

July 30, 2010

***VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY***

Oregon Public Utility Commission
550 Capitol Street NE, Ste 215
Salem, OR 97301-2551

Attention: Filing Center

RE: Compliance Filing for Order No. 10-198, Docket UM 1452
Volumetric Incentive Rate Pilot Program – Revised Contract

On June 29, 2010, PacifiCorp d/b/a Pacific Power filed its Volumetric Incentive Payment and Interconnection Agreement (Net Metering Option) and Volumetric Incentive Payment and Interconnection Agreement (Volumetric Bid Option) in compliance with Order Nos. 10-198 (and Order No. 10-200) in Docket UM 1452. In this filing, the Company submits revised versions of these agreements based on information the Company has learned related to available insurance coverage since the Oregon Solar Incentive Program (“OSIP”) went into effect on July 1, 2010. Both redline and clean versions of the agreements are included in this filing.

This filing makes the following revisions to Section 15: Insurance:

- Throughout Section 15, the Company has removed the word “personal” to describe the required insurance since personal liability insurance is generally available for residential policies and commercial general liability insurance is available for commercial policies. This change helps clarify that the insurance provision generally applies to both residential and commercial customers, regardless of the ultimate form of the insurance policy.
- Section 15.1 – replace the word “certifying” with “evidencing” because certificates of insurance are non-binding documents issued as evidence only. Insurers do not certify coverage with these documents.
- Sections 15.3 and 15.4 have been reformatted such that Section 15.4 has been combined into 15.3.
- Revised Section 15.3 is intended to exclude residential and noncommercial farm customers from the requirements of this section, including the requirement to name Pacific Power, its Board of Directors, Officers and employees as additional insured. Since OSIP went into effect July 1, 2010, the Company has become aware that insurance companies do not typically include an endorsement of this nature on policies for residential and noncommercial farm customers. Therefore, the Company proposes to remove this requirement from contracts for these customers.

Lastly, the Company has added a version date to the footer of the contracts to better ensure that the most recent version of the contract is being executed.

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Since the Company expects to begin executing contracts under the Net Metering Option soon, the Company requests that the contracts be effective upon filing.

Informal inquiries on this filing may be directed to Joelle Steward, Regulatory Manager, at (503) 813-5542.

Sincerely,

A handwritten signature in black ink that reads "Andrea L. Kelly". The signature is written in a cursive style with a large initial "A".

Andrea L. Kelly
Vice President, Regulation
Enclosures

cc: UM 1452 Service List

CERTIFICATE OF SERVICE

I certify that I have cause to be served the foregoing document in OPUC Docket No. UM-1452 by electronic mail or US mail to those parties who have not waived paper service on the attached service list.

DATED this 29th day of June, 2010.

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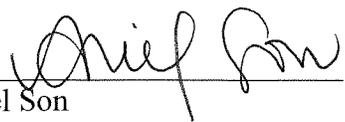
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[CLEAN]

**VOLUMETRIC INCENTIVE PAYMENT AND INTERCONNECTION AGREEMENT
(Volumetric Bid Option)**

BETWEEN

[a new solar photovoltaic system with Nameplate Capacity greater than 100kW and less than
or equal to 500kW]

AND

PACIFIC POWER

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Exhibit A Application for Solar Incentive Program Interconnection

Exhibit B Participant’s Volumetric Incentive Rate

Interconnection Appendix

This Agreement shall be used for all approved Volumetric Bidder Applications for Interconnection according to the procedures and requirements set forth in Commission Rules, Oregon Administrative Rules (“OAR”) Chapter 860, Division 84 (Solar Photovoltaic Pilot Program Rules).

VOLUMETRIC INCENTIVE PAYMENT AND INTERCONNECTION AGREEMENT

THIS VOLUMETRIC INCENTIVE PAYMENT AND INTERCONNECTION AGREEMENT (“**Agreement**”) is between _____, “**Participant**” and **PacifiCorp** (d/b/a Pacific Power), an Oregon corporation acting in its regulated utility capacity, “**Pacific Power**.” (Participant and Pacific Power are referred to individually as a “**Party**” or collectively as the “**Parties**”).

RECITALS

A. Participant intends to construct, own, operate and maintain a solar photovoltaic energy system that is an eligible system under Oregon Administrative Rule (“**OAR**”) 860-084-120. Participant is a retail electric customer of Pacific Power and participant’s system will be permanently installed at _____ [Street address, City, County, State] with a Nameplate Capacity of _____ -kilowatts (kW) as further described in Participant’s Application for Solar Incentive Program Interconnection, attached hereto as **Exhibit A (“Eligible System”)**.

B. Participant intends to sell the energy generated by its Eligible System to Pacific Power under the Commission’s Solar Photovoltaic Pilot Program.

C. Participant’s Eligible System requires a Level __ Interconnection Review, as that term is used in OAR 860, Division 84.

D. This Agreement provides the terms and conditions whereby Pacific Power interconnects Participant’s Eligible System to Pacific Power’s system and compensates Participant for Payable Generation generated by its Eligible System.

E. Participant’s reservation start date is _____, 20_____
 (“**Reservation Start Date**”).

F. Participant estimates that the average annual energy to be delivered by the Eligible System to Pacific Power is _____ kilowatt-hours (kWh), which amount of energy Pacific Power will include in its resource planning.

G. Under the Pacific Power Inter-Jurisdictional Cost Allocation Revised Protocol, the costs paid under this Agreement in excess of the costs PacifiCorp would otherwise have incurred procuring comparable resources shall be assigned an Oregon *situs*.

H. Pacific Power intends to designate the Eligible System as a Network Resource under Pacific Power’s Open Access Transmission Tariff.

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 “**Application for Solar Incentive Program Interconnection**” means the application form filled out by Participant (Attached hereto as **Exhibit A**) and used by Pacific Power to determine Participant’s requirements for interconnection.

1.2 “**Billing Period**” means the time period between Pacific Power’s consecutive readings of Participant’s meter(s) in the normal course of Pacific Power’s business. Such periods typically range between twenty-seven (27) and thirty-four (34) days and coincide approximately, but not exactly, with calendar months. Participant’s generation and consumption shall be accounted for in identical Billing Periods. Any reference herein to a “monthly charge” or “monthly period” shall be interpreted to mean a charge or rate applicable during the Billing Period most closely approximating that calendar month.

1.3 “**Commission**” means the Public Utility Commission of Oregon.

1.4 “**Effective Date**” shall have the meaning set forth in Section 2.1.

1.5 “**Eligible Generation**” means the actual Eligible System generation, net of System Requirements and losses, if any, to Pacific Power’s generation meter(s).

1.6 “**Eligible System**” shall have the meaning set forth in Recital A.

1.7 “**Expiration Date**” shall have the meaning set forth in Section 2.3.

1.8 “**Generation Year**” unless otherwise specified, means a twelve-month period beginning at 12:00:01 a.m. prevailing Pacific Time on April 1 and terminating at midnight on March 31 of the following calendar year, except that the first Generation Year shall commence at 12:00:01 a.m. on the Effective Date and the last Generation Year shall end at midnight on the Expiration Date.

1.9 “**Interconnection Appendix**” means the attached appendix to this Agreement, providing for the construction, modification, testing, operation, and maintenance of Interconnection Facilities required to accommodate generation from Participant’s Eligible System.

1.10 “**Interconnection Facilities**” means facilities and equipment installed or modified in order to accommodate the interconnection of the Eligible System.

1.11 “**Nameplate Capacity**” means the maximum rated direct current output of a solar photovoltaic system, measured at an irradiance level of 1000W/m², with reference air mass 1.5 solar spectral irradiance distribution and cell or module junction temperature of 25°C.

1.12 “**Operation Date**” means the date that the Eligible System is deemed by Pacific Power to be fully operational and reliable, and authorized for operation in parallel with Pacific Power’s distribution system in accordance with Article 3 of the Interconnection Appendix.

1.13 “**Payable Generation**” means all Eligible Generation (kWh) delivered to Pacific Power at the Point of Interconnection.

1.14 “**Point of Interconnection**” means the point of common coupling between Participant’s Eligible System and Pacific Power’s distribution system.

1.15 “**Qualifying Assignee**” means a person to whom Participant may assign Volumetric Incentive Rate payments. Pacific Power or its affiliate or any other regulated utility is not a Qualifying Assignee. Qualifying Assignees include, but are not limited to:

- (a) A lender providing up front financing to Participant;
- (b) A company or individual who enters into a financial agreement with Participant to own and operate the Eligible System on behalf of Participant in return for compensation;
- (c) A company or individual who contracts with Participant to locate the Eligible System on property owned by Participant; or
- (d) Any entity identified by Participant to receive payments that Pacific Power is obligated to pay to Participant.

1.16 “**Renewable Energy Certificates**” is defined in Section 6.

1.17 “**Reservation Start Date**” means the date consumer secured an entitlement to capacity under Pacific Power’s Solar Photovoltaic Pilot Program as set forth in Recital E.

1.18 “**Solar Photovoltaic Pilot Program**” or “**Pilot Program**” means the Commission’s implementation of ORS 757.365 (2009)(as amended by House Bill 3690(2010)) via the Solar Photovoltaic Pilot Program Rules, including any subsequent revisions thereto.

1.19 “**Solar Photovoltaic Pilot Program Rules**”, or “**Rules**”, means Oregon Administrative Rules (“OAR”) Chapter 860, Division 84 and related Commission orders interpreting or augmenting those Rules.

1.20 “**Volumetric Incentive Rate**” means the incentive price paid by Pacific Power for Eligible Generation set forth in **Exhibit B**.

Capitalized terms not defined herein shall have the meaning set forth in the Solar Photovoltaic Pilot Program Rules.

SECTION 2: TERM; EFFECTIVE DATE

2.1 This Agreement shall become effective on the latest date of execution by either Party, below (“**Effective Date**”).

2.2 This Agreement shall terminate automatically if the Eligible System has not been installed within twelve months of the Reservation Start Date, unless the Commission waives termination for good cause shown.

2.3 Except as otherwise provided herein, this Agreement shall expire at midnight exactly fifteen (15) years after the Operation Date (“**Expiration Date**”).

SECTION 3: CERTIFICATIONS AND WARRANTIES

Participant certifies and warrants to Pacific Power that:

3.1 The information set forth in Exhibit A (Participant’s Application for Solar Incentive Program Interconnection) is accurate, to the best of Participant’s knowledge.

3.2 Participant’s Eligible System is and shall for the term of this Agreement continue to be an Eligible System under OAR 860-084-120.

3.3 The Eligible System will not benefit from expenditures under ORS 757.612 (3)(b)(B) or tax credits under ORS 469.160 or ORS 469.185 to 469.225.

3.4 The Eligible System is a new system, made with all new components, installed after the Reservation Start Date.

3.5 The Eligible System complies with siting, design, interconnection, installation, and electric output standards and codes required by the laws of Oregon.

3.6 Participant has not and will not compete for a power purchase agreement for its Eligible System under the Commission’s Solar Capacity Standard, as described in OAR 860-084-0020 through OAR 860-084-0080.

3.7 The Eligible System meets quality, reliability, and system installation requirements established by the Commission. (*See* OAR 860-084-0240(2)(e)(B); OAR 860-084-0120).

3.8 Participant (or any subsequent owner of the Eligible System) will remain a retail electricity customer of Pacific Power during this Agreement.

3.9 The Eligible System complies with the size requirements of OAR 860-084-0100(2)(e).

3.10 The Eligible System will be installed on the same property where Participant buys electricity from Pacific Power.

3.11 Participant possesses the legal right (e.g. through ownership, lease, or irrevocable license) to maintain its Eligible Facility at the site described in Exhibit A for the term of this Agreement and, if requested by Pacific Power, will provide documentation of such right at any time.

3.12 Participant is eligible under FERC regulations to make wholesale sales of energy at market-based rates.

3.13 Participant will notify Pacific Power within 30 days of any material changes to the Eligible System.

SECTION 4: OBLIGATIONS OF THE PARTIES

4.1 Participant is participating in the Volumetric Bidding Option as provided for under the Commission's Solar Photovoltaic Pilot Program Rules, as may be amended from time to time. The Parties' performance of this Agreement is subject to the requirements set forth therein. Performance of this Agreement shall also be subject to the requirements of Pacific Power's Schedule 137 Tariff and other applicable Pacific Power tariffs, as may be amended from time to time. In the event that the provisions of this Agreement conflict with the Solar Photovoltaic Pilot Program Rules or any Pacific Power tariff, the Commission's rules and Pacific Power's tariffs shall take precedence in that order.

4.2 Payable Generation. Commencing on the Operation Date, unless otherwise provided herein, Participant will sell and Pacific Power will purchase all Payable Generation from the Eligible System. Participant shall not sell any generation from the Eligible System to any party except Pacific Power during this Agreement.

4.3 Participant remains responsible for Commission-authorized minimum monthly charges and all other non-volumetric tariff charges (including the meter fee in Section 10), which Pacific Power will assess in Participant's retail monthly bill.

SECTION 5: VOLUMETRIC INCENTIVE RATES

Pacific Power shall pay Participant the Volumetric Incentive Rate ("VIR") set forth in Participant's successful response to Pacific Power's *Request for Proposal for the Volumetric Bid Option*. The actual rate under this Agreement is provided in Exhibit B.

SECTION 6: RENEWABLE ENERGY CERTIFICATES

Pacific Power shall own all the Renewable Energy Certificates ("RECs") associated with the Eligible System; Participant shall reasonably cooperate as needed to help Pacific Power perfect its ownership thereof. RECs means all right, title and interest in and to Environmental Attributes, plus the REC Reporting Rights. "Environmental Attributes" means any and all credits, benefits, claims, emissions reductions, environmental air quality credits, and emissions reduction credits, offsets, and allowances, howsoever entitled, resulting from the avoidance of

the emission of any gas, chemical, or other substance attributable to the generation of the Payable Generation by the Eligible System and the delivery of the Payable Generation to Pacific Power's meter, and include without limitation any of the same arising out of legislation or regulation concerned with oxides of nitrogen, sulfur, or carbon, with particulate matter, soot, or mercury, or implementing the United Nations Framework Convention on Climate Change (the "UNFCCC") or the Kyoto Protocol to the UNFCCC or crediting "early action" with a view thereto, or laws or regulations involving or administered by the Clean Air Markets Division of the Environmental Protection Agency or successor administrator (collectively with any state or federal entity given jurisdiction over a program involving transferability of Environmental Attributes, the "CAMD"), but specifically excluding only (i) the wind production tax credits, if any, and (ii) matters designated by Pacific Power as sources of liability or adverse wildlife or environmental impacts. "REC Reporting Rights" means the right to report to any agency, authority or other party, including without limitation under Section 1605(b) of the Energy Policy Act of 1992, or under any present or future domestic, international or foreign emissions trading program, exclusive ownership of the Environmental Attributes. One REC represents the Environmental Attributes attributable to the generation of 1 MWh of Payable Generation by the Eligible System and the delivery thereof to the electricity grid.

SECTION 7: INTERCONNECTION

7.1 Prior to interconnecting its Eligible System, Participant shall obtain Pacific Power's approval in accordance with the requirements of Article 3 of the Interconnection Appendix. Participant will abide by all requirements for construction, testing, operation and maintenance set forth in the Solar Photovoltaic Pilot Program Rules and all applicable Pacific Power tariffs.

7.2 Interconnection Appendix. The Parties shall perform all obligations set forth in the Interconnection Appendix.

7.3 Allocation of costs. Participant shall be responsible for all costs, including overheads, associated with procuring, installing, owning, operating, maintaining, repairing, and replacing its Eligible System (including any disconnect switch required by OAR 860-084-340(3)), any associated equipment package, and any associated Interconnection Facilities or modifications described in the Interconnection Appendix.

7.4 Access. As provided in the Solar Photovoltaic Pilot Program Rules, Participant shall provide Pacific Power access to any required disconnect switch at the Eligible System at all times and for inspection when otherwise permitted. Pacific Power will provide reasonable notice to Participant when possible prior to using its right of access. Additionally, as provided in Pacific Power & Light Company Oregon Rule 6, or its successor tariff, Participant shall permit Pacific Power access to the metering equipment.

SECTION 8: TEMPORARY DISCONNECTION

8.1 Pacific Power or Participant may temporarily disconnect the Eligible System from Pacific Power's system for so long as reasonably necessary in the event one or more of the following conditions or events occurs:

- 8.1.1 Emergency conditions. Pacific Power or Participant may immediately and temporarily disconnect the Eligible System in an emergency. Pacific Power shall notify Participant promptly when Pacific Power becomes aware of an emergency condition that may reasonably be expected to affect operation of the Eligible System. Participant shall notify Pacific Power promptly when it becomes aware of an emergency condition that may reasonably be expected to affect Pacific Power's system. To the extent the information is known, the notification shall describe the emergency condition, the extent of any damage or deficiency, the expected effect on the operation of each Party's facilities and operations, the anticipated duration, and the necessary corrective action.
- 8.1.2 Scheduled maintenance, repair or construction. Pacific Power or the Participant may disconnect the Eligible System during maintenance of the Eligible System or Pacific Power's distribution system. Parties will make reasonable efforts to provide two (2) business days notice to the other Party prior to such interruption and shall use reasonable efforts to coordinate such interruption.
- 8.1.3 Likelihood of harm to other customers. Pacific Power may disconnect the Eligible Facility if it will likely cause disruption or deterioration of service to other customers, or if operating the Eligible System could cause damage to Pacific Power's electric distribution system. In such event, Pacific Power shall provide the Participant supporting documentation used to reach the decision to disconnect the Eligible Facility upon the Participant's request.
- 8.1.4 Unauthorized modifications. Pacific Power may disconnect the Eligible Facility if the Participant makes any change to the Eligible System, other than minor equipment modifications, without prior written authorization of Pacific Power.
- 8.1.5 Nonconformance with this Agreement. Pacific Power may disconnect the Eligible System if it determines that the Eligible System is noncompliant with this Agreement, the Rules or its tariffs.

8.2 If the Eligible System must be physically disconnected for any reason, Pacific Power may do so by disconnecting all service to the Participant or all service to the premises where the Eligible System is located, or both.

8.3 The Parties shall cooperate with each other to restore the Eligible System, Interconnection Facilities, and Pacific Power's system to their normal operating state as soon as reasonably practicable following any disconnection pursuant to this Section 8.

SECTION 9: PARTICIPANT'S ADDITIONAL COOPERATION

9.1 Agreement to Release Information. Participant hereby agrees to allow Pacific Power to release information concerning its participation in the Solar Photovoltaic Pilot Program, including the names of all participants in the Pilot Program, to the Oregon Department of Revenue, the Oregon Department of Energy, the Commission and the Energy Trust of Oregon ("ETO"). Pacific Power shall use reasonable efforts to pursue appropriate confidentiality terms with the above agencies and organizations. As required by OAR 860-084-0240 (2)(f), Pacific Power shall provide Participant with documentation of the confidentiality requirements that those receiving the information must follow.

9.2 Agreement to Participate in Surveys. Participant hereby agrees to complete up to three surveys on the effectiveness of the Pilot Program in order to remain eligible for participation in the Pilot Program. Information to be provided may include, but is not limited to: understanding the various factors contributing to participation in the Pilot Program; understanding decision processes used to choose between the volumetric incentive rate solar program and the existing net-metering solar program; and satisfaction with and recommendations for improving the Pilot Program processes. Participant agrees that Pacific Power may release information concerning Participant obtained from the surveys to the Commission, Oregon Department of Revenue, Oregon Department of Energy, and the ETO.

SECTION 10: METERING

10.1 Subject to Section 10.4, Pacific Power shall install, own and maintain, at its sole expense, a kilowatt-hour meter(s) and associated equipment to measure the flow of energy in each direction, in accordance with OAR 860-084-0280. Participant shall provide, at its sole expense, adequate facilities, including, but not limited to, a current transformer enclosure (if required), meter socket(s) and junction box, for the installation of the meter and associated equipment. Participant hereby consents to the installation and operation by Pacific Power of one or more additional meters to monitor the flow of electricity in each direction. Such meters shall be located on the premises of Participant.

10.2 Metering shall be performed at the location and in a manner consistent with this Agreement.

10.3 Pacific Power may periodically inspect, test, repair and replace its metering equipment. If any of the inspections or tests discloses an error exceeding two percent (2%), 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) billing periods, 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 following the repair of the meter.

10.4 Monthly Meter Fee. In accordance with Commission Order No. 10-198, Participant shall pay a \$10 monthly meter fee, for each additional meter required, for the term of this Agreement. The monthly meter fee shall be included in Participant's monthly retail service bill.

SECTION 11: BILLINGS, COMPUTATIONS, AND PAYMENTS

11.1 On or before the forty-fifth (45th) day following the end of each month, Pacific Power shall send to Participant payment for Participant's deliveries of Payable Generation to Pacific Power, together with computations supporting such payment. Pacific Power may deduct from any such payment, above, amounts owing and delinquent more than 45 days on Participant's monthly utility bill or owing under this Agreement. Participant will continue to receive a monthly bill for its retail electric service.

11.2 Corrections. Pacific Power shall have up to eighteen months to adjust any payment made pursuant to Section 11.1. In the event Pacific Power determines it has overpaid Participant (for Excess Output or otherwise), Pacific Power may adjust Participant's future payment accordingly in order to recapture any overpayment in a reasonable time.

SECTION 12: PARTICIPANT'S DEPOSIT

Participant paid Pacific Power \$_____ at the time it submitted its Solar Photovoltaic Pilot Program Capacity Reservation Application ("Reservation Fee"). Pacific Power shall refund the Reservation Fee by mailing Participant a check with Participant's first incentive payment or incentive payment statement. In the event Participant does not achieve operation in substantial compliance with this Agreement, Participant shall be deemed to have forfeited its Reservation Fee. Pacific Power will notify Participant in writing when it has deemed the Reservation Fee forfeited.

SECTION 13: DEFAULTS AND REMEDIES

13.1 Events of Default. The following events shall constitute defaults under this Agreement:

13.1.1 Breach of Material Term. Failure of a Party to perform any material obligation imposed upon that Party by this Agreement or breach by a Party of a representation or warranty set forth in this Agreement.

13.1.2 Non-delivery. Participant's failure to deliver Payable Generation for any 12-month period.

13.1.3 Insolvency. A Party files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy or similar law for the protection of creditors, or has such a petition filed against it and such petition is not withdrawn or dismissed within sixty (60) days after such filing.

13.1.4 Participant is found by the Commission to have made a false certification hereunder.

13.2 Notice; Opportunity to Cure. For a default under Section 13.1.1, a defaulting Party shall have sixty (60) days to cure after receipt of written notice from the non-defaulting Party. If the default is not capable of cure within the 60-day period, the defaulting Party must begin to cure the default within twenty (20) calendar days after receipt of the written default notice, and must continuously and diligently complete the cure within six (6) months of the receipt of the notice.

13.3 Termination. If a default described herein has not been cured within the prescribed time to cure (if any) above, the non-defaulting Party may terminate this Agreement at its sole discretion by delivering written notice to the other Party. Upon termination, the Eligible System will be disconnected from Pacific Power's system at Participant's expense. The termination of this Agreement will not relieve either Party of its liabilities and obligations, owed or continuing at the time of termination. In the event this Agreement is terminated because of Participant's default, neither Participant nor the Eligible System shall be eligible, at any location in Oregon, for subsequent volumetric incentive rates, other feed-in tariffs, or pilot programs prior to the Expiration Date. The non-defaulting Party may contest a termination by seeking dispute resolution with the Commission within 30 days of termination, else termination shall be final.

SECTION 14: INDEMNIFICATION AND LIABILITY

14.1 Indemnities.

14.1.2 Indemnity by Participant. Participant shall release, defend, indemnify and hold harmless Pacific Power, its directors, officers, agents, and representatives against and from any and all loss, fines, penalties, 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 (a) the energy delivered by Participant under this Agreement to and at the Point of Interconnection, (b) any facilities on Participant's side of the Point of Interconnection, (c) Participant's operation and/or maintenance of the Eligible System, or (d) arising from 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 Pacific Power, Participant or others, excepting only such loss, claim, action or suit as may be caused solely by the fault or gross negligence of Pacific Power, its directors, officers, employees, agents or representatives.

14.1.3 Indemnity by Pacific Power. Pacific Power shall release, defend, indemnify and hold harmless Participant, its directors, officers, agents, Lenders and representatives against and from any and all loss, fines, penalties, 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 the energy delivered by Participant under this Agreement after the Point of Interconnection, 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, excepting only such loss, claim, action or suit as may be caused solely by the fault or gross negligence of Participant, its directors, officers, employees, agents, Lenders or representatives.

14.2 No Dedication. 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 Pacific Power as an independent public utility corporation or Participant as an independent individual or entity.

14.3 No Consequential Damages. NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR SPECIAL, PUNITIVE, INDIRECT, EXEMPLARY OR CONSEQUENTIAL DAMAGES, WHETHER SUCH DAMAGES ARE ALLOWED OR PROVIDED BY CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, STATUTE OR OTHERWISE.

SECTION 15: INSURANCE

15.1 Certificates. Prior to connection of the Eligible System to Pacific Power's electric system, Participant shall secure and continuously carry insurance in compliance with the requirements of this Section 15. Upon request, participant shall provide Pacific Power insurance certificate(s) (of "ACORD Form" or the equivalent) evidencing Participant's compliance with the insurance requirements hereunder. Liability coverage written on a "claims-made" basis, if any, shall be specifically identified on the certificate. If requested by Pacific Power, a copy of each insurance policy, certified as a true copy by an authorized representative of the issuing insurance company, shall be furnished to Pacific Power.

15.2 Required Policies and Coverages. Without limiting any liabilities or any other obligations of Participant under this Agreement, Participant shall secure and continuously carry with an insurance company or companies rated not lower than "B+" by the A.M. Best Company the insurance coverage specified below:

Liability insurance shall be provided with a minimum single limit of \$1,000,000 to protect against and from all loss by reason of injury to persons or damage to property based upon and arising out of the activity under this Agreement.

15.3 The liability policy required herein shall include provisions or endorsements i) naming Pacific Power, its Board of Directors, Officers and employees as additional insureds, ii) cross liability coverage so that the insurance applies separately to each insured against whom claim is made or suit is brought, even in instances where one insured claims against or sues another insured, iii) such insurance is primary insurance with respect to the interests of Pacific Power and that any other insurance maintained by Pacific Power is excess and not contributory insurance with the insurance required hereunder, and iv) such policies shall not be canceled or their limits of liability reduced without 1) ten (10) days prior written notice to Pacific Power if canceled for nonpayment of premium, or 2) thirty (30) days prior written notice to Pacific Power if canceled for any other reason; *provided however*, that the requirements of this Section 15.3 shall not apply to liability insurance carried by residential or noncommercial farming customers.

SECTION 16: DISCLOSURE REQUIRED BY OAR 860-084-0240(2)(K)

In conformance with OAR 860-084-0240(2)(K) Pacific Power hereby notifies Participant that payments under the volumetric incentive rate bid option may be taxable as income under Oregon and Federal Tax law and Participant's Eligible System may be subject to property tax in the State of Oregon.

SECTION 17: FORCE MAJEURE

17.1 As used in this Agreement, a Force Majeure Event shall mean any act of God, labor disturbance, act of the public enemy, war, acts of terrorism, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment through no direct, indirect, or contributory act of a Party, any order, regulation, or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause which is in each case (i) beyond the reasonable control of such affected Party, (ii) by the exercise of reasonable foresight such Party could not reasonably have been expected to avoid and (iii) by the exercise of due diligence, such Party shall be unable to prevent or overcome.

17.2 If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the Force Majeure Event ("Affected Party") shall promptly notify the other Party of the existence of the Force Majeure Event. The notification must specify in reasonable detail the circumstances of the Force Majeure Event, the expected duration, and the steps that the Affected Party is taking to mitigate the effects of the event on its performance, and if the initial notification was verbal, it should be promptly followed up with a written notification. The Affected Party shall keep the other Party informed on a continuing basis of developments relating to the Force Majeure Event until the event ends. The Affected Party will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the Force Majeure Event cannot be reasonably mitigated. The Affected Party will use reasonable efforts to resume its performance as soon as possible. The Parties shall immediately report to the Commission should a Force Majeure Event prevent performance of any non-waivable obligations required by Commission Rules.

SECTION 18: SUCCESSORS AND ASSIGNS

18.1 This Agreement may be assigned by either Party with the consent of the other Party. A Party's consent to an assignment may not be unreasonably withheld. The assigning Party must give the non-assigning Party written notice of the assignment at least fifteen days (15) before the effective date of the assignment. The non-assigning Party must submit its objection to the assignment, if any, to the assigning Party in writing at least five (5) business days before the effective date of the assignment. If a written objection is not received within that time period, the non-assigning party is deemed to consent to the assignment.

18.2 Exceptions to the Consent Requirement

18.2.1 Either Party may assign its rights and obligations under this Agreement without the consent of the other Party to any affiliate (including a merger or acquisition of the Party with another entity) of the assigning Party with an equal or greater creditworthiness and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement

18.2.2 Participant may assign its rights and obligations under this Agreement, without the consent of Pacific Power, for collateral security purposes to aid in obtaining financing for the Eligible System.

18.2.3 Participant may assign Section 11.1 payments to a single Qualifying Assignee at any time by providing Pacific Power written notice and a \$25 setup fee, *provided*, that such notice and payment must be given at least 15 business days before becoming effective to allow Pacific Power time to determine that the assignee is a Qualifying Assignee and process the change. Such notice shall specify the term of assignment and whether the assignment is revocable. Such an assignment will not operate to delegate any responsibilities or duties of Participant under this Agreement to Qualifying Assignee.

18.3 Any attempted assignment that violates this Article is void. An assignee is responsible for meeting the same obligations as the assigning Party.

SECTION 19: DISPUTES

Nothing in this Agreement shall restrict or enlarge the rights of any Party to file a complaint with the Commission under relevant provisions of the Commission's rules.

SECTION 20: MISCELLANEOUS

20.1 Survival. The rights and obligations set forth in Sections 9, 11, 13.3, and 15.5 shall survive Termination or Expiration of this Agreement.

20.2 Amendment. The Parties may only amend this Agreement by a written instrument duly executed by both Parties in accordance with the provisions of the applicable Commission rules and Orders, or by the Commission for good cause shown.

20.3 No Third-Party Beneficiaries. This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, or where permitted, their successors in interest or their assigns.

20.4 Counterparts. This Agreement may be executed in one or more counterparts, whether electronically or otherwise, and each counterpart shall have the same force and effect as an original Agreement and as if all the Parties had signed the same document.

20.5 No Partnership/Joint and Several Liability. This Agreement will not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party. If Participant includes two or more parties, each such party shall be jointly and severally liable for Participant's obligations under this Agreement.

20.6 Severability. If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other governmental authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of the Agreement shall remain in full force and effect.

20.7 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.

20.8 Subcontractors. Nothing in this Agreement shall prevent a Party from using the services of any subcontractor, or designating a third-party agent as one responsible for a specific obligation or act required in the Agreement (collectively subcontractors), as it deems appropriate to perform its obligations under the Agreement; provided, however, that each Party will require its subcontractors to comply with all applicable terms and conditions of the Agreement in providing such services and each Party will remain primarily liable to the other Party for the performance of the subcontractor.

20.8.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made. Any applicable obligation imposed by the Agreement upon the hiring Party shall be equally binding upon, and will be construed as having application to, any subcontractor of such Party.

20.8.2 The obligations under this Section will not be limited in any way by any limitation of a subcontractor's insurance.

SECTION 21: ENTIRE AGREEMENT

This Agreement together with all exhibits, appendices or other attachments, which are incorporated herein by reference, supersedes all prior agreements, proposals, representations, negotiations, discussions or letters, whether oral or in writing, regarding Pacific Power's purchase of Payable Generation from the Eligible System.

SECTION 22: NOTICES

22.1 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.

| Notices | Pacific Power | Participant |
|--|---|-------------|
| All Notices | Pacific Power Volumetric Net Metering 825 NE Multnomah Street Portland, OR 97232 Attn: Travis Tanner, Suite 800 Email: oregonsolar@pacificcorp.com Phone: (503) 813 - 5952 Facsimile: (503) 331 - 4442 Duns: 00-790-9013 Federal Tax ID Number: 93-0246090 | |
| Outage notification: | (same as street address above) Attn: Resource Planning, Suite 600 Phone: (503) 813 - 6090 Facsimile: (503) 813 - 6265 | |
| Payments: | | |
| With Additional Notices of an Event of Default or Potential | (same as street address above) Attn: Pacific Power General Counsel Phone: (503) 813-7502 | |

| | | |
|-----------------------------|---------------------------|--------------------|
| Notices | Pacific Power | Participant |
| Event of Default to: | Facsimile: (503) 813-7252 | |

22.2 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 22, provided that any requested change to the payee and the address where payments are made shall be submitted in writing at least 15 days before becoming effective and shall provide sufficient information for Pacific Power to determine that the substitute payee is a Qualifying Assignee.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed in their respective names as of the date first above written.

Participant

Pacific Power

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT A

Application for Solar Incentive Program Interconnection

(to be attached when completed by Participant and accepted by Pacific Power)

EXHIBIT B—Participant's Volumetric Incentive Rate

Volumetric Incentive Payment: For each monthly Billing Period, Pacific Power shall pay Volumetric Bidding Participant the Volumetric Incentive Rate (as set forth below) multiplied by Participant's Payable Generation (kWh):

$$\text{Volumetric Incentive Payment} = (\text{VIR} * \text{Payable Generation})$$

Where:

Volumetric Incentive Rate (VIR): \$0. /kWh

And:

Payable Generation equals Eligible Generation.

VOLUMETRIC INCENTIVE PAYMENT AND INTERCONNECTION AGREEMENT

THIS VOLUMETRIC INCENTIVE PAYMENT AND INTERCONNECTION AGREEMENT (“**Agreement**”) is between _____, “**Participant**” and **PacifiCorp** (d/b/a Pacific Power), an Oregon corporation acting in its regulated utility capacity, “**Pacific Power**.” (Participant and Pacific Power are referred to individually as a “**Party**” or collectively as the “**Parties**”).

RECITALS

A. Participant intends to construct, own, operate and maintain a solar photovoltaic energy system that is an eligible system under Oregon Administrative Rule (“**OAR**”) 860-084-120. Participant is a retail electric customer of Pacific Power and participant’s system will be permanently installed at _____ [Street address, City, County, State] with a Nameplate Capacity of _____ -kilowatts (kW) as further described in Participant’s Application for Solar Incentive Program Interconnection, attached hereto as **Exhibit A (“Eligible System”)**.

B. Participant intends to net meter the energy generated by its Eligible System under the Commission’s Solar Photovoltaic Pilot Program.

C. Participant’s Eligible System requires a Level __ Interconnection Review, as that term is used in OAR 860, Division 84.

D. This Agreement provides the terms and conditions whereby Pacific Power interconnects Participant’s Eligible System to Pacific Power’s system and compensates Participant for Payable Generation generated by its Eligible System.

E. Participant’s reservation start date is _____, 20_____
 (“**Reservation Start Date**”).

F. Participant estimates that the average annual energy to be delivered by the Eligible System to Pacific Power is _____ kilowatt-hours (kWh), which amount of energy Pacific Power will include in its resource planning.

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 “**Accumulated Excess Generation**” means sum of uncompensated Excess Generation for each month of a Generation Year-to-date.

1.2 “**Application for Solar Incentive Program Interconnection**” means the application form filled out by Participant (Attached hereto as **Exhibit A**) and used by Pacific Power to determine Participant’s requirements for interconnection.

1.3 “**Billing Period**” means the time period between Pacific Power's consecutive readings of Participant’s meter(s) in the normal course of Pacific Power's business. Such periods typically range between twenty-seven (27) and thirty-four (34) days and coincide approximately, but not exactly, with calendar months. Participant’s generation and consumption shall be accounted for in identical Billing Periods. Any reference herein to a “monthly charge” or “monthly period” shall be interpreted to mean a charge or rate applicable during the Billing Period most closely approximating that calendar month.

1.4 “**Commission**” means the Public Utility Commission of Oregon.

1.5 “**Effective Date**” shall have the meaning set forth in Section 2.1.

1.6 “**Eligible Generation**” means the actual Eligible System generation, net of System Requirements and losses, if any, to Pacific Power’s generation meter(s).

1.7 “**Eligible System**” shall have the meaning set forth in Recital A.

1.8 “**Excess Generation**” (kWh) means that increment of Eligible Generation generated in excess of Participant’s retail electricity consumption on a monthly (Billing Period) basis.

1.9 “**Expiration Date**” shall have the meaning set forth in Section 2.3.

1.10 “**Generation Year**” unless otherwise specified, means a twelve-month period beginning at 12:00:01 a.m. prevailing Pacific Time on April 1 and terminating at midnight on March 31 of the following calendar year, except that the first Generation Year shall commence at 12:00:01 a.m. on the Effective Date and the last Generation Year shall end at midnight on the Expiration Date.

1.11 “**Interconnection Appendix**” means the attached appendix to this Agreement, providing for the construction, modification, testing, operation, and maintenance of

Interconnection Facilities required to accommodate generation from Participant's Eligible System.

1.12 “**Interconnection Facilities**” means facilities and equipment installed or modified in order to accommodate the interconnection of the Eligible System.

1.13 “**Nameplate Capacity**” means the maximum rated direct current output of a solar photovoltaic system, measured at an irradiance level of 1000W/m², with reference air mass 1.5 solar spectral irradiance distribution and cell or module junction temperature of 25°C.

1.14 “**Operation Date**” means the date that the Eligible System is deemed by Pacific Power to be fully operational and reliable, and authorized for operation in parallel with Pacific Power's distribution system in accordance with Article 3 of the Interconnection Appendix.

1.15 “**Participant's Retail Rate**” (\$/kWh) means the sum of the Distribution Energy Charge and the Transmission & Ancillary Services Charge in the Pacific Power service schedule under which Participant takes retail electric service.

1.16 “**Payable Generation**” means Eligible Generation (kWh) during a Billing Period plus Accumulated Excess Generation (if any), up to Participant's actual Billing Period usage.

1.17 “**Point of Interconnection**” means the point of common coupling between Participant's Eligible System and Pacific Power's distribution system.

1.18 “**Qualifying Assignee**” means a person to whom Participant may assign Volumetric Incentive Rate payments. Pacific Power or its affiliate or any other regulated utility is not a Qualifying Assignee. Qualifying Assignees include, but are not limited to:

- (a) A lender providing up front financing to Participant;
- (b) A company or individual who enters into a financial agreement with Participant to own and operate the Eligible System on behalf of Participant in return for compensation;
- (c) A company or individual who contracts with Participant to locate the Eligible System on property owned by Participant; or
- (d) Any entity identified by Participant to receive payments that Pacific Power is obligated to pay to Participant.

1.19 “**Renewable Energy Certificates**” is defined in Section 6.

1.20 “**Reservation Start Date**” means the date consumer secured an entitlement to capacity under Pacific Power's Solar Photovoltaic Pilot Program as set forth in Recital E.

1.21 “**Solar Photovoltaic Pilot Program**” or “**Pilot Program**” means the Commission's implementation of ORS 757.365 (2009)(as amended by House Bill 3690(2010)) via the Solar Photovoltaic Pilot Program Rules, including any subsequent revisions thereto.

1.22 “**Solar Photovoltaic Pilot Program Rules**”, or “**Rules**”, means Oregon Administrative Rules (“OAR”) Chapter 860, Division 84 and related Commission orders interpreting or augmenting those Rules.

1.23 “**Volumetric Incentive Rate**” means the incentive price paid by Pacific Power for Eligible Generation set forth in **Exhibit B**.

Capitalized terms not defined herein shall have the meaning set forth in the Solar Photovoltaic Pilot Program Rules.

SECTION 2: TERM; EFFECTIVE DATE

2.1 This Agreement shall become effective on the latest date of execution by either Party, below (“**Effective Date**”).

2.2 This Agreement shall terminate automatically if the Eligible System has not been installed within twelve months of the Reservation Start Date, unless the Commission waives termination for good cause shown.

2.3 Except as otherwise provided herein, this Agreement shall expire at midnight exactly fifteen (15) years after the Operation Date (“**Expiration Date**”).

SECTION 3: CERTIFICATIONS AND WARRANTIES

Participant certifies and warrants to Pacific Power that:

3.1 The information set forth in Exhibit A (Participant’s Application for Solar Incentive Program Interconnection) is accurate, to the best of Participant’s knowledge.

3.2 Participant’s Eligible System is and shall for the term of this Agreement continue to be an Eligible System under OAR 860-084-120.

3.3 The Eligible System will not benefit from expenditures under ORS 757.612 (3)(b)(B) or tax credits under ORS 469.160 or ORS 469.185 to 469.225.

3.4 The Eligible System is a new system, made with all new components, installed after the Reservation Start Date.

3.5 The Eligible System complies with siting, design, interconnection, installation, and electric output standards and codes required by the laws of Oregon.

3.6 Participant has not and will not compete for a power purchase agreement for its Eligible System under the Commission’s Solar Capacity Standard, as described in OAR 860-084-0020 through OAR 860-084-0080.

3.7 The Eligible System meets quality, reliability, and system installation requirements established by the Commission. (*See* OAR 860-084-0240(2)(e)(B); OAR 860-084-0120).

3.8 Participant (or any subsequent owner of the Eligible System) will remain a retail electricity customer of Pacific Power during this Agreement.

3.9 The Eligible System complies with the size requirements of OAR 860-084-0100(2)(e).

3.10 The Eligible System will be installed on the same property where Participant buys electricity from Pacific Power.

3.11 Participant possesses the legal right (e.g. through ownership, lease, or irrevocable license) to maintain its Eligible Facility at the site described in Exhibit A for the term of this Agreement and, if requested by Pacific Power, will provide documentation of such right at any time.

3.12 Participant will notify Pacific Power within 30 days of any changes to the Eligible System.

SECTION 4: OBLIGATIONS OF THE PARTIES

4.1 Participant is participating in the Net Metering Option as provided for under the Commission's Solar Photovoltaic Pilot Program Rules, as may be amended from time to time. The Parties' performance of this Agreement is subject to the requirements set forth therein. Performance of this Agreement shall also be subject to the requirements of Pacific Power's Schedule 136 Tariff and other applicable Pacific Power tariffs, as may be amended from time to time. In the event that the provisions of this Agreement conflict with the Solar Photovoltaic Pilot Program Rules or any Pacific Power tariff, the Commission's rules and Pacific Power's tariffs shall take precedence in that order.

4.2 Payable Generation. Commencing on the Operation Date, unless otherwise provided herein, Participant will sell and Pacific Power will purchase all Payable Generation from the Eligible System. Participant shall not sell any generation from the Eligible System to any party except Pacific Power during this Agreement.

4.3 Accumulated Excess Generation. At the end of each Generation Year, Participant shall forfeit Accumulated Excess Generation, if any, and Pacific Power shall make a corresponding donation to Pacific Power's low-income assistance program at the applicable average annual avoided cost tariff rate in Pacific Power's Schedule 37 Tariff. Pacific Power may retain for its benefit any Renewable Energy Certificates associated with Accumulated Excess Generation.

4.4 Participant remains responsible for Commission-authorized minimum monthly charges and all other non-volumetric tariff charges (including the meter fee in Section 10), which Pacific Power will assess in Participant's retail monthly bill.

SECTION 5: VOLUMETRIC INCENTIVE RATES

Pacific Power shall pay Participant the difference between Participant's Volumetric Incentive Rate (as set forth in Pacific Power's Schedule 136 Tariff) and Participant's Retail Rate (\$/kWh) for all Payable Generation. The resulting rate is provided in Exhibit B.

SECTION 6: RENEWABLE ENERGY CERTIFICATES

Pacific Power shall own all the Renewable Energy Certificates ("RECs") associated with the Eligible System; Participant shall reasonably cooperate as needed to help Pacific Power perfect its ownership thereof. RECs means all right, title and interest in and to Environmental Attributes, plus the REC Reporting Rights. "Environmental Attributes" means any and all credits, benefits, claims, emissions reductions, environmental air quality credits, and emissions reduction credits, offsets, and allowances, howsoever entitled, resulting from the avoidance of the emission of any gas, chemical, or other substance attributable to the generation of the Payable Generation by the Eligible System and the delivery of the Payable Generation to Pacific Power's meter, and include without limitation any of the same arising out of legislation or regulation concerned with oxides of nitrogen, sulfur, or carbon, with particulate matter, soot, or mercury, or implementing the United Nations Framework Convention on Climate Change (the "UNFCCC") or the Kyoto Protocol to the UNFCCC or crediting "early action" with a view thereto, or laws or regulations involving or administered by the Clean Air Markets Division of the Environmental Protection Agency or successor administrator (collectively with any state or federal entity given jurisdiction over a program involving transferability of Environmental Attributes, the "CAMD"), but specifically excluding only (i) the wind production tax credits, if any, and (ii) matters designated by Pacific Power as sources of liability or adverse wildlife or environmental impacts. "REC Reporting Rights" means the right to report to any agency, authority or other party, including without limitation under Section 1605(b) of the Energy Policy Act of 1992, or under any present or future domestic, international or foreign emissions trading program, exclusive ownership of the Environmental Attributes. One REC represents the Environmental Attributes attributable to the generation of 1 MWh of Payable Generation by the Eligible System and the delivery thereof to the electricity grid.

SECTION 7: INTERCONNECTION

7.1 Prior to interconnecting its Eligible System, Participant shall obtain Pacific Power's approval in accordance with the requirements of Article 3 of the Interconnection Appendix. Participant will abide by all requirements for construction, testing, operation and maintenance set forth in the Solar Photovoltaic Pilot Program Rules and all applicable Pacific Power tariffs.

7.2 Interconnection Appendix. The Parties shall perform all obligations set forth in the Interconnection Appendix.

7.3 Allocation of costs. Participant shall be responsible for all costs, including overheads, associated with procuring, installing, owning, operating, maintaining, repairing, and replacing its Eligible System (including any disconnect switch required by OAR 860-084-

340(3)), any associated equipment package, and any associated Interconnection Facilities or modifications described in the Interconnection Appendix.

7.4 Access. As provided in the Solar Photovoltaic Pilot Program Rules, Participant shall provide Pacific Power access to any required disconnect switch at the Eligible System at all times and for inspection when otherwise permitted. Pacific Power will provide reasonable notice to Participant when possible prior to using its right of access. Additionally, as provided in Pacific Power & Light Company Oregon Rule 6, or its successor tariff, Participant shall permit Pacific Power access to the metering equipment.

SECTION 8: TEMPORARY DISCONNECTION

8.1 Pacific Power or Participant may temporarily disconnect the Eligible System from Pacific Power's system for so long as reasonably necessary in the event one or more of the following conditions or events occurs:

- 8.1.1 Emergency conditions. Pacific Power or Participant may immediately and temporarily disconnect the Eligible System in an emergency. Pacific Power shall notify Participant promptly when Pacific Power becomes aware of an emergency condition that may reasonably be expected to affect operation of the Eligible System. Participant shall notify Pacific Power promptly when it becomes aware of an emergency condition that may reasonably be expected to affect Pacific Power's system. To the extent the information is known, the notification shall describe the emergency condition, the extent of any damage or deficiency, the expected effect on the operation of each Party's facilities and operations, the anticipated duration, and the necessary corrective action.
- 8.1.2 Scheduled maintenance, repair or construction. Pacific Power or the Participant may disconnect the Eligible System during maintenance of the Eligible System or Pacific Power's distribution system. Parties will make reasonable efforts to provide two (2) business days notice to the other Party prior to such interruption and shall use reasonable efforts to coordinate such interruption.
- 8.1.3 Likelihood of harm to other customers. Pacific Power may disconnect the Eligible Facility if it will likely cause disruption or deterioration of service to other customers, or if operating the Eligible System could cause damage to Pacific Power's electric distribution system. In such event, Pacific Power shall provide the Participant supporting documentation used to reach the decision to disconnect the Eligible Facility upon the Participant's request.
- 8.1.4 Unauthorized modifications. Pacific Power may disconnect the Eligible Facility if the Participant makes any change to the Eligible System, other than minor equipment modifications, without prior written authorization of Pacific Power.

8.1.5 Nonconformance with this Agreement. Pacific Power may disconnect the Eligible System if it determines that the Eligible System is noncompliant with this Agreement, the Rules or its tariffs.

8.2 If the Eligible System must be physically disconnected for any reason, Pacific Power may do so by disconnecting all service to the Participant or all service to the premises where the Eligible System is located, or both.

8.3 The Parties shall cooperate with each other to restore the Eligible System, Interconnection Facilities, and Pacific Power's system to their normal operating state as soon as reasonably practicable following any disconnection pursuant to this Section 8.

SECTION 9: PARTICIPANT'S ADDITIONAL COOPERATION

9.1 Agreement to Release Information. Participant hereby agrees to allow Pacific Power to release information concerning its participation in the Solar Photovoltaic Pilot Program, including the names of all participants in the Pilot Program, to the Oregon Department of Revenue, the Oregon Department of Energy, the Commission and the Energy Trust of Oregon ("ETO"). Pacific Power shall use reasonable efforts to pursue appropriate confidentiality terms with the above agencies and organizations. As required by OAR 860-084-0240 (2)(f), Pacific Power shall provide Participant with documentation of the confidentiality requirements that those receiving the information must follow.

9.2 Agreement to Participate in Surveys. Participant hereby agrees to complete up to three surveys on the effectiveness of the Pilot Program in order to remain eligible for participation in the Pilot Program. Information to be provided may include, but is not limited to: understanding the various factors contributing to participation in the Pilot Program; understanding decision processes used to choose between the volumetric incentive rate solar program and the existing net-metering solar program; and satisfaction with and recommendations for improving the Pilot Program processes. Participant agrees that Pacific Power may release information concerning Participant obtained from the surveys to the Commission, Oregon Department of Revenue, Oregon Department of Energy, and the ETO.

SECTION 10: METERING

10.1 Subject to Section 10.4, Pacific Power shall install, own and maintain, at its sole expense, a kilowatt-hour meter(s) and associated equipment to measure the flow of energy in each direction, in accordance with OAR 860-084-0280. Participant shall provide, at its sole expense, adequate facilities, including, but not limited to, a current transformer enclosure (if required), meter socket(s) and junction box, for the installation of the meter and associated equipment. Participant hereby consents to the installation and operation by Pacific Power, of one or more additional meters to monitor the flow of electricity in each direction. Such meters shall be located on the premises of Participant.

10.2 Metering shall be performed at the location and in a manner consistent with this Agreement.

10.3 Pacific Power may periodically inspect, test, repair and replace its metering equipment. If any of the inspections or tests discloses an error exceeding two percent (2%), 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) billing periods, 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 following the repair of the meter.

10.4 Monthly Meter Fee. In accordance with Commission Order No. 10-198, Participant shall pay a \$10 monthly meter fee, for each additional meter required, for the term of this Agreement. The monthly meter fee shall be included in Participant's monthly retail service bill.

SECTION 11: BILLINGS, COMPUTATIONS, AND PAYMENTS

11.1 On or before the forty-fifth (45th) day following the end of each month, Pacific Power shall send to Participant payment for Participant's deliveries of Payable Generation to Pacific Power, together with computations supporting such payment. Participants elects the following method of payment:

- Payments will be paid directly to the Participant; the Participant will continue to receive a standard monthly utility bill for electricity purchased under the applicable rate schedule [default option if none selected]; or
- Payments will be netted with the Participant's monthly utility bill for electricity purchased under the Participant's applicable schedule.

Pacific Power may deduct from any such payment, above, amounts owing and delinquent more than 45 days on Participant's monthly utility bill or owing under this Agreement.

11.2 Corrections. Pacific Power shall have up to eighteen months to adjust any payment made pursuant to Section 11.1. In the event Pacific Power determines it has overpaid Participant (for Excess Output or otherwise), Pacific Power may adjust Participant's future payment accordingly in order to recapture any overpayment in a reasonable time.

SECTION 12: PARTICIPANT'S DEPOSIT

Participant paid Pacific Power \$_____ at the time it submitted its Solar Photovoltaic Pilot Program Capacity Reservation Application ("Reservation Fee"). Pacific Power shall refund the Reservation Fee by mailing Participant a check with Participant's first incentive payment or incentive payment statement. In the event Participant does not achieve operation in substantial compliance with this Agreement, Participant shall be deemed to have

forfeited its Reservation Fee. Pacific Power will notify Participant in writing when it has deemed the Reservation Fee forfeited.

SECTION 13: DEFAULTS AND REMEDIES

13.1 Events of Default. The following events shall constitute defaults under this Agreement:

13.1.1 Breach of Material Term. Failure of a Party to perform any material obligation imposed upon that Party by this Agreement or breach by a Party of a representation or warranty set forth in this Agreement.

13.1.2 Non-delivery. Participant's failure to deliver Payable Generation for any 12-month period.

13.1.3 Insolvency. A Party files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy or similar law for the protection of creditors, or has such a petition filed against it and such petition is not withdrawn or dismissed within sixty (60) days after such filing.

13.1.4 Participant is found by the Commission to have made a false certification hereunder.

13.2 Notice; Opportunity to Cure. For a default under Section 13.1.1, a defaulting Party shall have sixty (60) days to cure after receipt of written notice from the non-defaulting Party. If the default is not capable of cure within the 60-day period, the defaulting Party must begin to cure the default within twenty (20) calendar days after receipt of the written default notice, and must continuously and diligently complete the cure within six (6) months of the receipt of the notice.

13.3 Termination. If a default described herein has not been cured within the prescribed time to cure (if any) above, the non-defaulting Party may terminate this Agreement at its sole discretion by delivering written notice to the other Party. Upon termination, the Eligible System will be disconnected from Pacific Power's system at Participant's expense. The termination of this Agreement will not relieve either Party of its liabilities and obligations, owed or continuing at the time of termination. In the event this Agreement is terminated because of Participant's default, neither Participant nor the Eligible System shall be eligible, at any location in Oregon, for subsequent volumetric incentive rates, other feed-in tariffs, or pilot programs prior to the Expiration Date. The non-defaulting Party may contest a termination by seeking dispute resolution with the Commission within 30 days of termination, else termination shall be final.

SECTION 14: INDEMNIFICATION AND LIABILITY

14.1 Indemnities.

14.1.1 Indemnity by Participant. Participant shall release, defend, indemnify and hold harmless Pacific Power, its directors, officers, agents, and representatives against and from any and all loss, fines, penalties, 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 (a) the energy delivered by Participant under this Agreement to and at the Point of Interconnection, (b) any facilities on Participant's side of the Point of Interconnection, (c) Participant's operation and/or maintenance of the Eligible System, or (d) arising from 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 Pacific Power, Participant or others, excepting only such loss, claim, action or suit as may be caused solely by the fault or gross negligence of Pacific Power, its directors, officers, employees, agents or representatives.

14.1.2 Indemnity by Pacific Power. Pacific Power shall release, defend, indemnify and hold harmless Participant, its directors, officers, agents, Lenders and representatives against and from any and all loss, fines, penalties, 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 the energy delivered by Participant under this Agreement after the Point of Interconnection, 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, excepting only such loss, claim, action or suit as may be caused solely by the fault or gross negligence of Participant, its directors, officers, employees, agents, Lenders or representatives.

14.2 No Dedication. 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 Pacific Power as an independent public utility corporation or Participant as an independent individual or entity.

14.3 No Consequential Damages. NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR SPECIAL, PUNITIVE, INDIRECT, EXEMPLARY OR CONSEQUENTIAL DAMAGES, WHETHER SUCH DAMAGES ARE ALLOWED OR PROVIDED BY CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, STATUTE OR OTHERWISE.

SECTION 15: INSURANCE

15.1 Certificates. Prior to connection of the Eligible System to Pacific Power's electric system, Participant shall secure and continuously carry insurance in compliance with the requirements of this Section 15. Upon request, participant shall provide Pacific Power insurance certificate(s) (of "ACORD Form" or the equivalent) evidencing Participant's compliance with the insurance requirements hereunder. Liability coverage written on a "claims-made" basis, if any, shall be specifically identified on the certificate. If requested by Pacific Power, a copy of each insurance policy, certified as a true copy by an authorized representative of the issuing insurance company, shall be furnished to Pacific Power.

15.2 Required Policies and Coverages. Without limiting any liabilities or any other obligations of Participant under this Agreement, Participant shall secure and continuously carry with an insurance company or companies rated not lower than "B+" by the A.M. Best Company the insurance coverage specified below:

Liability insurance shall be provided with a minimum single limit of \$1,000,000 to protect against and from all loss by reason of injury to persons or damage to property based upon and arising out of the activity under this Agreement.

15.3 The liability policy required herein shall include provisions or endorsements i) naming Pacific Power, its Board of Directors, Officers and employees as additional insureds, ii) cross liability coverage so that the insurance applies separately to each insured against whom claim is made or suit is brought, even in instances where one insured claims against or sues another insured, iii) such insurance is primary insurance with respect to the interests of Pacific Power and that any other insurance maintained by Pacific Power is excess and not contributory insurance with the insurance required hereunder, and iv) such policies shall not be canceled or their limits of liability reduced without 1) ten (10) days prior written notice to Pacific Power if canceled for nonpayment of premium, or 2) thirty (30) days prior written notice to Pacific Power if canceled for any other reason; *provided however*, that the requirements of this Section 15.3 shall not apply to liability insurance carried by residential or noncommercial farming customers.

SECTION 16: DISCLOSURE REQUIRED BY OAR 860-084-0240(2)(K)

In conformance with OAR 860-084-0240(2)(K) Pacific Power hereby notifies Participant that payments under the net metering option may be taxable as income under Oregon and Federal Tax law and Participant's Eligible System may be subject to property tax in the State of Oregon.

SECTION 17: FORCE MAJEURE

17.1 As used in this Agreement, a Force Majeure Event shall mean any act of God, labor disturbance, act of the public enemy, war, acts of terrorism, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment through no direct, indirect, or contributory act of a Party, any order, regulation, or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause which is in each case (i) beyond the reasonable control of such affected Party, (ii) by the exercise of reasonable foresight

such Party could not reasonably have been expected to avoid and (iii) by the exercise of due diligence, such Party shall be unable to prevent or overcome.

17.2 If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the Force Majeure Event (“Affected Party”) shall promptly notify the other Party of the existence of the Force Majeure Event. The notification must specify in reasonable detail the circumstances of the Force Majeure Event, the expected duration, and the steps that the Affected Party is taking to mitigate the effects of the event on its performance, and if the initial notification was verbal, it should be promptly followed up with a written notification. The Affected Party shall keep the other Party informed on a continuing basis of developments relating to the Force Majeure Event until the event ends. The Affected Party will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the Force Majeure Event cannot be reasonably mitigated. The Affected Party will use reasonable efforts to resume its performance as soon as possible. The Parties shall immediately report to the Commission should a Force Majeure Event prevent performance of any non-waivable obligations required by Commission Rules.

SECTION 18: SUCCESSORS AND ASSIGNS

18.1 This Agreement may be assigned by either Party with the consent of the other Party. A Party’s consent to an assignment may not be unreasonably withheld. The assigning Party must give the non-assigning Party written notice of the assignment at least fifteen days (15) before the effective date of the assignment. The non-assigning Party must submit its objection to the assignment, if any, to the assigning Party in writing at least five (5) business days before the effective date of the assignment. If a written objection is not received within that time period, the non-assigning party is deemed to consent to the assignment.

18.2 Exceptions to the Consent Requirement

18.2.1 Either Party may assign its rights and obligations under this Agreement without the consent of the other Party to any affiliate (including a merger or acquisition of the Party with another entity) of the assigning Party with an equal or greater creditworthiness and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement.

18.2.2 Participant may assign its rights and obligations under this Agreement, without the consent of Pacific Power, for collateral security purposes to aid in obtaining financing for the Eligible System.

18.2.3 Participant may assign Section 11.1 payments to a single Qualifying Assignee at any time by providing Pacific Power written notice and a \$25 setup fee; *provided*, that such notice and payment must be given at least 15 business days before becoming effective to allow Pacific Power time to determine that the assignee is a Qualifying Assignee and process the

change. Such notice shall specify the term of assignment and whether the assignment is revocable. Such an assignment will not operate to delegate any responsibilities or duties of Participant under this Agreement to Qualifying Assignee.

18.3 Any attempted assignment that violates this Article is void. An assignee is responsible for meeting the same obligations as the assigning Party.

SECTION 19: DISPUTES

Nothing in this Agreement shall restrict or enlarge the rights of any Party to file a complaint with the Commission under relevant provisions of the Commission's rules.

SECTION 20: MISCELLANEOUS

20.1 Survival. The rights and obligations set forth in Sections 9, 11, 13.3, and 15.5 shall survive Termination or Expiration of this Agreement.

20.2 Amendment. The Parties may only amend this Agreement by a written instrument duly executed by both Parties in accordance with the provisions of the applicable Commission rules and Orders, or by the Commission for good cause shown.

20.3 No Third-Party Beneficiaries. This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, or where permitted, their successors in interest or their assigns.

20.4 Counterparts. This Agreement may be executed in one or more counterparts, whether electronically or otherwise, and each counterpart shall have the same force and effect as an original Agreement and as if all the Parties had signed the same document.

20.5 No Partnership/Joint and Several Liability. This Agreement will not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party. If Participant includes two or more parties, each such party shall be jointly and severally liable for Participant's obligations under this Agreement.

20.6 Severability. If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other governmental authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as

practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of the Agreement shall remain in full force and effect.

20.7 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.

20.8 Subcontractors. Nothing in this Agreement shall prevent a Party from using the services of any subcontractor, or designating a third-party agent as one responsible for a specific obligation or act required in the Agreement (collectively subcontractors), as it deems appropriate to perform its obligations under the Agreement; provided, however, that each Party will require its subcontractors to comply with all applicable terms and conditions of the Agreement in providing such services and each Party will remain primarily liable to the other Party for the performance of the subcontractor.

20.8.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made. Any applicable obligation imposed by the Agreement upon the hiring Party shall be equally binding upon, and will be construed as having application to, any subcontractor of such Party.

20.8.2 The obligations under this Section will not be limited in any way by any limitation of a subcontractor's insurance.

SECTION 21: ENTIRE AGREEMENT

This Agreement together with all exhibits, appendices or other attachments, which are incorporated herein by reference, supersedes all prior agreements, proposals, representations, negotiations, discussions or letters, whether oral or in writing, regarding Pacific Power's purchase of Payable Generation from the Eligible System.

SECTION 22: NOTICES

22.1 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.

| Notices | Pacific Power | Participant |
|--------------------|---|--------------------|
| All Notices | Pacific Power Volumetric Net Metering 825 NE Multnomah Street Portland, OR 97232 | |

| Notices | Pacific Power | Participant |
|---|--|-------------|
| | Attn: Travis Tanner, Suite 800 Email: oregonsolar@pacificcorp.com Phone: (503) 813 - 5952 Facsimile: (503) 331 - 4442 Duns: 00-790-9013 Federal Tax ID Number: 93-0246090 | |
| Outage notification: | (same as street address above) Attn: Resource Planning, Suite 600 Phone: (503) 813 - 6090 Facsimile: (503) 813 - 6265 | |
| Payments: | | |
| With Additional Notices of an Event of Default or Potential Event of Default to: | (same as street address above) Attn: Pacific Power General Counsel Phone: (503) 813-7502 Facsimile: (503) 813-7252 | |

22.2 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 22, provided that any requested change to the payee and the address where payments are made shall be submitted in writing at least 15 days before becoming effective and shall provide sufficient information for Pacific Power to determine that the substitute payee is a Qualifying Assignee.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed in their respective names as of the date first above written.

Participant

Pacific Power

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Service ID #:

Request #:

EXHIBIT A

Application for Solar Incentive Program Interconnection

(to be attached when completed by Participant and accepted by Pacific Power)

EXHIBIT B—Participant’s Volumetric Incentive Rate

Volumetric Incentive Rate: The effective rate Pacific Power shall pay Participant equals the difference between Participant’s Volumetric Incentive Rate (as set forth in Pacific Power’s Schedule 136 Tariff) and Participant’s Retail Rate (\$/kWh):

Volumetric Incentive Rate (VIR): \$0. ___/kWh
Participant’s Retail Rate (RR): \$0. ___/kWh*
Net Volumetric Incentive Rate (VIR_{net}): \$0. ___/kWh

*The Participant’s Retail Rate is the retail rate in effect at the time of the Billing Period.

[REDLINE]

**VOLUMETRIC INCENTIVE PAYMENT AND INTERCONNECTION AGREEMENT
(Volumetric Bid Option)**

BETWEEN

[a new solar photovoltaic system with Nameplate Capacity greater than 100kW and less than
or equal to 500kW]

AND

PACIFIC POWER

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Exhibit A Application for Solar Incentive Program Interconnection

Exhibit B Participant’s Volumetric Incentive Rate

Interconnection Appendix

This Agreement shall be used for all approved Volumetric Bidder Applications for Interconnection according to the procedures and requirements set forth in Commission Rules, Oregon Administrative Rules (“OAR”) Chapter 860, Division 84 (Solar Photovoltaic Pilot Program Rules).

VOLUMETRIC INCENTIVE PAYMENT AND INTERCONNECTION AGREEMENT

THIS VOLUMETRIC INCENTIVE PAYMENT AND INTERCONNECTION AGREEMENT (“**Agreement**”) is between _____, “**Participant**” and **PacifiCorp** (d/b/a Pacific Power), an Oregon corporation acting in its regulated utility capacity, “**Pacific Power.**” (Participant and Pacific Power are referred to individually as a “**Party**” or collectively as the “**Parties**”).

RECITALS

A. Participant intends to construct, own, operate and maintain a solar photovoltaic energy system that is an eligible system under Oregon Administrative Rule (“**OAR**”) 860-084-120. Participant is a retail electric customer of Pacific Power and participant’s system will be permanently installed at _____ [Street address, City, County, State] with a Nameplate Capacity of _____ -kilowatts (kW) as further described in Participant’s Application for Solar Incentive Program Interconnection, attached hereto as **Exhibit A** (“**Eligible System**”).

B. Participant intends to sell the energy generated by its Eligible System to Pacific Power under the Commission’s Solar Photovoltaic Pilot Program.

C. Participant’s Eligible System requires a Level ___ Interconnection Review, as that term is used in OAR 860, Division 84.

D. This Agreement provides the terms and conditions whereby Pacific Power interconnects Participant’s Eligible System to Pacific Power’s system and compensates Participant for Payable Generation generated by its Eligible System.

E. Participant’s reservation start date is _____, 20_____
 (“**Reservation Start Date**”).

F. Participant estimates that the average annual energy to be delivered by the Eligible System to Pacific Power is _____ kilowatt-hours (kWh), which amount of energy Pacific Power will include in its resource planning.

G. Under the Pacific Power Inter-Jurisdictional Cost Allocation Revised Protocol, the costs paid under this Agreement in excess of the costs PacifiCorp would otherwise have incurred procuring comparable resources shall be assigned an Oregon *situs*.

H. Pacific Power intends to designate the Eligible System as a Network Resource under Pacific Power’s Open Access Transmission Tariff.

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 “**Application for Solar Incentive Program Interconnection**” means the application form filled out by Participant (Attached hereto as **Exhibit A**) and used by Pacific Power to determine Participant’s requirements for interconnection.

1.2 “**Billing Period**” means the time period between Pacific Power’s consecutive readings of Participant’s meter(s) in the normal course of Pacific Power’s business. Such periods typically range between twenty-seven (27) and thirty-four (34) days and coincide approximately, but not exactly, with calendar months. Participant’s generation and consumption shall be accounted for in identical Billing Periods. Any reference herein to a “monthly charge” or “monthly period” shall be interpreted to mean a charge or rate applicable during the Billing Period most closely approximating that calendar month.

1.3 “**Commission**” means the Public Utility Commission of Oregon.

1.4 “**Effective Date**” shall have the meaning set forth in Section 2.1.

1.5 “**Eligible Generation**” means the actual Eligible System generation, net of System Requirements and losses, if any, to Pacific Power’s generation meter(s).

1.6 “**Eligible System**” shall have the meaning set forth in Recital A.

1.7 “**Expiration Date**” shall have the meaning set forth in Section 2.3.

1.8 “**Generation Year**” unless otherwise specified, means a twelve-month period beginning at 12:00:01 a.m. prevailing Pacific Time on April 1 and terminating at midnight on March 31 of the following calendar year, except that the first Generation Year shall commence at 12:00:01 a.m. on the Effective Date and the last Generation Year shall end at midnight on the Expiration Date.

1.9 “**Interconnection Appendix**” means the attached appendix to this Agreement, providing for the construction, modification, testing, operation, and maintenance of Interconnection Facilities required to accommodate generation from Participant’s Eligible System.

1.10 “**Interconnection Facilities**” means facilities and equipment installed or modified in order to accommodate the interconnection of the Eligible System.

1.11 “**Nameplate Capacity**” means the maximum rated direct current output of a solar photovoltaic system, measured at an irradiance level of 1000W/m², with reference air mass 1.5 solar spectral irradiance distribution and cell or module junction temperature of 25°C.

1.12 “**Operation Date**” means the date that the Eligible System is deemed by Pacific Power to be fully operational and reliable, and authorized for operation in parallel with Pacific Power’s distribution system in accordance with Article 3 of the Interconnection Appendix.

1.13 “**Payable Generation**” means all Eligible Generation (kWh) delivered to Pacific Power at the Point of Interconnection.

1.14 “**Point of Interconnection**” means the point of common coupling between Participant’s Eligible System and Pacific Power’s distribution system.

1.15 “**Qualifying Assignee**” means a person to whom Participant may assign Volumetric Incentive Rate payments. Pacific Power or its affiliate or any other regulated utility is not a Qualifying Assignee. Qualifying Assignees include, but are not limited to:

- (a) A lender providing up front financing to Participant;
- (b) A company or individual who enters into a financial agreement with Participant to own and operate the Eligible System on behalf of Participant in return for compensation;
- (c) A company or individual who contracts with Participant to locate the Eligible System on property owned by Participant; or
- (d) Any entity identified by Participant to receive payments that Pacific Power is obligated to pay to Participant.

1.16 “**Renewable Energy Certificates**” is defined in Section 6.

1.17 “**Reservation Start Date**” means the date consumer secured an entitlement to capacity under Pacific Power’s Solar Photovoltaic Pilot Program as set forth in Recital E.

1.18 “**Solar Photovoltaic Pilot Program**” or “**Pilot Program**” means the Commission’s implementation of ORS 757.365 (2009)(as amended by House Bill 3690(2010)) via the Solar Photovoltaic Pilot Program Rules, including any subsequent revisions thereto.

1.19 “**Solar Photovoltaic Pilot Program Rules**”, or “**Rules**”, means Oregon Administrative Rules (“OAR”) Chapter 860, Division 84 and related Commission orders interpreting or augmenting those Rules.

1.20 “**Volumetric Incentive Rate**” means the incentive price paid by Pacific Power for Eligible Generation set forth in **Exhibit B**.

Capitalized terms not defined herein shall have the meaning set forth in the Solar Photovoltaic Pilot Program Rules.

SECTION 2: TERM; EFFECTIVE DATE

2.1 This Agreement shall become effective on the latest date of execution by either Party, below (“**Effective Date**”).

2.2 This Agreement shall terminate automatically if the Eligible System has not been installed within twelve months of the Reservation Start Date, unless the Commission waives termination for good cause shown.

2.3 Except as otherwise provided herein, this Agreement shall expire at midnight exactly fifteen (15) years after the Operation Date (“**Expiration Date**”).

SECTION 3: CERTIFICATIONS AND WARRANTIES

Participant certifies and warrants to Pacific Power that:

3.1 The information set forth in Exhibit A (Participant’s Application for Solar Incentive Program Interconnection) is accurate, to the best of Participant’s knowledge.

3.2 Participant’s Eligible System is and shall for the term of this Agreement continue to be an Eligible System under OAR 860-084-120.

3.3 The Eligible System will not benefit from expenditures under ORS 757.612 (3)(b)(B) or tax credits under ORS 469.160 or ORS 469.185 to 469.225.

3.4 The Eligible System is a new system, made with all new components, installed after the Reservation Start Date.

3.5 The Eligible System complies with siting, design, interconnection, installation, and electric output standards and codes required by the laws of Oregon.

3.6 Participant has not and will not compete for a power purchase agreement for its Eligible System under the Commission’s Solar Capacity Standard, as described in OAR 860-084-0020 through OAR 860-084-0080.

3.7 The Eligible System meets quality, reliability, and system installation requirements established by the Commission. (*See* OAR 860-084-0240(2)(e)(B); OAR 860-084-0120).

3.8 Participant (or any subsequent owner of the Eligible System) will remain a retail electricity customer of Pacific Power during this Agreement.

3.9 The Eligible System complies with the size requirements of OAR 860-084-0100(2)(e).

3.10 The Eligible System will be installed on the same property where Participant buys electricity from Pacific Power.

3.11 Participant possesses the legal right (e.g. through ownership, lease, or irrevocable license) to maintain its Eligible Facility at the site described in Exhibit A for the term of this Agreement and, if requested by Pacific Power, will provide documentation of such right at any time.

3.12 Participant is eligible under FERC regulations to make wholesale sales of energy at market-based rates.

3.13 Participant will notify Pacific Power within 30 days of any material changes to the Eligible System.

SECTION 4: OBLIGATIONS OF THE PARTIES

4.1 Participant is participating in the Volumetric Bidding Option as provided for under the Commission's Solar Photovoltaic Pilot Program Rules, as may be amended from time to time. The Parties' performance of this Agreement is subject to the requirements set forth therein. Performance of this Agreement shall also be subject to the requirements of Pacific Power's Schedule 137 Tariff and other applicable Pacific Power tariffs, as may be amended from time to time. In the event that the provisions of this Agreement conflict with the Solar Photovoltaic Pilot Program Rules or any Pacific Power tariff, the Commission's rules and Pacific Power's tariffs shall take precedence in that order.

4.2 Payable Generation. Commencing on the Operation Date, unless otherwise provided herein, Participant will sell and Pacific Power will purchase all Payable Generation from the Eligible System. Participant shall not sell any generation from the Eligible System to any party except Pacific Power during this Agreement.

4.3 Participant remains responsible for Commission-authorized minimum monthly charges and all other non-volumetric tariff charges (including the meter fee in Section 10), which Pacific Power will assess in Participant's retail monthly bill.

SECTION 5: VOLUMETRIC INCENTIVE RATES

Pacific Power shall pay Participant the Volumetric Incentive Rate ("VIR") set forth in Participant's successful response to Pacific Power's *Request for Proposal for the Volumetric Bid Option*. The actual rate under this Agreement is provided in Exhibit B.

SECTION 6: RENEWABLE ENERGY CERTIFICATES

Pacific Power shall own all the Renewable Energy Certificates ("RECs") associated with the Eligible System; Participant shall reasonably cooperate as needed to help Pacific Power perfect its ownership thereof. RECs means all right, title and interest in and to Environmental Attributes, plus the REC Reporting Rights. "Environmental Attributes" means any and all credits, benefits, claims, emissions reductions, environmental air quality credits, and emissions reduction credits, offsets, and allowances, howsoever entitled, resulting from the avoidance of

the emission of any gas, chemical, or other substance attributable to the generation of the Payable Generation by the Eligible System and the delivery of the Payable Generation to Pacific Power's meter, and include without limitation any of the same arising out of legislation or regulation concerned with oxides of nitrogen, sulfur, or carbon, with particulate matter, soot, or mercury, or implementing the United Nations Framework Convention on Climate Change (the "UNFCCC") or the Kyoto Protocol to the UNFCCC or crediting "early action" with a view thereto, or laws or regulations involving or administered by the Clean Air Markets Division of the Environmental Protection Agency or successor administrator (collectively with any state or federal entity given jurisdiction over a program involving transferability of Environmental Attributes, the "CAMD"), but specifically excluding only (i) the wind production tax credits, if any, and (ii) matters designated by Pacific Power as sources of liability or adverse wildlife or environmental impacts. "REC Reporting Rights" means the right to report to any agency, authority or other party, including without limitation under Section 1605(b) of the Energy Policy Act of 1992, or under any present or future domestic, international or foreign emissions trading program, exclusive ownership of the Environmental Attributes. One REC represents the Environmental Attributes attributable to the generation of 1 MWh of Payable Generation by the Eligible System and the delivery thereof to the electricity grid.

SECTION 7: INTERCONNECTION

7.1 **Prior to interconnecting its Eligible System, Participant shall obtain Pacific Power's approval in accordance with the requirements of Article 3 of the Interconnection Appendix.** Participant will abide by all requirements for construction, testing, operation and maintenance set forth in the Solar Photovoltaic Pilot Program Rules and all applicable Pacific Power tariffs.

7.2 Interconnection Appendix. The Parties shall perform all obligations set forth in the Interconnection Appendix.

7.3 Allocation of costs. Participant shall be responsible for all costs, including overheads, associated with procuring, installing, owning, operating, maintaining, repairing, and replacing its Eligible System (including any disconnect switch required by OAR 860-084-340(3)), any associated equipment package, and any associated Interconnection Facilities or modifications described in the Interconnection Appendix.

7.4 Access. As provided in the Solar Photovoltaic Pilot Program Rules, Participant shall provide Pacific Power access to any required disconnect switch at the Eligible System at all times and for inspection when otherwise permitted. Pacific Power will provide reasonable notice to Participant when possible prior to using its right of access. Additionally, as provided in Pacific Power & Light Company Oregon Rule 6, or its successor tariff, Participant shall permit Pacific Power access to the metering equipment.

SECTION 8: TEMPORARY DISCONNECTION

8.1 Pacific Power or Participant may temporarily disconnect the Eligible System from Pacific Power's system for so long as reasonably necessary in the event one or more of the following conditions or events occurs:

- 8.1.1 Emergency conditions. Pacific Power or Participant may immediately and temporarily disconnect the Eligible System in an emergency. Pacific Power shall notify Participant promptly when Pacific Power becomes aware of an emergency condition that may reasonably be expected to affect operation of the Eligible System. Participant shall notify Pacific Power promptly when it becomes aware of an emergency condition that may reasonably be expected to affect Pacific Power's system. To the extent the information is known, the notification shall describe the emergency condition, the extent of any damage or deficiency, the expected effect on the operation of each Party's facilities and operations, the anticipated duration, and the necessary corrective action.
- 8.1.2 Scheduled maintenance, repair or construction. Pacific Power or the Participant may disconnect the Eligible System during maintenance of the Eligible System or Pacific Power's distribution system. Parties will make reasonable efforts to provide two (2) business days notice to the other Party prior to such interruption and shall use reasonable efforts to coordinate such interruption.
- 8.1.3 Likelihood of harm to other customers. Pacific Power may disconnect the Eligible Facility if it will likely cause disruption or deterioration of service to other customers, or if operating the Eligible System could cause damage to Pacific Power's electric distribution system. In such event, Pacific Power shall provide the Participant supporting documentation used to reach the decision to disconnect the Eligible Facility upon the Participant's request.
- 8.1.4 Unauthorized modifications. Pacific Power may disconnect the Eligible Facility if the Participant makes any change to the Eligible System, other than minor equipment modifications, without prior written authorization of Pacific Power.
- 8.1.5 Nonconformance with this Agreement. Pacific Power may disconnect the Eligible System if it determines that the Eligible System is noncompliant with this Agreement, the Rules or its tariffs.

8.2 If the Eligible System must be physically disconnected for any reason, Pacific Power may do so by disconnecting all service to the Participant or all service to the premises where the Eligible System is located, or both.

8.3 The Parties shall cooperate with each other to restore the Eligible System, Interconnection Facilities, and Pacific Power's system to their normal operating state as soon as reasonably practicable following any disconnection pursuant to this Section 8.

SECTION 9: PARTICIPANT'S ADDITIONAL COOPERATION

9.1 Agreement to Release Information. Participant hereby agrees to allow Pacific Power to release information concerning its participation in the Solar Photovoltaic Pilot Program, including the names of all participants in the Pilot Program, to the Oregon Department of Revenue, the Oregon Department of Energy, the Commission and the Energy Trust of Oregon ("ETO"). Pacific Power shall use reasonable efforts to pursue appropriate confidentiality terms with the above agencies and organizations. As required by OAR 860-084-0240 (2)(f), Pacific Power shall provide Participant with documentation of the confidentiality requirements that those receiving the information must follow.

9.2 Agreement to Participate in Surveys. Participant hereby agrees to complete up to three surveys on the effectiveness of the Pilot Program in order to remain eligible for participation in the Pilot Program. Information to be provided may include, but is not limited to: understanding the various factors contributing to participation in the Pilot Program; understanding decision processes used to choose between the volumetric incentive rate solar program and the existing net-metering solar program; and satisfaction with and recommendations for improving the Pilot Program processes. Participant agrees that Pacific Power may release information concerning Participant obtained from the surveys to the Commission, Oregon Department of Revenue, Oregon Department of Energy, and the ETO.

SECTION 10: METERING

10.1 Subject to Section 10.4, Pacific Power shall install, own and maintain, at its sole expense, a kilowatt-hour meter(s) and associated equipment to measure the flow of energy in each direction, in accordance with OAR 860-084-0280. Participant shall provide, at its sole expense, adequate facilities, including, but not limited to, a current transformer enclosure (if required), meter socket(s) and junction box, for the installation of the meter and associated equipment. Participant hereby consents to the installation and operation by Pacific Power of one or more additional meters to monitor the flow of electricity in each direction. Such meters shall be located on the premises of Participant.

10.2 Metering shall be performed at the location and in a manner consistent with this Agreement.

10.3 Pacific Power may periodically inspect, test, repair and replace its metering equipment. If any of the inspections or tests discloses an error exceeding two percent (2%), 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) billing periods, 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 following the repair of the meter.

10.4 Monthly Meter Fee. In accordance with Commission Order No. 10-198, Participant shall pay a \$10 monthly meter fee, for each additional meter required, for the term of this Agreement. The monthly meter fee shall be included in Participant's monthly retail service bill.

SECTION 11: BILLINGS, COMPUTATIONS, AND PAYMENTS

11.1 On or before the forty-fifth (45th) day following the end of each month, Pacific Power shall send to Participant payment for Participant's deliveries of Payable Generation to Pacific Power, together with computations supporting such payment. Pacific Power may deduct from any such payment, above, amounts owing and delinquent more than 45 days on Participant's monthly utility bill or owing under this Agreement. Participant will continue to receive a monthly bill for its retail electric service.

11.2 Corrections. Pacific Power shall have up to eighteen months to adjust any payment made pursuant to Section 11.1. In the event Pacific Power determines it has overpaid Participant (for Excess Output or otherwise), Pacific Power may adjust Participant's future payment accordingly in order to recapture any overpayment in a reasonable time.

SECTION 12: PARTICIPANT'S DEPOSIT

Participant paid Pacific Power \$_____ at the time it submitted its Solar Photovoltaic Pilot Program Capacity Reservation Application ("Reservation Fee"). Pacific Power shall refund the Reservation Fee by mailing Participant a check with Participant's first incentive payment or incentive payment statement. In the event Participant does not achieve operation in substantial compliance with this Agreement, Participant shall be deemed to have forfeited its Reservation Fee. Pacific Power will notify Participant in writing when it has deemed the Reservation Fee forfeited.

SECTION 13: DEFAULTS AND REMEDIES

13.1 Events of Default. The following events shall constitute defaults under this Agreement:

13.1.1 Breach of Material Term. Failure of a Party to perform any material obligation imposed upon that Party by this Agreement or breach by a Party of a representation or warranty set forth in this Agreement.

13.1.2 Non-delivery. Participant's failure to deliver Payable Generation for any 12-month period.

13.1.3 Insolvency. A Party files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy or similar law for the protection of creditors, or has such a petition filed against it and such petition is not withdrawn or dismissed within sixty (60) days after such filing.

13.1.4 Participant is found by the Commission to have made a false certification hereunder.

13.2 Notice; Opportunity to Cure. For a default under Section 13.1.1, a defaulting Party shall have sixty (60) days to cure after receipt of written notice from the non-defaulting Party. If the default is not capable of cure within the 60-day period, the defaulting Party must begin to cure the default within twenty (20) calendar days after receipt of the written default notice, and must continuously and diligently complete the cure within six (6) months of the receipt of the notice.

13.3 Termination. If a default described herein has not been cured within the prescribed time to cure (if any) above, the non-defaulting Party may terminate this Agreement at its sole discretion by delivering written notice to the other Party. Upon termination, the Eligible System will be disconnected from Pacific Power's system at Participant's expense. The termination of this Agreement will not relieve either Party of its liabilities and obligations, owed or continuing at the time of termination. In the event this Agreement is terminated because of Participant's default, neither Participant nor the Eligible System shall be eligible, at any location in Oregon, for subsequent volumetric incentive rates, other feed-in tariffs, or pilot programs prior to the Expiration Date. The non-defaulting Party may contest a termination by seeking dispute resolution with the Commission within 30 days of termination, else termination shall be final.

SECTION 14: INDEMNIFICATION AND LIABILITY

14.1 Indemnities.

14.1.2 Indemnity by Participant. Participant shall release, defend, indemnify and hold harmless Pacific Power, its directors, officers, agents, and representatives against and from any and all loss, fines, penalties, 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 (a) the energy delivered by Participant under this Agreement to and at the Point of Interconnection, (b) any facilities on Participant's side of the Point of Interconnection, (c) Participant's operation and/or maintenance of the Eligible System, or (d) arising from 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 Pacific Power, Participant or others, excepting only such loss, claim, action or suit as may be caused solely by the fault or gross negligence of Pacific Power, its directors, officers, employees, agents or representatives.

14.1.3 Indemnity by Pacific Power. Pacific Power shall release, defend, indemnify and hold harmless Participant, its directors, officers, agents, Lenders and representatives against and from any and all loss, fines, penalties, 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 the energy delivered by Participant under this Agreement after the Point of Interconnection, 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, excepting only such loss, claim, action or suit as may be caused solely by the fault or gross negligence of Participant, its directors, officers, employees, agents, Lenders or representatives.

14.2 No Dedication. 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 Pacific Power as an independent public utility corporation or Participant as an independent individual or entity.

14.3 No Consequential Damages. NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR SPECIAL, PUNITIVE, INDIRECT, EXEMPLARY OR CONSEQUENTIAL DAMAGES, WHETHER SUCH DAMAGES ARE ALLOWED OR PROVIDED BY CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, STATUTE OR OTHERWISE.

SECTION 15: INSURANCE

15.1 Certificates. Prior to connection of the Eligible System to Pacific Power's electric system, Participant shall secure and continuously carry insurance in compliance with the requirements of this Section 15. Upon request, participant shall provide Pacific Power insurance certificate(s) (of "ACORD Form" or the equivalent) ~~certifying~~ evidencing Participant's compliance with the insurance requirements hereunder. ~~Personal-Liability~~ coverage written on a "claims-made" basis, if any, shall be specifically identified on the certificate. If requested by Pacific Power, a copy of each insurance policy, certified as a true copy by an authorized representative of the issuing insurance company, shall be furnished to Pacific Power.

15.2 Required Policies and Coverages. Without limiting any liabilities or any other obligations of Participant under this Agreement, Participant shall secure and continuously carry with an insurance company or companies rated not lower than "B+" by the A.M. Best Company the insurance coverage specified below:

~~Personal-Liability insurance, to shall include contractual liability, be provided~~ with a minimum single limit of \$1,000,000 to protect against and from all loss by reason of injury to persons or damage to property based upon and arising out of the activity under this Agreement.

~~15.3~~—The ~~Personal Liability~~ liability policy required herein shall include ~~i) provisions or endorsements i) naming Pacific Power, its Board of Directors, Officers and employees as additional insureds, and ii) cross liability coverage so that the insurance applies separately to each insured against whom claim is made or suit is brought, even in instances where one insured claims against or sues another insured,; iii)~~

~~15.4~~15.3 All liability policies required by this Agreement shall include provisions that such insurance is primary insurance with respect to the interests of Pacific Power and that any other insurance maintained by Pacific Power is excess and not contributory insurance with the insurance required hereunder, and ~~provisions that iv)~~ such policies shall not be canceled or their limits of liability reduced without 1) ten (10) days prior written notice to Pacific Power if canceled for nonpayment of premium, or 2) thirty (30) days prior written notice to Pacific Power if canceled for any other reason; provided however, that the requirements of this Section 15.3 shall not apply to liability insurance carried by residential or noncommercial farming customers.

SECTION 16: DISCLOSURE REQUIRED BY OAR 860-084-0240(2)(K)

In conformance with OAR 860-084-0240(2)(K) Pacific Power hereby notifies Participant that payments under the volumetric incentive rate bid option may be taxable as income under Oregon and Federal Tax law and Participant's Eligible System may be subject to property tax in the State of Oregon.

SECTION 17: FORCE MAJEURE

17.1 As used in this Agreement, a Force Majeure Event shall mean any act of God, labor disturbance, act of the public enemy, war, acts of terrorism, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment through no direct, indirect, or contributory act of a Party, any order, regulation, or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause which is in each case (i) beyond the reasonable control of such affected Party, (ii) by the exercise of reasonable foresight such Party could not reasonably have been expected to avoid and (iii) by the exercise of due diligence, such Party shall be unable to prevent or overcome.

17.2 If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the Force Majeure Event ("Affected Party") shall promptly notify the other Party of the existence of the Force Majeure Event. The notification must specify in reasonable detail the circumstances of the Force Majeure Event, the expected duration, and the steps that the Affected Party is taking to mitigate the effects of the event on its performance, and if the initial notification was verbal, it should be promptly followed up with a written notification. The Affected Party shall keep the other Party informed on a continuing basis of developments relating to the Force Majeure Event until the event ends. The Affected Party will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the Force Majeure Event cannot be reasonably mitigated. The Affected Party will use reasonable efforts to resume its performance as soon as possible. The Parties shall immediately report to the Commission should

a Force Majeure Event prevent performance of any non-waivable obligations required by Commission Rules.

SECTION 18: SUCCESSORS AND ASSIGNS

18.1 This Agreement may be assigned by either Party with the consent of the other Party. A Party's consent to an assignment may not be unreasonably withheld. The assigning Party must give the non-assigning Party written notice of the assignment at least fifteen days (15) before the effective date of the assignment. The non-assigning Party must submit its objection to the assignment, if any, to the assigning Party in writing at least five (5) business days before the effective date of the assignment. If a written objection is not received within that time period, the non-assigning party is deemed to consent to the assignment.

18.2 Exceptions to the Consent Requirement

18.2.1 Either Party may assign its rights and obligations under this Agreement without the consent of the other Party to any affiliate (including a merger or acquisition of the Party with another entity) of the assigning Party with an equal or greater creditworthiness and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement

18.2.2 Participant may assign its rights and obligations under this Agreement, without the consent of Pacific Power, for collateral security purposes to aid in obtaining financing for the Eligible System.

18.2.3 Participant may assign Section 11.1 payments to a single Qualifying Assignee at any time by providing Pacific Power written notice and a \$25 setup fee, *provided*, that such notice and payment must be given at least 15 business days before becoming effective to allow Pacific Power time to determine that the assignee is a Qualifying Assignee and process the change. Such notice shall specify the term of assignment and whether the assignment is revocable. Such an assignment will not operate to delegate any responsibilities or duties of Participant under this Agreement to Qualifying Assignee.

18.3 Any attempted assignment that violates this Article is void. An assignee is responsible for meeting the same obligations as the assigning Party.

SECTION 19: DISPUTES

Nothing in this Agreement shall restrict or enlarge the rights of any Party to file a complaint with the Commission under relevant provisions of the Commission's rules.

SECTION 20: MISCELLANEOUS

20.1 Survival. The rights and obligations set forth in Sections 9, 11, 13.3, and 15.5 shall survive Termination or Expiration of this Agreement.

20.2 Amendment. The Parties may only amend this Agreement by a written instrument duly executed by both Parties in accordance with the provisions of the applicable Commission rules and Orders, or by the Commission for good cause shown.

20.3 No Third-Party Beneficiaries. This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, or where permitted, their successors in interest or their assigns.

20.4 Counterparts. This Agreement may be executed in one or more counterparts, whether electronically or otherwise, and each counterpart shall have the same force and effect as an original Agreement and as if all the Parties had signed the same document.

20.5 No Partnership/Joint and Several Liability. This Agreement will not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party. If Participant includes two or more parties, each such party shall be jointly and severally liable for Participant's obligations under this Agreement.

20.6 Severability. If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other governmental authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of the Agreement shall remain in full force and effect.

20.7 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.

20.8 Subcontractors. Nothing in this Agreement shall prevent a Party from using the services of any subcontractor, or designating a third-party agent as one responsible for a specific obligation or act required in the Agreement (collectively subcontractors), as it deems appropriate to perform its obligations under the Agreement; provided, however, that each Party will require its subcontractors to comply with all applicable terms and conditions of the Agreement in providing such services and each Party will remain primarily liable to the other Party for the performance of the subcontractor.

20.8.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made. Any applicable obligation imposed by the Agreement upon the hiring Party shall be equally binding upon, and will be construed as having application to, any subcontractor of such Party.

20.8.2 The obligations under this Section will not be limited in any way by any limitation of a subcontractor's insurance.

SECTION 21: ENTIRE AGREEMENT

This Agreement together with all exhibits, appendices or other attachments, which are incorporated herein by reference, supersedes all prior agreements, proposals, representations, negotiations, discussions or letters, whether oral or in writing, regarding Pacific Power's purchase of Payable Generation from the Eligible System.

SECTION 22: NOTICES

22.1 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.

| Notices | Pacific Power | Participant |
|--|---|-------------|
| All Notices | Pacific Power Volumetric Net Metering 825 NE Multnomah Street Portland, OR 97232 Attn: Travis Tanner, Suite 800 Email: oregonsolar@pacificcorp.com Phone: (503) 813 - 5952 Facsimile: (503) 331 - 4442 Duns: 00-790-9013 Federal Tax ID Number: 93-0246090 | |
| Outage notification: | (same as street address above) Attn: Resource Planning, Suite 600 Phone: (503) 813 - 6090 Facsimile: (503) 813 - 6265 | |
| Payments: | | |
| With Additional Notices of an Event of Default or Potential | (same as street address above) Attn: Pacific Power General Counsel Phone: (503) 813-7502 | |

| Notices | Pacific Power | Participant |
|----------------------|---------------------------|-------------|
| Event of Default to: | Facsimile: (503) 813-7252 | |

22.2 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 22, provided that any requested change to the payee and the address where payments are made shall be submitted in writing at least 15 days before becoming effective and shall provide sufficient information for Pacific Power to determine that the substitute payee is a Qualifying Assignee.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed in their respective names as of the date first above written.

Participant

Pacific Power

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT A
Application for Solar Incentive Program Interconnection

(to be attached when completed by Participant and accepted by Pacific Power)

EXHIBIT B—Participant's Volumetric Incentive Rate

Volumetric Incentive Payment: For each monthly Billing Period, Pacific Power shall pay Volumetric Bidding Participant the Volumetric Incentive Rate (as set forth below) multiplied by Participant's Payable Generation (kWh):

$$\text{Volumetric Incentive Payment} = (\text{VIR} * \text{Payable Generation})$$

Where:

Volumetric Incentive Rate (VIR): \$0. /kWh

And:

Payable Generation equals Eligible Generation.

VOLUMETRIC INCENTIVE PAYMENT AND INTERCONNECTION AGREEMENT

THIS VOLUMETRIC INCENTIVE PAYMENT AND INTERCONNECTION AGREEMENT (“**Agreement**”) is between _____, “**Participant**” and **PacifiCorp** (d/b/a Pacific Power), an Oregon corporation acting in its regulated utility capacity, “**Pacific Power**.” (Participant and Pacific Power are referred to individually as a “**Party**” or collectively as the “**Parties**”).

RECITALS

A. Participant intends to construct, own, operate and maintain a solar photovoltaic energy system that is an eligible system under Oregon Administrative Rule (“**OAR**”) 860-084-120. Participant is a retail electric customer of Pacific Power and participant’s system will be permanently installed at _____ [Street address, City, County, State] with a Nameplate Capacity of _____ -kilowatts (kW) as further described in Participant’s Application for Solar Incentive Program Interconnection, attached hereto as **Exhibit A** (“**Eligible System**”).

B. Participant intends to net meter the energy generated by its Eligible System under the Commission’s Solar Photovoltaic Pilot Program.

C. Participant’s Eligible System requires a Level __ Interconnection Review, as that term is used in OAR 860, Division 84.

D. This Agreement provides the terms and conditions whereby Pacific Power interconnects Participant’s Eligible System to Pacific Power’s system and compensates Participant for Payable Generation generated by its Eligible System.

E. Participant’s reservation start date is _____, 20_____
 (“**Reservation Start Date**”).

F. Participant estimates that the average annual energy to be delivered by the Eligible System to Pacific Power is _____ kilowatt-hours (kWh), which amount of energy Pacific Power will include in its resource planning.

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 “**Accumulated Excess Generation**” means sum of uncompensated Excess Generation for each month of a Generation Year-to-date.

1.2 “**Application for Solar Incentive Program Interconnection**” means the application form filled out by Participant (Attached hereto as **Exhibit A**) and used by Pacific Power to determine Participant’s requirements for interconnection.

1.3 “**Billing Period**” means the time period between Pacific Power's consecutive readings of Participant’s meter(s) in the normal course of Pacific Power's business. Such periods typically range between twenty-seven (27) and thirty-four (34) days and coincide approximately, but not exactly, with calendar months. Participant’s generation and consumption shall be accounted for in identical Billing Periods. Any reference herein to a “monthly charge” or “monthly period” shall be interpreted to mean a charge or rate applicable during the Billing Period most closely approximating that calendar month.

1.4 “**Commission**” means the Public Utility Commission of Oregon.

1.5 “**Effective Date**” shall have the meaning set forth in Section 2.1.

1.6 “**Eligible Generation**” means the actual Eligible System generation, net of System Requirements and losses, if any, to Pacific Power’s generation meter(s).

1.7 “**Eligible System**” shall have the meaning set forth in Recital A.

1.8 “**Excess Generation**” (kWh) means that increment of Eligible Generation generated in excess of Participant’s retail electricity consumption on a monthly (Billing Period) basis.

1.9 “**Expiration Date**” shall have the meaning set forth in Section 2.3.

1.10 “**Generation Year**” unless otherwise specified, means a twelve-month period beginning at 12:00:01 a.m. prevailing Pacific Time on April 1 and terminating at midnight on March 31 of the following calendar year, except that the first Generation Year shall commence at 12:00:01 a.m. on the Effective Date and the last Generation Year shall end at midnight on the Expiration Date.

1.11 “**Interconnection Appendix**” means the attached appendix to this Agreement, providing for the construction, modification, testing, operation, and maintenance of

Interconnection Facilities required to accommodate generation from Participant's Eligible System.

1.12 “**Interconnection Facilities**” means facilities and equipment installed or modified in order to accommodate the interconnection of the Eligible System.

1.13 “**Nameplate Capacity**” means the maximum rated direct current output of a solar photovoltaic system, measured at an irradiance level of 1000W/m², with reference air mass 1.5 solar spectral irradiance distribution and cell or module junction temperature of 25°C.

1.14 “**Operation Date**” means the date that the Eligible System is deemed by Pacific Power to be fully operational and reliable, and authorized for operation in parallel with Pacific Power's distribution system in accordance with Article 3 of the Interconnection Appendix.

1.15 “**Participant's Retail Rate**” (\$/kWh) means the sum of the Distribution Energy Charge and the Transmission & Ancillary Services Charge in the Pacific Power service schedule under which Participant takes retail electric service.

1.16 “**Payable Generation**” means Eligible Generation (kWh) during a Billing Period plus Accumulated Excess Generation (if any), up to Participant's actual Billing Period usage.

1.17 “**Point of Interconnection**” means the point of common coupling between Participant's Eligible System and Pacific Power's distribution system.

1.18 “**Qualifying Assignee**” means a person to whom Participant may assign Volumetric Incentive Rate payments. Pacific Power or its affiliate or any other regulated utility is not a Qualifying Assignee. Qualifying Assignees include, but are not limited to:

- (a) A lender providing up front financing to Participant;
- (b) A company or individual who enters into a financial agreement with Participant to own and operate the Eligible System on behalf of Participant in return for compensation;
- (c) A company or individual who contracts with Participant to locate the Eligible System on property owned by Participant; or
- (d) Any entity identified by Participant to receive payments that Pacific Power is obligated to pay to Participant.

1.19 “**Renewable Energy Certificates**” is defined in Section 6.

1.20 “**Reservation Start Date**” means the date consumer secured an entitlement to capacity under Pacific Power's Solar Photovoltaic Pilot Program as set forth in Recital E.

1.21 “**Solar Photovoltaic Pilot Program**” or “**Pilot Program**” means the Commission's implementation of ORS 757.365 (2009)(as amended by House Bill 3690(2010)) via the Solar Photovoltaic Pilot Program Rules, including any subsequent revisions thereto.

1.22 “**Solar Photovoltaic Pilot Program Rules**”, or “**Rules**”, means Oregon Administrative Rules (“OAR”) Chapter 860, Division 84 and related Commission orders interpreting or augmenting those Rules.

1.23 “**Volumetric Incentive Rate**” means the incentive price paid by Pacific Power for Eligible Generation set forth in **Exhibit B**.

Capitalized terms not defined herein shall have the meaning set forth in the Solar Photovoltaic Pilot Program Rules.

SECTION 2: TERM; EFFECTIVE DATE

2.1 This Agreement shall become effective on the latest date of execution by either Party, below (“**Effective Date**”).

2.2 This Agreement shall terminate automatically if the Eligible System has not been installed within twelve months of the Reservation Start Date, unless the Commission waives termination for good cause shown.

2.3 Except as otherwise provided herein, this Agreement shall expire at midnight exactly fifteen (15) years after the Operation Date (“**Expiration Date**”).

SECTION 3: CERTIFICATIONS AND WARRANTIES

Participant certifies and warrants to Pacific Power that:

3.1 The information set forth in Exhibit A (Participant’s Application for Solar Incentive Program Interconnection) is accurate, to the best of Participant’s knowledge.

3.2 Participant’s Eligible System is and shall for the term of this Agreement continue to be an Eligible System under OAR 860-084-120.

3.3 The Eligible System will not benefit from expenditures under ORS 757.612 (3)(b)(B) or tax credits under ORS 469.160 or ORS 469.185 to 469.225.

3.4 The Eligible System is a new system, made with all new components, installed after the Reservation Start Date.

3.5 The Eligible System complies with siting, design, interconnection, installation, and electric output standards and codes required by the laws of Oregon.

3.6 Participant has not and will not compete for a power purchase agreement for its Eligible System under the Commission’s Solar Capacity Standard, as described in OAR 860-084-0020 through OAR 860-084-0080.

3.7 The Eligible System meets quality, reliability, and system installation requirements established by the Commission. (*See* OAR 860-084-0240(2)(e)(B); OAR 860-084-0120).

3.8 Participant (or any subsequent owner of the Eligible System) will remain a retail electricity customer of Pacific Power during this Agreement.

3.9 The Eligible System complies with the size requirements of OAR 860-084-0100(2)(e).

3.10 The Eligible System will be installed on the same property where Participant buys electricity from Pacific Power.

3.11 Participant possesses the legal right (e.g. through ownership, lease, or irrevocable license) to maintain its Eligible Facility at the site described in Exhibit A for the term of this Agreement and, if requested by Pacific Power, will provide documentation of such right at any time.

3.12 Participant will notify Pacific Power within 30 days of any changes to the Eligible System.

SECTION 4: OBLIGATIONS OF THE PARTIES

4.1 Participant is participating in the Net Metering Option as provided for under the Commission's Solar Photovoltaic Pilot Program Rules, as may be amended from time to time. The Parties' performance of this Agreement is subject to the requirements set forth therein. Performance of this Agreement shall also be subject to the requirements of Pacific Power's Schedule 136 Tariff and other applicable Pacific Power tariffs, as may be amended from time to time. In the event that the provisions of this Agreement conflict with the Solar Photovoltaic Pilot Program Rules or any Pacific Power tariff, the Commission's rules and Pacific Power's tariffs shall take precedence in that order.

4.2 Payable Generation. Commencing on the Operation Date, unless otherwise provided herein, Participant will sell and Pacific Power will purchase all Payable Generation from the Eligible System. Participant shall not sell any generation from the Eligible System to any party except Pacific Power during this Agreement.

4.3 Accumulated Excess Generation. At the end of each Generation Year, Participant shall forfeit Accumulated Excess Generation, if any, and Pacific Power shall make a corresponding donation to Pacific Power's low-income assistance program at the applicable average annual avoided cost tariff rate in Pacific Power's Schedule 37 Tariff. Pacific Power may retain for its benefit any Renewable Energy Certificates associated with Accumulated Excess Generation.

4.4 Participant remains responsible for Commission-authorized minimum monthly charges and all other non-volumetric tariff charges (including the meter fee in Section 10), which Pacific Power will assess in Participant's retail monthly bill.

SECTION 5: VOLUMETRIC INCENTIVE RATES

Pacific Power shall pay Participant the difference between Participant's Volumetric Incentive Rate (as set forth in Pacific Power's Schedule 136 Tariff) and Participant's Retail Rate (\$/kWh) for all Payable Generation. The resulting rate is provided in Exhibit B.

SECTION 6: RENEWABLE ENERGY CERTIFICATES

Pacific Power shall own all the Renewable Energy Certificates ("RECs") associated with the Eligible System; Participant shall reasonably cooperate as needed to help Pacific Power perfect its ownership thereof. RECs means all right, title and interest in and to Environmental Attributes, plus the REC Reporting Rights. "Environmental Attributes" means any and all credits, benefits, claims, emissions reductions, environmental air quality credits, and emissions reduction credits, offsets, and allowances, howsoever entitled, resulting from the avoidance of the emission of any gas, chemical, or other substance attributable to the generation of the Payable Generation by the Eligible System and the delivery of the Payable Generation to Pacific Power's meter, and include without limitation any of the same arising out of legislation or regulation concerned with oxides of nitrogen, sulfur, or carbon, with particulate matter, soot, or mercury, or implementing the United Nations Framework Convention on Climate Change (the "UNFCCC") or the Kyoto Protocol to the UNFCCC or crediting "early action" with a view thereto, or laws or regulations involving or administered by the Clean Air Markets Division of the Environmental Protection Agency or successor administrator (collectively with any state or federal entity given jurisdiction over a program involving transferability of Environmental Attributes, the "CAMD"), but specifically excluding only (i) the wind production tax credits, if any, and (ii) matters designated by Pacific Power as sources of liability or adverse wildlife or environmental impacts. "REC Reporting Rights" means the right to report to any agency, authority or other party, including without limitation under Section 1605(b) of the Energy Policy Act of 1992, or under any present or future domestic, international or foreign emissions trading program, exclusive ownership of the Environmental Attributes. One REC represents the Environmental Attributes attributable to the generation of 1 MWh of Payable Generation by the Eligible System and the delivery thereof to the electricity grid.

SECTION 7: INTERCONNECTION

7.1 Prior to interconnecting its Eligible System, Participant shall obtain Pacific Power's approval in accordance with the requirements of Article 3 of the Interconnection Appendix. Participant will abide by all requirements for construction, testing, operation and maintenance set forth in the Solar Photovoltaic Pilot Program Rules and all applicable Pacific Power tariffs.

7.2 Interconnection Appendix. The Parties shall perform all obligations set forth in the Interconnection Appendix.

7.3 Allocation of costs. Participant shall be responsible for all costs, including overheads, associated with procuring, installing, owning, operating, maintaining, repairing, and replacing its Eligible System (including any disconnect switch required by OAR 860-084-

340(3)), any associated equipment package, and any associated Interconnection Facilities or modifications described in the Interconnection Appendix.

7.4 Access. As provided in the Solar Photovoltaic Pilot Program Rules, Participant shall provide Pacific Power access to any required disconnect switch at the Eligible System at all times and for inspection when otherwise permitted. Pacific Power will provide reasonable notice to Participant when possible prior to using its right of access. Additionally, as provided in Pacific Power & Light Company Oregon Rule 6, or its successor tariff, Participant shall permit Pacific Power access to the metering equipment.

SECTION 8: TEMPORARY DISCONNECTION

8.1 Pacific Power or Participant may temporarily disconnect the Eligible System from Pacific Power's system for so long as reasonably necessary in the event one or more of the following conditions or events occurs:

- 8.1.1 Emergency conditions. Pacific Power or Participant may immediately and temporarily disconnect the Eligible System in an emergency. Pacific Power shall notify Participant promptly when Pacific Power becomes aware of an emergency condition that may reasonably be expected to affect operation of the Eligible System. Participant shall notify Pacific Power promptly when it becomes aware of an emergency condition that may reasonably be expected to affect Pacific Power's system. To the extent the information is known, the notification shall describe the emergency condition, the extent of any damage or deficiency, the expected effect on the operation of each Party's facilities and operations, the anticipated duration, and the necessary corrective action.
- 8.1.2 Scheduled maintenance, repair or construction. Pacific Power or the Participant may disconnect the Eligible System during maintenance of the Eligible System or Pacific Power's distribution system. Parties will make reasonable efforts to provide two (2) business days notice to the other Party prior to such interruption and shall use reasonable efforts to coordinate such interruption.
- 8.1.3 Likelihood of harm to other customers. Pacific Power may disconnect the Eligible Facility if it will likely cause disruption or deterioration of service to other customers, or if operating the Eligible System could cause damage to Pacific Power's electric distribution system. In such event, Pacific Power shall provide the Participant supporting documentation used to reach the decision to disconnect the Eligible Facility upon the Participant's request.
- 8.1.4 Unauthorized modifications. Pacific Power may disconnect the Eligible Facility if the Participant makes any change to the Eligible System, other than minor equipment modifications, without prior written authorization of Pacific Power.

8.1.5 Nonconformance with this Agreement. Pacific Power may disconnect the Eligible System if it determines that the Eligible System is noncompliant with this Agreement, the Rules or its tariffs.

8.2 If the Eligible System must be physically disconnected for any reason, Pacific Power may do so by disconnecting all service to the Participant or all service to the premises where the Eligible System is located, or both.

8.3 The Parties shall cooperate with each other to restore the Eligible System, Interconnection Facilities, and Pacific Power's system to their normal operating state as soon as reasonably practicable following any disconnection pursuant to this Section 8.

SECTION 9: PARTICIPANT'S ADDITIONAL COOPERATION

9.1 Agreement to Release Information. Participant hereby agrees to allow Pacific Power to release information concerning its participation in the Solar Photovoltaic Pilot Program, including the names of all participants in the Pilot Program, to the Oregon Department of Revenue, the Oregon Department of Energy, the Commission and the Energy Trust of Oregon ("ETO"). Pacific Power shall use reasonable efforts to pursue appropriate confidentiality terms with the above agencies and organizations. As required by OAR 860-084-0240 (2)(f), Pacific Power shall provide Participant with documentation of the confidentiality requirements that those receiving the information must follow.

9.2 Agreement to Participate in Surveys. Participant hereby agrees to complete up to three surveys on the effectiveness of the Pilot Program in order to remain eligible for participation in the Pilot Program. Information to be provided may include, but is not limited to: understanding the various factors contributing to participation in the Pilot Program; understanding decision processes used to choose between the volumetric incentive rate solar program and the existing net-metering solar program; and satisfaction with and recommendations for improving the Pilot Program processes. Participant agrees that Pacific Power may release information concerning Participant obtained from the surveys to the Commission, Oregon Department of Revenue, Oregon Department of Energy, and the ETO.

SECTION 10: METERING

10.1 Subject to Section 10.4, Pacific Power shall install, own and maintain, at its sole expense, a kilowatt-hour meter(s) and associated equipment to measure the flow of energy in each direction, in accordance with OAR 860-084-0280. Participant shall provide, at its sole expense, adequate facilities, including, but not limited to, a current transformer enclosure (if required), meter socket(s) and junction box, for the installation of the meter and associated equipment. Participant hereby consents to the installation and operation by Pacific Power, of one or more additional meters to monitor the flow of electricity in each direction. Such meters shall be located on the premises of Participant.

10.2 Metering shall be performed at the location and in a manner consistent with this Agreement.

10.3 Pacific Power may periodically inspect, test, repair and replace its metering equipment. If any of the inspections or tests discloses an error exceeding two percent (2%), 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) billing periods, 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 following the repair of the meter.

10.4 Monthly Meter Fee. In accordance with Commission Order No. 10-198, Participant shall pay a \$10 monthly meter fee, for each additional meter required, for the term of this Agreement. The monthly meter fee shall be included in Participant's monthly retail service bill.

SECTION 11: BILLINGS, COMPUTATIONS, AND PAYMENTS

11.1 On or before the forty-fifth (45th) day following the end of each month, Pacific Power shall send to Participant payment for Participant's deliveries of Payable Generation to Pacific Power, together with computations supporting such payment. Participant elects the following method of payment:

- Payments will be paid directly to the Participant; the Participant will continue to receive a standard monthly utility bill for electricity purchased under the applicable rate schedule [default option if none selected]; or
- Payments will be netted with the Participant's monthly utility bill for electricity purchased under the Participant's applicable schedule.

Pacific Power may deduct from any such payment, above, amounts owing and delinquent more than 45 days on Participant's monthly utility bill or owing under this Agreement.

11.2 Corrections. Pacific Power shall have up to eighteen months to adjust any payment made pursuant to Section 11.1. In the event Pacific Power determines it has overpaid Participant (for Excess Output or otherwise), Pacific Power may adjust Participant's future payment accordingly in order to recapture any overpayment in a reasonable time.

SECTION 12: PARTICIPANT'S DEPOSIT

Participant paid Pacific Power \$_____ at the time it submitted its Solar Photovoltaic Pilot Program Capacity Reservation Application ("Reservation Fee"). Pacific Power shall refund the Reservation Fee by mailing Participant a check with Participant's first incentive payment or incentive payment statement. In the event Participant does not achieve operation in substantial compliance with this Agreement, Participant shall be deemed to have

forfeited its Reservation Fee. Pacific Power will notify Participant in writing when it has deemed the Reservation Fee forfeited.

SECTION 13: DEFAULTS AND REMEDIES

13.1 Events of Default. The following events shall constitute defaults under this Agreement:

13.1.1 Breach of Material Term. Failure of a Party to perform any material obligation imposed upon that Party by this Agreement or breach by a Party of a representation or warranty set forth in this Agreement.

13.1.2 Non-delivery. Participant's failure to deliver Payable Generation for any 12-month period.

13.1.3 Insolvency. A Party files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy or similar law for the protection of creditors, or has such a petition filed against it and such petition is not withdrawn or dismissed within sixty (60) days after such filing.

13.1.4 Participant is found by the Commission to have made a false certification hereunder.

13.2 Notice; Opportunity to Cure. For a default under Section 13.1.1, a defaulting Party shall have sixty (60) days to cure after receipt of written notice from the non-defaulting Party. If the default is not capable of cure within the 60-day period, the defaulting Party must begin to cure the default within twenty (20) calendar days after receipt of the written default notice, and must continuously and diligently complete the cure within six (6) months of the receipt of the notice.

13.3 Termination. If a default described herein has not been cured within the prescribed time to cure (if any) above, the non-defaulting Party may terminate this Agreement at its sole discretion by delivering written notice to the other Party. Upon termination, the Eligible System will be disconnected from Pacific Power's system at Participant's expense. The termination of this Agreement will not relieve either Party of its liabilities and obligations, owed or continuing at the time of termination. In the event this Agreement is terminated because of Participant's default, neither Participant nor the Eligible System shall be eligible, at any location in Oregon, for subsequent volumetric incentive rates, other feed-in tariffs, or pilot programs prior to the Expiration Date. The non-defaulting Party may contest a termination by seeking dispute resolution with the Commission within 30 days of termination, else termination shall be final.

SECTION 14: INDEMNIFICATION AND LIABILITY

14.1 Indemnities.

14.1.1 Indemnity by Participant. Participant shall release, defend, indemnify and hold harmless Pacific Power, its directors, officers, agents, and representatives against and from any and all loss, fines, penalties, 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 (a) the energy delivered by Participant under this Agreement to and at the Point of Interconnection, (b) any facilities on Participant's side of the Point of Interconnection, (c) Participant's operation and/or maintenance of the Eligible System, or (d) arising from 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 Pacific Power, Participant or others, excepting only such loss, claim, action or suit as may be caused solely by the fault or gross negligence of Pacific Power, its directors, officers, employees, agents or representatives.

14.1.2 Indemnity by Pacific Power. Pacific Power shall release, defend, indemnify and hold harmless Participant, its directors, officers, agents, Lenders and representatives against and from any and all loss, fines, penalties, 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 the energy delivered by Participant under this Agreement after the Point of Interconnection, 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, excepting only such loss, claim, action or suit as may be caused solely by the fault or gross negligence of Participant, its directors, officers, employees, agents, Lenders or representatives.

14.2 No Dedication. 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 Pacific Power as an independent public utility corporation or Participant as an independent individual or entity.

14.3 No Consequential Damages. NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR SPECIAL, PUNITIVE, INDIRECT, EXEMPLARY OR CONSEQUENTIAL DAMAGES, WHETHER SUCH DAMAGES ARE ALLOWED OR PROVIDED BY CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, STATUTE OR OTHERWISE.

SECTION 15: INSURANCE

15.1 Certificates. Prior to connection of the Eligible System to Pacific Power's electric system, Participant shall secure and continuously carry insurance in compliance with the requirements of this Section 15. Upon request, participant shall provide Pacific Power insurance certificate(s) (of "ACORD Form" or the equivalent) ~~certifying~~ evidencing Participant's compliance with the insurance requirements hereunder. ~~Personal Liability~~ coverage written on a "claims-made" basis, if any, shall be specifically identified on the certificate. If requested by Pacific Power, a copy of each insurance policy, certified as a true copy by an authorized representative of the issuing insurance company, shall be furnished to Pacific Power.

15.2 Required Policies and Coverages. Without limiting any liabilities or any other obligations of Participant under this Agreement, Participant shall secure and continuously carry with an insurance company or companies rated not lower than "B+" by the A.M. Best Company the insurance coverage specified below:

~~Personal Liability~~ insurance, ~~to shall include contractual liability, be provided~~ with a minimum single limit of \$1,000,000 to protect against and from all loss by reason of injury to persons or damage to property based upon and arising out of the activity under this Agreement.

~~15.3~~—The ~~Personal Liability~~ liability policy required herein shall include ~~i)~~ provisions or endorsements i) naming Pacific Power, its Board of Directors, Officers and employees as additional insureds, ~~and ii)~~ cross liability coverage so that the insurance applies separately to each insured against whom claim is made or suit is brought, even in instances where one insured claims against or sues another insured-, iii)

~~15.4~~15.3 All liability policies required by this Agreement shall include provisions ~~that~~ such insurance is primary insurance with respect to the interests of Pacific Power and that any other insurance maintained by Pacific Power is excess and not contributory insurance with the insurance required hereunder, and iv) ~~provisions that~~ such policies shall not be canceled or their limits of liability reduced without 1) ten (10) days prior written notice to Pacific Power if canceled for nonpayment of premium, or 2) thirty (30) days prior written notice to Pacific Power if canceled for any other reason; provided however, that the requirements of this Section 15.3 shall not apply to liability insurance carried by residential or noncommercial farming customers.

SECTION 16: DISCLOSURE REQUIRED BY OAR 860-084-0240(2)(K)

In conformance with OAR 860-084-0240(2)(K) Pacific Power hereby notifies Participant that payments under the net metering option may be taxable as income under Oregon and Federal Tax law and Participant's Eligible System may be subject to property tax in the State of Oregon.

SECTION 17: FORCE MAJEURE

17.1 As used in this Agreement, a Force Majeure Event shall mean any act of God, labor disturbance, act of the public enemy, war, acts of terrorism, insurrection, riot, fire, storm or

flood, explosion, breakage or accident to machinery or equipment through no direct, indirect, or contributory act of a Party, any order, regulation, or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause which is in each case (i) beyond the reasonable control of such affected Party, (ii) by the exercise of reasonable foresight such Party could not reasonably have been expected to avoid and (iii) by the exercise of due diligence, such Party shall be unable to prevent or overcome.

17.2 If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the Force Majeure Event (“Affected Party”) shall promptly notify the other Party of the existence of the Force Majeure Event. The notification must specify in reasonable detail the circumstances of the Force Majeure Event, the expected duration, and the steps that the Affected Party is taking to mitigate the effects of the event on its performance, and if the initial notification was verbal, it should be promptly followed up with a written notification. The Affected Party shall keep the other Party informed on a continuing basis of developments relating to the Force Majeure Event until the event ends. The Affected Party will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the Force Majeure Event cannot be reasonably mitigated. The Affected Party will use reasonable efforts to resume its performance as soon as possible. The Parties shall immediately report to the Commission should a Force Majeure Event prevent performance of any non-waivable obligations required by Commission Rules.

SECTION 18: SUCCESSORS AND ASSIGNS

18.1 This Agreement may be assigned by either Party with the consent of the other Party. A Party’s consent to an assignment may not be unreasonably withheld. The assigning Party must give the non-assigning Party written notice of the assignment at least fifteen days (15) before the effective date of the assignment. The non-assigning Party must submit its objection to the assignment, if any, to the assigning Party in writing at least five (5) business days before the effective date of the assignment. If a written objection is not received within that time period, the non-assigning party is deemed to consent to the assignment.

18.2 Exceptions to the Consent Requirement

18.2.1 Either Party may assign its rights and obligations under this Agreement without the consent of the other Party to any affiliate (including a merger or acquisition of the Party with another entity) of the assigning Party with an equal or greater creditworthiness and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement.

18.2.2 Participant may assign its rights and obligations under this Agreement, without the consent of Pacific Power, for collateral security purposes to aid in obtaining financing for the Eligible System.

18.2.3 Participant may assign Section 11.1 payments to a single Qualifying Assignee at any time by providing Pacific Power written notice and a \$25 setup fee; *provided*, that such notice and payment must be given at least 15 business days before becoming effective to allow Pacific Power time to determine that the assignee is a Qualifying Assignee and process the change. Such notice shall specify the term of assignment and whether the assignment is revocable. Such an assignment will not operate to delegate any responsibilities or duties of Participant under this Agreement to Qualifying Assignee.

18.3 Any attempted assignment that violates this Article is void. An assignee is responsible for meeting the same obligations as the assigning Party.

SECTION 19: DISPUTES

Nothing in this Agreement shall restrict or enlarge the rights of any Party to file a complaint with the Commission under relevant provisions of the Commission's rules.

SECTION 20: MISCELLANEOUS

20.1 Survival. The rights and obligations set forth in Sections 9, 11, 13.3, and 15.5 shall survive Termination or Expiration of this Agreement.

20.2 Amendment. The Parties may only amend this Agreement by a written instrument duly executed by both Parties in accordance with the provisions of the applicable Commission rules and Orders, or by the Commission for good cause shown.

20.3 No Third-Party Beneficiaries. This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, or where permitted, their successors in interest or their assigns.

20.4 Counterparts. This Agreement may be executed in one or more counterparts, whether electronically or otherwise, and each counterpart shall have the same force and effect as an original Agreement and as if all the Parties had signed the same document.

20.5 No Partnership/Joint and Several Liability. This Agreement will not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party. If Participant includes two or more parties, each such party shall be jointly and severally liable for Participant's obligations under this Agreement.

20.6 Severability. If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other governmental authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of the Agreement shall remain in full force and effect.

20.7 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.

20.8 Subcontractors. Nothing in this Agreement shall prevent a Party from using the services of any subcontractor, or designating a third-party agent as one responsible for a specific obligation or act required in the Agreement (collectively subcontractors), as it deems appropriate to perform its obligations under the Agreement; provided, however, that each Party will require its subcontractors to comply with all applicable terms and conditions of the Agreement in providing such services and each Party will remain primarily liable to the other Party for the performance of the subcontractor.

20.8.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made. Any applicable obligation imposed by the Agreement upon the hiring Party shall be equally binding upon, and will be construed as having application to, any subcontractor of such Party.

20.8.2 The obligations under this Section will not be limited in any way by any limitation of a subcontractor's insurance.

SECTION 21: ENTIRE AGREEMENT

This Agreement together with all exhibits, appendices or other attachments, which are incorporated herein by reference, supersedes all prior agreements, proposals, representations, negotiations, discussions or letters, whether oral or in writing, regarding Pacific Power's purchase of Payable Generation from the Eligible System.

SECTION 22: NOTICES

22.1 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.

| | | |
|---------|---------------|-------------|
| Notices | Pacific Power | Participant |
|---------|---------------|-------------|

| Notices | Pacific Power | Participant |
|---|---|-------------|
| All Notices | Pacific Power Volumetric Net Metering 825 NE Multnomah Street Portland, OR 97232 Attn: Travis Tanner, Suite 800 Email: oregonsolar@pacificcorp.com Phone: (503) 813 - 5952 Facsimile: (503) 331 - 4442 Duns: 00-790-9013 Federal Tax ID Number: 93-0246090 | |
| Outage notification: | (same as street address above) Attn: Resource Planning, Suite 600 Phone: (503) 813 - 6090 Facsimile: (503) 813 - 6265 | |
| Payments: | | |
| With Additional Notices of an Event of Default or Potential Event of Default to: | (same as street address above) Attn: Pacific Power General Counsel Phone: (503) 813-7502 Facsimile: (503) 813-7252 | |

22.2 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 22, provided that any requested change to the payee and the address where payments are made shall be submitted in writing at least 15 days before becoming effective and shall provide sufficient information for Pacific Power to determine that the substitute payee is a Qualifying Assignee.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed in their respective names as of the date first above written.

Participant

Pacific Power

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Service ID #:

Request #:

EXHIBIT A

Application for Solar Incentive Program Interconnection

(to be attached when completed by Participant and accepted by Pacific Power)

Service ID #:

Request #:

EXHIBIT B—Participant’s Volumetric Incentive Rate

Volumetric Incentive Rate: The effective rate Pacific Power shall pay Participant equals the difference between Participant’s Volumetric Incentive Rate (as set forth in Pacific Power’s Schedule 136 Tariff) and Participant’s Retail Rate (\$/kWh):

Volumetric Incentive Rate (VIR): \$0. ___ /kWh
Participant’s Retail Rate (RR): \$0. ___ /kWh*
Net Volumetric Incentive Rate (VIR_{net}): \$0. ___ /kWh

*The Participant’s Retail Rate is the retail rate in effect at the time of the Billing Period.