2016	3.84
2017	3.91
2018	3.99
2019	4.07
2020	4.15
2021	4.23
2022	4.31
2023	4.39
2024	4.47
2025	4.56
2026	4.65
2027	4.74
2028	4.83
2029	4.92
2030	5.02
2031	5.12
2032	5.21
2033	5.31
2034	5.42
2035	5.52
2036	5.63
2037	5.74
2038	5.85
2039	5.96
2040	6.08

**SCHEDULE 201 (Continued)**

**MONTHLY SERVICE CHARGE**

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

**INSURANCE REQUIREMENTS**

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

- 1) QFs with nameplate capacity ratings greater than 200 kW are required to secure and maintain a prudent amount of general liability insurance. The Seller must certify to the Company that it is maintaining general liability insurance coverage for each QF at prudent amounts. A prudent amount will be deemed to mean liability insurance coverage for both bodily injury and property damage liability in the amount of not less than \$1,000,000 each occurrence combined single limit, which limits may be required to be increased or decreased by the Company as the Company determines in its reasonable judgment, that economic conditions or claims experience may warrant.
- 2) Such insurance will include an endorsement naming the Company as an additional insured insofar as liability arising out of operations under this schedule and a provision that such liability policies will not be canceled or their limits reduced without 30 days' written notice to the Company. The Seller will furnish the Company with certificates of insurance together with the endorsements required herein. The Company will have the right to inspect the original policies of such insurance.
- 3) QFs with a design capacity of 200 kW or less are encouraged to pursue liability insurance on their own. The Oregon Public Utility Commission in Order No. 05-584 determined that it is inappropriate to require QFs that have a design capacity of 200 kW or less to obtain general liability insurance.

**TRANSMISSION AGREEMENTS**

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

**INTERCONNECTION REQUIREMENTS**

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

**SCHEDULE 201 (Continued)**

**INTERCONNECTION REQUIREMENTS (Continued)**

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

**DEFINITION OF A SMALL COGENERATION FACILITY OR SMALL POWER PRODUCTION FACILITY ELIGIBLE TO RECEIVE PRICING UNDER THE STANDARD PPA**

A QF will be eligible to receive pricing under the Standard PPA if the nameplate capacity of the QF, together with any other electric generating facility using the same motive force, owned or controlled by the Same Person(s) or Affiliated Person(s), and located at the Same Site, does not exceed 10 MW. A Community-Based or Family-Owned QF is exempt from these restrictions.

**Definition of Community-Based**

- a. A community project (or a community sponsored project) must have a recognized and established organization located within the county of the project or within 50 miles of the project that has a genuine role in helping the project be developed and must have some not insignificant continuing role with or interest in the project after it is completed and placed in service.
- b. After excluding the passive investor whose ownership interests are primarily related to green tag values and tax benefits as the primary ownership benefit, the equity (ownership) interests in a community sponsored project must be owned in substantial percentage (80 percent or more) by the following persons (individuals and entities): (i) the sponsoring organization, or its controlled affiliates; (ii) members of the sponsoring organization (if it is a membership organization) or owners of the sponsorship organization (if it is privately owned); (iii) persons who live in the county in which the project is located or who live a county adjoining the county in which the project is located; or (iv) units of local government, charities, or other established nonprofit organizations active either in the county in which the project is located or active in a county adjoining the county in which the project is located.

**Definition of Family-Owned**

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

**SCHEDULE 201 (Continued)**

**DEFINITION OF A SMALL COGENERATION FACILITY OR SMALL POWER PRODUCTION FACILITY ELIGIBLE TO RECEIVE PRICING UNDER THE STANDARD PPA (Continued)**

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

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

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

**Definition of Same Site**

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

**Definition of Shared Interconnection and Infrastructure**

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

**OTHER DEFINITIONS**

**Mid-C Index Price**

As used in this schedule, the daily Mid-C Index Price shall be the Day Ahead Intercontinental Exchange ("ICE") for the bilateral OTC market for energy at the Mid-C Physical for Average

**SCHEDULE 201 (Continued)**

**OTHER DEFINITIONS (Continued)**

On-Peak Power and Average Off-Peak Power found on the following website: <https://www.theice.com/products/OTC/Physical-Energy/Electricity>. In the event ICE no longer publishes this index, PGE and the Seller agree to select an alternative successor index representative of the Mid-C trading hub.

**Definition of RPS Attributes**

As used in this schedule, RPS Attributes means all attributes related to the Net Output generated by the Facility that are required in order to provide PGE with "qualifying electricity," as that term is defined in Oregon's Renewable Portfolio Standard Act, Ore. Rev. Stat. 469A.010, in effect at the time of execution of this Agreement. RPS Attributes do not include Environmental Attributes that are greenhouse gas offsets from methane capture not associated with the generation of electricity and not needed to ensure that there are zero net emissions associated with the generation of electricity.

**Definition of Environmental Attributes**

As used in this schedule, Environmental Attributes shall mean any and all claims, credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, resulting from the avoidance of the emission of any gas, chemical, or other substance to the air, soil or water. Environmental Attributes include but are not limited to: (1) any avoided emissions of pollutants to the air, soil, or water such as (subject to the foregoing) sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO), and other pollutants; and (2) any avoided emissions of carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change to contribute to the actual or potential threat of altering the Earth's climate by trapping heat in the atmosphere.

**Definition of Resource Sufficiency Period**

This is the period from the current year through 2020.

**Definition of Resource Deficiency Period**

This is the period from 2021 through 2034.

**Definition of Renewable Resource Sufficiency Period**

This is the period from the current year through 2019.

**Definition of Renewable Resource Deficiency Period**

This is the period from 2020 through 2034.

**SCHEDULE 201 (Concluded)**

**DISPUTE RESOLUTION**

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

The QF may present disputes to the Commission for resolution using the following process:

The QF may file a complaint asking the Commission to adjudicate disputes regarding the formation of the standard contract. The QF may not file such a complaint during any 15-day period in which the utility has the obligation to respond, but must wait until the 15-day period has passed.

The utility may respond to the complaint within ten days of service.

The Commission will limit its review to the issues identified in the complaint and response, and utilize a process similar to the arbitration process adopted to facilitate the execution of interconnection agreements among telecommunications carriers. See OAR 860, Division 016. The administrative law judge will not act as an arbitrator.

**SPECIAL CONDITIONS**

1. Delivery of energy by Seller will be at a voltage, phase, frequency, and power factor as specified by the Company.
2. If the Seller also receives retail Electricity Service from the Company at the same location, any payments under this schedule will be credited to the Seller's retail Electricity Service bill. At the option of the Customer, any net credit over \$10.00 will be paid by check to the Customer.
3. Unless required by state or federal law, if the 1978 Public Utility Regulatory Policies Act (PURPA) is repealed, PPAs entered into pursuant to this schedule will not terminate prior to the Standard or Negotiated PPA's termination date.

**TERM OF AGREEMENT**

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

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UM \_\_\_\_\_**

**PORTLAND GENERAL ELECTRIC**

**Declaration of Ryin Khandoker**

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Exhibit B

August 11, 2017



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

**May 5, 2017**

Covanta Marion, Inc  
4850 Brooklake Road  
Brooks, OR 97305  
skabbani@covanta.com

RE: Transmittal of Draft Standard PPA  
**Covanta Marion** project, an existing **15 megawatt biomass QF**

Dear **Mr. Kabbani**,

Thank you for your interest in entering into a Standard Power Purchase Agreement (Standard PPA) with Portland General Electric (PGE). We received your written response to PGE's *Schedule 201 Initial Information Form* on **April 17, 2017**.

Based on the information you provided, PGE has determined that the Covanta Marion project ("Covanta") does not meet the requirements necessary to qualify for Schedule 201, and we are unable to provide you with a draft Schedule 201 PPA at this time.

Covanta is an existing facility with a rated nameplate capacity of 15 megawatts per the Form 556 submitted, and as such, your project does not qualify for a Schedule 201 at this time.

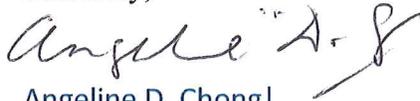
You have shared your intention to rerate the Covanta at 10MW or less, and upon completion of the proposed rerate you may submit a new Schedule 201 PPA request subject to the prevailing terms and conditions at the time of your request. Until such time, Covanta may be eligible for PGE's Schedule 202.

Options available to Covanta are as follows:

1. Submit a new request for consideration under PGE's Schedule 202
2. Negotiate a new bilateral agreement
3. Submit a new request for Schedule 201 upon completion of the rerate

Please let us know how you would to proceed.

Sincerely,

A handwritten signature in black ink that reads "Angeline D. Chong". The signature is written in a cursive style with a large, stylized initial "A".

Angeline D. Chong |

Portland General Electric |

121 SW Salmon St. 3WTC0306 | Portland, Oregon 97204 |

W: 503-464-7343 | F: 503-464-2605 |

E: [angeline.chong@pgn.com](mailto:angeline.chong@pgn.com)

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UM \_\_\_\_\_**

**PORTLAND GENERAL ELECTRIC**

**Declaration of Ryin Khandoker**

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Exhibit C

August 11, 2017

PGE Generation - March 2017																							
1.00	2.00	3.00	4.00	5.00	6.00	7.00	8.00	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.00	17.00	18.00	19.00	20.00	21.00	22.00	23.00	24.00
10770	10525	10815	10855	10845	10790	10815	10795	10380	10365	10750	10545	10420	10455	10410	10330	9330	9675	9300	10070	10225	10040	10035	9745
9840	9820	10160	10315	10395	10400	10435	10450	9880	10275	10455	10670	10340	10515	10755	10670	9955	10260	10530	10795	10850	10790	10880	10810
10330	10060	9490	9560	10105	10570	10280	10475	9995	9320	9395	9875	9775	10550	10455	9755	10645	10400	10830	10465	10420	10590	10325	10570
10685	10785	10255	11135	11090	11105	11080	11155	10995	9755	9840	10230	9865	10495	10795	10815	10695	10795	10620	10685	10575	10705	10780	10425
10480	10150	10785	10755	10895	10755	10805	10520	10505	9295	10265	10745	10500	10420	9775	9900	9995	10460	10390	10505	10365	10875	10950	10835
10655	10535	10850	10920	10935	10890	10855	10785	10670	10240	10595	10120	10250	10095	9805	9610	10225	10010	10480	10420	10295	10340	10500	10335
9960	9830	10465	10275	10285	10405	10590	3820	0	0	3140	0	0	0	0	5	8085	9045	9275	9440	9870	10070	10315	10070
9960	9980	9235	9940	9860	10190	10060	10115	9685	9965	9670	10125	10010	10085	10035	9600	9240	9185	7135	7905	8950	9225	9355	9495
9535	9590	9325	9840	9805	9425	9820	9210	8510	9365	9245	9795	9315	9590	9665	9610	9450	10245	10235	9875	10105	10085	10085	10125
10125	10110	10125	9705	10040	10035	10035	10075	9850	9245	9260	8940	9535	9990	9155	9875	9335	9595	9855	9900	9980	10065	9965	10215
10330	10610	9760	10205	9940	10145	9815	9520	9625	9165	8580	9710	9910	10335	10370	9925	9755	10150	10465	10380	10340	10245	10350	10220
10515	10255	10380	10975	10910	10925	10940	10705	10435	9710	10040	9325	9025	9750	9555	9455	9400	10185	10385	10490	10155	10320	10665	10775
10555	10010	10345	10630	10810	10960	10700	10650	10335	9930	9660	9670	9990	10230	9655	9765	9700	10235	10600	10575	10570	10290	10150	9900
10250	10085	9870	10250	10565	10750	10570	10565	10910	10440	10550	10360	10055	10460	10345	10165	9590	7060	5805	4395	4100	3740	3995	4150
4030	3695	3735	3425	3575	3735	3700	4095	3805	3890	4285	4400	4480	4250	4370	4230	4170	4035	4055	8045	10250	10050	10375	10305
9990	9075	10225	9700	10005	9985	9820	9190	8800	9485	9970	10155	10235	10320	10295	9895	9865	9610	9900	9045	9490	9575	7985	5430
5055	3995	3750	3480	3410	3455	3745	3950	3535	2885	2975	2600	2185	2850	2710	2430	2845	3405	3780	3640	3605	3555	3075	3715
4205	3580	3495	2885	3340	3130	2340	2985	2165	2485	2230	1980	2200	1970	1350	1255	1975	3570	3375	3490	3560	3420	3615	2470
2880	2885	2340	1490	2285	3520	3145	3025	2815	3265	3315	3525	3965	3890	4025	3580	3780	4020	4035	4035	3730	4080	3940	4025
3675	3845	2300	3665	10220	9920	10470	10545	10550	10415	10410	10435	10085	10875	10750	10630	10450	10160	10125	10490	10230	10475	10430	10240
10405	10150	10525	10595	10580	10540	10530	10605	10345	9345	10010	8900	8790	8895	8785	8680	9985	10325	10325	10235	9800	9725	9735	10055
9480	9810	10165	10170	10310	10300	10275	10500	10725	10760	10560	10605	10325	10365	9560	10705	10365	10345	10625	10585	10435	11010	11130	10875
10695	10170	10235	10295	10085	10325	10580	10395	10770	10460	9820	10565	10790	10785	10900	10745	10300	10770	10815	10820	10890	10880	10920	10945
10545	10350	10570	10565	10735	10875	10630	10535	10790	10685	9590	9395	9570	10335	10290	9650	10545	10300	10600	10795	10840	10870	10640	10820
10775	10500	10705	10695	10790	10920	10840	10760	10420	10185	10400	10265	10005	10120	10370	10745	10515	10725	10590	10825	10760	10470	9820	10065
9725	10180	10710	10400	10440	10100	10545	10215	10100	9550	10470	10390	10710	10490	10580	10480	9855	10430	10655	10420	10765	10830	10795	10860
10880	10245	10170	9785	9980	10150	9845	10625	10065	10060	9960	10620	10540	10655	10725	10425	10090	10435	10505	10500	10605	10685	10560	10495
10760	10535	10735	10765	10630	10360	9780	9630	10250	9010	9895	10065	9920	10460	10190	10415	10495	10420	10680	10615	10700	10410	10090	10775
10475	10250	10380	10580	10495	10625	10735	10245	9660	9665	9940	10280	10245	10115	9645	9730	8895	9315	9740	10190	10380	9925	9900	9790
9885	9965	9540	9820	10015	9940	9760	9600	9930	9355	10410	9905	10300	10490	10525	10665	10160	10730	10715	10445	10465	10420	10255	10320

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UM \_\_\_\_**

Portland General Electric Company,  
Complainant

v.

Covanta Marion, Inc.  
Respondent.

**DECLARATION OF LISA RACKNER**

I, Lisa Rackner, declare under penalty of perjury under the laws of the state of Oregon:

1. My full name is Lisa Faye Rackner. I am employed as an attorney with the law firm of McDowell, Rackner & Gibson, PC, and I have been retained to represent Portland General Electric Company (PGE or the Company) in this matter.

2. On June 8, 2017, I contacted counsel for Covanta Marion, Inc. (Covanta), Catherine McCarthy. The purpose of my call was to explain to Ms. McCarthy the basis for PGE's conclusion that Covanta is not eligible for a standard contract. I understood that PGE's in-house counsel, Denise Saunders, had already explained to Ms. McCarthy that Covanta could not render itself eligible for a standard contract by redesigning itself to constrain output to 10 MW—in order to evade the 10 MW threshold. I also understood that Ms. Saunders had already forwarded to Ms. McCarthy a copy of the Public Utility Commission of Oregon's Commission Order No. 05-584, which provides the basis for that policy, and that Ms. McCarthy had requested to discuss the matter further.

3. When I spoke to Ms. McCarthy, she confirmed that Covanta intended to take the project offline to complete a redesign so that its operations would be reduced to 10 MW, and that, upon completion of the redesign, Covanta would receive a nameplate of 10 MW. I explained that, regardless of Covanta's intent to reduce operations and rerate the facility, PGE could not provide Covanta with a standard contract if the reason for the redesign was to avoid the 10 MW threshold.

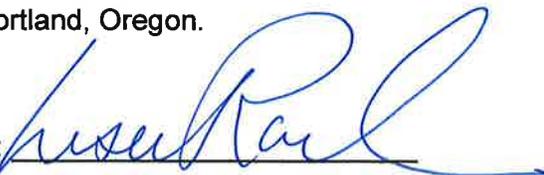
I explained that the Commission has stated that QFs with a nameplate capacity greater than 10 MW cannot avoid the 10 MW cap by taking voluntary measures to constrain output. I also stated that if Covanta had an engineering or business justification for reducing its capacity, other than simply to avoid the 10 MW threshold, Covanta should provide that information to PGE. Ms. McCarthy stated that she would check with her clients and would provide such information about the redesign if appropriate.

4. Ms. McCarthy did not send to me, or to my knowledge PGE, any information about the redesign or offer any justification for the redesign other than the statement that the redesign was intended to reduce operations to 10 MW.

I hereby declare that the above statement is true to the best of my knowledge and belief, and that I understand it is made for use as evidence before the Public Utility Commission of Oregon and is subject to penalty for perjury.

SIGNED this 11th day of August, 2017, at Portland, Oregon.

Signed: \_\_\_\_\_

A handwritten signature in blue ink, appearing to read "Russell", is written over a horizontal line. The signature is fluid and cursive.

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**CERTIFICATE OF SERVICE**

I hereby certify that I served a true and correct copy of the foregoing document on the following named person(s) on the date indicated below by email and overnight delivery addressed to said person(s) at his or her last-known address indicated below.

Catherine P. McCarthy  
Bracewell LLP  
2001 M Street NW, Suite 900  
Washington, D.C. 20036-3310  
[Cathy.mccarthy@bracewell.com](mailto:Cathy.mccarthy@bracewell.com)

Blake R. Urban  
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Stephanie S. Andrus  
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Regulated Utility & Business Section  
1162 Court St. NE  
Salem, OR 97301-4096  
[stephanie.andrus@state.or.us](mailto:stephanie.andrus@state.or.us)

DATED: August 11, 2017



Alisha Till  
Administrative Assistant