



Portland General Electric Company
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Pamela Grace Lesh
Vice President
Regulatory Affairs & Strategic Planning

August 9, 2005

Public Utility Commission of Oregon
Attn: Filing Center
550 Capitol Street, N.E., Suite 215
P.O. Box 2148
Salem, OR 97308-2148

RE: **Advice No. 05-12, Compliance Filing**
Amendment to UM-1129 Compliance Filing, Advice No. 05-10

In addition to the electronic filing, enclosed is the original, with a requested effective date of **August 11, 2005**:

Appendix 1 to Schedule 201

This filing is made to insert an additional clause in the Standard Contract filed in Advice No. 05-10, PGE's compliance filing to Order No. 05-584. OPUC Order No. 05-899 provides the text to insert while the investigation is ongoing. The Commission approved language is added to page 15.

PGE initially filed the Standard Contract as part of PGE's Tariff as requested by Staff. Although the pages do not have the customary headers and footers, the contract is part of PGE's Tariff as an appendix to Schedule 201. As such, we are conforming to normal protocol for Tariff modifications and filing this as a separate compliance filing.

Should you have any questions or comments regarding this filing, please contact Ted Drennan at (503) 464-7634.

Please direct all formal correspondence and requests to the following email address pge.opuc.filings@pgn.com

Sincerely,

/s/ Pamela G. Lesh
Vice President, Regulatory Affairs & Strategic Planning

STANDARD CONTRACT POWER PURCHASE AGREEMENT

THIS AGREEMENT, entered into this _____ day, _____ 200____, is between _____ ("Seller") and Portland General Electric Company ("PGE") (hereinafter each a "Party" or collectively, "Parties").

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 1.14, below, from the Facility in accordance with the terms and conditions of this Agreement.

AGREEMENT

NOW, THEREFORE, the Parties mutually agree as follows:

SECTION 1: DEFINITIONS

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

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

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

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

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

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

1.4.2. Start-Up Testing of the Facility has been completed in accordance with Section 1.22;

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

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

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

1.4.6. Notwithstanding the foregoing, Sellers with projects delivering Net Output to PGE prior to the Effective Date and with less than 100 Kw Nameplate Capacity shall be deemed to have established a Commercial Operation date identical to the Effective Date.

1.5. "Contract Price" means the applicable price for Net Output as stated in Sections 5.1, 5.2, 5.3 and 5.4.

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

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

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

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

1.10. "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.

1.11. "Lost Energy Value" means for a Contract Year: zero, unless the Net Output is less than Minimum Net Output and the mean Dow Jones Mid C Index Price is greater than the Contract Price, in which case Lost Energy Value equals: (Minimum Net Output - Net Output) X (Mean Dow Jones Mid C Index Price – Mean Contract Price). If PGE is in a Resource Sufficient Position as defined in the Tariff for a Contract Year, Lost Energy Value is deemed to be zero for that Contract Year.

1.12. "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.

1.13. "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.

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

1.15. "Off-Peak Hours" has the meaning provided in the Tariff.

1.16. "On-Peak Hours" has the meaning provided in the Tariff.

1.17. "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.

1.18. "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.

1.19. "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.

1.20. "Recoupment Value" means, on a date during a Contract Year, the On-Peak Net Output generated and delivered from the Facility to the Point of Delivery during such Contract Year up to and including such date multiplied by the applicable Capacity Value.

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

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

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

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

1.25. "Test Period" shall mean a period of 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*] Seller shall have completed all requirements under Section 1.3 and shall have established the Commercial Operation Date.

2.3 This Agreement shall terminate on _____, _____ [*date to be chosen by Seller*], 20 years from the Effective Date, or the date the Agreement is terminated in accordance with Section 10 or 12.2, whichever is earlier ("Termination Date").

SECTION 3: REPRESENTATIONS AND WARRANTIES

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

3.1.1 Seller is a _____ duly organized under the laws of _____.

3.1.2 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 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 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 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.

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

3.1.7 The Facility has a Nameplate Capacity rating not greater than 10,000 kW.

3.1.8 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").

SECTION 4: DELIVERY OF POWER

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

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

4.3 Provided Seller has elected the Contract Price options in Section 5.1, 5.2, or 5.3, Seller agrees that if Seller does not deliver the Minimum Net Output each Contract Year, PGE will suffer losses equal to the Lost Energy Value. As damages for Seller's failure to deliver the Minimum Net Output (subject to adjustment for reasons of Force Majeure as provided in Section 4.2) in any Contract Year, notwithstanding any other provision of this Agreement the purchase price payable by PGE for all deliveries in the Contract Year following the year in which Seller failed to deliver such Minimum Net Output shall be the Off-Peak Price of the applicable Contract Price option until Recoupment Value equals Lost Energy Value. If during such succeeding Contract Year Seller succeeds in delivering the Minimum Net Output for that Contract Year, then the purchase price payable by PGE for all deliveries in such Contract Year occurring after the Billing Period in which Seller first succeeds in delivering the Minimum Net Output for such Contract Year will be as set forth in Section 5.1, 5.2, or 5.3, as applicable.

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 the written consent of PGE.

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.

SECTION 5: CONTRACT PRICE

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

- 5.1 Fixed Price.
- 5.2 Deadband Index Gas Price.
- 5.3 Index Gas Price.
- 5.4 Mid-C Index Rate Price.

SECTION 6: OPERATION AND CONTROL

6.1 Seller shall operate and maintain the Facility in a safe manner in accordance with the Generation Interconnection Agreement, and Prudent Electrical Practices. PGE shall have no obligation to purchase Net Output from the Facility to the extent the interconnection between the Facility and 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 non-compliance with the Generation Interconnection Agreement. Seller is solely responsible for the operation and maintenance of the Facility. PGE shall not, by reason of its decision to inspect or not to inspect the Facility, or by any action or inaction taken with respect to any such inspection, assume or be held responsible for any liability or occurrence arising from the operation and maintenance by Seller of the Facility.

6.2 Seller agrees to provide 60 days written advance written notice of any scheduled maintenance that would require shut down of the Facility for any period of time. If the Facility ceases operation for unscheduled maintenance, Seller immediately shall notify PGE of the necessity of such unscheduled maintenance, the time when such shutdown has occurred or will occur and the anticipated duration of such shutdown. Seller shall take all reasonable measures and exercise its best efforts to avoid unscheduled maintenance, to limit the duration of such unscheduled maintenance, and to perform unscheduled maintenance during Off-Peak hours.

SECTION 7: CREDITWORTHINESS

In the event Seller: a) is unable to represent or warrant as required by Section 3 that it has not been a debtor in any bankruptcy proceeding within the past two (2) years; b) becomes such a debtor during the Term; or c) is not or will not be current on all its financial obligations, Seller shall immediately notify PGE and shall promptly (and in no less than 10 days after notifying PGE) provide default security in an amount reasonably acceptable to PGE in one of the following forms: senior lien, step in rights, a cash escrow or line 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).

SECTION 8: METERING

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

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

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

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

SECTION 9: BILLINGS, COMPUTATIONS AND PAYMENTS

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

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

SECTION 10: DEFAULT, REMEDIES AND TERMINATION

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

10.1.1 Seller's failure to meet the requirements as provided in Section 2.2.

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

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

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

10.1.5 If Seller modifies the Facility such that the Nameplate Capacity Rating exceeds 10,000 kW.

10.1.6 If Seller is no longer a "Qualifying Facility".

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

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

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

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

SECTION 11: INDEMNIFICATION AND LIABILITY

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

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

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

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

SECTION 12: INSURANCE

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

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

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

SECTION 13: FORCE MAJEURE

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

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

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

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

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

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

SECTION 14: SEVERAL OBLIGATIONS

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

SECTION 15: CHOICE OF LAW

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

SECTION 16: PARTIAL INVALIDITY

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

SECTION 17: WAIVER

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

SECTION 18: GOVERNMENTAL JURISDICTION AND AUTHORIZATIONS

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

SECTION 19: SUCCESSORS AND ASSIGNS

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

SECTION 20: ENTIRE AGREEMENT

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

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

SECTION 21: NOTICES

21.1 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, 3WTCBR06
 PGE - 121 SW Salmon St.
 Portland, Oregon 97204

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

SECTION 22: SUBJECT TO OPUC INVESTIGATION

22.1 The seller and PGE acknowledge that the rates, terms and conditions specified in this agreement and the related tariffs are being investigated by the Oregon Public Utility Commission. Upon a decision by the Oregon Public Utility Commission in the investigation, PGE will notify the seller within ten calendar days. If the rates resulting from the investigation are higher than the rates in effect during the initial period, PGE, pursuant to the investigation, may be required to refund, with interest, the difference to the seller. The seller shall have thirty calendar days from the effective date of the revised standard contract and tariffs complying with the Commission's order to amend this agreement if the seller so chooses to adopt the revised standard contract and/or the revised rates, terms and conditions in the tariff approved by the Oregon Public Utility Commission as a result of the investigation.

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: _____

_____.

(Name Seller)

By: _____

Name: _____

Title: _____

EXHIBIT A
MINIMUM NET OUTPUT

Seller may designate an alternative Minimum Net Output to seventy-five (75%) percent of annual Net Output in this exhibit ("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]

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

TARIFF

[Attach currently in-effect rate Schedule 201]