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October 21, 2024

VIA E-MAIL TO

Public Utility Commission of Oregon
Filing Center
201 High Street SE, Suite 100
Salem, Oregon 97301-3398

Re: Docket AR 659 - In the Matter of Rulemaking to Update Division 82 Small Generator Interconnection Rules and Division 39 Net Metering Rules.

Attention Filing Center:

In accordance with Order No. 24-068, Pacific Power dba PacifiCorp (“PacifiCorp”) submits the attached revised Interconnection Agreement for Small Generator Facility (“SGIA”). PacifiCorp offers the revisions to the SGIA to demonstrate compliance with Order No. 24-068, in which the Public Utility Commission of Oregon (“Commission”) adopted new rules and amendments to the existing Division 82 interconnection rules,¹ which govern interconnection of small generator facilities with a nameplate rating of 10 megawatts (“MW”) or less.²

The Division 82 rules require use of a standard form interconnection agreement,³ and the revised SGIA implements the Commission’s changes to the Division 82 rules that affect the interconnection agreement. PacifiCorp’s revised SGIA incorporates four categories of changes to comply with Order No. 24-068.

1. Update SGIA’s recitals to reflect inclusion of an “Energy Storage System” in a “Small Generator Facility”: This revision updates the reference to “Small Generator Facility,” to recognize that an “Energy Storage System,” as that term is defined in OAR 860-082-0015(10), “can be considered part of a small generator facility or a small generator facility in whole that operates in parallel with the distribution system.”

¹ *In the Matter of Rulemaking to Update Division 82 Small Generator Interconnection Rules, and Division 39 Net Metering Rules*, Docket No. AR 659, Order No. 24-068 at 1 (Mar. 8, 2024).

² OAR 860-082-0005(1).

³ OAR 860-082-0015(18) requires that an “Interconnection agreement” follow “the standard form agreement developed by the public utility and filed with the Commission.”

The added language is reflected in underline:

Whereas, the Applicant is proposing to develop a Small Generator Facility, or to add generating capacity to an existing Small Generator Facility, develop an Energy Storage System, or add an Energy Storage System to an existing Small Generator Facility, collectively referred to as the “Small Generator Facility”, consistent with the Application completed on _____;

2. Include references to IEEE 1547-2018: Order No. 24-068 adopted amended Commission rules “requiring interconnection applicants to begin using advanced inverter equipment compliant with IEEE 1547-2018.”⁴ PacifiCorp updated references to the IEEE standard to appear as “IEEE 1547-2018” in the following Articles of its SGIA: 1.4.2 (Responsibilities of the Parties); 1.7 (Power Quality); and 2.1 (Equipment Testing and Inspection).

3. Revise insurance requirement to reference nameplate “Rating” rather than “Capacity”: Article 6.1 delineates the insurance requirements for parties to an SGIA. OAR 860-082-0040 ties the size of small generator facility to the determination of whether the generator must obtain liability insurance as a condition of interconnection. The rule measures the size of project with reference to “nameplate *rating*,” where the current SGIA references “nameplate *capacity*.”⁵ PacifiCorp proposes to change references from “Nameplate Capacity” to “Nameplate Rating” in Articles 1.1 and 6.1 of its SGIA.

4. Revise authorized term of the SGIA: Article 3.2 was updated to implement the revised rule regarding the term of the SGIA, which now provides the option for the term to match the term of any Power Purchase Agreement between the interconnection customer and the utility.⁶ The Interconnection Agreement now provides for a 20-year term but explains the alternative options in a new footnote added to SGIA Article 3.2:

The Agreement will be effective on the Effective Date and will remain in effect for a period of twenty (20) years⁷ ~~or the life of the Power Purchase Agreement, whichever is shorter or a period mutually agreed to by Parties,~~ unless terminated earlier by the default or voluntary termination by the Interconnection Customer or by action of the Commission.

⁴ Order No. 24-068, Appendix A at 4. *See* OAR 860-082-0030(1).

⁵ OAR 860-082-0040(1): “A public utility may not require an applicant or an interconnection customer with a small generator facility with a nameplate rating of 200 kilowatts or less to obtain liability insurance.” OAR 860-082-0040(2) provides that “a public utility may require” a generator with a nameplate rating “greater than 200 kilowatts” to obtain liability insurance.

⁶ OAR 860-082-0030(3).

⁷ The footnote added here to the SGIA will state: “[Note to Draft: Applicants may request a shorter term. For Applicants with a power purchase agreement (“PPA”) with PacifiCorp, the term of the Agreement should be the same as the term of the PPA and may be longer than 20 years.]”.

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The proposed SGIA revisions also include two minor wording and punctuation corrections PacifiCorp discovered while incorporating the changes to implement Order No. 24-068.⁸

The proposed changes discussed above are limited to those necessary to implement the new rules and do not reflect all changes PacifiCorp would propose if the SGIA was subject to a broader review. PacifiCorp requests the Commission to approve its proposed SGIA revisions.

Please contact this office with any questions.

Sincerely,



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⁸ See Articles 3.4.2 and 8.10.

PacifiCorp, dba Pacific Power

Interconnection Agreement for Small
Generator Facility

Tier 1, Tier 2, Tier 3 or Tier 4
Interconnection

REDLINED VERSION

PacifiCorp

Interconnection Agreement for Small Generator Facility

Tier 1, Tier 2, Tier 3 or Tier 4 Interconnection

(Small Generator Facilities with Electric Nameplate Capacities of 20MW or less)

This Interconnection Agreement for Small Generator Facility (“Agreement”) is made and entered into this ___ day of _____ by and between _____, a _____ organized and existing under the laws of the State of _____, (“Interconnection Customer”) and PacifiCorp, a Corporation, existing under the laws of the State of Oregon, (“Public Utility”). The Interconnection Customer and Public Utility may be referred to hereinafter singly as a “Party” or collectively as the “Parties.”

Recitals:

Whereas, the Interconnection Customer is proposing to develop a Small Generator Facility, or to add generating capacity to an existing Small Generator Facility, develop an Energy Storage System, or add an Energy Storage System to an existing Small Generator Facility, collectively referred to as the “Small Generator Facility”, consistent with the Application completed on _____;

Whereas, the Interconnection Customer desires to interconnect the Small Generator Facility with Public Utility’s Transmission System and/or Distribution System (“T&D System”) in the State of Oregon; and

Whereas, the interconnection of the Small Generator Facility and the Public Utility’s T&D System is subject to the jurisdiction of the Public Utility Commission of Oregon (“Commission”) and governed by the Small Generator Interconnection Procedures (“SGIP”) for Oregon-jurisdictional generators that are 20 MW or less, in accordance with Commission Order No. 20-268.

Now, therefore, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

Article 1. Scope and Limitations of Agreement

1.1 Scope.

This Agreement establishes the standard terms and conditions under which the Small Generator Facility with a Nameplate Capacity-Rating of no more than 20 megawatts (“MW”) will interconnect to, and operate in Parallel with, the Public Utility’s T&D System. The Commission has approved standard terms and conditions governing this class of interconnection. Any additions, deletions or changes to the standard terms and conditions of interconnection approved by the Commission must be mutually agreed by the Parties or, if required by the Rule, any such changes must be approved by the Commission.

Terms with initial capitalization, when used in this Agreement, shall have the meanings given in the Rule. This Agreement shall be construed where possible to be consistent with the Rules; to the extent this Agreement conflicts with the Rule, the Rule shall take precedence.

1.2 No Agreement Regarding Power Purchase, Transmission, or Delivery.

This Agreement does not constitute an agreement to purchase, transmit, or deliver any power or capacity from the interconnected Small Generating Facility nor does it constitute an electric service agreement.

1.3 Other Agreements.

Nothing in this Agreement is intended to affect any other agreement between the Public Utility and the Interconnection Customer or any other interconnected entity. If the provisions of this Agreement conflict with the provisions of any other Public Utility tariff, the Public Utility tariff shall control.

1.4 Responsibilities of the Parties.

1.4.1 The Parties shall perform all obligations of this Agreement in accordance with all applicable laws.

1.4.2 The Interconnection Customer will construct, own, operate, and maintain its Small Generator Facility in accordance with this Agreement, IEEE Standard 1547-~~(2003 ed)-2018~~, IEEE Standard 1547.1,~~(2005 ed)~~, the National Electrical Code-~~(2005 ed)~~ and applicable standards required by the Commission.

1.4.3 Each Party shall be responsible for the safe installation, maintenance, repair and condition of their respective lines and appurtenances on their respective sides of the Point of Interconnection. Each Party shall provide Interconnection Facilities that adequately protect the other Parties' facilities, personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance and ownership of Interconnection Facilities is prescribed in the Rule and this Agreement and the attachments to this Agreement.

1.5 Parallel Operation and Maintenance Obligations.

Once the Small Generator Facility has been authorized to commence Parallel Operation by execution of this Agreement and satisfaction of Article 2.1 of this Agreement, the Interconnection Customer will abide by all written provisions for operating and maintenance as required by this Agreement and any attachments to this Agreement as well as by the Rule and as detailed by the Public Utility in Form 7, title "Interconnection Equipment As-Built Specifications, Initial Settings and Operating Requirements".

1.6 Metering & Monitoring.

The Interconnection Customer will be responsible for metering and monitoring as required by Article 0070 of the SGIP and as may be detailed in any attachments to this Agreement.

1.7 Power Quality.

-The Interconnection Customer will design its Small Generator Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection that meets the requirements set forth in IEEE 1547-2018. The Public Utility may, in some circumstances, also require the Interconnection Customer to follow voltage or VAR schedules used by similarly situated, comparable generators in the control area. Any special operating requirements will be detailed in Form 7 and completed by the Public Utility as required by the Rule. The Public Utility shall not impose additional requirements for voltage or reactive power support outside of what may be required to mitigate impacts caused by interconnection of the Small Generator Facility to the Public Utility's system.

Article 2. Inspection, Testing, Authorization, and Right of Access

2.1 Equipment Testing and Inspection.

The Interconnection Customer will test and inspect its Small Generator Facility and Interconnection Facilities prior to interconnection in accordance with IEEE 1547-2018 Standards as provided for in the Rule. The Interconnection will not be final and the Small Generator Facility shall not be authorized to operate in parallel with the Public Utility's T&D System until the Witness Test and Certificate of Completion provisions in the Rule have been satisfied. The Interconnection Customer shall pay or reimburse the Public Utility for its costs to participate in the Witness Test. Operation of the Small Generator Facility requires an effective Interconnection Agreement; electricity sales require a Power Purchase Agreement.

To the extent that the Interconnection Customer decides to conduct interim testing of the Small Generator Facility prior to the Witness Test, it may request that the Public Utility observe these tests. If the Public Utility agrees to send qualified personnel to observe any interim testing proposed by the Interconnection Customer, the Interconnection Customer shall pay or reimburse the Public Utility for its cost to participate in the interim testing. If the Interconnection Customer conducts interim testing and such testing is observed by the Public Utility and the results of such interim testing are deemed acceptable by the Public Utility (hereinafter a "Public Utility-approved interim test"), then the Interconnection Customer may request that such Public Utility-approved interim test be deleted from the final Witness Testing. If the Public Utility elects to repeat any Public Utility-approved interim test as part of the final Witness Test, the Public Utility will bare its own expenses associated with participation in the repeated Public Utility-approved interim test.

2.2 Right of Access.

As provided in Article 0030(5) of the SGIP, the Public Utility will have access to the Interconnection Customer's premises for any reasonable purpose in connection with the Interconnection Application or any Interconnection Agreement that is entered in to pursuant to the Rule or if necessary to meet the legal obligation to provide service to its customers. Access will be requested at reasonable hours and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition.

Article 3. Effective Date, Term, Termination, and Disconnection

3.1 Effective Date.

The Agreement shall become effective upon execution by the Parties.

3.2 Term of Agreement.

The Agreement will be effective on the Effective Date and will remain in effect for a period of twenty (20) years¹ ~~or the life of the Power Purchase agreement, whichever is shorter or a period mutually agreed to by the Parties,~~ unless terminated earlier by the default or voluntary termination by the Interconnection Customer or by action of the Commission.

3.3 Termination.

No termination will become effective until the Parties have complied with all provisions of Article 0080 of the SGIP and this Agreement that apply to such termination.

3.3.1 The Interconnection Customer may terminate this Agreement at any time by giving the Public Utility twenty (20) Business Days written notice.

3.3.2 Either Party may terminate this Agreement after default pursuant to Article 5.6 of this Agreement.

3.3.3 The Commission may order termination of this Agreement.

3.3.4 Upon termination of this Agreement, the Small Generator Facility will be disconnected from the Public Utility's T&D System at the Interconnection Customer's expense. The termination of this Agreement will not relieve either Party of its liabilities and obligations, owed or continuing at the time of the termination.

3.3.5 The provisions of this Article 3.3 shall survive termination or expiration of this Agreement.

3.4 Temporary Disconnection.

The Public Utility or Interconnection Customer may temporarily disconnect the Small Generator Facility from the Public Utility's T&D System for so long as reasonably necessary, as provided in Article 0075 of the SGIP, in the event one or more of the following conditions or events occurs:

3.4.1 Under emergency conditions, the Public Utility or the Interconnection Customer may immediately suspend interconnection service and temporarily disconnect the Small Generator Facility without advance notice to the other Party. The Public Utility shall notify the Interconnection Customer promptly when it becomes aware of an emergency condition that may reasonably be expected to affect the Small Generator Facility operation. The Interconnection Customer will notify the Public

¹ [Note to Draft: Applicants may request a shorter term. For Applicants with a power purchase agreement ("PPA") with PacifiCorp, the term of the Agreement should be the same as the term of the PPA and may be longer than 20 years.]

Utility promptly when it becomes aware of an emergency condition that may reasonably be expected to affect the Public Utility's T&D System. To the extent information is known, the notification shall describe the emergency condition, the extent of the damage or deficiency, the expected effect on the operation of both Parties' facilities and operations, its anticipated duration, and the necessary corrective action.

- 3.4.2 For routine Maintenance, Parties will make reasonable efforts to provide five Business Days' notice prior to interruption caused by routine maintenance or construction and repair to the Small Generator Facility or Public Utility's T&D system and shall use reasonable efforts to coordinate such interruption.
- 3.4.3 The Public Utility shall use reasonable efforts to provide the Interconnection Customer with prior notice of forced outages of the T&D System. If prior notice is not given, the Public Utility shall, upon request, provide the Interconnection Customer written documentation after the fact explaining the circumstances of the disconnection.
- 3.4.4 For disruption or deterioration of service, where the Public Utility determines that operation of the Small Generator Facility will likely cause disruption or deterioration of service to other customers served from the same electric system, or if operating the Small Generator Facility could cause damage to the Public Utility's T&D System, the Public Utility may disconnect the Small Generator Facility. The Public Utility will provide the Interconnection Customer upon request all supporting documentation used to reach the decision to disconnect. The Public Utility may disconnect the Small Generator Facility if, after receipt of the notice, the Interconnection Customer fails to remedy the adverse operating effect within a reasonable time which shall be at least five Business Days from the date the Interconnection Customer receives the Public Utility's written notice supporting the decision to disconnect, unless emergency conditions exist, in which case the provisions of 3.4.1 of the agreement apply.
- 3.4.5 If the Interconnection Customer makes any change to the Small Generating Facility, the Interconnection Equipment, the Interconnection Facilities, or to any other aspect of the interconnection, other than Minor Equipment Modifications, without prior written authorization of the Public Utility, the Public Utility will have the right to disconnect the Small Generator Facility until such time as the impact of the change has been studied by the Public Utility and any reasonable requirements or additional equipment or facilities required by the Public Utility to address any impacts from the changes have been implemented by the Parties and approved in writing by the Public Utility. The requirement to apply to the Public Utility for study and approve of modifications is governed by Article 0025 of the SGIP.

3.5 Restoration of interconnection.

The Parties shall cooperate with each other to restore the Small Generator Facility, Interconnection Facilities, and Public Utility's T&D System to their normal operating state as soon as reasonably practicable following any disconnection pursuant to Article 3.4.

Article 4. Cost Responsibility and Billing

As provided in Article 0035 of the SGIP, the Interconnection Customer is responsible for the cost of all facilities, equipment, modifications and upgrades needed to facilitate the interconnection of the Small Generator Facility to the Public Utility's T&D System.

4.1 Minor T&D System Modifications.

As provided in the Rule addressing Tier 2 review (Article 0050 of the SGIP) and in the Rule addressing Tier 3 review (Article 0055 of the SGIP), it may be necessary for the Parties to construct certain Minor Modifications in order to interconnect under Tier 2 or Tier 3 review. The Public Utility has itemize any required Minor Modifications in the attachments to this Agreement, including a good-faith estimate of the cost of such Minor Modifications and the time required to build and install such Minor Modifications. The Interconnection Customer agrees to pay the costs of such Minor Modifications.

4.2 Interconnection Facilities.

The Public Utility has identified under the review procedures of a Tier 2 review or under a Tier 4 Facilities Study, the Interconnection Facilities necessary to safely interconnect the Small Generator Facility with the Public Utility. The Public Utility has itemized the required Interconnection Facilities in the attachments to this Agreement, including a good-faith estimate of the cost of the facilities and the time required to build and install those facilities. The Interconnection Customer is responsible for the cost of the Interconnection Facilities.

4.3 Interconnection Equipment.

The Interconnection Customer is responsible for all reasonable expenses, including overheads, associated with owning, operating, maintaining, repairing, and replacing its Interconnection Equipment.

4.4 System Upgrades.

The Public Utility will design, procure, construct, install, and own any System Upgrades. The actual cost of the System Upgrades, including overheads, will be directly assigned to the Interconnection Customer. An Interconnection Customer may be entitled to financial compensation from other Public Utility Interconnection Customers who, in the future, benefit from the System Upgrades paid for by the Interconnection Customer. Such compensation will be governed by separate rules promulgated by the Commission or by terms of a tariff filed and approved by the Commission. Such compensation will only be available to the extent provided for in the separate rules or tariff.

4.5 Adverse System Impact.

The Public Utility is responsible for identifying the possible Affected Systems and coordinating with those identified Affected Systems, to the extent reasonably practicable, to allow the Affected System owner an opportunity to identify Adverse System Impacts on its Affected System, and to identify what mitigation activities or upgrades may be required on the Public Utility's system or on the Affected System to address impacts on Affected Systems and accommodate a Small Generator Facility. Such coordination with Affected System owners shall include inviting Affected System owners to scoping meetings between the Public Utility and the Interconnection Customer and providing the Affected

System owner with study results and other information reasonably required and requested by the Affected System owner to allow the Affected System owner to assess impacts to its system and determine required mitigation, if any, for such impacts. The Parties acknowledge that the Public Utility cannot compel the participation of the Affected System owner and that the Public Utility is not itself responsible for identifying impacts or mitigation associated with an Affected System. The actual cost of any actions taken to address the Adverse System Impacts, including overheads, shall be directly assigned to the Interconnection Customer. The Interconnection Customer may be entitled to financial compensation from other Public Utilities or other Interconnection Customers who, in the future, utilize the upgrades paid for by the Interconnection Customer, to the extent allowed or required by the Commission. Such compensation will only be available to the extent provided for in the separate rules, Commission order or tariff. If the Parties have actual knowledge of an Adverse System Impact on an Affected System, the Interconnection Customer shall not interconnect and operate its Small Generator Facility in parallel with the Public Utility's system, and the Public Utility shall not authorize or allow the continued interconnection or parallel operation of the Small Generator Facility, unless and until such Adverse System Impact has been addressed to the reasonable satisfaction of the Affected System owner.

4.6 Deposit and Billings.

The Interconnection Customer agrees to pay to the Public Utility a deposit toward the cost to construct and install any required Interconnection Facilities and/or System Upgrades. The amount of the deposit shall be (select one of the following):

The Parties have not agreed to a schedule of progress payments and the Interconnection Customer shall pay a deposit equal to 100 percent of the estimated cost of the Interconnection Facilities and System Upgrades – the amount of the deposit shall be \$ _____; or

The Parties have agreed to progress payments and final payment under the schedule of payments attached to this Agreement; the Interconnection Customer shall pay a deposit equal to the lesser of (a) 25 percent of the estimated cost of the Interconnection Facilities and System Upgrades, or (b) \$10,000 – the amount of the deposit shall be \$ _____.

If the actual costs of Interconnection Facilities and/or System Upgrades are different than the deposit amounts and/or progress and final payments provided for above, then the Interconnection Customer shall pay the Public Utility any balance owing or the Public Utility shall refund any excess deposit or progress payment within 20 days of the date actual costs are determined

Article 5. Assignment, Liability, Indemnity, Force Majeure, Consequential Damages, and Default

5.1 Assignment.

The Interconnection Agreement may be assigned by either Party upon fifteen (15) Business Days prior written notice. Except as provided in Articles 5.1.1 and 5.1.2, said

assignment shall only be valid upon the prior written consent of the non-assigning Party, which consent shall not be unreasonably withheld.

- 5.1.1** Either Party may assign the Agreement without the consent of the other Party to any affiliate (which shall include a merger of the Party with another entity), of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement;
- 5.1.2** The Interconnection Customer shall have the right to assign the Agreement, without the consent of the Public Utility, for collateral security purposes to aid in providing financing for the Small Generator Facility. For Small Generator systems that are integrated into a building facility, the sale of the building or property will result in an automatic transfer of this agreement to the new owner who shall be responsible for complying with the terms and conditions of this Agreement.
- 5.1.3** Any attempted assignment that violates this Article is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. An assignee is responsible for meeting the same obligations as the assigning Interconnection Customer.

5.2 Limitation of Liability and Consequential Damages.

A Party is liable for any loss, cost claim, injury, or expense including reasonable attorney's fees related to or arising from any act or omission in its performance of the provisions of this Agreement entered into pursuant to the Rule except as provided for in ORS 757.300(4)(c). Neither Party will seek redress from the other Party in an amount greater than the amount of direct damage actually incurred.

5.3 Indemnity.

- 5.3.1** Liability under this Article 5.3 is exempt from the general limitations on liability found in Article 5.2.
- 5.3.2** The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or failure to meet its obligations under this Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.
- 5.3.3** If an indemnified person is entitled to indemnification under this Article 5.3 as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under this Article 5.3, to assume the defense of such a claim, such indemnified person may at the expense of the indemnifying

Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

- 5.3.4** If an indemnifying party is obligated to indemnify and hold any indemnified person harmless under this Article 5.3, the amount owing to the indemnified person shall be the amount of such indemnified person's actual loss, net of any insurance or other recovery.
- 5.3.5** Promptly after receipt by an indemnified person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this Article 5.3 may apply, the indemnified person shall notify the indemnifying party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying party.
- 5.3.6** The indemnifying Party shall have the right to assume the defense thereof with counsel designated by such indemnifying Party and reasonably satisfactory to the indemnified person. If the defendants in any such action include one or more indemnified persons and the indemnifying Party and if the indemnified person reasonably concludes that there may be legal defenses available to it and/or other indemnified persons which are different from or additional to those available to the indemnifying Party, the indemnified person shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the indemnifying Party shall only be required to pay the fees and expenses of one additional attorney to represent an indemnified person or indemnified persons having such differing or additional legal defenses.
- 5.3.7** The indemnified person shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the indemnifying Party. Notwithstanding the foregoing, the indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the indemnified person and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the indemnified person, or there exists a conflict or adversity of interest between the indemnified person and the indemnifying Party, in such event the indemnifying Party shall pay the reasonable expenses of the indemnified person, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the indemnified person, which shall not be reasonably withheld, conditioned or delayed.

5.4 Consequential Damages.

Neither Party shall be liable to the other Party, under any provision of this Agreement, for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other

theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

5.5 Force Majeure.

5.5.1 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 beyond a Party’s control. A Force Majeure Event does not include an act of negligence or intentional wrongdoing.”

5.5.2 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, its 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 Force Majeure 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 an action required by the Rule that the Rule does not permit the Parties to mutually waive.

5.6 Default.

5.6.1 No default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of a Force Majeure Event as defined in this Agreement, or the result of an act or omission of the other Party. Upon a breach, the non-breaching Party shall give written notice of such breach to the breaching Party. Except as provided in Article 5.6.2, the breaching Party shall have sixty (60) Calendar Days from receipt of the breach notice within which to cure such breach; provided however, if such breach is not capable of cure within 60 Calendar Days, the breaching Party shall commence such cure within twenty (20) Calendar Days after notice and continuously and diligently complete such cure within six months from receipt of the breach notice; and, if cured within such time, the breach specified in such notice shall cease to exist.

5.6.2 If a breach is not cured as provided for in this Article 5.6, or if a breach is not capable of being cured within the period provided for herein, the non-breaching

Party shall have the right to declare a default and terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the breaching Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. Alternatively, the non-breaching Party shall have the right to seek dispute resolution with the Commission in lieu of default. The provisions of this Article 5.6 will survive termination of the Agreement.

Article 6. Insurance

- 6.1** Pursuant to the Rule adopted by the Commission, the Public Utility may not require the Interconnection Customer to maintain general liability insurance in relation to the interconnection of a Small Generator Facility with an Electric Nameplate ~~Capacity Rating~~ of 200 KW or less. With regard to the interconnection of a Small Generator Facility with an Electric Nameplate ~~Capacity Rating~~ equal to or less than 20 MW but in excess of 200 KW, the Interconnection Customer shall, at its own expense, maintain in force throughout the period of this Agreement general liability insurance sufficient to protect any person (including the Public Utility) who may be affected by the Interconnection Customer's Small Generation Facility and its operation and such insurance shall be sufficient to satisfy the Interconnection Customer's indemnification responsibilities under Article 5.3 of this Agreement.
- 6.2** Within ten (10) days following execution of this Agreement, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) days thereafter, the Interconnection Customer shall provide the Public Utility with certification of all insurance required in this Agreement, executed by each insurer or by an authorized representative of each insurer.
- 6.3** All insurance required by this Article 6 shall name the Public Utility, its parent, associated and Affiliate companies and their respective directors, officers, agents, servants and employees ("Other Party Group") as additional insured. All policies shall contain provisions whereby the insurers waive all rights of subrogation against the Other Party Group and provide thirty (30) Calendar Days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition. The Interconnection Customer's insurance shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. The insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2) years after termination of this Agreement, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.

- 6.4 The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this Agreement.
- 6.5 The requirements contained herein as to insurance are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this Agreement.

Article 7. Dispute Resolution

Parties will adhere to the dispute resolution provisions in Article 0080 of the SGIP.

Article 8. Miscellaneous

8.1 Governing Law, Regulatory Authority, and Rules.

The validity, interpretation and enforcement of the Agreement and each of its provisions shall be governed by the laws of the State of Oregon, without regard to its conflicts of law principles. The Agreement is subject to all applicable laws. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a governmental authority.

8.2 Amendment.

The Parties may mutually agree to amend the Agreement by a written instrument duly executed by both Parties in accordance with provisions of the Rule and applicable Commission Orders and provisions of the laws if the State of Oregon.

8.3 No Third-Party Beneficiaries.

The 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, their successors in interest and where permitted, their assigns.

8.4 Waiver.

8.4.1 The failure of a Party to the Agreement to insist, on any occasion, upon strict performance of any provision of the Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

8.4.2 The Parties may agree to mutually waive a section of this Agreement so long as prior Commission approval of the waiver is not required by the Rule.

8.4.3 Any waiver at any time by either Party of its rights with respect to the Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of the Agreement. Any waiver of the Agreement shall, if requested, be provided in writing.

8.5 Entire Agreement.

This Agreement, including any supplementary Form attachments that may be necessary, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of the Agreement. There are no other agreements, representations, warranties, or covenants that constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.

8.6 Multiple Counterparts.

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

8.7 No Partnership.

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.

8.8 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 this Agreement shall remain in full force and effect.

8.9 Subcontractors.

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

8.9.1 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 this Agreement upon the hiring Party shall be equally binding upon, and will be construed as having application to, any subcontractor of such Party.

8.9.2 The obligations under this Article 8.9 will not be limited in any way by any limitation of subcontractor's insurance.

8.10 Reservation of Rights.

Either Party will have the right to make a unilateral filing with the Commission to modify this Agreement. This reservation of rights provision ~~will~~ includes but is not limited to modifications with respect to any rates terms and conditions, charges, classification of service, rule or regulation under tariff rates or any applicable State or Federal law or regulation. Each Party shall have the right to protest any such filing and to participate fully in any proceeding before the Commission in which such modifications may be considered.

Article 9. Notices and Records

9.1 General.

Unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement shall be deemed properly given if delivered in person, delivered by recognized national courier service, or sent by first class mail, postage prepaid, to the person specified below:

9.2 Records.

The Public Utility will maintain a record of all Interconnection Agreements and related Form attachments for as long as the interconnection is in place as required by Article 0065 of the SGIP. The Public Utility will provide a copy of these records to the Interconnection Customer within 15 Business Days if a request is made in writing.

If to the Interconnection Customer:

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____ E-mail _____

If to Public Utility:

Public Utility: PacifiCorp Transmission Services
Attention: Central Cashier Office
Address: 825 N.E. Multnomah Street, Suite 550
City: Portland State: OR Zip: 97232
Phone: (Insert Number Here) Fax: (Insert Number Here)

9.3 Billing and Payment.

Billings and payments shall be sent to the addresses set out below: (complete if different than article 9.2 above)

If to the Interconnection Customer

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____

If to Public Utility

Public Utility: PacifiCorp Transmission
Attention: Central Cashiers Office
Address: P.O. Box 2757
City: Portland State: OR Zip: 97208-2757

9.4 Designated Operating Representative.

The Parties will designate operating representatives to conduct the communications which may be necessary or convenient for the administration of the operations provisions of this Agreement. This person will also serve as the point of contact with respect to operations and maintenance of the Party's facilities (complete if different than article 9.2 above)

Interconnection Customer's Operating Representative: _____

Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____ E-Mail _____

Public Utility's Operating Representative:

PacifiCorp
Attention: Grid Operations
Address: 9915 S.E. Ankeny Street
City: Portland State: OR Zip: 97216
Phone: (Insert Number Here) Fax: (Insert Number Here)

9.5 Changes to the Notice Information.

Either Party may change this notice information by giving five Business Days written notice prior to the effective date of the change.

Article 10. Signatures

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives.

For Public Utility:

Name: _____

Title: _____

Date: _____

For the Interconnection Customer:

Name: _____

Title: _____

Date: _____

Attachment 1

Description of Interconnection Facilities And Metering Equipment Operated or Maintained by the Public Utility

Equipment, including the Small Generator Facility, Interconnection Facilities, and metering equipment shall be itemized and identified as being owned by the Interconnection Customer, the Public Utility, or the Transmission Owner. The Public Utility will provide a best estimate itemized cost, including overheads, of its Interconnection Facilities and metering equipment, and a best estimate itemized cost of the annual operation and maintenance expenses associated with its Interconnection Facilities and metering equipment.

Attachment 2

One-line Diagram Depicting the Generating Facility, Interconnection Facilities, Metering Equipment, and Upgrades

Attachment 3

Milestones

Estimated In-Service Date: _____

Critical milestones and responsibility as agreed to by the Parties:

	Milestone/Date	Responsible Party
(1)	_____	_____
(2)	_____	_____
(3)	_____	_____
(4)	_____	_____
(5)	_____	_____
(6)	_____	_____
(7)	_____	_____
(8)	_____	_____
(9)	_____	_____
(10)	_____	_____

Attachment 4

Additional Operating Requirements for the Public Utility's Transmission System and/or Distribution System and Affected Systems Needed to Support the Interconnection Customer's Needs

The interconnection of the Small Generator Facility is subject to the rules contained within the SGIP. The interconnection of the Small Generator Facility to the Public Utility's Distribution System shall be subject to, and the Interconnection Customer shall operate the Small Generating Facility in accordance with, the Public Utility's policies governing interconnection of generation facilities to the distribution system entitled "Facility Connection (Interconnection) Requirements for Distribution Systems (34.5 kV and below)" which policy document is available upon request from the Public Utility and is incorporated by this reference as part of the Interconnection Agreement between the Parties. The interconnection of the Small Generator Facility to the Public Utility's Transmission System shall be subject to, and the Interconnection Customer shall operate the Small Generating Facility in accordance with, the Public Utility's policies governing interconnection of generation facilities to the transmission system entitled "Facility Connection (Interconnection) Requirements for Transmission Systems (46 kV and above)" which policy document is available upon request from the Public Utility and is incorporated by this reference as part of the Interconnection Agreement between the Parties. In the event of a conflict between any aspect of this Attachment 4 (including without limitation the Public Utility's policies governing interconnection of generation facilities to the distribution system or the transmission system) and the rules contained in SGIP, the SGIP shall prevail.

Parallel Operation. Interconnection Customer may operate the Generating Facility in parallel with the Public Utility's Transmission System or Distribution System (collectively the "T&D System"), but subject at all times to any operating instructions that the Public Utility's dispatch operators may issue and in accordance with all the provisions of this Interconnection Agreement and Good Utility Practice, and any other conditions imposed by the Public Utility in its sole discretion.

Generating Facility Operation Shall Not Adversely Affect the Public Utility's T&D System. Interconnection Customer shall operate the Generating Facility in such a manner as not to adversely affect the Public Utility's T&D System or any other element of the Public Utility's electrical system. Interconnection Customer's Generating Facility shall deliver not more than the Design Capacity of _____ kW. Except as otherwise required by this Interconnection Agreement, Interconnection Customer shall operate the Generating Facility in a manner compatible with the Public Utility's applicable voltage level and fluctuating voltage guidelines, entitled Facility Connection (Interconnection) Requirements for Distribution Systems (34.5 kV and below) or _____, as it may be amended or superseded from time to time in the Public Utility's reasonable discretion, at the Point of Interconnection during all times that the Generating Facility is connected and operating in parallel with the Public Utility's T&D System. In its sole discretion, the Public Utility may specify rates of change in Interconnection Customer's deliveries to the Public Utility's T&D System during any start-up of the Generating Facility, during reconnection to the Public Utility's T&D System, and during normal operations to assure that such rates of change are compatible with the operation of the Public Utility's voltage regulation equipment.

Maximum Authorized Power Flow. The Generating Facility shall not be operated in a manner that results in the flow of electric power onto the Public Utility's T&D System during any fifteen (15) minute interval

at levels in excess of _____ kVA from the Generating Facility. If this provision is violated, the Public Utility may terminate this Interconnection Agreement or lock the Interconnection Customer Disconnect Switch in the open position until such time as: (a) the Public Utility has studied the impact of additional generation on the T&D System (at Interconnection Customer's cost and pursuant to a new study agreement between the Public Utility and Interconnection Customer) and the interconnection has been upgraded (at Interconnection Customer's cost and pursuant to a new or amended Facilities Construction Agreement and a new or amended Interconnection Agreement if deemed necessary by the Public Utility) in any manner necessary to accommodate the additional generation; or (b) the Interconnection Customer has modified the Generating Facility or Interconnection Customer's Interconnection Facilities in such manner as to insure to the Public Utility's satisfaction that the Generating Facility will no longer cause electric power to flow onto the Public Utility's T&D System at a level in excess of _____ kVA.

Harmonic Distortion or Voltage Flicker. Notwithstanding the Study Results, upon notice from the Public Utility that operation of the Generating Facility is producing unacceptable harmonic distortions or voltage flicker on the Public Utility's T&D System, Interconnection Customer shall at its sole cost remedy such harmonic distortions or voltage flicker within a reasonable time.

Reactive Power. Interconnection Customer shall at all times control the flow of reactive power between the Generating Facility and the Public Utility's T&D System within limits established by the Public Utility. The Public Utility shall not be obligated to pay Interconnection Customer for any Kvar or Kvar Hours flowing into the Public Utility's T&D System.

Islanding. If at any time during the term of this Interconnection Agreement the interconnection of the Generating Facility to the Public Utility's T&D System results in a risk of electrical islanding, or actual occurrences of electrical islanding, which the Public Utility reasonably concludes are incompatible with Good Utility Practice, the Parties shall (as necessary) study the issue and implement a solution that will eliminate or mitigate the risk of electrical islanding to a level deemed acceptable by the Public Utility. All costs associated with addressing any electrical islanding problems as required by this paragraph shall be paid by the Interconnection Customer, including without limitation any study costs, engineering costs, design costs, or costs to procure, install, operate and/or maintain required interconnection facilities or protective devices.

Voltage Regulation. The Interconnection Customer agrees to operate at a $\pm 95\%$ leading or lagging power factor. Prior to installation, Interconnection Customer shall provide the Public Utility with written notice of the device and/or operational constraints selected to satisfy this requirement and shall obtain the Public Utility's written approval of such device and/or operational constraints, which approval shall not be unreasonably withheld. In the event Interconnection Customer fails to operate the Generating Facility within the voltage regulation constraints of this requirement, the Public Utility may disconnect the Generating Facility.

Modification of Nominal Operating Voltage Level. By providing Interconnection Customer with a one hundred and eighty (180) day notice, the Public Utility may at its sole discretion change the Public Utility's nominal operating voltage level at the Point of Interconnection. In the event of such change in voltage level Interconnection Customer shall, at Interconnection Customer's sole expense, modify Interconnection Customer's Interconnection Facilities as necessary to accommodate the modified nominal operating voltage level. Interconnection Customer has been informed that initial use of a dual voltage Interconnection Customer may ameliorate the cost of accommodating a change in nominal operating voltage level.

Equipment Failure. Interconnection Customer acknowledges that it is responsible for repair or replacement of Interconnection Customer's primary transformer and for any and all other components of the Generating Facility and the Interconnection Customer's Interconnection Facilities. Interconnection Customer is aware that it's inability to timely repair or replace its transformer or any other component of the Generating Facility or Interconnection Customer's Interconnection Facility could result in Interconnection Customer's inability to comply with its responsibilities under this Interconnection Agreement and could lead to disconnection of the Generating Facility from the Public Utility's T&D System and/or termination of this Interconnection Agreement pursuant to the terms of this Interconnection Agreement. Interconnection Customer acknowledges that the risk of this result is born solely by Interconnection Customer and may be substantially ameliorated by Interconnection Customer's elective maintenance of adequate reserve or spare components including but not limited to the Interconnection Customer's primary transformer.

Operation and Maintenance of Facilities Not Owned by the Public Utility. Interconnection Customer shall maintain, test, repair, keep accounts current on, or provide for the proper operation of any and all interconnection facilities, including but not limited to telemetry and communication equipment, not owned by the Public Utility.

Metering and Telemetry Communications Equipment. Notwithstanding any language of Article 0070 of the SGIP, Public Utility shall not require Interconnection Customer to install a redundant or back-up meter or other telemetry communications equipment. However, Public Utility reserves the right to request that the Oregon Public Utility Commission authorize Public Utility to require Interconnection Customer to be responsible for all reasonable costs associated with redundant metering and communications equipment installed at the Small Generating Facility, upon a determination by Public Utility that such equipment is necessary to maintain compliance with the mandatory reliability standards enforced by the North American Electric Reliability Corporation and the Western Electricity Coordinating Council.

Property Requirements. Interconnection Customer is required to obtain for the benefit of Public Utility at Interconnection Customer's sole cost and expense all real property rights, including but not limited to fee ownership, easements and/or rights of way, as applicable, for Public Utility owned Facilities using Public Utility's standard forms. Public Utility shall not be obligated to accept any such real property right that does not, at Public Utility's sole discretion, confer sufficient rights to access, operate, construct, modify, maintain, place and remove Public Utility owned facilities or is otherwise not conveyed using Public Utility's standard forms. Further, all real property on which Public Utility's Facilities are to be located must be environmentally, physically and operationally acceptable to the Public Utility at its sole discretion. Interconnection Customer is responsible for obtaining all permits required by all relevant jurisdictions for the project, including but not limited to, conditional use permits and construction permits; provided however, Public Utility shall obtain, at Interconnection Customer's cost and schedule risk, the permits necessary to construct Public Utility's Facilities that are to be located on real property currently owned or held in fee or right by Public Utility. Except as expressly waived in writing by an authorized officer of Public Utility, all of the foregoing permits and real property rights (conferring rights on real property that is environmentally, physically and operationally acceptable to Public Utility) shall be acquired as provided herein as a condition to Public Utility's contractual obligation to construct or take possession of facilities to be owned by the Public Utility under this Agreement. Public Utility shall have no liability for any project delays or cost overruns caused by delays in acquiring any of the foregoing permits and/or real property rights, whether such delay results from the failure to obtain such permits or rights or the failure of such permits or rights to meet the requirements set forth herein. Further, any completion dates, if any, set forth

herein with regard to Public Utility's obligations shall be equitably extended based on the length and impact of any such delays.

Attachment 5

Public Utility' s Description of its Upgrades and Best Estimate of Upgrade Costs

The Public Utility shall describe the System Upgrades required and provide an itemized good-faith, non-binding estimate of the cost, including overheads, of the upgrades and annual operation and maintenance expenses associated with such upgrades (including an list of the system upgrade items that will be the subject of operation and maintenance expenses).

Contingent Facilities. As identified in the study for this project dated {DATE} the following upgrades are required to be in-service prior to this project:

{LIST ALL CONTINGENT FACILITIES AND ASSOCIATED QUEUE NUMBER}

If the schedule for completion of these upgrades changes or the Interconnection Customer requires an in-service date prior to the completion of these upgrades, the Public Utility reserves the right to restudy this project to determine any additional requirements to assign to this project necessary to facilitate interconnection of this project by the date required.

Attachment 6
Scope of Work

PacifiCorp, dba Pacific Power

Interconnection Agreement for Small
Generator Facility

Tier 1, Tier 2, Tier 3 or Tier 4
Interconnection

CLEAN VERSION

PacifiCorp

Interconnection Agreement for Small Generator Facility

Tier 1, Tier 2, Tier 3 or Tier 4 Interconnection

(Small Generator Facilities with Electric Nameplate Capacities of 20MW or less)

This Interconnection Agreement for Small Generator Facility (“Agreement”) is made and entered into this ___ day of _____ by and between _____, a _____ organized and existing under the laws of the State of _____, (“Interconnection Customer”) and PacifiCorp, a Corporation, existing under the laws of the State of Oregon, (“Public Utility”). The Interconnection Customer and Public Utility may be referred to hereinafter singly as a “Party” or collectively as the “Parties.”

Recitals:

Whereas, the Interconnection Customer is proposing to develop a Small Generator Facility, or to add generating capacity to an existing Small Generator Facility, develop an Energy Storage System, or add an Energy Storage System to an existing Small Generator Facility, collectively referred to as the “Small Generator Facility”, consistent with the Application completed on _____;

Whereas, the Interconnection Customer desires to interconnect the Small Generator Facility with Public Utility’s Transmission System and/or Distribution System (“T&D System”) in the State of Oregon; and

Whereas, the interconnection of the Small Generator Facility and the Public Utility’s T&D System is subject to the jurisdiction of the Public Utility Commission of Oregon (“Commission”) and governed by the Small Generator Interconnection Procedures (“SGIP”) for Oregon-jurisdictional generators that are 20 MW or less, in accordance with Commission Order No. 20-268.

Now, therefore, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

Article 1. Scope and Limitations of Agreement

1.1 Scope.

This Agreement establishes the standard terms and conditions under which the Small Generator Facility with a Nameplate Rating of no more than 20 megawatts (“MW”) will interconnect to, and operate in Parallel with, the Public Utility’s T&D System. The Commission has approved standard terms and conditions governing this class of interconnection. Any additions, deletions or changes to the standard terms and conditions of interconnection approved by the Commission must be mutually agreed by the Parties or, if required by the Rule, any such changes must be approved by the Commission. Terms

with initial capitalization, when used in this Agreement, shall have the meanings given in the Rule. This Agreement shall be construed where possible to be consistent with the Rules; to the extent this Agreement conflicts with the Rule, the Rule shall take precedence.

1.2 No Agreement Regarding Power Purchase, Transmission, or Delivery.

This Agreement does not constitute an agreement to purchase, transmit, or deliver any power or capacity from the interconnected Small Generating Facility nor does it constitute an electric service agreement.

1.3 Other Agreements.

Nothing in this Agreement is intended to affect any other agreement between the Public Utility and the Interconnection Customer or any other interconnected entity. If the provisions of this Agreement conflict with the provisions of any other Public Utility tariff, the Public Utility tariff shall control.

1.4 Responsibilities of the Parties.

1.4.1 The Parties shall perform all obligations of this Agreement in accordance with all applicable laws.

1.4.2 The Interconnection Customer will construct, own, operate, and maintain its Small Generator Facility in accordance with this Agreement, IEEE Standard 1547-2018, IEEE Standard 1547.1, the National Electrical Code and applicable standards required by the Commission.

1.4.3 Each Party shall be responsible for the safe installation, maintenance, repair and condition of their respective lines and appurtenances on their respective sides of the Point of Interconnection. Each Party shall provide Interconnection Facilities that adequately protect the other Parties' facilities, personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance and ownership of Interconnection Facilities is prescribed in the Rule and this Agreement and the attachments to this Agreement.

1.5 Parallel Operation and Maintenance Obligations.

Once the Small Generator Facility has been authorized to commence Parallel Operation by execution of this Agreement and satisfaction of Article 2.1 of this Agreement, the Interconnection Customer will abide by all written provisions for operating and maintenance as required by this Agreement and any attachments to this Agreement as well as by the Rule and as detailed by the Public Utility in Form 7, title "Interconnection Equipment As-Built Specifications, Initial Settings and Operating Requirements".

1.6 Metering & Monitoring.

The Interconnection Customer will be responsible for metering and monitoring as required by Article 0070 of the SGIP and as may be detailed in any attachments to this Agreement.

1.7 Power Quality.

The Interconnection Customer will design its Small Generator Facility to maintain a

composite power delivery at continuous rated power output at the Point of Interconnection that meets the requirements set forth in IEEE 1547-2018. The Public Utility may, in some circumstances, also require the Interconnection Customer to follow voltage or VAR schedules used by similarly situated, comparable generators in the control area. Any special operating requirements will be detailed in Form 7 and completed by the Public Utility as required by the Rule. The Public Utility shall not impose additional requirements for voltage or reactive power support outside of what may be required to mitigate impacts caused by interconnection of the Small Generator Facility to the Public Utility's system.

Article 2. Inspection, Testing, Authorization, and Right of Access

2.1 Equipment Testing and Inspection.

The Interconnection Customer will test and inspect its Small Generator Facility and Interconnection Facilities prior to interconnection in accordance with IEEE 1547-2018 Standards as provided for in the Rule. The Interconnection will not be final and the Small Generator Facility shall not be authorized to operate in parallel with the Public Utility's T&D System until the Witness Test and Certificate of Completion provisions in the Rule have been satisfied. The Interconnection Customer shall pay or reimburse the Public Utility for its costs to participate in the Witness Test. Operation of the Small Generator Facility requires an effective Interconnection Agreement; electricity sales require a Power Purchase Agreement.

To the extent that the Interconnection Customer decides to conduct interim testing of the Small Generator Facility prior to the Witness Test, it may request that the Public Utility observe these tests. If the Public Utility agrees to send qualified personnel to observe any interim testing proposed by the Interconnection Customer, the Interconnection Customer shall pay or reimburse the Public Utility for its cost to participate in the interim testing. If the Interconnection Customer conducts interim testing and such testing is observed by the Public Utility and the results of such interim testing are deemed acceptable by the Public Utility (hereinafter a "Public Utility-approved interim test"), then the Interconnection Customer may request that such Public Utility-approved interim test be deleted from the final Witness Testing. If the Public Utility elects to repeat any Public Utility-approved interim test as part of the final Witness Test, the Public Utility will bare its own expenses associated with participation in the repeated Public Utility-approved interim test.

2.2 Right of Access.

As provided in Article 0030(5) of the SGIP, the Public Utility will have access to the Interconnection Customer's premises for any reasonable purpose in connection with the Interconnection Application or any Interconnection Agreement that is entered in to pursuant to the Rule or if necessary to meet the legal obligation to provide service to its customers. Access will be requested at reasonable hours and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition.

Article 3. Effective Date, Term, Termination, and Disconnection

3.1 Effective Date.

The Agreement shall become effective upon execution by the Parties.

3.2 Term of Agreement.

The Agreement will be effective on the Effective Date and will remain in effect for a period of twenty (20) years¹ unless terminated earlier by the default or voluntary termination by the Interconnection Customer or by action of the Commission.

3.3 Termination.

No termination will become effective until the Parties have complied with all provisions of Article 0080 of the SGIP and this Agreement that apply to such termination.

3.3.1 The Interconnection Customer may terminate this Agreement at any time by giving the Public Utility twenty (20) Business Days written notice.

3.3.2 Either Party may terminate this Agreement after default pursuant to Article 5.6 of this Agreement.

3.3.3 The Commission may order termination of this Agreement.

3.3.4 Upon termination of this Agreement, the Small Generator Facility will be disconnected from the Public Utility's T&D System at the Interconnection Customer's expense. The termination of this Agreement will not relieve either Party of its liabilities and obligations, owed or continuing at the time of the termination.

3.3.5 The provisions of this Article 3.3 shall survive termination or expiration of this Agreement.

3.4 Temporary Disconnection.

The Public Utility or Interconnection Customer may temporarily disconnect the Small Generator Facility from the Public Utility's T&D System for so long as reasonably necessary, as provided in Article 0075 of the SGIP, in the event one or more of the following conditions or events occurs:

3.4.1 Under emergency conditions, the Public Utility or the Interconnection Customer may immediately suspend interconnection service and temporarily disconnect the Small Generator Facility without advance notice to the other Party. The Public Utility shall notify the Interconnection Customer promptly when it becomes aware of an emergency condition that may reasonably be expected to affect the Small Generator Facility operation. The Interconnection Customer will notify the Public Utility promptly when it becomes aware of an emergency condition that may reasonably be expected to affect the Public Utility's T&D System. To the extent information is known, the notification shall describe the emergency condition, the extent of the damage or deficiency, the expected effect on the operation of both Parties' facilities and operations, its anticipated duration, and the necessary corrective action.

¹ [Note to Draft: Applicants may request a shorter term. For Applicants with a power purchase agreement ("PPA") with PacifiCorp, the term of the Agreement should be the same as the term of the PPA and may be longer than 20 years.]

- 3.4.2** For routine Maintenance, Parties will make reasonable efforts to provide five Business Days' notice prior to interruption caused by routine maintenance or construction and repair to the Small Generator Facility or Public Utility's T&D system and shall use reasonable efforts to coordinate such interruption.
- 3.4.3** The Public Utility shall use reasonable efforts to provide the Interconnection Customer with prior notice of forced outages of the T&D System. If prior notice is not given, the Public Utility shall, upon request, provide the Interconnection Customer written documentation after the fact explaining the circumstances of the disconnection.
- 3.4.4** For disruption or deterioration of service, where the Public Utility determines that operation of the Small Generator Facility will likely cause disruption or deterioration of service to other customers served from the same electric system, or if operating the Small Generator Facility could cause damage to the Public Utility's T&D System, the Public Utility may disconnect the Small Generator Facility. The Public Utility will provide the Interconnection Customer upon request all supporting documentation used to reach the decision to disconnect. The Public Utility may disconnect the Small Generator Facility if, after receipt of the notice, the Interconnection Customer fails to remedy the adverse operating effect within a reasonable time which shall be at least five Business Days from the date the Interconnection Customer receives the Public Utility's written notice supporting the decision to disconnect, unless emergency conditions exist, in which case the provisions of 3.4.1 of the agreement apply.
- 3.4.5** If the Interconnection Customer makes any change to the Small Generating Facility, the Interconnection Equipment, the Interconnection Facilities, or to any other aspect of the interconnection, other than Minor Equipment Modifications, without prior written authorization of the Public Utility, the Public Utility will have the right to disconnect the Small Generator Facility until such time as the impact of the change has been studied by the Public Utility and any reasonable requirements or additional equipment or facilities required by the Public Utility to address any impacts from the changes have been implemented by the Parties and approved in writing by the Public Utility. The requirement to apply to the Public Utility for study and approve of modifications is governed by Article 0025 of the SGIP.

3.5 Restoration of interconnection.

The Parties shall cooperate with each other to restore the Small Generator Facility, Interconnection Facilities, and Public Utility's T&D System to their normal operating state as soon as reasonably practicable following any disconnection pursuant to Article 3.4.

Article 4. Cost Responsibility and Billing

As provided in Article 0035 of the SGIP, the Interconnection Customer is responsible for the cost of all facilities, equipment, modifications and upgrades needed to facilitate the interconnection of the Small Generator Facility to the Public Utility's T&D System.

4.1 Minor T&D System Modifications.

As provided in the Rule addressing Tier 2 review (Article 0050 of the SGIP) and in the Rule addressing Tier 3 review (Article 0055 of the SGIP), it may be necessary for the Parties to construct certain Minor Modifications in order to interconnect under Tier 2 or Tier 3 review. The Public Utility has itemize any required Minor Modifications in the attachments to this Agreement, including a good-faith estimate of the cost of such Minor Modifications and the time required to build and install such Minor Modifications. The Interconnection Customer agrees to pay the costs of such Minor Modifications.

4.2 Interconnection Facilities.

The Public Utility has identified under the review procedures of a Tier 2 review or under a Tier 4 Facilities Study, the Interconnection Facilities necessary to safely interconnect the Small Generator Facility with the Public Utility. The Public Utility has itemized the required Interconnection Facilities in the attachments to this Agreement, including a good-faith estimate of the cost of the facilities and the time required to build and install those facilities. The Interconnection Customer is responsible for the cost of the Interconnection Facilities.

4.3 Interconnection Equipment.

The Interconnection Customer is responsible for all reasonable expenses, including overheads, associated with owning, operating, maintaining, repairing, and replacing its Interconnection Equipment.

4.4 System Upgrades.

The Public Utility will design, procure, construct, install, and own any System Upgrades. The actual cost of the System Upgrades, including overheads, will be directly assigned to the Interconnection Customer. An Interconnection Customer may be entitled to financial compensation from other Public Utility Interconnection Customers who, in the future, benefit from the System Upgrades paid for by the Interconnection Customer. Such compensation will be governed by separate rules promulgated by the Commission or by terms of a tariff filed and approved by the Commission. Such compensation will only be available to the extent provided for in the separate rules or tariff.

4.5 Adverse System Impact.

The Public Utility is responsible for identifying the possible Affected Systems and coordinating with those identified Affected Systems, to the extent reasonably practicable, to allow the Affected System owner an opportunity to identify Adverse System Impacts on its Affected System, and to identify what mitigation activities or upgrades may be required on the Public Utility's system or on the Affected System to address impacts on Affected Systems and accommodate a Small Generator Facility. Such coordination with Affected System owners shall include inviting Affected System owners to scoping meetings between the Public Utility and the Interconnection Customer and providing the Affected System owner with study results and other information reasonably required and requested by the Affected System owner to allow the Affected System owner to assess impacts to its system and determine required mitigation, if any, for such impacts. The Parties acknowledge that the Public Utility cannot compel the participation of the Affected System owner and that the Public Utility is not itself responsible for identifying impacts or

mitigation associated with an Affected System. The actual cost of any actions taken to address the Adverse System Impacts, including overheads, shall be directly assigned to the Interconnection Customer. The Interconnection Customer may be entitled to financial compensation from other Public Utilities or other Interconnection Customers who, in the future, utilize the upgrades paid for by the Interconnection Customer, to the extent allowed or required by the Commission. Such compensation will only be available to the extent provided for in the separate rules, Commission order or tariff. If the Parties have actual knowledge of an Adverse System Impact on an Affected System, the Interconnection Customer shall not interconnect and operate its Small Generator Facility in parallel with the Public Utility's system, and the Public Utility shall not authorize or allow the continued interconnection or parallel operation of the Small Generator Facility, unless and until such Adverse System Impact has been addressed to the reasonable satisfaction of the Affected System owner.

4.6 Deposit and Billings.

The Interconnection Customer agrees to pay to the Public Utility a deposit toward the cost to construct and install any required Interconnection Facilities and/or System Upgrades. The amount of the deposit shall be (select one of the following):

The Parties have not agreed to a schedule of progress payments and the Interconnection Customer shall pay a deposit equal to 100 percent of the estimated cost of the Interconnection Facilities and System Upgrades – the amount of the deposit shall be \$ _____; or

The Parties have agreed to progress payments and final payment under the schedule of payments attached to this Agreement; the Interconnection Customer shall pay a deposit equal to the lesser of (a) 25 percent of the estimated cost of the Interconnection Facilities and System Upgrades, or (b) \$10,000 – the amount of the deposit shall be \$ _____.

If the actual costs of Interconnection Facilities and/or System Upgrades are different than the deposit amounts and/or progress and final payments provided for above, then the Interconnection Customer shall pay the Public Utility any balance owing or the Public Utility shall refund any excess deposit or progress payment within 20 days of the date actual costs are determined

Article 5. Assignment, Liability, Indemnity, Force Majeure, Consequential Damages, and Default

5.1 Assignment.

The Interconnection Agreement may be assigned by either Party upon fifteen (15) Business Days prior written notice. Except as provided in Articles 5.1.1 and 5.1.2, said assignment shall only be valid upon the prior written consent of the non-assigning Party, which consent shall not be unreasonably withheld.

5.1.1 Either Party may assign the Agreement without the consent of the other Party to any affiliate (which shall include a merger of the Party with another entity), of the assigning Party with an equal or greater credit rating and with the legal authority

and operational ability to satisfy the obligations of the assigning Party under this Agreement;

5.1.2 The Interconnection Customer shall have the right to assign the Agreement, without the consent of the Public Utility, for collateral security purposes to aid in providing financing for the Small Generator Facility. For Small Generator systems that are integrated into a building facility, the sale of the building or property will result in an automatic transfer of this agreement to the new owner who shall be responsible for complying with the terms and conditions of this Agreement.

5.1.3 Any attempted assignment that violates this Article is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. An assignee is responsible for meeting the same obligations as the assigning Interconnection Customer.

5.2 Limitation of Liability and Consequential Damages.

A Party is liable for any loss, cost claim, injury, or expense including reasonable attorney's fees related to or arising from any act or omission in its performance of the provisions of this Agreement entered into pursuant to the Rule except as provided for in ORS 757.300(4)(c). Neither Party will seek redress from the other Party in an amount greater than the amount of direct damage actually incurred.

5.3 Indemnity.

5.3.1 Liability under this Article 5.3 is exempt from the general limitations on liability found in Article 5.2.

5.3.2 The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or failure to meet its obligations under this Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

5.3.3 If an indemnified person is entitled to indemnification under this Article 5.3 as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under this Article 5.3, to assume the defense of such a claim, such indemnified person may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

5.3.4 If an indemnifying party is obligated to indemnify and hold any indemnified person harmless under this Article 5.3, the amount owing to the indemnified person shall

be the amount of such indemnified person's actual loss, net of any insurance or other recovery.

5.3.5 Promptly after receipt by an indemnified person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this Article 5.3 may apply, the indemnified person shall notify the indemnifying party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying party.

5.3.6 The indemnifying Party shall have the right to assume the defense thereof with counsel designated by such indemnifying Party and reasonably satisfactory to the indemnified person. If the defendants in any such action include one or more indemnified persons and the indemnifying Party and if the indemnified person reasonably concludes that there may be legal defenses available to it and/or other indemnified persons which are different from or additional to those available to the indemnifying Party, the indemnified person shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the indemnifying Party shall only be required to pay the fees and expenses of one additional attorney to represent an indemnified person or indemnified persons having such differing or additional legal defenses.

5.3.7 The indemnified person shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the indemnifying Party. Notwithstanding the foregoing, the indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the indemnified person and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the indemnified person, or there exists a conflict or adversity of interest between the indemnified person and the indemnifying Party, in such event the indemnifying Party shall pay the reasonable expenses of the indemnified person, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the indemnified person, which shall not be reasonably withheld, conditioned or delayed.

5.4 Consequential Damages.

Neither Party shall be liable to the other Party, under any provision of this Agreement, for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

5.5 Force Majeure.

- 5.5.1** 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 beyond a Party’s control. A Force Majeure Event does not include an act of negligence or intentional wrongdoing.”
- 5.5.2** 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, its 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 Force Majeure 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 an action required by the Rule that the Rule does not permit the Parties to mutually waive.

5.6 Default.

- 5.6.1** No default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of a Force Majeure Event as defined in this Agreement, or the result of an act or omission of the other Party. Upon a breach, the non-breaching Party shall give written notice of such breach to the breaching Party. Except as provided in Article 5.6.2, the breaching Party shall have sixty (60) Calendar Days from receipt of the breach notice within which to cure such breach; provided however, if such breach is not capable of cure within 60 Calendar Days, the breaching Party shall commence such cure within twenty (20) Calendar Days after notice and continuously and diligently complete such cure within six months from receipt of the breach notice; and, if cured within such time, the breach specified in such notice shall cease to exist.
- 5.6.2** If a breach is not cured as provided for in this Article 5.6, or if a breach is not capable of being cured within the period provided for herein, the non-breaching Party shall have the right to declare a default and terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the breaching Party all amounts due hereunder, plus all other damages

and remedies to which it is entitled at law or in equity. Alternatively, the non-breaching Party shall have the right to seek dispute resolution with the Commission in lieu of default. The provisions of this Article 5.6 will survive termination of the Agreement.

Article 6. Insurance

- 6.1** Pursuant to the Rule adopted by the Commission, the Public Utility may not require the Interconnection Customer to maintain general liability insurance in relation to the interconnection of a Small Generator Facility with an Electric Nameplate Rating of 200 KW or less. With regard to the interconnection of a Small Generator Facility with an Electric Nameplate Rating equal to or less than 20 MW but in excess of 200 KW, the Interconnection Customer shall, at its own expense, maintain in force throughout the period of this Agreement general liability insurance sufficient to protect any person (including the Public Utility) who may be affected by the Interconnection Customer's Small Generation Facility and its operation and such insurance shall be sufficient to satisfy the Interconnection Customer's indemnification responsibilities under Article 5.3 of this Agreement.
- 6.2** Within ten (10) days following execution of this Agreement, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) days thereafter, the Interconnection Customer shall provide the Public Utility with certification of all insurance required in this Agreement, executed by each insurer or by an authorized representative of each insurer.
- 6.3** All insurance required by this Article 6 shall name the Public Utility, its parent, associated and Affiliate companies and their respective directors, officers, agents, servants and employees ("Other Party Group") as additional insured. All policies shall contain provisions whereby the insurers waive all rights of subrogation against the Other Party Group and provide thirty (30) Calendar Days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition. The Interconnection Customer's insurance shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. The insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2) years after termination of this Agreement, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.
- 6.4** The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this Agreement.

- 6.5 The requirements contained herein as to insurance are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this Agreement.

Article 7. Dispute Resolution

Parties will adhere to the dispute resolution provisions in Article 0080 of the SGIP.

Article 8. Miscellaneous

8.1 Governing Law, Regulatory Authority, and Rules.

The validity, interpretation and enforcement of the Agreement and each of its provisions shall be governed by the laws of the State of Oregon, without regard to its conflicts of law principles. The Agreement is subject to all applicable laws. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a governmental authority.

8.2 Amendment.

The Parties may mutually agree to amend the Agreement by a written instrument duly executed by both Parties in accordance with provisions of the Rule and applicable Commission Orders and provisions of the laws if the State of Oregon.

8.3 No Third-Party Beneficiaries.

The 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, their successors in interest and where permitted, their assigns.

8.4 Waiver.

8.4.1 The failure of a Party to the Agreement to insist, on any occasion, upon strict performance of any provision of the Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

8.4.2 The Parties may agree to mutually waive a section of this Agreement so long as prior Commission approval of the waiver is not required by the Rule.

8.4.3 Any waiver at any time by either Party of its rights with respect to the Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of the Agreement. Any waiver of the Agreement shall, if requested, be provided in writing.

8.5 Entire Agreement.

This Agreement, including any supplementary Form attachments that may be necessary, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of the Agreement. There are no other agreements, representations, warranties, or covenants that constitute any part

of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.

8.6 Multiple Counterparts.

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

8.7 No Partnership.

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.

8.8 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 this Agreement shall remain in full force and effect.

8.9 Subcontractors.

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

8.9.1 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 this Agreement upon the hiring Party shall be equally binding upon, and will be construed as having application to, any subcontractor of such Party.

8.9.2 The obligations under this Article 8.9 will not be limited in any way by any limitation of subcontractor's insurance.

8.10 Reservation of Rights.

Either Party will have the right to make a unilateral filing with the Commission to modify this Agreement. This reservation of rights provision includes but is not limited to modifications with respect to any rates terms and conditions, charges, classification of service, rule or regulation under tariff rates or any applicable State or Federal law or

regulation. Each Party shall have the right to protest any such filing and to participate fully in any proceeding before the Commission in which such modifications may be considered.

Article 9. Notices and Records

9.1 General.

Unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement shall be deemed properly given if delivered in person, delivered by recognized national courier service, or sent by first class mail, postage prepaid, to the person specified below:

9.2 Records.

The Public Utility will maintain a record of all Interconnection Agreements and related Form attachments for as long as the interconnection is in place as required by Article 0065 of the SGIP. The Public Utility will provide a copy of these records to the Interconnection Customer within 15 Business Days if a request is made in writing.

If to the Interconnection Customer:

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____ E-mail _____

If to Public Utility:

Public Utility: PacifiCorp Transmission Services
Attention: Central Cashier Office
Address: 825 N.E. Multnomah Street, Suite 550
City: Portland State: OR Zip: 97232
Phone: (Insert Number Here) Fax: (Insert Number Here)

9.3 Billing and Payment.

Billings and payments shall be sent to the addresses set out below: (complete if different than article 9.2 above)

If to the Interconnection Customer

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____

If to Public Utility

Public Utility: PacifiCorp Transmission
Attention: Central Cashiers Office
Address: P.O. Box 2757
City: Portland State: OR Zip: 97208-2757

9.4 Designated Operating Representative.

The Parties will designate operating representatives to conduct the communications which may be necessary or convenient for the administration of the operations provisions of this Agreement. This person will also serve as the point of contact with respect to operations and maintenance of the Party's facilities (complete if different than article 9.2 above)

Interconnection Customer's Operating Representative: _____

Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____ E-Mail _____

Public Utility's Operating Representative:

PacifiCorp
Attention: Grid Operations
Address: 9915 S.E. Ankeny Street
City: Portland State: OR Zip: 97216
Phone: (Insert Number Here) Fax: (Insert Number Here)

9.5 Changes to the Notice Information.

Either Party may change this notice information by giving five Business Days written notice prior to the effective date of the change.

Article 10. Signatures

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives.

For Public Utility:

Name: _____

Title: _____

Date: _____

For the Interconnection Customer:

Name: _____

Title: _____

Date: _____

Attachment 1

Description of Interconnection Facilities And Metering Equipment Operated or Maintained by the Public Utility

Equipment, including the Small Generator Facility, Interconnection Facilities, and metering equipment shall be itemized and identified as being owned by the Interconnection Customer, the Public Utility, or the Transmission Owner. The Public Utility will provide a best estimate itemized cost, including overheads, of its Interconnection Facilities and metering equipment, and a best estimate itemized cost of the annual operation and maintenance expenses associated with its Interconnection Facilities and metering equipment.

Attachment 2

One-line Diagram Depicting the Generating Facility, Interconnection Facilities, Metering Equipment, and Upgrades

Attachment 3

Milestones

Estimated In-Service Date: _____

Critical milestones and responsibility as agreed to by the Parties:

	Milestone/Date	Responsible Party
(1)	_____	_____
(2)	_____	_____
(3)	_____	_____
(4)	_____	_____
(5)	_____	_____
(6)	_____	_____
(7)	_____	_____
(8)	_____	_____
(9)	_____	_____
(10)	_____	_____

Attachment 4

Additional Operating Requirements for the Public Utility's Transmission System and/or Distribution System and Affected Systems Needed to Support the Interconnection Customer's Needs

The interconnection of the Small Generator Facility is subject to the rules contained within the SGIP. The interconnection of the Small Generator Facility to the Public Utility's Distribution System shall be subject to, and the Interconnection Customer shall operate the Small Generating Facility in accordance with, the Public Utility's policies governing interconnection of generation facilities to the distribution system entitled "Facility Connection (Interconnection) Requirements for Distribution Systems (34.5 kV and below)" which policy document is available upon request from the Public Utility and is incorporated by this reference as part of the Interconnection Agreement between the Parties. The interconnection of the Small Generator Facility to the Public Utility's Transmission System shall be subject to, and the Interconnection Customer shall operate the Small Generating Facility in accordance with, the Public Utility's policies governing interconnection of generation facilities to the transmission system entitled "Facility Connection (Interconnection) Requirements for Transmission Systems (46 kV and above)" which policy document is available upon request from the Public Utility and is incorporated by this reference as part of the Interconnection Agreement between the Parties. In the event of a conflict between any aspect of this Attachment 4 (including without limitation the Public Utility's policies governing interconnection of generation facilities to the distribution system or the transmission system) and the rules contained in SGIP, the SGIP shall prevail.

Parallel Operation. Interconnection Customer may operate the Generating Facility in parallel with the Public Utility's Transmission System or Distribution System (collectively the "T&D System"), but subject at all times to any operating instructions that the Public Utility's dispatch operators may issue and in accordance with all the provisions of this Interconnection Agreement and Good Utility Practice, and any other conditions imposed by the Public Utility in its sole discretion.

Generating Facility Operation Shall Not Adversely Affect the Public Utility's T&D System. Interconnection Customer shall operate the Generating Facility in such a manner as not to adversely affect the Public Utility's T&D System or any other element of the Public Utility's electrical system. Interconnection Customer's Generating Facility shall deliver not more than the Design Capacity of _____ kW. Except as otherwise required by this Interconnection Agreement, Interconnection Customer shall operate the Generating Facility in a manner compatible with the Public Utility's applicable voltage level and fluctuating voltage guidelines, entitled Facility Connection (Interconnection) Requirements for Distribution Systems (34.5 kV and below) or _____, as it may be amended or superseded from time to time in the Public Utility's reasonable discretion, at the Point of Interconnection during all times that the Generating Facility is connected and operating in parallel with the Public Utility's T&D System. In its sole discretion, the Public Utility may specify rates of change in Interconnection Customer's deliveries to the Public Utility's T&D System during any start-up of the Generating Facility, during reconnection to the Public Utility's T&D System, and during normal operations to assure that such rates of change are compatible with the operation of the Public Utility's voltage regulation equipment.

Maximum Authorized Power Flow. The Generating Facility shall not be operated in a manner that results in the flow of electric power onto the Public Utility's T&D System during any fifteen (15) minute interval

at levels in excess of _____ kVA from the Generating Facility. If this provision is violated, the Public Utility may terminate this Interconnection Agreement or lock the Interconnection Customer Disconnect Switch in the open position until such time as: (a) the Public Utility has studied the impact of additional generation on the T&D System (at Interconnection Customer's cost and pursuant to a new study agreement between the Public Utility and Interconnection Customer) and the interconnection has been upgraded (at Interconnection Customer's cost and pursuant to a new or amended Facilities Construction Agreement and a new or amended Interconnection Agreement if deemed necessary by the Public Utility) in any manner necessary to accommodate the additional generation; or (b) the Interconnection Customer has modified the Generating Facility or Interconnection Customer's Interconnection Facilities in such manner as to insure to the Public Utility's satisfaction that the Generating Facility will no longer cause electric power to flow onto the Public Utility's T&D System at a level in excess of _____ kVA.

Harmonic Distortion or Voltage Flicker. Notwithstanding the Study Results, upon notice from the Public Utility that operation of the Generating Facility is producing unacceptable harmonic distortions or voltage flicker on the Public Utility's T&D System, Interconnection Customer shall at its sole cost remedy such harmonic distortions or voltage flicker within a reasonable time.

Reactive Power. Interconnection Customer shall at all times control the flow of reactive power between the Generating Facility and the Public Utility's T&D System within limits established by the Public Utility. The Public Utility shall not be obligated to pay Interconnection Customer for any Kvar or Kvar Hours flowing into the Public Utility's T&D System.

Islanding. If at any time during the term of this Interconnection Agreement the interconnection of the Generating Facility to the Public Utility's T&D System results in a risk of electrical islanding, or actual occurrences of electrical islanding, which the Public Utility reasonably concludes are incompatible with Good Utility Practice, the Parties shall (as necessary) study the issue and implement a solution that will eliminate or mitigate the risk of electrical islanding to a level deemed acceptable by the Public Utility. All costs associated with addressing any electrical islanding problems as required by this paragraph shall be paid by the Interconnection Customer, including without limitation any study costs, engineering costs, design costs, or costs to procure, install, operate and/or maintain required interconnection facilities or protective devices.

Voltage Regulation. The Interconnection Customer agrees to operate at a $\pm 95\%$ leading or lagging power factor. Prior to installation, Interconnection Customer shall provide the Public Utility with written notice of the device and/or operational constraints selected to satisfy this requirement and shall obtain the Public Utility's written approval of such device and/or operational constraints, which approval shall not be unreasonably withheld. In the event Interconnection Customer fails to operate the Generating Facility within the voltage regulation constraints of this requirement, the Public Utility may disconnect the Generating Facility.

Modification of Nominal Operating Voltage Level. By providing Interconnection Customer with a one hundred and eighty (180) day notice, the Public Utility may at its sole discretion change the Public Utility's nominal operating voltage level at the Point of Interconnection. In the event of such change in voltage level Interconnection Customer shall, at Interconnection Customer's sole expense, modify Interconnection Customer's Interconnection Facilities as necessary to accommodate the modified nominal operating voltage level. Interconnection Customer has been informed that initial use of a dual voltage Interconnection Customer may ameliorate the cost of accommodating a change in nominal operating voltage level.

Equipment Failure. Interconnection Customer acknowledges that it is responsible for repair or replacement of Interconnection Customer's primary transformer and for any and all other components of the Generating Facility and the Interconnection Customer's Interconnection Facilities. Interconnection Customer is aware that it's inability to timely repair or replace its transformer or any other component of the Generating Facility or Interconnection Customer's Interconnection Facility could result in Interconnection Customer's inability to comply with its responsibilities under this Interconnection Agreement and could lead to disconnection of the Generating Facility from the Public Utility's T&D System and/or termination of this Interconnection Agreement pursuant to the terms of this Interconnection Agreement. Interconnection Customer acknowledges that the risk of this result is born solely by Interconnection Customer and may be substantially ameliorated by Interconnection Customer's elective maintenance of adequate reserve or spare components including but not limited to the Interconnection Customer's primary transformer.

Operation and Maintenance of Facilities Not Owned by the Public Utility. Interconnection Customer shall maintain, test, repair, keep accounts current on, or provide for the proper operation of any and all interconnection facilities, including but not limited to telemetry and communication equipment, not owned by the Public Utility.

Metering and Telemetry Communications Equipment. Notwithstanding any language of Article 0070 of the SGIP, Public Utility shall not require Interconnection Customer to install a redundant or back-up meter or other telemetry communications equipment. However, Public Utility reserves the right to request that the Oregon Public Utility Commission authorize Public Utility to require Interconnection Customer to be responsible for all reasonable costs associated with redundant metering and communications equipment installed at the Small Generating Facility, upon a determination by Public Utility that such equipment is necessary to maintain compliance with the mandatory reliability standards enforced by the North American Electric Reliability Corporation and the Western Electricity Coordinating Council.

Property Requirements. Interconnection Customer is required to obtain for the benefit of Public Utility at Interconnection Customer's sole cost and expense all real property rights, including but not limited to fee ownership, easements and/or rights of way, as applicable, for Public Utility owned Facilities using Public Utility's standard forms. Public Utility shall not be obligated to accept any such real property right that does not, at Public Utility's sole discretion, confer sufficient rights to access, operate, construct, modify, maintain, place and remove Public Utility owned facilities or is otherwise not conveyed using Public Utility's standard forms. Further, all real property on which Public Utility's Facilities are to be located must be environmentally, physically and operationally acceptable to the Public Utility at its sole discretion. Interconnection Customer is responsible for obtaining all permits required by all relevant jurisdictions for the project, including but not limited to, conditional use permits and construction permits; provided however, Public Utility shall obtain, at Interconnection Customer's cost and schedule risk, the permits necessary to construct Public Utility's Facilities that are to be located on real property currently owned or held in fee or right by Public Utility. Except as expressly waived in writing by an authorized officer of Public Utility, all of the foregoing permits and real property rights (conferring rights on real property that is environmentally, physically and operationally acceptable to Public Utility) shall be acquired as provided herein as a condition to Public Utility's contractual obligation to construct or take possession of facilities to be owned by the Public Utility under this Agreement. Public Utility shall have no liability for any project delays or cost overruns caused by delays in acquiring any of the foregoing permits and/or real property rights, whether such delay results from the failure to obtain such permits or rights or the failure of such permits or rights to meet the requirements set forth herein. Further, any completion dates, if any, set forth

herein with regard to Public Utility's obligations shall be equitably extended based on the length and impact of any such delays.

Attachment 5

Public Utility' s Description of its Upgrades and Best Estimate of Upgrade Costs

The Public Utility shall describe the System Upgrades required and provide an itemized good-faith, non-binding estimate of the cost, including overheads, of the upgrades and annual operation and maintenance expenses associated with such upgrades (including an list of the system upgrade items that will be the subject of operation and maintenance expenses).

Contingent Facilities. As identified in the study for this project dated {DATE} the following upgrades are required to be in-service prior to this project:

{LIST ALL CONTINGENT FACILITIES AND ASSOCIATED QUEUE NUMBER}

If the schedule for completion of these upgrades changes or the Interconnection Customer requires an in-service date prior to the completion of these upgrades, the Public Utility reserves the right to restudy this project to determine any additional requirements to assign to this project necessary to facilitate interconnection of this project by the date required.

Attachment 6
Scope of Work