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REPORT NAME: Qualifying Facilities Transactions

COMPANY NAME: Pacific Power

DOES REPORT CONTAIN CONFIDENTIAL INFORMATION? No Yes

If yes, please submit only the cover letter electronically. Submit confidential information as directed in OAR 860-001-0070 or the terms of an applicable protective order.

If known, please select designation: RE (Electric) RG (Gas) RW (Water) RO (Other)

Report is required by: OAR 860-029-0020

Statute

Order

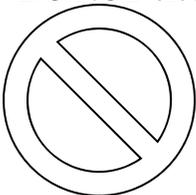
Other

Is this report associated with a specific docket/case? No Yes

If yes, enter docket number: RE 142

List applicable Key Words for this report to facilitate electronic search:
Qualifying Facility

DO NOT electronically file with the PUC Filing Center:



- Annual Fee Statement form and payment remittance or
- OUS or RSPF Surcharge form or surcharge remittance or
- Any other Telecommunications Reporting or
- Any daily safety or safety incident reports or
- Accident reports required by ORS 654.715

Please file the above reports according to their individual instructions.

June 4, 2018

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

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

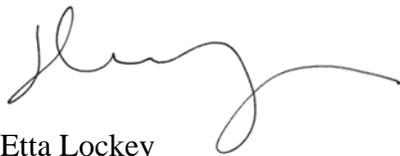
RE: RE 142—Informational Filing on Qualifying Facility Transactions

In accordance with OAR 860-029-0020(1), PacifiCorp d/b/a Pacific Power submits a copy of an executed qualifying facility (QF) power purchase agreement (PPA), as listed on Attachment A. The non-confidential attachment is provided on the enclosed CD.

QF PPAs are entered into under the Public Utility Regulatory Policies Act of 1978 (PURPA). Under OAR 860-029-0020(1), public utilities must file a true copy of executed PPAs between the utility and PURPA QFs.

If you have any questions, please contact Natasha Siores at (503) 813-6583.

Sincerely,



Etta Lockey
Vice President, Regulation

Enclosures

cc: Brittany Andrus, PUC Staff

RE 142

Informational Filing – QF Agreements

June 4, 2018

Attachment A

Oregon / PacifiCorp

Docket: RE 142 – Informational Filing

Qualifying Facility (QF) Agreements per OAR 860-029-0020(1)

<p>Oregon Qualifying Facility (QF) Agreements ** NON-CONFIDENTIAL **</p>
<p>Three Sisters Irrigation District (200 kW)</p>

POWER PURCHASE AGREEMENT

BETWEEN

THREE SISTERS IRRIGATION DISTRICT WATSON MICRO HYDRO

[Firm Qualifying Facility (new or existing) located in non-PacifiCorp Control Area, interconnecting to non-PacifiCorp system, with 10,000 kW Facility Capacity Rating, or Less, and uninterruptible transmission to the Point of Delivery]

AND

PACIFICORP

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EXHIBIT A: DESCRIPTION OF SELLER'S FACILITY
EXHIBIT B: SELLER'S INTERCONNECTION FACILITIES
EXHIBIT C: REQUIRED FACILITY DOCUMENTS
EXHIBIT D-1: SELLER'S MOTIVE FORCE PLAN
EXHIBIT D-2: ENGINEER'S CERTIFICATION OF MOTIVE FORCE PLAN
EXHIBIT E: START-UP TESTING
EXHIBIT F: SELLER AUTHORIZATION TO RELEASE GENERATION DATA
TO PACIFICORP
EXHIBIT G: STANDARD AVOIDED COST RATES SCHEDULE
AND PRICING SUMMARY TABLE
EXHIBIT H: GREEN TAG ATTESTATION AND BILL OF SALE
ADDENDUM W: GENERATION SCHEDULING ADDENDUM

POWER PURCHASE AGREEMENT

THIS POWER PURCHASE AGREEMENT (“**Agreement**”), entered into this ^{8th} day of May, 2018, is between Three Sisters Irrigation District, “**Seller**,” and PacifiCorp (d/b/a Pacific Power & Light Company), an Oregon corporation acting in its regulated utility capacity, “**PacifiCorp**.” (Seller and PacifiCorp are referred to individually as a “**Party**” or collectively as the “**Parties**”).

RECITALS

A. Seller intends to construct, own, operate and maintain a hydro facility for the generation of electric power, including interconnection facilities, located in Bend, Deschutes County, Oregon with a Facility Capacity Rating of 200-kilowatts (kW) as further described in **Exhibit A** and **Exhibit B** (“**Facility**”); and

B. Seller intends to commence delivery of Net Output under this Power Purchase Agreement, for the purpose of Start-up Testing, on September 15, 2018 (“**Scheduled Initial Delivery Date**”); and

C. Seller intends to operate the Facility as a Qualifying Facility, commencing commercial operations on October 15, 2018 (“**Scheduled Commercial Operation Date**”). The Scheduled Commercial Operation Date shall be established as no later than three years after Effective Date subject to Section 2.3; and

D. Seller estimates that the average annual Net Energy to be delivered by the Facility to PacifiCorp is 827,310 kilowatt-hours (kWh), which amount of energy PacifiCorp will include in its resource planning; and

E. Seller shall sell and PacifiCorp or another electric service provider shall purchase all Net Output from the Facility in accordance with the terms and conditions of this Agreement; and

F. This Agreement is a “New QF Contract” under the PacifiCorp Inter-Jurisdictional Cost Allocation Revised Protocol in effect on the Effective Date.

G. Seller intends to transmit Net Output to PacifiCorp via transmission facilities operated by a third party, and PacifiCorp intends to accept scheduled firm delivery of Seller’s Net Output, under the terms of this Agreement, including the Generation Scheduling Addendum attached as **Addendum W** and incorporated contemporaneously herewith.

AGREEMENT

NOW, THEREFORE, the Parties mutually agree as follows:

SECTION 1: DEFINITIONS

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

1.1 “**As-built Supplement**” shall be a supplement to **Exhibit A** and **Exhibit B**, provided by Seller following completion of construction of the Facility, describing the Facility as actually built.

1.2 “**Average Annual Generation**” shall have the meaning set forth in Section 4.2.

1.3 “**Billing Period**” means calendar months.

1.4 “**CAMD**” means the Clean Air Markets Division of the Environmental Protection Agency or successor administrator, or any state or federal entity given jurisdiction over a program involving transferability of Green Tags.

1.5 “**Commercial Operation Date**” means the date that the Facility is deemed by PacifiCorp to be fully operational and reliable, which shall require, among other things, that all of the following events have occurred:

1.5.1 PacifiCorp has received a certificate addressed to PacifiCorp from a Licensed Professional Engineer stating (a) the Facility Capacity Rating of the Facility at the anticipated Commercial Operation Date; and (b) that the Facility is able to generate electric power reliably in amounts required by this Agreement and in accordance with all other terms and conditions of this Agreement;

1.5.2 The Facility has completed Start-Up Testing (applies to new Facilities and new upgrades only);

1.5.3 PacifiCorp has received a certificate addressed to PacifiCorp from an attorney in good standing in the State of Oregon stating that Seller has obtained all Required Facility Documents (Facilities over 200 kW only) and, if requested by PacifiCorp, in writing, has provided copies of any or all such requested Required Facility Documents.

1.5.4 Seller has complied with the security requirements of Section 10.

1.5.5 PacifiCorp has received an executed copy of **Exhibit F** - Seller’s Authorization to Release Generation Data to PacifiCorp.

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

1.7 “**Contract Price**” means the applicable price for Net Output stated in Sections 5.1, 5.2, and 5.3.

1.8 “**Contract Year**” means a twelve (12) month period commencing at 00:00 hours Pacific Prevailing Time (“**PPT**”) on January 1 and ending on 24:00 hours PPT on December 31; *provided, however*, that the first Contract Year shall commence on the

Commercial Operation Date and end on the next succeeding December 31, and the last Contract Year shall end on the Termination Date.

1.9 “**Credit Requirements**” means a long-term credit rating (corporate or long-term senior unsecured debt) of (1) “Baa3” or greater by Moody’s, or (2) “BBB-” or greater by S&P, or such other indicia of creditworthiness acceptable to PacifiCorp in its reasonable judgment.

1.10 “**Default Security**”, unless otherwise agreed to by the Parties in writing, means the amount of either a Letter of Credit or cash placed in an escrow account sufficient to replace twelve (12) average months of replacement power costs over the term of this Agreement, and shall be calculated by taking the average, over the term of this Agreement, of the positive difference between (a) the monthly forward power prices at Mid-Columbia (“Mid-C”) (as determined by PacifiCorp in good faith using information from a commercially reasonable independent source), multiplied by 110%, minus (b) the average of the Fixed Avoided Cost Prices specified in the Standard Avoided Cost Rates Schedule, and multiplying such difference by (c) the Minimum Annual Delivery; provided, however, the amount of Default Security shall in no event be less than the amount equal to the payments PacifiCorp would make for three (3) average months based on Seller’s average monthly volume over the term of this Agreement and utilizing the average Fixed Avoided Cost Prices specified in the Standard Avoided Cost Rates Schedule. Such amount shall be fixed at the Effective Date of this Agreement.

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

1.12 “**Energy Delivery Schedule**” shall have the meaning set forth in Section 4.5.

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

1.14 “**Excess Output**” shall mean any increment of Net Output produced at a rate, on an hourly basis, exceeding the Facility Capacity Rating.

1.15 “**Facility**” shall have the meaning set forth in Recital A.

1.16 “**Facility Capacity Rating**” means the sum of the Nameplate Capacity Ratings for all generators comprising the Facility.

1.17 “**FERC**” means the Federal Energy Regulatory Commission, or its successor.

1.18 “**Generation Scheduling Addendum**” means **Addendum W**, the portion of this Agreement providing for the measurement, scheduling, and delivery of Net Output from the Facility to the Point of Delivery via a non-PacifiCorp transmission provider.

1.19 “**Green Tags**” means (1) the Environmental Attributes associated with all Net Output, together with (2) all WREGIS Certificates; and (3) the Green Tag Reporting Rights associated with such energy, Environmental Attributes and WREGIS Certificates, however commercially transferred or traded under any or other product names, such as "Renewable Energy Credits," "Green-e Certified", or otherwise. One (1) Green Tag represents the Environmental Attributes made available by the generation of one (1) MWh of energy from the Facility. Provided however, that “Green Tags” do not include Environmental Attributes that are greenhouse gas offsets from methane capture not associated with the generation of electricity and not needed to ensure that there are zero net emissions associated with the generation of electricity.

1.20 “**Green Tag Reporting Rights**” means the exclusive right of a purchaser of Green Tags to report exclusive ownership of Green Tags in compliance with federal or state law, if applicable, and to federal or state agencies or other parties at such purchaser's discretion, and include reporting under Section 1605(b) of the Energy Policy Act of 1992, or under any present or future domestic, international, or foreign emissions trading program or renewable portfolio standard.

1.21 “**Interconnected Utility**” means Central Electric Coop, the operator of the electric utility system at the Point of Interconnection.

1.22 “**Interconnection Agreement**” means the agreement (or contemporaneous agreements) between Seller and the Interconnected Utility governing interconnection of Seller's Facility at the Point of Interconnection and associated use of the Interconnected Utility's system.

1.23 “**Letter of Credit**” means an irrevocable standby letter of credit, from an institution that has a long-term senior unsecured debt rating of “A” or greater from S&P or “A2” or greater from Moody's, in a form reasonably acceptable to PacifiCorp, naming PacifiCorp as the party entitled to demand payment and present draw requests thereunder.

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

1.25 “**Material Adverse Change**” means the occurrence of any event of default under any material agreement to which Seller is a party and of any other development, financial or otherwise, which would have a material adverse effect on Seller, the Facility or Seller's

ability to develop, construct, operate, maintain or own the Facility as provided in this Agreement

1.26 “**Maximum Annual Delivery**” shall have the meaning set forth in Section 4.3.

1.27 “**Minimum Annual Delivery**” shall have the meaning set forth in Section 4.3.

1.28 “**Capacity Rating**” means the full-load electrical quantities assigned by the designer to a generator and its prime mover or other piece of electrical equipment, such as transformers and circuit breakers, under standardized conditions, expressed in amperes, kilovoltamperes, kilowatts, volts, or other appropriate units. Usually indicated on a nameplate attached to the individual machine or device.

1.29 “**Net Energy**” means the energy component, in kWh, of Net Output.

1.30 “**Net Output**” means all energy and capacity produced by the Facility, less station use and less transformation and transmission losses and other adjustments (e.g., Seller’s load other than station use), if any, up to and including the Point of Interconnection. For purposes of calculating payment under this Agreement, Net Output of energy shall be the amount of energy flowing through the Point of Interconnection, less any station use not provided by the Facility.

1.31 “**Net Replacement Power Costs**” shall have the meaning set forth in Section 11.4.1.

1.32 “**Off-Peak Hours**” means all hours of the week that are not On-Peak Hours.

1.33 “**On-Peak Hours**” means the hours between 6 a.m. Pacific Prevailing Time (“PPT”) and 10 p.m. PPT, Mondays through Saturdays, excluding all hours occurring on holidays as provided in the Standard Avoided Cost Rates Schedule.

1.34 “**Point of Delivery**” means the location in PacifiCorp’s system where PacifiCorp has agreed to receive Seller’s Net Energy, as specified in **Exhibit B**.

1.35 “**Point of Interconnection**” means the point of interconnection between Seller’s Facility and the Transmitting Entity’s system, if applicable, as specified in **Exhibit B**.

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

1.37 “**Prudent Electrical Practices**” means any of the practices, methods and acts engaged in or approved by a significant portion of the electrical utility industry or any of the practices, methods or acts, which, in the exercise of reasonable judgment in the light of the facts known at the time a decision is made, could have been expected to accomplish the desired

result at the lowest reasonable cost consistent with reliability, safety and expedition. Prudent Electrical Practices is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to be a spectrum of possible practices, methods or acts.

1.38 “**QF**” means “**Qualifying Facility**,” as that term is defined in the FERC regulations (codified at 18 CFR Part 292) in effect on the Effective Date.

1.39 “**Renewable Resource Deficiency Period**” means the period from Scheduled Initial Delivery Date through December 31, 2027.

1.40 “**Renewable Resource Sufficiency Period**” means the period from January 1, 2028 through Termination Date.

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

1.42 “**Required Facility Documents**” means all licenses, permits, authorizations, and agreements, including an Interconnection Agreement and Transmission Agreement(s), necessary for construction, operation and maintenance of the Facility, and delivery of Facility output, consistent with the terms of this Agreement. The Required Facility Documents are set forth in **Exhibit C**.

1.43 “**Standard Avoided Cost Rates Schedule**” means the Commission-approved Standard Avoided Cost Rates Schedule of Pacific Power & Light Company, providing pricing options for Base Load and Wind Qualifying Facilities of 10,000 kW or less, or Fixed and Tracking Solar Qualifying Facilities of 3,000 kW or less, which is in effect on the Effective Date of this Agreement. A copy of that Standard Avoided Cost Rates Schedule is attached as **Exhibit G**.

1.44 “**Scheduled Commercial Operation Date**” shall have the meaning set forth in Recital C.

1.45 “**Scheduled Initial Delivery Date**” shall have the meaning set forth in Recital B.

1.46 “**Start-Up Testing**” means the completion of required factory and start-up tests as set forth in **Exhibit E** hereto.

1.47 “**Termination Date**” shall have the meaning set forth in Section 2.4.

1.48 “**Transmission Agreement**” means the agreement (or contemporaneous agreements) between Seller and the Transmitting Entity providing for Seller’s uninterrupted right to transmit Net Output to the Point of Delivery.

1.49 “**Transmitting Entity(s)**” means Bonneville Power Administration (“BPA”), the (non-PacifiCorp) operator of the transmission system at the Point of Delivery.

1.50 “**WREGIS**” means the Western Renewable Energy Generation Information System or successor organization in case WREGIS is ever replaced.

1.51 “**WREGIS Certificate**” means “Certificate” as defined by WREGIS in the WREGIS Operating Rules dated July 15, 2013.

1.52 “**WREGIS Operating Rules**” means the operating rules and requirements adopted by WREGIS, dated July 15, 2013.

SECTION 2: TERM; COMMERCIAL OPERATION DATE

2.1 This Agreement shall become effective after execution by both Parties (“**Effective Date**”).

2.2 **Time is of the essence for this Agreement**, and Seller's ability to meet certain requirements prior to the Commercial Operation Date and to deliver Net Output by the Scheduled Commercial Operation Date is critically important. Therefore,

2.2.1 By May 15, 2018, Seller shall provide PacifiCorp with a copy of an executed Interconnection Agreement and an executed Transmission Agreement, which shall be consistent with all material terms and requirements of this Agreement.

2.2.2 Upon completion of construction, Seller, in accordance with Section 6.1, shall provide PacifiCorp with an As-built Supplement acceptable to PacifiCorp;

2.2.3 By the date thirty (30) days after the Effective Date, Seller shall provide Default Security required under Sections 10.1 or 10.2, as applicable.

2.3 Seller shall cause the Facility to achieve Commercial Operation on or before the Scheduled Commercial Operation Date. Seller shall have the option to propose a Scheduled Commercial Operation Date beyond three years from the Effective Date. Unless Seller and PacifiCorp agree in writing that a later Scheduled Commercial Operation Date is reasonable and necessary, the Scheduled Commercial Operation Date shall be no more than three years from the date the Effective Date. PacifiCorp will not unreasonably withhold its agreement that a Scheduled Commercial Operation Date beyond the three-year period is reasonable and necessary. If Commercial Operation occurs after the Scheduled Commercial Operation Date, Seller shall be in default, and liable for delay damages specified in Section 11.

2.4 Except as otherwise provided herein, this Agreement shall terminate on September 14, 2038 (“**Termination Date**”).

SECTION 3: REPRESENTATIONS AND WARRANTIES

- 3.1 PacifiCorp represents, covenants, and warrants to Seller that:
- 3.1.1 PacifiCorp is duly organized and validly existing under the laws of the State of Oregon.
 - 3.1.2 PacifiCorp has the requisite corporate power and authority to enter into this Agreement and to perform according to the terms of this Agreement.
 - 3.1.3 PacifiCorp has taken all corporate actions required to be taken by it to authorize the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby.
 - 3.1.4 The execution and delivery of this Agreement does not contravene any provision of, or constitute a default under, any indenture, mortgage, or other material agreement binding on PacifiCorp or any valid order of any court, or any regulatory agency or other body having authority to which PacifiCorp is subject.
 - 3.1.5 This Agreement is a valid and legally binding obligation of PacifiCorp, enforceable against PacifiCorp in accordance with its terms (except as the enforceability of this Agreement may be limited by bankruptcy, insolvency, bank moratorium or similar laws affecting creditors’ rights generally and laws restricting the availability of equitable remedies and except as the enforceability of this Agreement may be subject to general principles of equity, whether or not such enforceability is considered in a proceeding at equity or in law).
- 3.2 Seller represents, covenants, and warrants to PacifiCorp that:
- 3.2.1 Seller is an Irrigation District, duly organized and validly existing under the laws of the State of Oregon.
 - 3.2.2 Seller has the requisite power and authority to enter into this Agreement and to perform according to the terms hereof, including all required regulatory authority to make wholesale sales from the Facility.
 - 3.2.3 Seller has taken all actions required to authorize the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby.
 - 3.2.4 The execution and delivery of this Agreement does not contravene any provision of, or constitute a default under, any indenture, mortgage, or other

material agreement binding on Seller or any valid order of any court, or any regulatory agency or other body having authority to which Seller is subject.

- 3.2.5 This Agreement is a valid and legally binding obligation of Seller, enforceable against Seller in accordance with its terms (except as the enforceability of this Agreement may be limited by bankruptcy, insolvency, bank moratorium or similar laws affecting creditors' rights generally and laws restricting the availability of equitable remedies and except as the enforceability of this Agreement may be subject to general principles of equity, whether or not such enforceability is considered in a proceeding at equity or in law).
- 3.2.6 The Facility is and shall for the term of this Agreement continue to be a QF, and Seller will operate the Facility in a manner consistent with its FERC QF certification. Seller has provided to PacifiCorp the appropriate QF certification (which may include a FERC self-certification) prior to PacifiCorp's execution of this Agreement. At any time during the term of this Agreement, PacifiCorp may require Seller to provide PacifiCorp with evidence satisfactory to PacifiCorp in its reasonable discretion that the Facility continues to qualify as a QF under all applicable requirements and, if PacifiCorp is not satisfied that the Facility qualifies for such status, a written legal opinion from an attorney who is (a) in good standing in the state of Oregon, and (b) who has no economic relationship, association or nexus with the Seller or the Facility, stating that the Facility is a QF and providing sufficient proof (including copies of all documents and data as PacifiCorp may request) demonstrating that Seller has maintained and will continue to maintain the Facility as a QF.
- 3.2.7 Compliance with Ownership Requirements in Commission Proceedings No. UM 1129 and UM 1610. Seller will not make any changes in its ownership, control, or management during the term of this Agreement that would cause it to not be in compliance with the definition of a Small Cogeneration Facility or Small Power Production Facility provided in PacifiCorp's Standard Avoided Cost Rates Schedule approved by the Commission at the time this Agreement is executed. Seller will provide, upon request by PacifiCorp not more frequently than every 36 months, such documentation and information as reasonably may be required to establish Seller's continued compliance with such Definition. PacifiCorp agrees to take reasonable steps to maintain the confidentiality of any portion of the above-described documentation and information that the Seller identifies as confidential except PacifiCorp will provide all such confidential information the Public Utility Commission of Oregon upon the Commission's request. These ownership requirements, as well as the dispute resolution provision governing any disputes over a QF's entitlement to the standard rates and standard contract with respect to the requirements, are detailed in Standard Avoided Cost Rates Schedule.

3.2.8 Additional Seller Creditworthiness Warranties. Seller need not post security under Section 10 for PacifiCorp's benefit in the event of Seller default, provided that Seller warrants all of the following:

- (a) Neither the Seller nor any of its principal equity owners is or has within the past two (2) years been the debtor in any bankruptcy proceeding, is unable to pay its bills in the ordinary course of its business, or is the subject of any legal or regulatory action, the result of which could reasonably be expected to impair Seller's ability to own and operate the Facility in accordance with the terms of this Agreement.
- (b) Seller has not at any time defaulted in any of its payment obligations for electricity purchased from PacifiCorp.
- (c) Seller is not in default under any of its other agreements and is current on all of its financial obligations, including construction related financial obligations.
- (d) Seller owns, and will continue to own for the term of this Agreement, all right, title and interest in and to the Facility, free and clear of all liens and encumbrances other than liens and encumbrances related to third-party financing of the Facility.
- (e) **[Applicable only to Sellers with a Facility having a Facility Capacity Rating greater than 3,000 kW]** Seller meets the Credit Requirements.

Seller hereby declares (Seller initial one only):

 X Seller affirms and adopts all warranties of this Section 3.2.8, and therefore is not required to post security under Section 10; or

 Seller does not affirm and adopt all warranties of this Section 3.2.8, and therefore Seller elects to post the security specified in Section 10.

3.3 Notice. If at any time during this Agreement, any Party obtains actual knowledge of any event or information which would have caused any of the representations and warranties in this Section 3 to have been materially untrue or misleading when made, such Party shall provide the other Party with written notice of the event or information, the representations and warranties affected, and the action, if any, which such Party intends to take to make the representations and warranties true and correct. The notice required pursuant to this Section shall be given as soon as practicable after the occurrence of each such event.

SECTION 4: DELIVERY OF POWER

4.1 Commencing on the Commercial Operation Date, unless otherwise provided herein, Seller will sell and PacifiCorp will purchase (a) all Net Output from the Facility delivered to the Point of Delivery and (b) all Green Tags associated with the output or otherwise resulting from the generation of energy by the Facility (which shall come from the Facility and from no other source), for the periods during which the Green Tags are required to be transferred to PacifiCorp under the terms of Section 5.5.

4.2 Average Annual Generation. Seller estimates that the Facility will generate, on average, 827,310 kWh per Contract Year (“**Average Annual Generation**”). Seller may, upon at least six months prior written notice, modify the Average Annual Generation every other Contract Year.

4.3 Minimum and Maximum Delivery. Seller shall deliver (or cause to be delivered) from the Facility a minimum of 478,900 kWh of Net Output during each Contract Year, provided that such minimum for the first Contract Year shall be reduced *pro rata* to reflect the Commercial Operation Date, and further provided that such minimum delivered Net Output shall be reduced on a *pro rata* basis for any periods during a Contract Year that the Facility was prevented from generating or delivering electricity for reasons of Force Majeure (“**Minimum Annual Delivery**”). Seller estimates, for informational purposes, that it will deliver from the Facility a maximum of 1,239,770 kWh of Net Output during each Contract Year (“**Maximum Annual Delivery**”). Seller’s basis for determining the Minimum and Maximum Annual Delivery amounts is set forth in **Exhibit D1 and D2**.

4.4 Deliveries in Deficit of Delivery Obligation. Seller’s failure to deliver the Minimum Annual Delivery in any Contract Year (prorated if necessary) shall be a default, and Seller shall be liable for damages in accordance with Section 11.

4.5 Energy Delivery Schedule. Seller has provided a monthly schedule of Net Energy expected to be delivered by the Facility (“**Energy Delivery Schedule**”), incorporated into **Exhibit D-1**.

4.6 Transfer of Title to Green Tags. Documentation of Green Tags Transfers: Subject to the Green Tags ownership as defined in Section 5.5, title to the Green Tags shall pass from Seller to PacifiCorp immediately upon the generation of the Net Output at the Facility that gives rise to such Green Tags. The Parties shall execute all additional documents and instruments reasonably requested by PacifiCorp in order to further document the transfer of the Green Tags to PacifiCorp or its designees. Without limiting the generality of the foregoing, Seller shall, on or before the 10th day of each month, deliver to PacifiCorp a Green Tags Attestation and Bill of Sale in the form attached as **Exhibit H** for all Green Tags delivered to PacifiCorp hereunder in the preceding month, along with any attestation that is then-current with the Center for Resource Solution's Green-e program or successor organization in case the Center for Resource Solutions is replaced by another party over the life of the contract. Seller, at its own cost and expense, shall register with, pay all fees required by, and comply with, all reporting and other requirements of WREGIS relating to the Facility or Green Tags, except that when Seller is required to transfer Green Tags to PacifiCorp under Section 5.5, PacifiCorp

will pay all fees required by WREGIS relating to the Green Tags. Seller shall ensure that the Facility will participate in and comply with, during the Term, all aspects of WREGIS. Seller will use WREGIS as required pursuant to the WREGIS Operating Rules to effectuate the transfer of WREGIS Certificates to PacifiCorp, and transfer such WREGIS Certificates to PacifiCorp, in accordance with WREGIS reporting protocols and WREGIS Operating Rules. Seller may either elect to enter into a Qualified Reporting Entity Services Agreement with PacifiCorp in a form approved by PacifiCorp, enter into a Qualified Reporting Entity Services Agreement with a third-party authorized to act as a Qualified Reporting Entity, or elect to act as its own WREGIS-defined Qualified Reporting Entity. Seller shall promptly give PacifiCorp copies of all documentation it submits to WREGIS. Further, in the event of the promulgation of a scheme involving Green Tags administered by CAMD, upon notification by CAMD that any transfer contemplated by this Agreement will not be recorded, the Parties shall promptly cooperate in taking all reasonable actions necessary so that such transfers can be recorded. Seller shall not report under Section 1605(b) of the Energy Policy Act of 1992 or under any applicable program that any of the Green Tags purchased by PacifiCorp hereunder belong to any person other than PacifiCorp. Without limiting the generality of PacifiCorp's ownership of the Green Tag Reporting Rights, PacifiCorp may report under such program that such Green Tags purchased hereunder belong to it. Each Party shall promptly give the other Party copies of all documents it submits to the CAMD to effectuate any transfer. Seller shall reasonably cooperate in any registration by PacifiCorp of the Facility in the renewable portfolio standard or equivalent program in all such further states and programs in which PacifiCorp may wish to register or maintain registration of the Facility by providing copies of all such information as PacifiCorp reasonably required for such registration.

SECTION 5: PURCHASE PRICES

5.1 Seller shall have the option to select one of three pricing options: Standard Fixed Avoided Cost Prices ("Fixed Price Standard"), Renewable Fixed Avoided Cost Prices ("Fixed Price Renewable"), or Firm Market Indexed Avoided Cost Prices ("Firm Electric Market"), as published in the Standard Avoided Cost Rates Schedule. Once an option is selected the option will remain in effect for the duration of the Facility's contract. Seller has selected the following (Seller to initial one):

_____	Fixed Price Standard
<u> X </u>	Fixed Price Renewable
_____	Firm Electric Market

A copy of the Standard Avoided Cost Rates Schedule, and a table summarizing the purchase prices under the pricing option selected by Seller, is attached as **Exhibit G**.

5.2 (Fixed Price Standard Seller Only). In the event Seller elects the Fixed Price Standard pricing method, PacifiCorp shall pay Seller the applicable On-Peak and Off-Peak rates specified in the **Standard Avoided Cost Rates Schedule** during the first fifteen (15) years after the Scheduled Initial Delivery Date. Thereafter, PacifiCorp shall pay Seller Firm Electric Market.

5.3 (Fixed Price Renewable Seller Only). In the event Seller elects the Fixed Price Renewable pricing method, PacifiCorp shall pay Seller the applicable On-Peak and Off-Peak rates specified in the **Standard Avoided Cost Rates Schedule** during the first fifteen (15) years after the Scheduled Initial Delivery Date. Thereafter, PacifiCorp shall pay Seller Firm Electric Market.

5.4 For all Excess Output and for all Net Output delivered prior to the Commercial Operation Date, PacifiCorp shall pay Seller 93 percent of a blended market index price for day-ahead firm energy at Mid-Columbia, California Oregon Border (COB), Four Corners and Palo Verde market indices as reported by the Intercontinental Exchange (ICE), for the On-Peak and Off-Peak periods. PacifiCorp shall document its calculation of the blended rate, upon request, to Seller. Such payment will be accomplished by adjustments pursuant to Section 9.2.

5.5 Environmental Attributes.

5.5.1 (Fixed Price Standard Seller Only): PacifiCorp waives any claim to Seller's ownership of Environmental Attributes under this Agreement throughout the Term.

5.5.2 (Fixed Price Renewable Seller Only): PacifiCorp waives any claim to Seller's ownership of Environmental Attributes during the Renewable Resource Sufficiency Period. Seller shall transfer the Green Tags to PacifiCorp in accordance with Section 4.6 during the Renewable Resource Deficiency Period.

SECTION 6: OPERATION AND CONTROL

6.1 As-Built Supplement. Upon completion of initial (and any subsequent) construction affecting the Facility, Seller shall provide PacifiCorp an As-built Supplement to specify the actual Facility as built. The As-built Supplement must be reviewed and approved by PacifiCorp, which approval shall not unreasonably be withheld, conditioned or delayed.

6.2 Incremental Utility Upgrades. At start-up (and at any other time upon at least six months' prior written notice), Seller may increase Net Output, if such increase is due to normal variances in estimated versus actual performance, changed Facility operations, or improvements in Facility efficiency. Seller may not increase Net Output under this Agreement by installing additional generating units. In the case of substantial upgrades, PacifiCorp may require Seller to comply with Section 3.2.8(e) (in the event that the Facility upgrade causes the Facility Capacity Rating to exceed 3,000 kW) and increase its Minimum Annual Delivery obligation in Section 4.3 (if appropriate). PacifiCorp may also update Seller's security obligation (if applicable). So long as the Facility Capacity Rating after the upgrade is 3,000 kW or less for solar or 10,000 kW or less for all other resource types, Seller will continue to receive the Contract Price for the Net Output, as set forth in Sections 5.1, 5.2, and 5.3 of this Agreement. If Seller increases the Facility Capacity Rating above 3,000 kW for solar or 10,000 kW for all other resource types, then (on a going forward basis) PacifiCorp shall pay Seller the Contract Price for the fraction of total Net Output equal to 10,000 kW divided by the Facility

Capacity Rating of the upgraded Facility. For the remaining fraction of Net Output, PacifiCorp and Seller shall agree to a new negotiated rate. Seller shall be responsible for ensuring that any planned increase in the Facility Capacity Rating or the maximum instantaneous capacity of the Facility complies with Seller's Interconnection Agreement, Transmission Agreement and any other relevant agreements.

6.3 Seller shall operate and maintain the Facility in a safe manner in accordance with this Agreement, the Interconnection Agreement, Prudent Electrical Practices and in accordance with the requirements of all applicable federal, state and local laws and the National Electric Safety Code as such laws and code may be amended from time to time. PacifiCorp shall have no obligation to purchase Net Output from the Facility to the extent the interconnection between the Facility and the Point of Delivery is disconnected, suspended or interrupted, in whole or in part, pursuant to the Interconnection Agreement or Transmission Agreement(s), or to the extent generation curtailment is required as a result of Seller's non-compliance with the Interconnection Agreement or Transmission Agreement(s). PacifiCorp shall have the right to inspect the Facility to confirm that Seller is operating the Facility in accordance with the provisions of this Section 6.3 upon reasonable notice to Seller. Seller is solely responsible for the operation and maintenance of the Facility. PacifiCorp shall not, by reason of its decision to inspect or not to inspect the Facility, or by any action or inaction taken with respect to any such inspection, assume or be held responsible for any liability or occurrence arising from the operation and maintenance by Seller of the Facility.

6.4 Scheduled Outages. Seller may cease operation of the entire Facility or individual units, if applicable, for maintenance or other purposes. Seller shall exercise its best efforts to notify PacifiCorp of planned outages at least ninety (90) days prior, and shall reasonably accommodate PacifiCorp's request, if any, to reschedule such planned outage in order to accommodate PacifiCorp's need for Facility operation.

6.5 Unplanned Outages. In the event of an unscheduled outage or curtailment exceeding twenty-five (25) percent of the Facility Capacity Rating (other than curtailments due to lack of motive force), Seller immediately shall notify PacifiCorp of the necessity of such unscheduled outage or curtailment, the time when such has occurred or will occur and the anticipated duration. Seller shall take all reasonable measures and exercise its best efforts to avoid unscheduled outage or curtailment, to limit the duration of such, and to perform unscheduled maintenance during Off-Peak hours.

SECTION 7: FUEL/MOTIVE FORCE

Prior to the Effective Date of this Agreement, Seller provided to PacifiCorp a fuel or motive force plan acceptable to PacifiCorp in its reasonable discretion and attached hereto as **Exhibit D-1**, together with a certification from a Licensed Professional Engineer to PacifiCorp attached hereto as **Exhibit D-2**, certifying that the implementation of the fuel or motive force plan can reasonably be expected to provide fuel or motive force to the Facility for the duration of this Agreement adequate to generate power and energy in quantities necessary to deliver the Minimum Annual Delivery set forth by Seller in Section 4.

SECTION 8: METERING AT THE POINT OF INTERCONNECTION

8.1 Metering shall be performed at the location and in a manner consistent with this Agreement, as specified in **Exhibit B**. Seller shall provide to PacifiCorp metered Facility Net Output in hourly increments, and any other energy measurements required to administer this Agreement. If the Transmitting Entity requires Seller to telemeter data, PacifiCorp shall be entitled to receive the same data Seller provides to the Transmitting Entity, if such data is useful to PacifiCorp's administration of this Agreement. All quantities of energy purchased hereunder shall be adjusted to account for electrical losses, if any, between the point of metering and the Point of Interconnection. The loss adjustment shall be 0% of the kWh energy production recorded on the Facility output meter.

8.2 Seller shall pay for the installation, testing, and maintenance of any metering required by Section 8.1, and shall provide reasonable access to such meters. PacifiCorp shall have reasonable access to inspection, testing, repair and replacement of the metering equipment. If any of the inspections or tests discloses a measurement error exceeding two percent (2%), either fast or slow, proper correction, based upon the inaccuracy found, shall be made of previous readings for the actual period during which the metering equipment rendered inaccurate measurements if that period can be ascertained. If the actual period cannot be ascertained, the proper correction shall be made to the measurements taken during the time the metering equipment was in service since last tested, but not exceeding three (3) Billing Periods, in the amount the metering equipment shall have been shown to be in error by such test. Any correction in billings or payments resulting from a correction in the meter records shall be made in the next monthly billing or payment rendered following the repair of the meter.

SECTION 9: BILLINGS, COMPUTATIONS, AND PAYMENTS

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

9.2 Corrections. PacifiCorp shall have up to eighteen months to adjust any payment made pursuant to Section 9.1. In the event PacifiCorp determines it has overpaid Seller (for Excess Output or otherwise), PacifiCorp may adjust Seller's future payment accordingly in order to recapture any overpayment in a reasonable time.

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

SECTION 10: SECURITY

Unless Seller has adopted the creditworthiness warranties contained in Section 3.2.8, Seller must provide security (if requested by PacifiCorp) in the form of a cash escrow, letter of credit, senior lien, or step-in rights. Seller hereby elects to provide, in accordance with the applicable terms of this Section 10, the following security (Seller to initial one selection only):

- Cash Escrow
- Letter of Credit
- Senior Lien
- Step-in Rights
- Seller has adopted the Creditworthiness Warranties of Section 3.2.8.

In the event Seller's obligation to post default security (under Section 10 or Section 11.1.4) arises solely from Seller's delinquent performance of construction-related financial obligations, upon Seller's request, PacifiCorp will excuse Seller from such obligation in the event Seller has negotiated financial arrangements with its construction lenders that mitigate Seller's financial risks to PacifiCorp's reasonable satisfaction.

[SKIP THIS SECTION 10.1 UNLESS SELLER SELECTED CASH ESCROW ALTERNATIVE]

10.1 Cash Escrow Security. Seller shall deposit in an escrow account established by PacifiCorp in a banking institution acceptable to both Parties, the Default Security. Such sum shall earn interest at the rate applicable to money market deposits at such banking institution from time to time. To the extent PacifiCorp receives payment from the Default Security, Seller shall, within fifteen (15) days, restore the Default Security as if no such deduction had occurred.

[SKIP THIS SECTION 10.2 UNLESS SELLER SELECTED LETTER OF CREDIT ALTERNATIVE]

10.2 Letter of Credit Security. Seller shall post and maintain in an amount equal to the Default Security: (a) a guaranty from a party that satisfies the Credit Requirements, in a form acceptable to PacifiCorp in its discretion, or (b) a Letter of Credit in favor of PacifiCorp. To the extent PacifiCorp receives payment from the Default Security, Seller shall, within fifteen (15) days, restore the Default Security as if no such deduction had occurred.

[SKIP THIS SECTION 10.3 UNLESS SELLER SELECTED SENIOR LIEN ALTERNATIVE]

10.3 Senior Lien. Before the Scheduled Commercial Operation Date, Seller shall grant PacifiCorp a senior, unsubordinated lien on the Facility and its assets as security for performance of this Agreement by executing, acknowledging and delivering a security agreement and a deed of trust or a mortgage, in a recordable form (each in a form satisfactory to PacifiCorp in the reasonable exercise of its discretion). Pending delivery of the senior lien

to PacifiCorp, Seller shall not cause or permit the Facility or its assets to be burdened by liens or other encumbrances that would be superior to PacifiCorp's, other than workers', mechanics', suppliers' or similar liens, or tax liens, in each case arising in the ordinary course of business that are either not yet due and payable or that have been released by means of a performance bond posted within eight (8) calendar days of the commencement of any proceeding to foreclose the lien.

[SKIP THIS SECTION 10.4 UNLESS SELLER SELECTED STEP-IN RIGHTS ALTERNATIVE]

10.4 Step-in Rights (Operation by PacifiCorp Following Event of Default of Seller).

- 10.4.1 Prior to any termination of this Agreement due to an Event of Default of Seller, as identified in Section 11, PacifiCorp shall have the right, but not the obligation, to possess, assume control of, and operate the Facility as agent for Seller (in accordance with Seller's rights, obligations, and interest under this Agreement) during the period provided for herein. Seller shall not grant any person, other than the lending institution providing financing to the Seller for construction of the Facility ("Facility Lender"), a right to possess, assume control of, and operate the Facility that is equal to or superior to PacifiCorp's right under this Section 10.4.
- 10.4.2 PacifiCorp shall give Seller ten (10) calendar days notice in advance of the contemplated exercise of PacifiCorp's rights under this Section 10.4. Upon such notice, Seller shall collect and have available at a convenient, central location at the Facility all documents, contracts, books, manuals, reports, and records required to construct, operate, and maintain the Facility in accordance with Prudent Electrical Practices. Upon such notice, PacifiCorp, its employees, contractors, or designated third parties shall have the unrestricted right to enter the Facility for the purpose of constructing and/or operating the Facility. Seller hereby irrevocably appoints PacifiCorp as Seller's attorney-in-fact for the exclusive purpose of executing such documents and taking such other actions as PacifiCorp may reasonably deem necessary or appropriate to exercise PacifiCorp's step-in rights under this Section 10.4.
- 10.4.3 During any period that PacifiCorp is in possession of and constructing and/or operating the Facility, no proceeds or other monies attributed to operation of the Facility shall be remitted to or otherwise provided to the account of Seller until all Events of Default of Seller have been cured.
- 10.4.4 During any period that PacifiCorp is in possession of and operating the Facility, Seller shall retain legal title to and ownership of the Facility and PacifiCorp shall assume possession, operation, and control solely as agent for Seller.
 - (a) In the event PacifiCorp is in possession and control of the Facility for an interim period, Seller shall resume operation and PacifiCorp shall

relinquish its right to operate when Seller demonstrates to PacifiCorp's reasonable satisfaction that it will remove those grounds that originally gave rise to PacifiCorp's right to operate the Facility, as provided above, in that Seller (i) will resume operation of the Facility in accordance with the provisions of this Agreement, and (ii) has cured any Events of Default of Seller which allowed PacifiCorp to exercise its rights under this Section 10.4.

(b) In the event that PacifiCorp is in possession and control of the Facility for an interim period, the Facility Lender, or any nominee or transferee thereof, may foreclose and take possession of and operate the Facility and PacifiCorp shall relinquish its right to operate when the Facility Lender or any nominee or transferee thereof, requests such relinquishment.

10.4.5 PacifiCorp's exercise of its rights hereunder to possess and operate the Facility shall not be deemed an assumption by PacifiCorp of any liability attributable to Seller. If at any time after exercising its rights to take possession of and operate the Facility PacifiCorp elects to return such possession and operation to Seller, PacifiCorp shall provide Seller with at least fifteen (15) calendar days advance notice of the date PacifiCorp intends to return such possession and operation, and upon receipt of such notice Seller shall take all measures necessary to resume possession and operation of the Facility on such date.

SECTION 11: DEFAULTS AND REMEDIES

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

11.1.1 Breach of Material Term. Failure of a Party to perform any material obligation imposed upon that Party by this Agreement (including but not limited to failure by Seller to meet any deadline set forth in Section 2) or breach by a Party of a representation or warranty set forth in this Agreement.

11.1.2 Default on Other Agreements. Seller's failure to cure any default under any commercial or financing agreements or instrument (including the Interconnection Agreement and any Transmission Agreement) within the time allowed for a cure under such agreement or instrument.

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

after such filing; (c) becomes insolvent; or (d) is unable to pay its debts when due.

- 11.1.4 Material Adverse Change. A Material Adverse Change has occurred with respect to Seller and Seller fails to provide such performance assurances as are reasonably requested by PacifiCorp, including without limitation the posting of additional Default Security, within thirty (30) days from the date of such request;
- 11.1.5 Failure to Meet Scheduled Commercial Operation Date. Seller's failure to achieve the Commercial Operation Date by the Scheduled Commercial Operation Date.
- 11.1.6 Underdelivery. If Seller's Facility has a Facility Capacity Rating of 100 kW or less, Seller's failure to satisfy the minimum delivery obligation of Section 4.3 for two (2) consecutive years; else Seller's failure to satisfy the minimum delivery obligation of Section 4.3 for one year.

11.2 Notice; Opportunity to Cure.

- 11.2.1 Notice. In the event of any default hereunder, the non-defaulting Party must notify the defaulting Party in writing of the circumstances indicating the default and outlining the requirements to cure the default.
- 11.2.2 Opportunity to Cure. A Party defaulting under Section 11.1.1 or 11.1.5 shall have thirty (30) days to cure after receipt of proper notice from the non-defaulting Party. This thirty (30) day period shall be extended by an additional ninety (90) days if (a) the failure cannot reasonably be cured within the thirty (30) day period despite diligent efforts, (b) the default is capable of being cured within the additional ninety (90) day period, and (c) the defaulting Party commences the cure within the original thirty (30) day period and is at all times thereafter diligently and continuously proceeding to cure the failure. If Seller defaults under Section 11.1.5, Seller shall have one (1) year in which to cure the default during which time Seller shall pay PacifiCorp damages as provided for in Section 11.4.
- 11.2.3 Seller Default Under Other Agreements. Seller shall cause any notices of default under any of its commercial or financing agreements or instruments to be sent by the other party to such agreements or instruments, or immediately forwarded, to PacifiCorp as a notice in accordance with Section 23.
- 11.2.4 Seller Delinquent on Construction-related Financial Obligations. Seller promptly shall notify PacifiCorp (or cause PacifiCorp to be notified) anytime it becomes delinquent under any construction related financing

agreement or instrument related to the Facility. Such delinquency may constitute a Material Adverse Change, subject to Section 11.1.4.

11.3 Termination.

11.3.1 Notice of Termination. If a default described herein has not been cured within the prescribed time, above, the non-defaulting Party may terminate this Agreement at its sole discretion by delivering written notice to the other Party and may pursue any and all legal or equitable remedies provided by law or pursuant to this Agreement Subject to the one (1) year cure period in Section 11.2.2, PacifiCorp may terminate the Agreement for a default under Section 11.1.5 regardless of PacifiCorp's resource sufficiency/deficiency position. PacifiCorp may not terminate for a default under Section 11.1.6 unless such default is material. The rights provided in Section 10 and this Section 11 are cumulative such that the exercise of one or more rights shall not constitute a waiver of any other rights. Further, the Parties may by mutual written agreement amend this Agreement in lieu of a Party's exercise of its right to terminate.

11.3.2 In the event this Agreement is terminated because of Seller's default and Seller wishes to again sell Net Output to PacifiCorp following such termination, PacifiCorp in its sole discretion may require that Seller shall do so subject to the terms of this Agreement, including but not limited to the Contract Price, until the Termination Date (as set forth in Section 2.4). At such time Seller and PacifiCorp agree to execute a written document ratifying the terms of this Agreement.

11.3.3 Damages. If this Agreement is terminated as a result of Seller's default, Seller shall pay PacifiCorp the positive difference, if any, obtained by subtracting the Contract Price from the sum of the Replacement Price for the Minimum Annual Delivery that Seller was otherwise obligated to provide for a period of twenty-four (24) months from the date of termination plus any cost incurred for transmission purchased to deliver the replacement power to the Point of Delivery, and the estimated administrative cost to the utility to acquire replacement power. Amounts owed by Seller pursuant to this paragraph shall be due within five (5) business days after any invoice from PacifiCorp for the same.

11.3.4 If this Agreement is terminated because of Seller's default, PacifiCorp may foreclose upon any security provided pursuant to Section 10 to satisfy any amounts that Seller owes PacifiCorp arising from such default.

11.4 Damages.

11.4.1 Failure to Deliver Net Output. In the event of Seller default under Subsection 11.1.5 or Subsection 11.1.6, then Seller shall pay PacifiCorp the positive difference, if any, obtained by subtracting the Contract Price from

the Replacement Price for any energy and capacity that Seller was otherwise obligated (under Section 4.3) to provide during the period of default (“**Net Replacement Power Costs**”); *provided, however*, that the positive difference obtained by subtracting the Contract Price from the Replacement Price shall not exceed the Contract Price, and the period of default under this Section 11.4.1 shall not exceed one (1) year.

11.4.2 Recoupment of Damages.

- (a) Default Security Available. If Seller has posted Default Security, PacifiCorp may draw upon that security to satisfy any damages, above.
- (b) Default Security Unavailable. If Seller has not posted Default Security, or if PacifiCorp has exhausted the Default Security, PacifiCorp may collect any remaining amount owing by partially withholding future payments to Seller over a reasonable period of time, which period shall not be less than the period over which the default occurred. PacifiCorp and Seller shall work together in good faith to establish the period, and monthly amounts, of such withholding so as to avoid Seller’s default on its commercial or financing agreements necessary for its continued operation of the Facility.

SECTION 12: INDEMNIFICATION AND LIABILITY

12.1 Indemnities.

12.1.1 Indemnity by Seller. Seller shall release, indemnify and hold harmless PacifiCorp, its directors, officers, agents, and representatives against and from any and all loss, fines, penalties, claims, actions or suits, including costs and attorney’s fees, both at trial and on appeal, resulting from, or arising out of or in any way connected with (a) the energy delivered by Seller under this Agreement to and at the Point of Delivery, (b) any facilities on Seller’s side of the Point of Delivery, (c) Seller’s operation and/or maintenance of the Facility, or (d) arising from this Agreement, including without limitation any loss, claim, action or suit, for or on account of injury, bodily or otherwise, to, or death of, persons, or for damage to, or destruction or economic loss of property belonging to PacifiCorp, Seller or others, excepting only such loss, claim, action or suit as may be caused solely by the fault or gross negligence of PacifiCorp, its directors, officers, employees, agents or representatives.

12.1.2 Indemnity by PacifiCorp. PacifiCorp shall release, indemnify and hold harmless Seller, its directors, officers, agents, Lenders and representatives against and from any and all loss, fines, penalties, claims, actions or suits, including costs and attorney’s fees, both at trial and on appeal, resulting from, or arising out of or in any way connected with the energy delivered by Seller under this Agreement after the Point of Delivery, including

without limitation any loss, claim, action or suit, for or on account of injury, bodily or otherwise, to, or death of, persons, or for damage to, or destruction or economic loss of property, excepting only such loss, claim, action or suit as may be caused solely by the fault or gross negligence of Seller, its directors, officers, employees, agents, Lenders or representatives.

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

12.3 No Consequential Damages. EXCEPT TO THE EXTENT SUCH DAMAGES ARE INCLUDED IN THE LIQUIDATED DAMAGES, DELAY DAMAGES, COST TO COVER DAMAGES OR OTHER SPECIFIED MEASURE OF DAMAGES EXPRESSLY PROVIDED FOR IN THIS AGREEMENT, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR SPECIAL, PUNITIVE, INDIRECT, EXEMPLARY OR CONSEQUENTIAL DAMAGES, WHETHER SUCH DAMAGES ARE ALLOWED OR PROVIDED BY CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, STATUTE OR OTHERWISE.

SECTION 13: INSURANCE (FACILITIES OVER 200KW ONLY)

13.1 Certificates. Prior to connection of the Facility to PacifiCorp's electric system, or another utility's electric system, Seller shall secure and continuously carry insurance in compliance with the requirements of this Section. Seller shall provide PacifiCorp insurance certificate(s) (of "ACORD Form" or the equivalent) certifying Seller's compliance with the insurance requirements hereunder. Commercial General Liability coverage written on a "claims-made" basis, if any, shall be specifically identified on the certificate. If requested by PacifiCorp, a copy of each insurance policy, certified as a true copy by an authorized representative of the issuing insurance company, shall be furnished to PacifiCorp.

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

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

13.2.2 All Risk Property insurance providing coverage in an amount at least equal to the full replacement value of the Facility against "all risks" of physical loss or damage, including coverage for earth movement, flood, and boiler

and machinery. The Risk policy may contain separate sub-limits and deductibles subject to insurance company underwriting guidelines. The Risk Policy will be maintained in accordance with terms available in the insurance market for similar facilities.

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

13.4 All liability policies required by this Agreement shall include provisions that such insurance is primary insurance with respect to the interests of PacifiCorp and that any other insurance maintained by PacifiCorp is excess and not contributory insurance with the insurance required hereunder, and provisions that such policies shall not be canceled or their limits of liability reduced without 1) ten (10) days prior written notice to PacifiCorp if canceled for nonpayment of premium, or 2) thirty (30) days prior written notice to PacifiCorp if canceled for any other reason.

13.5 Insurance coverage provided on a "claims-made" basis shall be maintained by Seller for a minimum period of five (5) years after the completion of this Agreement and for such other length of time necessary to cover liabilities arising out of the activities under this Agreement.

SECTION 14: FORCE MAJEURE

14.1 As used in this Agreement, “**Force Majeure**” or “**an event of Force Majeure**” means any cause beyond the reasonable control of the Seller or of PacifiCorp which, despite the exercise of due diligence, such Party is unable to prevent or overcome. By way of example, Force Majeure may include but is not limited to acts of God, fire, flood, storms, wars, hostilities, civil strife, strikes, and other labor disturbances, earthquakes, fires, lightning, epidemics, sabotage, restraint by court order or other delay or failure in the performance as a result of any action or inaction on behalf of a public authority which by the exercise of reasonable foresight such Party could not reasonably have been expected to avoid and by the exercise of due diligence, it shall be unable to overcome, subject, in each case, to the requirements of the first sentence of this paragraph. Force Majeure, however, specifically excludes the cost or availability of fuel or motive force resources to operate the Facility or changes in market conditions that affect the price of energy or transmission. If either Party is rendered wholly or in part unable to perform its obligation under this Agreement because of an event of Force Majeure, that Party shall be excused from whatever performance is affected by the event of Force Majeure to the extent and for the duration of the event of Force Majeure, after which such Party shall re-commence performance of such obligation, provided that:

14.1.1 the non-performing Party, shall, within two (2) weeks after the occurrence of the Force Majeure, give the other Party written notice describing the particulars of the occurrence; and

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

14.1.3 the non-performing Party uses its best efforts to remedy its inability to perform.

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

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

14.4 PacifiCorp may terminate the Agreement if Seller fails to remedy Seller's inability to perform, due to an event of Force Majeure, within six months after the occurrence of the event.

SECTION 15: SEVERAL OBLIGATIONS

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

SECTION 16: CHOICE OF LAW

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

SECTION 17: PARTIAL INVALIDITY

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

SECTION 18: WAIVER

Any waiver at any time by either Party of its rights with respect to a default under this Agreement or with respect to any other matters arising in connection with this Agreement must be in writing,

and such waiver shall not be deemed a waiver with respect to any subsequent default or other matter.

SECTION 19: GOVERNMENTAL JURISDICTIONS AND AUTHORIZATIONS

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

SECTION 20: REPEAL OF PURPA

This Agreement shall not terminate upon the repeal of the PURPA, unless such termination is mandated by federal or state law.

SECTION 21: SUCCESSORS AND ASSIGNS

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

SECTION 22: ENTIRE AGREEMENT

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

22.2 By executing this Agreement, Seller releases PacifiCorp from any claims, known or unknown, that may have arisen prior to the Effective Date.

SECTION 23: NOTICES

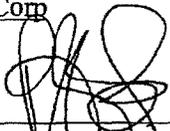
23.1 All notices except as otherwise provided in this Agreement shall be in writing, shall be directed as follows and shall be considered delivered if delivered in person or when deposited in the U.S. Mail, postage prepaid by certified or registered mail and return receipt requested.

Notices	PacifiCorp	Seller
All Notices	PacifiCorp 825 NE Multnomah Street Portland, OR 97232 Attn: Contract Administration, Suite 600 Facsimile: (503) 813 – 6291 Email: cntadmin@PacifiCorp.com Duns: 00-790-9013 Federal Tax ID Number: 93-0246090	Three Sisters Irrigation District PO Box 2230 Sisters, OR 97759 Attn: Marc Thalacker Phone: (541) 549-8815 Facsimile: (541) 549-8070 Duns: 180462921 Federal Tax ID Number: 93-6002504
All Invoices:	Attn: Back Office, Suite 700 Facsimile: (503) 813 – 5580 Email: powerinvoices@pacificorp.com	(Same as above)
Scheduling:	Attn: Pre-Scheduling, Suite 600 Phone: (503) 813 – 6090 Email: ctpreschd@pacificorp.com	(Same as above)
Payments:	Attn: Central Cashiers Office, Suite 550 Phone: (503) 813 - 6826	(Same as above)
Wire Transfer:	Bank One N.A. To be provided in separate letter from PacifiCorp to Seller	First Interstate Bank ABA: 092901683 ACCT: Confidential Information, will be sent via separate letter.
Credit and Collections:	Attn: Credit Manager, Suite 700 Phone: (503) 813 - 7280 Facsimile: (503) 813-5609	(Same as above)
With Additional Notices of an Event of Default or Potential Event of Default to:	Attn: Assistant General Counsel 825 NE Multnomah Street, Suite 1800 Portland, OR 97232 Phone: (503) 813-5356	(Same as above)

23.2 The Parties may change the person to whom such notices are addressed, or their addresses, by providing written notices thereof in accordance with this Section 23.

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

PacifiCorp

By:  _____

Name: Bruce Griswold

Title: Director, Short-term Origination

5/8/2018

Seller

By:  _____

Name: Marc Thalacker

Title: District Manager

5/8/2018

EXHIBIT A
DESCRIPTION OF SELLER'S FACILITY

[Seller to Complete]

Seller's Facility consists of four generators manufactured by Canyon, Cornell, HydroTek, and SOAR Technologies. More specifically, each generator at the Facility is described as:

Manufacturer's Nameplate Data: Canyon Hydro

Type (synchronous or inductive): Inductive

Model: US Motors

Number of Phases: Three Phase

Rated Output (kW): 11.19 kW

Rated Output (kVA): 13.37 kVA

Rated Voltage (line to line): 480

Rated Current (A): Stator: 17.5 A; Rotor: Not Applicable, induction generator

Power factor requirements: Rated Power Factor (PF) or reactive load (kVAR): PF 83.7

Manufacturer's Nameplate Data: Cornell

Type (synchronous or inductive): Inductive

Model: Marathon

Number of Phases: Three Phase

Rated Output (kW): 17.0 kW

Rated Output (kVA): 22.7 kVA

Rated Voltage (line to line): 480

Rated Current (A): Stator: 27.3 A; Rotor: Not Applicable, induction generator

Power factor requirements: Rated Power Factor (PF) or reactive load (kVAR): PF 75.0

Manufacturer's Nameplate Data: HydroTek

Type (synchronous or inductive): Inductive

Model: Marathon

Number of Phases: Three Phase

Rated Output (kW): 150 kW

Rated Output (kVA): 190.4 kVA

Rated Voltage (line to line): 480

Rated Current (A): Stator: 229 A; Rotor: Not Applicable, induction generator

Power factor requirements: Rated Power Factor (PF) or reactive load (kVAR): PF 80.5

Manufacturer's Nameplate Data: SOAR Technologies

Type (synchronous or inductive): Inductive

Model: NIDEC

Number of Phases: Three Phase

Rated Output (kW): 22.38 kW

Rated Output (kVA): 26.42 kVA

Rated Voltage (line to line): 480

Rated Current (A): Stator: 34 A; Rotor: Not Applicable, induction generator

Power factor requirements: Rated Power Factor (PF) or reactive load (kVAR): PF 84.7

B. Seller's Estimate of Facility Output Under Ideal (Maximum) or Worst (Minimum) Conditions

Maximum kW Output: _200 kW **Maximum kVA Output:** _252.89 kVA

Minimum kW Output: _ 50 kW

Manufacturer's Guaranteed Cut-in Wind Speed [if applicable]: NA

Facility Capacity Rating: _200 kW at design flow and design head _____

Identify the maximum output of the generator(s) and describe any differences between that output and the Nameplate Capacity Rating:

Station service requirements, and other loads served by the Facility, if any, are described as follows: Station service loads consist of wicket gate positioner, lights, and cooling which is estimated to be approximately 1 kW.

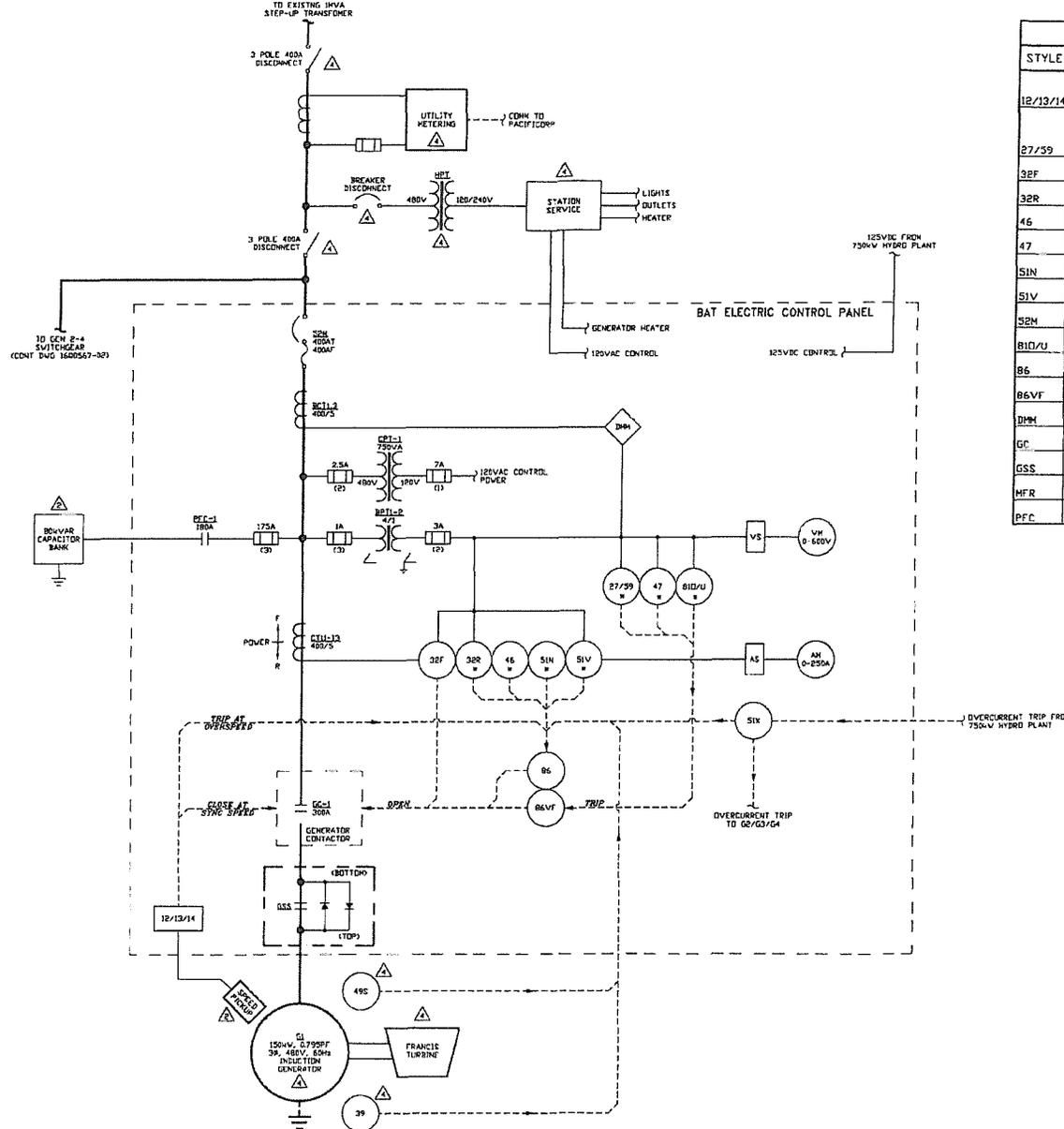
C: Location of the Facility: The Facility is to be constructed in the vicinity of Bend in Deschutes County, Oregon. The location is more particularly described as follows:

68000 Hwy 20, Bend, OR 97703
15S 10E W.M., Section 13 Tax Lot 600

EXHIBIT B
SELLER'S INTERCONNECTION FACILITIES

POINT OF DELIVERY / SELLER'S INTERCONNECTION FACILITIES

1. Point of metering is at Central Electric Cooperative meter connected to the high side of CEC transformer located at the site. Type of meter: CEC – Elster A3RA, 13 terminal, form 9s, CL20.
2. One-line diagrams of the Facility, metering, and Point of Interconnection are attached.
3. Central Electric Cooperative will deliver the generation to Bonneville Power Administration at CEC's Sisters 115 kV Substation. BPA will deliver the generation to PacifiCorp's Redmond terminal, Bay 14 of the BPA Redmond 115 KV Substation.



ELECTRICAL RELAY AND EQUIPMENT LIST					
STYLE	FUNCTION	DESCRIPTION	SETTING	MFG.	PART No.
12/13/14	SPEED RELAY/ TACHOMETER	24VDC, 4 RELAY	12=OVER=120% 13=SYNC=100% 14=UNDER=25%	RED LION	PAXR0030
27/59	UNDER/OVER VOLTAGE	120VAC, 3P	27-1 80%, 2SEC. 27-2 50%, 10CYCLES 59-1 100%, 1SEC. 59-2 120%, 10CYCLES	BECKWITH	PART OF MFR
32F	FORWARD POWER RELAY	120VAC, 5A, 3P	5% FWD PWR, 1SEC	MULTITEK	M260-RP3
32R	REVERSE POWER	120VAC, 5A, 3P	2% REV PWR 10sec. DELAY	BECKWITH	PART OF MFR
46	CURRENT BALANCE	5A, 3P	10% FLA, 10SEC	BECKWITH	PART OF MFR
47	PHASE SEQUENCE VOLTAGE BALANCE	120VAC, 3P	47-10%, 10SEC	BECKWITH	PART OF MFR
SIN	NEUTRAL OVERCURRENT	5A, 3P	40A, 1SEC	BECKWITH	PART OF MFR
SIV	OVERCURRENT W/VOLT RESTRAINED	5A, 3P	370A, TDJ	BECKWITH	PART OF MFR
32H	MAIN BREAKER	480V, 400A, 3P-ATC, 3 POLE	400A FRAME 400A TRIP	GENERAL ELECTRIC	SGHA36AT0400 SRPG400A400
BID/U	OVER/UNDER FREQUENCY	120VAC, 1P	BID-60.5HZ, 10CYCLES BIU-57.0HZ, 10CYCLES	BECKWITH	PART OF MFR
B6	LOCKOUT RELAY	24VDC	NO SETTINGS	SHALLCO	7602B
B6VF	VOLT/FREQ LOCKOUT RELAY	8-POLE, 24VDC	NO SETTINGS	SQUARE D	B501XD080V53
DMH	DIGITAL MULTI METER	120VAC, 5A, 3P, 3W 24VDC AUX POWER	NO SETTINGS	MULTITEK	M842-SB4-PE-DS
GC	GENERATOR CONTACTOR	480V, 3P, 300A 120VAC CONTROL	NO SETTINGS	SPRECHER & SCHUM	CA6-300-EJ-11-120
GSS	GENERATOR SOFT START	480V, 361A	NO SETTINGS	MOTORTRONICS	VMX-361-BP
MFR	MULTI FUNCTION RELAY	120VAC, 5A, 3P, 3W 24VDC AUX POWFR	SEE 27/32R/46/47 SIN/SIV/59/BID/BIU	BECKWITH	M3410A-1BIP10
PFC	POWER FACTOR CONTACTOR	480V, 3P, 180A, 120VAC CONTROL	NO SETTINGS	SPRECHER & SCHUM	CA6-180-11-120B

NOTES
BAT ELECTRIC SWITCHGEAR/CONTROL
PANEL TO BE UL508A LABELED

SYMBOLS
 SUPPLIED BY BAT ELECTRIC
 INSTALLED BY OTHERS
 NOT BY BAT ELECTRIC
 RELAY FUNCTIONS PART OF MFR

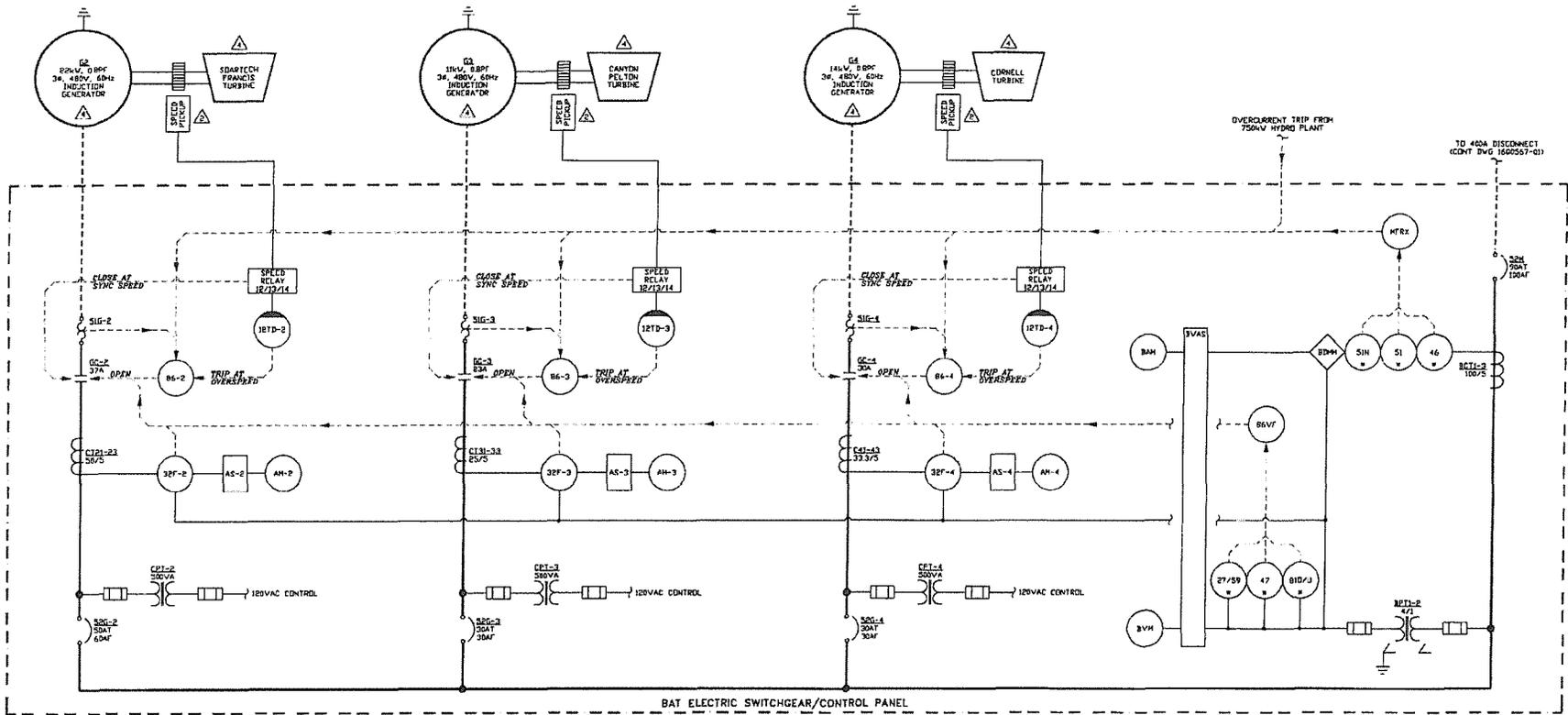
DEVICE LEGEND
 39 - OVER VIBRATION
 49S - STATOR TEMP SWITCH
 AN - AMMETER
 AS - AMMETER SWITCH
 BCT - BUS CURRENT TRANSFORMER
 BPT - BUS POTENTIAL TRANSFORMER
 CPT - CONTROL POWER TRANSFORMER
 CT - CURRENT TRANSFORMER
 CPT - CONTROL POWER TRANSFORMER
 HPT - HOUSE POWER TRANSFORMER
 H - METERING
 VM - VOLT METER
 VS - VOLT METER SWITCH

THREE SISTERS IRRIGATION DISTRICT
 WATSON NET METERING (UNIT #1)
 SMALL HYDRO PROJECT
 ONE LINE DIAGRAM

REV BY DATE
 A JB 2-26-18

BAT ELECTRIC, INC.
 20410 MARTINEZ LANE
 REDDING, CA 96002
 TEL: (530) 221-1118
 FAX: (530) 221-5488

DWG No.: 1600567-01
 ENGR: DBATDRF DFT: JB DATE: 9-29-16



BAT ELECTRIC SWITCHGEAR/CONTROL PANEL

DEVICE LEGEND	
12/13/14	- SPEED RELAY/TACHEMETER
12TD	- OVERSPEED TIME DELAY
27/59	- UNDER/OVER VOLTAGE
32F	- FORWARD POWER RELAY
46	- CURRENT BALANCE
47	- PHASE SEQUENCE
51	- OVERCURRENT
51G	- GENERATOR OVERCURRENT RELAY
51N	- NEUTRAL OVERCURRENT
5EG	- GENERATOR BREAKER
5PM	- MAIN BREAKER
81D/U	- OVER/UNDER FREQUENCY
B6	- LOCKOUT RELAY
B6VF	- VOLT./FREQ LOCKOUT RELAY
AM	- AMMETER
AS	- AMMETER SWITCH
BAH	- BUS AMMETER
BCT	- BUS CURRENT TRANSFORMER
BDMH	- BUS DIGITAL MULTI METER
BPT	- BUS POTENTIAL TRANSFORMER
BVAS	- BUS VOLT/AMMETER SWITCH
BVM	- BUS VOLT METER
CT	- CURRENT TRANSFORMER
CP*	- CONTROL POWER TRANSFORMER
G	- GENERATOR
GC	- GENERATOR CONTACTOR
HFRX	- MULTI FUNCTION RELAY AUX RELAY

SYMBOLS
 SUPPLIED BY BAT ELECTRIC
 INSTALLED BY OTHERS
 NOT BY BAT ELECTRIC
 * PART OF MULTI FUNCTION RELAY
 BECKWITH M341DA

NOTES
 BAT ELECTRIC SWITCHGEAR/CONTROL
 PANEL TO BE UL508A LABELED

THREE SISTERS IRRIGATION DISTRICT
 WATSON NET METERING (UNIT #2-4)
 SMALL HYDRO PROJECT
 ONE LINE DIAGRAM

REV	BY	DATE
A	JR	2-26-19


 BAT ELECTRIC, INC.
 2040 MARTINEZ LANE
 REDDING, CA 96002
 TEL. (530) 221-1336
 FAX. (530) 221-3486

DWG No.: 1600567-02
 ENGR: J.BATDORF DPT: J.B
 DATE: 9-29-16

EXHIBIT C
REQUIRED FACILITY DOCUMENTS

- 1) QF Certification: QF17-1088-000 Docket Number CD16-13-000-Oregon
- 2) Interconnection Agreement: Provided August 19, 2013
- 3) Transmission Service Agreement: BPA Use of Facilities Agreement: Contract No. 13TX-15854, Dated April 2, 2013
- 4) FERC Conduit Exemption: Project No. 14364-000
- 5) Water Rights: Oregon Water Resources PC 897

EXHIBIT C-6

DEED

DESCHUTES COUNTY OFFICIAL RECORDS
NANCY BLANKENSHIP, COUNTY CLERK

2013-07667



\$58.00

02/21/2013 03:46:45 PM

D-D Cnt=1 Stn=2 TH

\$15.00 \$11.00 \$18.00 \$10.00 \$8.00

After Recording return to:
Three Sisters Irrigation District
PO Box 2230
Sisters, OR 97759
Attn: Marc Thalacker

Until a change is requested,
send tax statements to:
Three Sisters Irrigation District
PO Box 2230
Sisters, OR 97759
Attn: Marc Thalacker

QUITCLAIM DEED

(Property Line Adjustment Consolidating Lots)

The true consideration for this transfer is no dollars but other good and valuable consideration.

Three Sisters Irrigation District, an Oregon quasi-municipal corporation, and formerly known as Squaw Creek Irrigation District, Grantor, releases and quitclaims to Three Sisters Irrigation District, an Oregon quasi-municipal corporation, and formerly known as Squaw Creek Irrigation District, Grantee, all right title and interest in and to the following described real property:

See Exhibit A, attached hereto and incorporated by this reference.

This deed consolidates two adjoining parcels owned by Three Sisters Irrigation District, formerly known as Squaw Creek Irrigation District, both Oregon quasi-municipal corporations, pursuant to Deschutes County Property Line Adjustment Approval LL-12-32 granted on October 16, 2012, making them one legal lot of record. Three Sisters Irrigation District retains all right, title and interest in and to the real property described in Exhibit A as consolidated.

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930 AND TO INQUIRE

ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, AND SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7 , CHAPTER 8, OREGON LAWS 2010.

DATED this 8th day of February, 2013.

Three Sisters Irrigation District,
An Oregon quasi-municipal corporation

By: Marc Thalacker
Marc Thalacker, Manager

With authority of the Board of Directors by resolution passed on 2/5/2013.

STATE OF OREGON,
COUNTY OF DESCHUTES) ss.

The foregoing instrument was acknowledged before me this 8 day of February, 2013 by Marc Thalacker, as Manager of Three Sisters Irrigation District.

Allen D. Pearce
Notary Public for Oregon



Exhibit A

All that portion of a certain tract of land described in Book 137, Page 325, recorded November 29, 1963, Deschutes County Deed Records, described as follows:

The Southeast Quarter (SE1/4) Section Fourteen (14), Township Fifteen (15) South, Range Ten (10) E. W.M., and the East 30 rods or 495 feet of the Southwest Quarter (SW1/4) of said Section 14, Township 15 South, Range 10 EWM, with an appurtenant water right for the SE1/4, Section 14, of 25 acres, date of priority 1889, through the Squaw Creek Irrigation District system, and 55 acres, date of priority 1895, through Squaw Creek Irrigation District system, or a total water right of 80 acres, all in Deschutes County, Oregon.

Together with the following:

All that portion of a certain tract of land described in Book 152, Page 446, recorded in March 23, 1967, Deschutes County Deed Records, described as follows:

A tract of land in the West Half of the Southwest Quarter of Section 13, Township 15 South, Range 10 E.W.M., described as follows:

Beginning at the corner of Sections 13, 14, 23 and 24 of Township 15 South, Range 10 East of the Willamette Meridian and running thence North $0^{\circ}56'36''$ East 1737.34 feet along the section line between Sections 13 and 14; thence North $89^{\circ}10'20''$ East 98.0 feet; thence South $76^{\circ}01'10''$ East 175.0 ft.; thence South $71^{\circ}43'40''$ East 169.0 ft.; thence South $65^{\circ}51'$ East 175.0 ft.; thence South $51^{\circ}34'20''$ East 425.0 feet; thence South $39^{\circ}36'20''$ East 470.0 feet to a large juniper tree on the North right of way line of the Squaw Creek Canal; thence along the North right of way line of the Squaw Creek Canal North $71^{\circ}51'$ West 278.0 feet; thence North $63^{\circ}30'$ West 380.0 feet; thence North $81^{\circ}00'$ West 125.0 feet; thence South $56^{\circ}55'$ West 212.0 feet; thence leaving the canal right of way line and running thence South $8^{\circ}50'$ West 1122.0 feet to the South line of Section 13; thence North $88^{\circ}54'$ West 171.6 feet along the South line of Section 13 to the point of beginning, and EXCEPTING therefrom the right of way of the present Squaw Creek Canal as now located over and across said land, and containing 16.2 acres.

FEDERAL ENERGY REGULATORY COMMISSION
Washington, D.C. 20426

OFFICE OF ENERGY PROJECTS

Docket No. CD16-13-000 – Oregon
Watson Net Meter/Micro Hydroelectric
Demonstration Facility
Three Sisters Irrigation District

August 4, 2016

Mr. Marc Thalacker, Manager
Three Sisters Irrigation District
PO Box 2230
Sisters, OR 97759

Subject: Determination that the Watson Net Meter/Micro Hydroelectric
Demonstration Facility Meets the Qualifying Conduit Hydropower Facility
Criteria

Dear Mr. Thalacker:

On June 2, 2016, as supplemented on June 13, 2016, you filed a notice of intent pursuant to section 30(a) of the Federal Power Act (FPA), as amended by Section 4 of the Hydropower Regulatory Efficiency Act of 2013 (2013 Act),¹ to construct a qualifying conduit hydropower facility, the Watson Net Meter/Micro Hydroelectric Demonstration Facility, to be located in Deschutes County, Oregon.

On June 16, 2016, Commission staff issued a public notice that preliminarily determined that the project met the statutory criteria for a qualifying conduit hydropower facility, and thus was not required to be licensed under Part I of the FPA. The notice established a 45-day period for entities to contest whether the project met the criteria. No comments or interventions were filed in response to the notice. Accordingly, this letter constitutes a written determination that the Watson Net Meter/Micro Hydroelectric Demonstration Facility meets the qualifying criteria under FPA section 30(a), and is not required to be licensed under Part I of the FPA. Qualifying conduit hydropower facilities remain subject to other applicable federal, state, and local laws and regulations.

¹ 16 U.S.C. § 823(a) (2012), amended by the 2013 Act, Pub L. 113-23, § 4a, 127 Stat. 498 (2013).

If you have any questions, please contact Mr. Christopher Chaney at (202) 502-6778 or Christopher.Chaney@ferc.gov.

Sincerely,

A handwritten signature in black ink that reads "Kelly Houff". The signature is written in a cursive style with a large, stylized "K" and "H".

Kelly Houff
Chief, Engineering Resources Branch
Division of Hydropower Administration
and Compliance

PROJECT DESCRIPTION

Water will be diverted from the Whychus Creek through an existing fish screen, then into the Three Sisters Irrigation District's Main Canal Pipeline. The powerhouse will be located at the discharge point to Watson Reservoir approximately 3 miles from the diversion. The powerhouse will contain up to four small turbines and generator units with a combined installed capacity of 199 kilowatts (kW). The turbines will use up to 20 cubic feet per second (cfs) of water for hydroelectric generation with an operating head of 194 feet. This provides approximately 441 theoretical horsepower (thp) of capacity. After the water flows through the turbine it will discharge to Watson Reservoir for later delivery to the districts laterals and water users.

WATER RIGHT CONDITIONS

Upon review of the application, Oregon Water Resources Department (OWRD) finds that the Watson Net Meter/Micro Hydroelectric Demonstration Facility (Project), with the conditions set forth below is consistent with the public interest. The Project is well adapted to the development and utilization of the water power involved.

1. The water right holder shall comply with all statutes and rules applicable to the Project.
2. The water right holder shall construct and build the Project according to the maps, plans and specifications filed with the application within five years of issuance of this water right certificate. ORS 543.765(13).
3. The water right holder shall construct, operate and maintain all fish screens, by-pass devices and fish passages as required by the Oregon Department of Fish and Wildlife. ORS 543.765(5)(a).
4. The water right holder shall allow the OWRD Director and authorized agents and employees of the Oregon Department of Environmental Quality, Oregon Department of Fish and Wildlife (ODFW), and OWRD free and unrestricted access in, through, and across the Project in the performance of their official duties, and shall allow free access to all reports, accounts, records, and other data relating to said Project.
5. The restrictions established in ORS 543.660 shall apply as conditions of use.
6. This certificate shall be invalidated upon a change in the point of diversion authorized for the existing right under Certificate 74135. ORS 543.765(5)(g).
7. The Water Resources Department shall conduct a review of this certificate upon approval of any changes or adjustments made to the water user's existing water right to determine if a revised certificate should be issued. ORS 543.765(6).
8. The right to use water under this certificate is invalidated if the Federal Energy

Regulatory Commission exemption related to this certificate is canceled or invalidated.
ORS 543.765(5)(h).

9. This certificate does not have its own priority date. The Department shall not regulate for or against this certificate. This certificate does not grant a right to divert water for hydroelectric purposes other than in conjunction with the water right as used under Certificate 74135. ORS 543.765(9) and (10).
10. This certificate is subject to review by the Department 50 years after the date of issuance pursuant to ORS 543.765. ORS 543.765(12).
11. The water right holder shall pay, upon receiving an invoice from OWRD, an annual fee to OWRD under ORS 543.078. This amount shall be due by the date specified on the invoice. Failure to pay the required fee will invalidate this certificate. ORS 543.765(16) and (17).
12. If at any time, unanticipated circumstances or emergency situations arise in which fish or wildlife are being killed, harmed or endangered by any of the project facilities including the fish passage and screening facilities, the District shall immediately take appropriate action to prevent further loss. The District shall notify the nearest ODFW office within 24 hours and shall comply with measures required by ODFW to prevent additional injury or mortality.
13. Failure to comply with any of the provisions of this water right may result in action including, but not limited to, restrictions on the use, civil penalties, or cancellation of the water right.

Issued October 25, 2016


Dwight W. French, Administrator
Water Rights Services Division
Oregon Water Resources Department, for

Thomas M. Byler, Director
Oregon Water Resources Department

Recorded in State Record of Water Right Certificates numbered 92035 .

STATE OF OREGON
COUNTY OF DESCHUTES
CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO:

THREE SISTERS IRRIGATION DISTRICT
P.O. Box 2230
SISTERS, OR 97759

confirms the right to use up to 20 CUBIC FEET PER SECOND (cfs) of the waters of WHYCHUS CREEK, tributary to the DESCHUTES RIVER, for HYDROELECTRIC PRODUCTION of 441 THEORETICAL HORSEPOWER (THP).

The use of water for hydroelectric purposes shall be in conjunction with water used under the right of Three Sisters Irrigation District for purposes, as evidenced by Certificate 74135 and as delivered through the Watson McKenzie Main Canal. Use of water shall be limited to periods when the water right holder's water right under Certificate 74135 is put to beneficial use without waste. The amount of water used shall not be greater than the quantity of water diverted to satisfy the authorized specific use under Certificate 74135. The use of water shall be limited by rate, duty, season and any other limitations of Certificate 74135. ORS 543.765(5)(c) and (d).

The water user shall measure and report the quantity of water diverted. ORS 543.765(5)(e).

This right was filed under application PC 903.

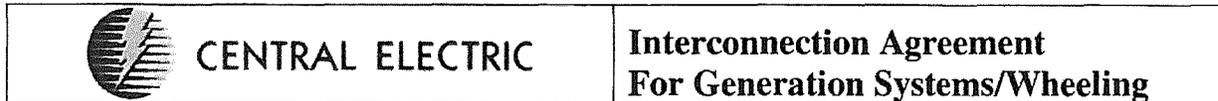
The point of diversion is located: 998 FEET NORTH AND 1211 FEET EAST FROM SW CORNER OF SECTION 21, being within the SW $\frac{1}{4}$ SW $\frac{1}{4}$, SECTION 21, TOWNSHIP 15 SOUTH, RANGE 10 EAST, W.M.

The authorized place of use is located: Tax Lot 600, SW $\frac{1}{4}$ SW $\frac{1}{4}$, SECTION 13, TOWNSHIP 15 SOUTH, RANGE 10 EAST, W.M.

Appeal Rights

This is a final order in other than contested case. This order is subject to judicial review under ORS 183.484. Any petition for judicial review must be filed within the 60 day time period specified by ORS 183.484(2). Pursuant to ORS 536.075 and OAR 137-004-0080 you may either petition for judicial review or petition the Director for reconsideration of this order. A petition for reconsideration may be granted or denied by the Director, and if no action is taken within 60 days following the date the petition was filed, the petition shall be deemed denied.

This statement of judicial review rights does not create a right to judicial review of this order, if judicial review is otherwise precluded by law.



**Interconnection of Distributed
Generation Systems in Parallel
With
Central Electric Cooperative, Inc.**

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This Generating System Interconnection/Wheeling Agreement is entered into by and between Central Electric Cooperative, Inc. (“CEC”) and Three Sisters Irrigation District (the “Interconnection Member”). The Interconnection Member and CEC may also be referred to in this Agreement jointly as “Parties” or individually as “Party”. In consideration of the mutual promises and obligations stated in this Agreement and its attachments, the Parties agree as follows:

ADDENDUM TO EXHIBIT A
Generation System Description and Single Line Diagram

The generation system will be located at 68000 Hwy 20 West, Bend, OR 97701 on Township 15S Range 10E Section 13 Tax Lot 700. The facility will contain five turbine generators with the following nameplate ratings:

U.S. Motors 746 kW
Marathon 150 kW
U.S. Motors 22.38 kW
Marathon 14 kW
U.S. Motors 11.19 kW

The facility will operate from March 1 through Nov 15.

A summation of these generators is approximately 943.57 kW to be trued up when the generators are installed and will reflect applicable CEC wheeling rates. Specification sheets are attached.

See attached one-line diagram, project plot plan and site map.

CENTRAL ELECTRIC COOPERATIVE, INC.

By: Brad Wilson

Name: Brad Wilson

Title: Director of Engineering and Operations

Date: May 4, 2018

THREE SISTERS IRRIGATION DISTRICT

By: Marc Thalacker

Name: Marc Thalacker

Title: Manager

Date: _____

AMENDMENT
executed by the
UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
acting by and through the
BONNEVILLE POWER ADMINISTRATION
and
THREE SISTERS IRRIGATION DISTRICT

This AMENDMENT to Balancing Authority Area Services Agreement No. 13TX-15850, (Agreement) is executed by the UNITED STATES OF AMERICA, Department of Energy, acting by and through the BONNEVILLE POWER ADMINISTRATION (BPA) and THREE SISTERS IRRIGATION DISTRICT (Customer). BPA and Customer are sometimes referred to individually as "Party" and collectively as "Parties."

This Amendment to the Agreement reflects an increase of 200 kW (from 700 kW to 900 kW) to the nameplate capacity of the Three Sisters Hydro Generation Project.

The Parties agree to the following:

1. EFFECTIVE DATE

This Amendment shall take effect on October 1, 2018 (Effective Date).

2. AMENDMENT OF AGREEMENT

The Agreement is amended as follows:

- (a) Delete the first paragraph of RECITALS and replace it with the following:

"The Customer desires to operate its Three Sisters Hydroelectric Generation Project (Project) in BPA's Balancing Authority Area, and such Project interconnects directly with Central Electric Cooperative, Inc.'s (CEC) system, which interconnects with BPA's Redmond Substation."

- (b) Exhibit A, is replaced by Exhibit A, Revision No. 2, which is incorporated herein by reference.
- (c) Exhibit C, is replaced by Exhibit C, Revision No. 2, which is incorporated herein by reference.

(d) Exhibit G is replaced by Exhibit G, Revision No. 1, which is incorporated herein by reference.

3. The Parties agree that all other terms and conditions of the Agreement remain the same.

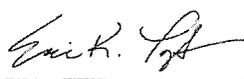
4. **SIGNATURES**

This Amendment may be executed in several counterparts, all of which taken together will constitute one single agreement, and may be executed by electronic signature and delivered electronically. The parties have executed this Amendment as of the last date indicated below.

THREE SISTERS IRRIGATION DISTRICT

UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration

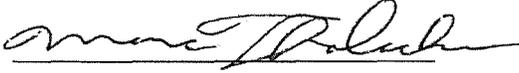
By: 

By:  Digitally signed by ERIC TAYLOR
Date: 2018.05.04 15:40:05 -07'00'

Title: Manager

Title: Transmission Account Executive

If opting out of the electronic signature:

By: 

Name: Marc Thalacker
(Print/Type)

Title: Manager

Date: 5/4/2018

**EXHIBIT A
PROJECT DETAILS**

IDENTIFICATION OF THE PROJECT

The Project consists of a single induction 700 kW nameplate Hydro-Tech irrigation drop structure generator located at the Project in Deschutes County, Oregon. The Project interconnects the Customer's hydro generation facility to CEC's 12.5 kV distribution line approximately 2 miles from CEC's Sister's Substation where transformation to 115 kV occurs. Then via approximately 15.2 miles CEC's 115 kV line to BPA's Redmond substation. The point of interconnection of CEC's 115 kV transmission line to the FCRTS is at BPA's Redmond Substation.

(W:\CT\Three Sisters Irrigation District\Contracts (Final)\15850_BAASA.doc)

**EXHIBIT A, REVISION NO. 2
PROJECT DETAILS**

This Exhibit A, Revision No. 2 (Revision) replaces the original Exhibit A, in its entirety and provides for an incremental increase of 200 kW (from 700 kW to 900 kW) for the Three Sisters Irrigation District Hydro Generation Project in Bonneville Power Administration's (BPA) Balancing Authority Area.

1. IDENTIFICATION OF THE PROJECT

The Project consists of a single induction 700 kW nameplate Hydro-Tech irrigation drop structure and a single induction 200kW Micro Hydro located at the Project in Deschutes County, Oregon. The Project interconnects to Central Electric Cooperative's (CEC) system via CEC's 12.5 kV distribution line approximately 2 miles from CEC's Sister's Substation (where transformation to 115 kV occurs). CEC's system connects to the Federal Columbia River Transmission System (FCRTS) via CEC's approximately 15.2 mile 115 kV line between CEC's Sisters Substation and BPA's Redmond Substation. The point of interconnection of CEC's 115 kV transmission line to the FCRTS is at BPA's Redmond Substation.

2. CONSTRUCTION AGREEMENT

Not applicable.

3. PROJECT CAPACITY

Nameplate: 900 kW.

Maximum studied amount: 900 kW.

Maximum operating limit under this Agreement: 900 kW.

4. SOURCE OF STATION SERVICE WHEN PROJECT IS OFF-LINE

CEC 12.5kV local distribution served from CEC Sister's Substation.

5. INTENDED USE OF PROJECT OUTPUT

Behind the meter serving Host Utility load.

6. SIGNATURES

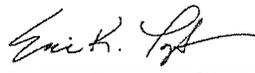
This Revision may be executed in several counterparts, all of which taken together will constitute one single agreement, and may be executed by electronic signature and delivered electronically. The parties have executed this Revision as of the last date indicated below.

THREE SISTERS IRRIGATION DISTRICT

UNITED STATES OF AMERICA

Department of Energy
Bonneville Power Administration

By: 

By:  Digitally signed by ERIC TAYLOR
Date: 2018.05.04 15:41:41 -0700

Title: Manager

Title: Transmission Account Executive

If opting out of the electronic signature:

By: 

Name: Marc Thalacker
(Print/Type)

Title: Manager

Date: 5/4/2018

**EXHIBIT B
BALANCING AUTHORITY AREA SERVICES**

1. REQUIRED BALANCING AUTHORITY AREA SERVICES

The Ancillary and Control Area Services (ACS) Rate Schedule, or its successor, in effect at the time of service shall apply to the services provided under this Agreement.

As of the Effective Date of this Agreement, the Customer shall purchase the following services from BPA:

	Provided By	Contract No.
Generation Imbalance Service	BPA	13TX-15850
Operating Reserves – Spinning Reserve	BPA	13TX-15850
Operating Reserves – Supplemental Reserve	BPA	13TX-15850

2. REVISION OF THIS EXHIBIT

BPA may unilaterally revise this Exhibit upon BPA's determination that such revision is necessary to conform to BPA's approved Transmission, Ancillary and Control Area Service Rate Schedules and General Rate Schedule Provisions. BPA shall provide the Customer with as much notice as reasonably possible of its intent to revise such rates and revise this Exhibit.

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EXHIBIT C
BALANCING AUTHORITY AREA REQUIREMENTS
AND OPERATING REQUIREMENTS

1. The amount of electricity delivered from the Project into BPA's Balancing Authority Area shall not exceed 700 kW, except upon agreement by BPA and the Customer recorded in a written revision to this Agreement. If the amount of electricity delivered from the Project into BPA's Balancing Authority Area exceeds the amount stated in this paragraph at any time during the term of this Agreement, the Customer shall be responsible for all associated costs and damages, including, but not limited to, all costs of reprogramming the BPA owned generation meter and rescaling the Supervisory Control and Data Acquisition (SCADA) MW value.
2. The Customer shall comply with the BPA requirements contained in: (1) BPA Technical Requirements, (2) BPA's scheduling procedures as posted on BPA's Open Access Same Time Information System (OASIS), and (3) BPA's business practices. BPA may unilaterally amend its Technical Requirements, scheduling procedures, and business practices. The BPA Technical Requirements are incorporated herein by reference.
3. The Customer shall operate the Project as directed by BPA and comply with all BPA Orders including, but not limited to, orders to reduce generation in accordance with the Oversupply Management Protocol in BPA's Open Access Transmission Tariff, and other Dispatcher Standing Orders or operational procedures and their successors.
4. The Customer shall provide BPA with as built technical data for the Project and shall provide BPA updated data in the event of any changes. BPA may request technical data regarding the Project from the Customer. The Customer shall provide the data in accordance with BPA's request.
5. BPA may unilaterally revise this Exhibit upon BPA's determination that such revision is necessary to conform to BPA's Balancing Authority Area requirements or operating requirements, or to include new Balancing Authority Area requirements or operating requirements. BPA shall provide the Customer with as much notice as reasonably possible of its intent to revise this Exhibit.

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**EXHIBIT D
VOLTAGE SCHEDULES**

1. NOT APPLICABLE AT THIS TIME

Exhibit D, Voltage Schedules is not applicable at this time.

2. REVISION OF THIS EXHIBIT

BPA may unilaterally revise this Exhibit upon BPA's determination that such revision is necessary to preserve transmission system safety and reliability. BPA shall provide the Customer with as much notice as reasonably possible of its intent to revise this Exhibit.

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EXHIBIT E
VOLTAGE RIDE-THROUGH AND REACTIVE POWER

1. NOT APPLICABLE AT THIS TIME

Exhibit E, Voltage Ride-Through and Reactive Power is not applicable at this time.

2. REVISION OF THIS EXHIBIT

BPA may unilaterally revise this Exhibit upon BPA's determination that such revision is necessary to preserve transmission system safety and reliability. BPA shall provide the Customer with as much notice as reasonably possible of its intent to revise this Exhibit.

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EXHIBIT F
REMEDIAL ACTION SCHEME

1. REMEDIAL ACTION SCHEME

Exhibit F, Remedial Action Scheme is not applicable at this time.

2. REVISION OF THIS EXHIBIT

BPA may unilaterally revise this Exhibit upon BPA's determination that such revision is necessary to preserve transmission system safety and reliability. BPA shall provide the Parties with as much notice as reasonably possible of its intent to revise this Exhibit.

(W:\CT\Three Sisters Irrigation District\Contracts (Final)\15850_BAASA.doc)

**EXHIBIT G
NOTICES**

1. ADMINISTRATIVE CONTACTS

Any notice or other communication related to this Agreement, other than notices of an operating nature (section 2 below), shall be in writing and shall be deemed to have been received if delivered in person, by First Class mail, by facsimile or sent by overnight delivery service.

Administrative contacts under this Agreement are as follows:

If to Customer:

Three Sisters Irrigation District
68000 Highway 20 West
Bend, OR 97701
Attention: Marc Thalacker
Title: Manager
Phone: (541) 549-8815
Fax: (541) 549-8070
E-mail: manager@tsidweb.org

If to BPA:

Attention: Transmission Account
Executive for Three Sisters Irrigation
District – TSE/TPP-2
Phone: (360) 619-6016
Fax: (360) 619-6940

If by First Class Mail:

Bonneville Power Administration
P.O. Box 61409
Vancouver, WA 98666-1409

If by Overnight Delivery Service:

Bonneville Power Administration –
TSE/TPP-2
7500 NE 41st Street, Suite 130
Vancouver, WA 98662

2. NOTICES OF AN OPERATING NATURE

The Customer shall provide BPA with the name (or title), address, voice phone number and Fax number for routine operational activities associated with the interconnection and operation of the Project with the Federal Columbia River Transmission System (FCRTS). Such operational activities shall include, but are not limited to outage coordination, generation dispatch and system dispatch. Any notice, request or demand of an operating nature between BPA and the Project Operator shall be made orally, via electronic communication, or in writing, by facsimile, by First Class mail or overnight delivery service. For planned outages, the Transmission Operator Provider Outage Request form may be requested via bpaoutage@bpa.gov email.

<u>Party</u>	<u>Outage Coordination</u>	<u>Operational Contact Generation Dispatcher</u>
BPA	Planned Outages: Munro CC Phone: (509) 466-2409 Fax: (509) 466-2444 E-mail: bpaoutage@bpa.gov	Primary: Munro Dispatch Phone: (509) 465-1820 or (888) 835-9590 Fax: (509) 466-2444 Alternate: Dittmer Dispatch Phone: (360) 418-2281 or (360) 418-2280 or (503) 283-8501 Fax: (360) 418-2938
The Customer	Primary: Plant Operator (24 hour) Phone: (541) 548-2144 Fax: (541) 923-3549	

3. CHANGES IN NOTICES

If either Party changes its contact(s), that Party shall notify the other Party by voice phone, facsimile transmission, or other means immediately. The Party making the change shall send written notice of the change to the other Party within 3 business days. BPA shall revise this Exhibit upon such notice.

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Department of Energy

Bonneville Power Administration
P.O. Box 61409
Vancouver, WA 98666-1409

TRANSMISSION SERVICES

April 24, 2013

In reply refer to: TSE/TPP-2

Mr. Marc Thalacker, Manager
Three Sisters Irrigation District
68000 Highway 20 West
Bend, OR 97701

Dear Mr. Thalacker:

Enclosed for your records is one fully executed original of the Balancing Authority Area Services Agreement Contract No. 13TX-15850, between Three Sisters Irrigation District and the Bonneville Power Administration.

If you have any questions please call me at, (360) 619-6014.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric K. Taylor".

Eric K. Taylor
Transmission Account Executive
Transmission Sales

Enclosure

Contract No. 13TX-15854

USE-OF-FACILITIES AGREEMENT
executed by the
UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
acting by and through the
BONNEVILLE POWER ADMINISTRATION
and
THREE SISTERS IRRIGATION DISTRICT

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This USE-OF-FACILITIES AGREEMENT (Agreement) is executed by the UNITED STATES OF AMERICA, Department of Energy, acting by and through the BONNEVILLE POWER ADMINISTRATION (BPA), and THREE SISTERS IRRIGATION DISTRICT (Customer). BPA and Customer are sometimes referred to individually as "Party" and collectively as "Parties".

RECITALS

The Customer owns the 700 kW Three Sisters Irrigation District Hydro Generation Project (Project) located in Deschutes County, Oregon.

The Customer has requested the use of facilities described in Section 1(c) in order to integrate the Project into BPA's Balancing Authority Area via Central Electric

Cooperative's (CEC) Sisters 115 kV Substation. The Project output is to be transferred from CEC's transmission system to PacifiCorp's transmission system via 115 kV facilities at BPA's Redmond Substation.

Therefore, the Parties agree as follows:

1. SCOPE OF AGREEMENT

- (a) **Terms and Conditions**
BPA agrees to provide and Customer agrees to take and pay for Use-of-Facilities services in accordance with the provisions of this Agreement.
- (b) **Transmission Rate Schedules**
BPA Transmission and Ancillary Service Rate Schedules and General Rate Schedule Provisions (Rate Schedules), as they may be revised from time-to-time, are hereby incorporated by this reference.
- (c) **Description of BPA Owned Facilities**
 - (1) Type: Substation line terminals
 - (2) Name: Redmond 115 kV
 - (3) Additional Description of facilities and equipment:
 - B-2034 – 115 kV C.E.C. Sisters terminal, Bay 8
 - B-1555 – 115 kV PacifiCorp Redmond terminal, Bay 14
 - B-1557 – 115 kV main bus sectionalizing, Bay 12
 - B-1558 – 115 kV bus tie

2. TERM OF SERVICE AGREEMENT

- (a) Service under this Agreement shall commence on the Commercial Operation Date of this Project, but no later than 24 months after 0000 hours on March 1, 2014.
- (b) Service under this Agreement shall terminate on the earlier of 0000 hours on March 1, 2044; or one year following written notification by either Party of its desire to terminate this Agreement.

All liabilities and obligations incurred under this Agreement shall be preserved until satisfied.

3. REVISION OF EXHIBITS

BPA shall have the unilateral right to update Exhibit A, not more than once a year, upon 90 days written notice. A revised Exhibit A incorporating such revised charges shall be prepared by BPA and made part of this Agreement effective as of the date specified in such notice.

4. CHARGES FOR USE-OF-FACILITIES

Customer shall pay BPA the applicable charge, specified in Exhibit A, for services provided pursuant to BPA's applicable Rate Schedule(s). Charges are calculated pursuant to the current UFT Rate Schedule or its successors.

5. AMENDMENT

Except where this Agreement explicitly allows one Party to unilaterally amend a provision or revise an exhibit, no amendment or exhibit revision to this Agreement shall be of any force or effect unless set forth in a written instrument signed by authorized representatives of each Party.

6. ASSIGNMENT

This Agreement is binding on any successors and assigns of the Parties. Neither Party may otherwise transfer or assign this Agreement, in whole or in part, without the other Party's written consent. Such consent shall not be unreasonably withheld.

7. BILLING AND PAYMENT

(a) Billing

BPA shall bill Customer monthly for all products and services provided during the preceding month(s). BPA may send Customer an estimated bill followed by a final bill. The Issue Date is the date BPA electronically sends the bill to Customer. If electronic transmittal of the entire bill is not practical, BPA shall transmit a summary electronically, and send the entire bill by United States mail.

(b) Payment

Customer shall pay all bills electronically in accordance with instructions on the bill. Payment of all bills must be received by the 20th day after the Issue Date of the bill (Due Date). If the 20th day is a Saturday, Sunday, or federal holiday, then the Due Date is the next Business Day.

8. ENTIRE AGREEMENT

This Agreement, including documents expressly incorporated by reference, constitutes the entire agreement between the Parties. It supersedes all previous communications, representations, or contracts, either written or oral, which purport to describe or embody the subject matter of this Agreement.

9. FREEDOM OF INFORMATION ACT

BPA may release information provided by Customer to comply with FOIA or if required by any other federal law or court order. For information that Customer designates in writing as proprietary, BPA will limit the use and dissemination of that information within BPA to employees who need the information for purposes of this Agreement.

10. NO THIRD PARTY BENEFICIARIES

This Agreement is made and entered into for the sole benefit of the Parties, and the Parties intend that no other person or entity shall be a direct or indirect beneficiary of this Agreement.

11. UNCONTROLLABLE FORCES

The Parties shall not be in breach of their respective obligations to the extent the failure to fulfill any obligation is due to an Uncontrollable Force. "Uncontrollable Force" means an event beyond the reasonable control of, and without the fault or negligence of, the Party claiming the Uncontrollable Force, that prevents that Party from performing its contractual obligations under this Agreement and which, by exercise of that Party's reasonable care, diligence and foresight, such Party was unable to avoid. Uncontrollable Forces include, but are not limited to:

- (a) strikes or work stoppage;
- (b) floods, earthquakes, or other natural disasters; terrorist acts; and
- (c) final orders or injunctions issued by a court or regulatory body having competent subject matter jurisdiction which the Party claiming the Uncontrollable Force, after diligent efforts, was unable to have stayed, suspended, or set aside pending review by a court of competent subject matter jurisdiction.

Neither the unavailability of funds or financing, nor conditions of national or local economies or markets shall be considered an Uncontrollable Force. The economic hardship of either Party shall not constitute an Uncontrollable Force. Nothing contained in this provision shall be construed to require either Party to settle any strike or labor dispute in which it may be involved.

If an Uncontrollable Force prevents a Party from performing any of its obligations under this Agreement, such Party shall: (1) immediately notify the other Party of such Uncontrollable Force by any means practicable and confirm such notice in writing as soon as reasonably practicable; (2) use its best efforts to mitigate the effects of such Uncontrollable Force, remedy its inability to perform, and resume full performance of its obligation hereunder as soon as reasonably practicable; (3) keep the other Party apprised of such efforts on an ongoing basis; and (4) provide written notice of the resumption of performance. Written notices sent under this section must comply with Exhibit B.

12. WAIVERS

No waiver of any provision or breach of this Agreement shall be effective unless such waiver is in writing and signed by the waiving Party, and any such waiver shall not be deemed a waiver of any other provision of this Agreement or any other breach of this Agreement.

13. NOTICES

Any notice shall be provided pursuant to Exhibit B.

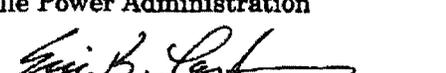
14. SIGNATURES

The Parties have executed this Agreement as of the last date indicated below.

**THREE SISTERS IRRIGATION
DISTRICT**

**UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration**

By 

By: 

Name: Marc Thalacker
(Print/Type)

Name Eric K. Taylor
(Print/Type)

Title Manager

Title Transmission Account Executive

Date 3/28/2013

Date 4/2/13

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**EXHIBIT A
USE-OF-FACILITIES CHARGES**

Calculation of Charges Pursuant to the UFT-12 Rate Schedule¹

<u>Facility</u>	<u>Invest- ment</u>	<u>I&A Annual Cost Ratio²</u>	<u>I&A Annual Cost³</u>	<u>O&M Annual Cost⁴</u>	<u>Total Annual & Allocated Cost⁵</u>	<u>Sum of Non-Coincidental Demands kW⁶ TSID⁷ BPA TOTAL</u>			<u>\$/kW/yr⁸</u>
PACW Redmond Terminal (B1555) CEC Sisters Terminal (B2034) ⁹	\$874,355	10.23%	\$89,446	\$6,379	\$139,776	700	45000	45700	\$3.06
	\$1,226,498	10.23%	\$125,471	\$6,379	\$175,800	700	53000	53700	\$3.27

Total Annual UFT Charge

(700 kW X \$ 3.06) = \$ 2142
 (700 kW X \$ 3.27) = \$ 2289
 Total = \$ 4431

Total Monthly UFT Charge¹⁰ = \$ 4431 / 12
 = \$ 369

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- ¹ UFT-12 Rate Schedule or successor rate schedules.
- ² From ACR memo June 29 2007, ACR for H5 type substation, excluding O&M.
- ³ I&A Annual Costs = (Investment x I&A Annual Cost Ratio)
- ⁴ From ACR memo June 29 2007, O&M for 115 kV terminal w/ gas breaker. Includes Station General and Administration.
- ⁵ Total Annual & Allocated Annual Cost = (I&A Annual Cost + O&M Cost + Allocated Annual Cost)
 Allocated Annual Cost is \$21,975 + \$21,975 = \$43,950, which is the portion of the cost of the 115 kV bus tie (B1558) and bus sectionalizing (B1557) allocated to each line terminal. These breakers support 6 terminals, so 1/6 of the cost of each is assigned to each of the six terminals. The allocated cost is determined as:
 \$21,975 = \$1,226,498*10.23% (Annual I&A) plus \$6,379 (Annual O&M) times 1/6th.
- ⁶ Approximate peak flow from SCADA, ignoring outliers.
- ⁷ Three Sisters Irrigation District
- ⁸ \$/kW/yr = (Total Annual & Allocated Annual Cost) / Total Non-Coincidental Demands kW
- ⁹ The CEC Sisters terminal, as well as the 115 kV bus tie (B1558) and 115 kV bus sectionalizing (B1557) are all new, and investment data is not yet available. Investment is based on typical estimate number ST-7893-5 adjusted for 2012 overheads of 23%
- ¹⁰ This charge has been adjusted for 12 equal whole dollar monthly payments.

**EXHIBIT A, REVISION NO. 1
USE-OF-FACILITIES CHARGES**

**Calculation of Charges Pursuant to the UFT-18 Rate Schedule¹
Effective October 1, 2018**

<u>Facility</u>	<u>Invest- ment</u>	<u>I&A Annual Cost Ratio²</u>	<u>I&A Annual Cost³</u>	<u>O&M Annual Cost⁴</u>	<u>Total Annual & Allocated Cost⁵</u>	<u>Sum of Non-Coincidental Demands kW⁶ TSID⁷ BPA TOTAL</u>			<u>\$/kW/yr.⁸</u>
PACW Redmond Terminal (B1555)	\$874,355	10.23%	\$89,446	\$6,379	\$139,776	900	45000	45700	\$3.06
CEC Sisters Terminal (B2034) ⁹	\$1,226,498	10.23%	\$125,471	\$6,379	\$175,800	900	53000	53700	\$3.27

Total Annual UFT Charge

(900 kW X \$ 3.06) = \$ 2754
 (900 kW X \$ 3.27) = \$ 2943
 Total = \$ 5697

Total Monthly UFT Charge¹⁰ = \$ 5697 / 12
 = \$ 475

¹ UFT-18 Rate Schedule or successor rate schedules.

² From ACR memo June 29 2007, ACR for H5 type substation, excluding O&M.

³ I&A Annual Costs = (Investment x I&A Annual Cost Ratio).

⁴ From ACR memo June 29 2007, O&M for 115 kV terminal w/ gas breaker. Includes Station General and Administration.

⁵ Total Annual & Allocated Annual Cost = (I&A Annual Cost + O&M Cost + Allocated Annual Cost)
 Allocated Annual Cost is \$21,975 + \$21,975 = \$43,950, which is the portion of the cost of the 115 kV bus tie (B1558) and bus sectionalizing (B1557) allocated to each line terminal. These breakers support 6 terminals, so 1/6 of the cost of each is assigned to each of the six terminals. The allocated cost is determined as:
 \$21,975 = \$1,226,498*10.23% (Annual I&A) plus \$6,379 (Annual O&M) times 1/6th.

⁶ Approximate peak flow from SCADA, ignoring outliers.

⁷ Three Sisters Irrigation District.

⁸ \$/kW/yr. = (Total Annual & Allocated Annual Cost) / Total Non-Coincidental Demands kW.

⁹ The CEC Sisters terminal, as well as the 115 kV bus tie (B1558) and 115 kV bus sectionalizing (B1557) are all new, and investment data is not yet available. Investment is based on typical estimate number ST-7893-5 adjusted for 2012 overheads of 23%.

¹⁰ This charge has been adjusted for 12 equal whole dollar monthly payments.

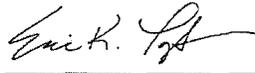
SIGNATURES

This Revision may be executed in several counterparts, all of which taken together will constitute one single agreement, and may be executed by electronic signature and delivered electronically. The Parties have executed this Agreement as of the last date indicated below.

THREE SISTERS IRRIGATION DISTRICT

UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration

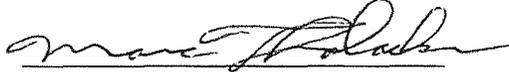
By: 

By:  Digitally signed by ERIC TAYLOR
Date: 2018.05.04 15:57:32 -07'00'

Title: Manager

Title: Transmission Account Executive

If opting out of the electronic signature:

By: 

Name: Marc Thalacker
(Print/Type)

Title: Manager

Date: 5/4/2018

**EXHIBIT B
NOTICES**

Any notice required under this Agreement shall be in writing and shall be delivered in person; or with proof of receipt by a nationally recognized delivery service or by United States Certified Mail. Notices are effective when received. Either Party may change the name or address for receipt of notice by providing notice of such change. The Parties shall deliver notices to the following person and address:

If to Customer:

Three Sisters Irrigation District
68000 Hwy 20 West
Bend, OR 97701
Attention: Marc Thalacker
Title: Manager
Phone: (541) 549-8815
Fax: (541) 549-8070
Email: manager@tsionline.org

If to BPA:

Attention: Transmission Account Executive
for Three Sisters Irrigation
District – TSE/TPP-2
Phone: (360) 619-6016
Fax: (360) 619-6940

If by First Class Mail:

Bonneville Power Administration
P.O. Box 61409
Vancouver, WA 98666-1409

If by Overnight Delivery Service:

Bonneville Power Administration – TSE/TPP-2
7500 NE 41st Street, Suite 130
Vancouver, WA 98662

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EXHIBIT D-1
SELLER'S MOTIVE FORCE PLAN

A. MONTHLY DELIVERY SCHEDULES AND SCHEDULED MAINTENANCE

Month	Average Energy (kWh)	Scheduled Maintenance
January		Annual
February		Preventative
March	36,000	
April	108,000	
May	147,760	
June	142,990	
July	147,760	
August	74,400	
September	72,000	
October	74,400	
November	36,000	
December		Winter Shut-Down

The flow measurements from Oregon Water Resource Gage number 14075000, 1950 to 2012, were used to calculate the amount of water available for diversion between March 1 and November 31 for each year. Water diverted to the 54" HDPE Pipe will have a flow rate of 10-80 cfs. 20 cfs maximum going through the 200 kW facility. Using these variables, a spreadsheet was created based on the average flow years out of the last 62 years. The average annual generation is 839,311 kWh. (See attached spreadsheets)

B. MINIMUM ANNUAL DELIVERY CALCULATION

The flow measurements from Oregon Water Resource Gage number 14075000, 1950 to 2012, were used to calculate the amount of water available for diversion between March 1 and November 31 for each year. Water diverted to the 54" HDPE Pipe will have a flow rate of 10-80 cfs. 20 cfs maximum going through the 200 kW facility. Using these variables, a spreadsheet was created based on the worst flow years out of the last 62 years. The minimum annual generation is 478,930 kWh. (See attached spreadsheets)

C. MAXIMUM ANNUAL DELIVERY CALCULATION

The flow measurements from Oregon Water Resource Gage number 14075000, 1950 to 2012, were used to calculate the amount of water available for diversion between March 1 and November 31 for each year. Water diverted to the 54" HDPE Pipe will have a flow rate of 10-80 cfs. 20 cfs maximum going through the 200 kW facility. Using these variables, a spreadsheet was

created based on the best flow years out of the last 62 years. The maximum annual generation is 1,239,773 kWh. (See attached spreadsheets)

**EXHIBIT D-2
ENGINEER'S CERTIFICATION OF
MOTIVE FORCE PLAN**

February 28, 2018

I, David Lucke, certify that the Three Sisters Irrigation District Watson Net Meter/Micro Hydro Demonstration Project Hydroelectric Facility is likely capable under average conditions foreseeable during the term of this Agreement of meeting the Seller's estimated average, maximum, and minimum Net Output as documented in the attached calculations and narrative.



Prepared for:
Three Sisters Irrigation District
PO Box 2230
Sisters, OR 97759

Certified by:
David Lucke
BSC Group, Inc.
6711 No Winston Dr.
Spokane, WA 99208

**THREE SISTERS IRRIGATION DISTRICT
MOTIVE FORCE CALCULATION NARRATIVE
FOR THE**

WATSON NET METER/MICRO HYDROELECTRIC DEMONSTRATION PROJECT

BASE CALCULATION

We took the flow measurements from the Oregon Water Resources Gage number 14075000 (just above our diversion) from March 1 through Nov 31 from 1950 through 2012 and calculated the amount of water available for diversion for that period for each year. We eliminated any flow above 140 cfs and calculated the number of acre feet that came past the diversion for each year. From those calculations we were able to determine which years had the least, most and average availability of water.

AVERAGE FLOW CALCULATION

When we averaged the number of acre feet available for all 62 years we got 42,647 acre feet. In March and November we are running stock water and filling storage. Currently TSID on average is delivering 20,000 acre feet on farm and diverting 30,000-32,000 acre feet. Our on farm deliveries have increased on average 4,000 acre feet per year due to piping. The majority of Storage & Stock water is delivered through both North turbine & South pressurized pipes. Currently the water from the South pipe is just being dumped to atmosphere into the reservoir. For March through November we assume that we will be delivering irrigation, stock & storage water through the South pipe. We then take the daily flow expected through the South turbine pipe and apply the appropriate head and efficiency to that flow to determine the amount of electricity that would have been generated for each day.

We then applied the appropriate head and efficiency for those averages to approximate the amount of electricity that would be generated in an average year and came up with 839,311 kWh (shown on the "Avg" worksheet in the Motive Force Calculation workbook).

MAXIMUM FLOW CALCULATION

To calculate the best flow we chose the 5 best flow years out of the last 62 and applied the same flow management daily calculations that we have described above to determine the amount of electricity that would have been generated for each of those years. In the best years we were able to generate every day of the irrigation season, so we took the best flow from each month and applied the appropriate head and efficiency to approximate the amount of electricity that might be generated in the most advantageous conditions and came up with 1,239,773 kWh (shown on the "Maximum" worksheet in the Motive Force Calculation worksheet).

LOW FLOW CALCULATION

2015 is by far the worst flow on record, with 23,463 available acre feet. The next worst year is 1977 with 26,586 available acre feet. We saw no reason to evaluate what would happen in any other year. So the worst worksheet is the daily calculations on the 2015 daily flows. Because in such a low flow situation we would only be delivering 1895, percentage, and senior water, and we would be using supplemental wells to shore up deliveries, we changed the daily calculation for the turbine to leave 7 cfs flowing through the turbine all the way down to a 40 cfs diversion. Even with that modification we were only able to generate 478,930 kWh from that flow.

TSID Watson Micro Hydro Net Meter Demonstration 200 kW Average Case

Average Scenario	Hours	Flow CFS	Head	Potential	Generation Needed	Actual
Mar	360	10	163	42234	117	42234
Apr	720	10.9	163	91681	127	91681
May	744	20	163	174566	235	140988
Jun	720	20	163	168935	235	136440
Jul	720	15	163	126701	176	126701
Aug	744	10	163	87283	117	87283
Sep	720	10	163	84467	117	84467
Oct	744	10	163	87283	117	87283
Nov	360	10	163	42234	117	42234
Total				905384		839311
Nameplate	189.5					

TSID Net Meter/Micro Hydro Demonstration 200 kW Best Case

	Hours	Flow	Head	Potential	Generation Needed	Actual
Mar	744	16	163	140124	188	140124
Apr	720	20	163	168935	235	136440
May	744	20	163	174566	235	140988
Jun	720	20	163	168935	235	136440
Jul	720	20	163	168935	235	136440
Aug	744	20	163	174566	235	140988
Sep	720	20	163	168935	235	136440
Oct	744	20	163	174566	235	140988
Nov	744	15	163	130924	176	130924
				1470486		1239773
Nameplate	189.5					

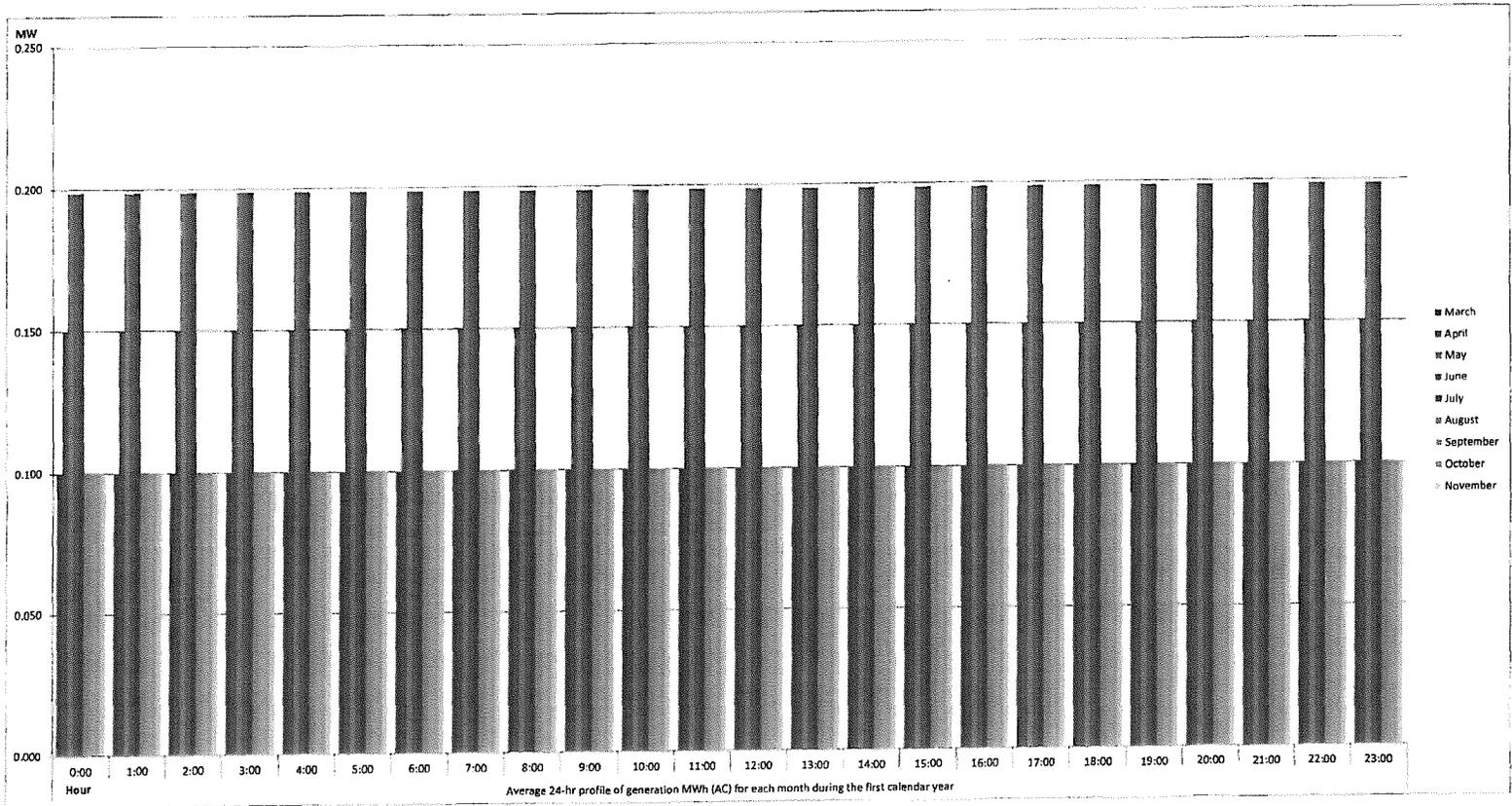
230713

TSID McKenzie 200 kW Worst Case (Drought)

	Hours	Flow (CFS)	Head	Potential	Generation Needed	Actual
Mar	360	7	163	29564	82	29564
Apr	720	7	163	59127	82	59127
May	744	7	163	61098	82	61098
Jun	720	7	163	59127	82	59127
Jul	720	7	163	59127	82	59127
Aug	744	7	163	61098	82	61098
Sep	720	7	163	59127	82	59127
Oct	744	7	163	61098	82	61098
Nov	360	7	163	29564	82	29564
				478930		478930
Nameplate	189.5					

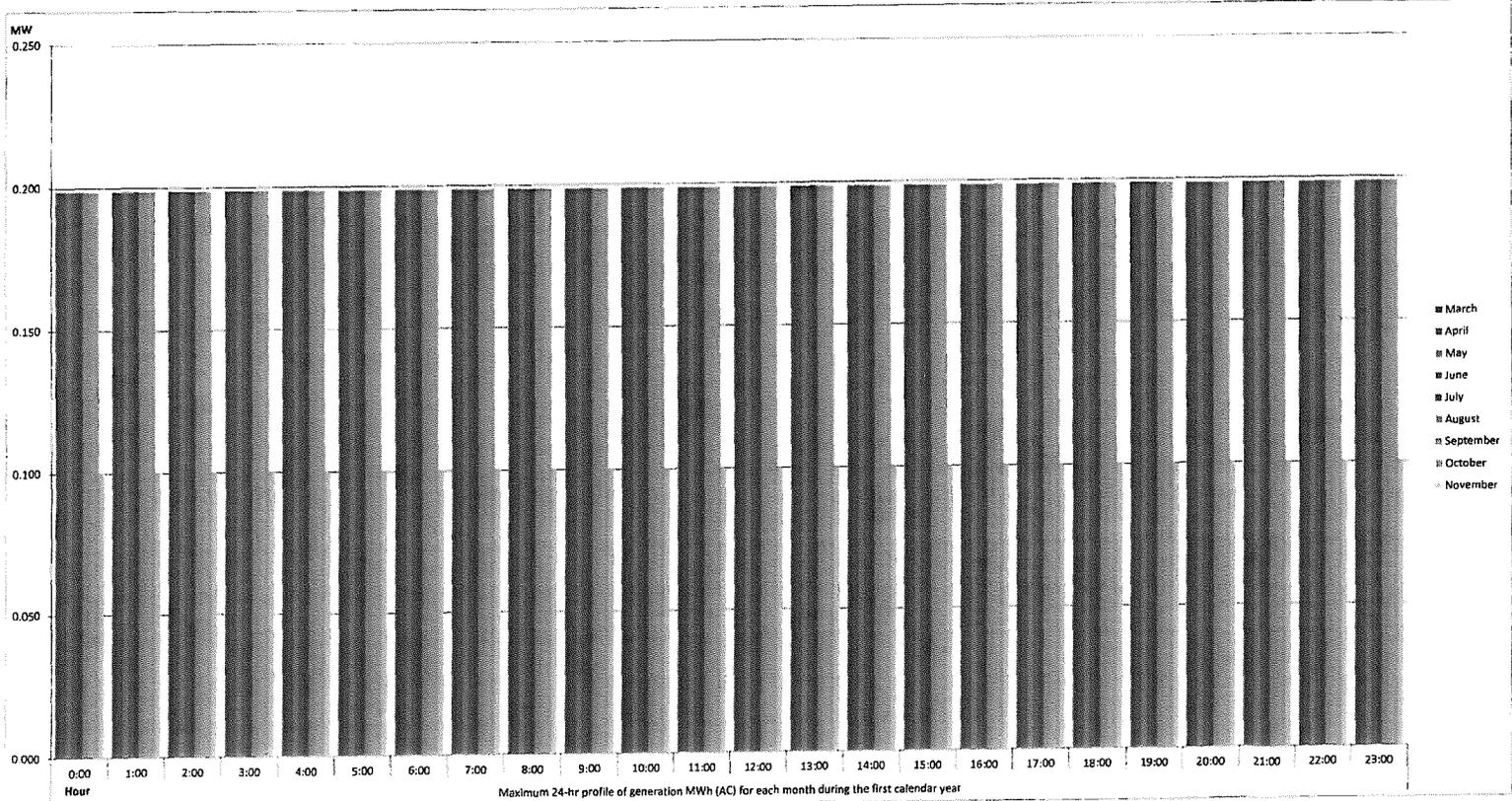
**Three Sisters Irrigation District
Watson Net Meter/Micro Hydro Demonstration Facility
Average 24-hr Megawatt Generation Model**

	Average 24-hr profile of generation MWh (AC) for each month during the first calendar year																								Per Day	Per Month	
	0:00	1:00	2:00	3:00	4:00	5:00	6:00	7:00	8:00	9:00	10:00	11:00	12:00	13:00	14:00	15:00	16:00	17:00	18:00	19:00	20:00	21:00	22:00	23:00	Average MWh	Average MWh	
March	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	2.400	36.00
April	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	3.600	108.00
May	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	4.766	147.76
June	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	4.766	142.99
July	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	4.766	147.76
August	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	2.400	74.40
September	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	2.400	72.00
October	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	2.400	74.40
November	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	2.400	36.00
Total Annual Avg MWh Generation																								839.31			



**Three Sisters Irrigation District
Watson Net Meter/Micro Hydro Demonstration Facility
Maximum 24-hr Megawatt Generation Model**

	Maximum 24-hr profile of generation MWh (AC) for each month during the first calendar year																								Per Day	Per Month	
	0:00	1:00	2:00	3:00	4:00	5:00	6:00	7:00	8:00	9:00	10:00	11:00	12:00	13:00	14:00	15:00	16:00	17:00	18:00	19:00	20:00	21:00	22:00	23:00	Maximum MWh	Maximum MWh	
March	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	4.766	147.76
April	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	4.766	147.76
May	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	4.766	147.76
June	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	4.766	147.76
July	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	4.766	147.76
August	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	4.766	147.76
September	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	4.766	147.76
October	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	4.766	147.76
November	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	2.400	72.00
															Total Annual Max MWh Generation		1239.77										



**Three Sisters Irrigation District
Watson Net Meter/Micro Hydro Demonstration Facility
Low (Drought) 24-hr Megawatt Generation Model**

	Low (Drought) 24-hr profile of generation MWh (AC) for each month during the first calendar year																								Per Day	Per Month	
	0:00	1:00	2:00	3:00	4:00	5:00	6:00	7:00	8:00	9:00	10:00	11:00	12:00	13:00	14:00	15:00	16:00	17:00	18:00	19:00	20:00	21:00	22:00	23:00	Maximum MWh	Maximum MWh	
March	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.954	29.56	985.4667
April	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	1.971	59.13	41.06111
May	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	1.971	61.10	
June	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	1.971	59.13	
July	0.079	0.079	0.079	0.079	0.079	0.079	0.079	0.079	0.079	0.079	0.079	0.079	0.079	0.079	0.079	0.079	0.079	0.079	0.079	0.079	0.079	0.079	0.079	0.079	1.907	59.13	
August	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	1.971	61.10	
September	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	1.971	59.13	
October	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	1.971	61.10	
November	0.041	0.041	0.041	0.041	0.041	0.041	0.041	0.041	0.041	0.041	0.041	0.041	0.041	0.041	0.041	0.041	0.041	0.041	0.041	0.041	0.041	0.041	0.041	0.041	0.985	29.56	
																	Total Annual Max MWh Generation		478.93								

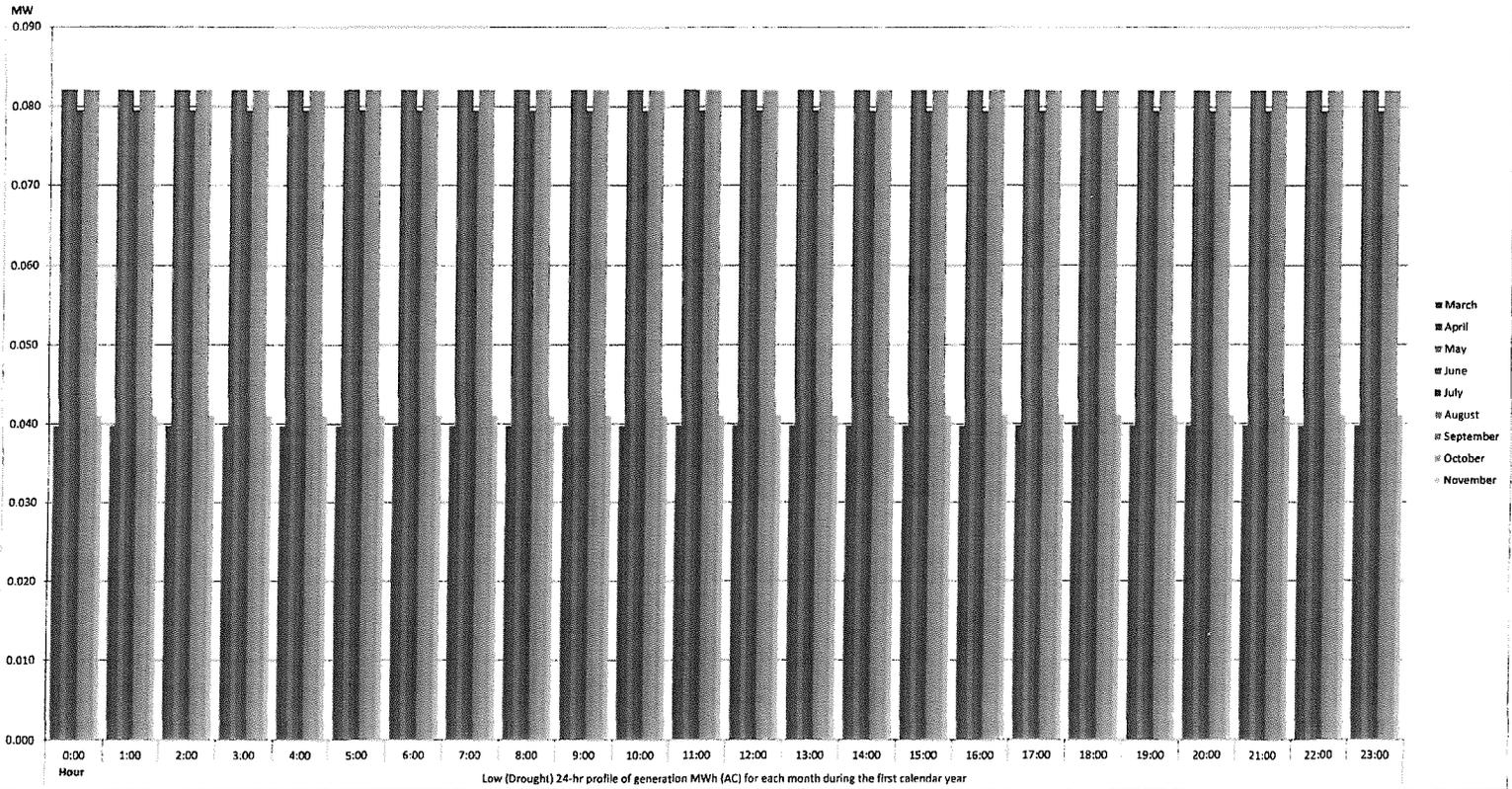


EXHIBIT E

START-UP TESTING

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

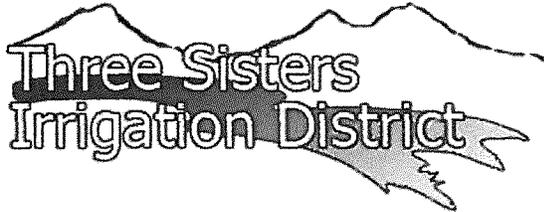
1. Pressure tests of all steam system equipment;
2. Calibration of all pressure, level, flow, temperature and monitoring instruments;
3. Operating tests of all valves, operators, motor starters and motor;
4. Alarms, signals, and fail-safe or system shutdown control tests;
5. Insulation resistance and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

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

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

EXHIBIT F

SELLER AUTHORIZATION TO RELEASE GENERATION DATA TO PACIFICORP



PO Box 2230, Sisters, OR 97759
Phone 541-549-8815 Fax 541-549-8070
www.tsidweb.org office@tsidweb.org

March 1, 2018

Transmission Services
Attn: Director, Transmission Services
825 NE Multnomah, Suite 1600
Portland, OR 97232

RE: Three Sisters Irrigation District Interconnection Request

Dear Sir:

Three Sisters Irrigation District hereby voluntarily authorizes PacifiCorp's Transmission business unit to share the Watson Micro Hydroelectric Facility's generator interconnection information and generator meter data with Marketing Affiliate employees of PacifiCorp Energy, including, but not limited to those in the Commercial and Trading group. Three Sisters Irrigation District acknowledges that PacifiCorp did not provide it any preferences, either operational or rate-related, in exchange for this voluntary consent.

A handwritten signature in cursive script that reads "Marc Thalacker".

Marc Thalacker
District Manager

EXHIBIT G
OREGON STANDARD AVOIDED COST RATES SCHEDULE
AND
PRICING SUMMARY TABLE

MET
5/8/2018

Year	Oregon Renewable Baseload Avoided Cost Prices ¹ (\$/MWh)	
	On-Peak	Off-Peak
2018	\$24.69	\$19.18
2019	\$25.27	\$19.67
2020	\$27.28	\$21.10
2021	\$28.83	\$20.81
2022	\$30.82	\$24.41
2023	\$33.60	\$27.48
2024	\$37.09	\$25.38
2025	\$39.55	\$33.35
2026	\$39.95	\$33.95
2027	\$41.01	\$35.23
2028	\$101.36	\$67.58
2029	\$103.54	\$69.45
2030	\$105.62	\$71.55
2031	\$108.05	\$73.36
2032	\$110.56	\$75.32
2033	\$112.91	\$77.54
2034	Firm Market Index	Firm Market Index
2035	Firm Market Index	Firm Market Index
2036	Firm Market Index	Firm Market Index
2037	Firm Market Index	Firm Market Index
2038	Firm Market Index	Firm Market Index

¹ Based on Oregon standard avoided cost schedule effective June 1, 2017.

Available

To owners of Qualifying Facilities making sales of electricity to the Company in the State of Oregon.

Applicable

- For power purchased from Base Load and Wind Qualifying Facilities with a nameplate capacity of 10,000 kW or less or that, together with any other electric generating facility using the same motive force, owned or controlled by the same person(s) or affiliated person(s), and located at the same site, has a nameplate capacity of 10,000 kW or less.
- For power purchased Fixed and Tracking Solar Qualifying Facilities with a nameplate capacity of 3,000 kW or less or that, together with any other electric generating facility using the same motive force, owned or controlled by the same person(s) or affiliated person(s), and located at the same site, has a nameplate capacity of 3,000 kW or less.

Owners of these Qualifying Facilities will be required to enter into a written power sales contract with the Company.

Definitions**Cogeneration Facility**

A facility which produces electric energy together with steam or other form of useful energy (such as heat) which are used for industrial, commercial, heating or cooling purposes through the sequential use of energy.

Qualifying Facilities

Qualifying cogeneration facilities or qualifying small power production facilities within the meaning of section 201 and 210 of the Public Utility Regulatory Policies Act of 1978 (PURPA), 16 U.S.C. 796 and 824a-3.

Qualifying Electricity

Electricity that meets the requirements of "qualifying electricity" set forth in the Oregon Renewable Portfolio Standards: ORS 469A.010, 469A.020, and 469A.025.

Renewable Qualifying Facility

A Qualifying Facility that generates Qualifying Electricity.

Wind Qualifying Facility

A Renewable Qualifying Facility that generates Qualifying Electricity using wind as its motive force.

Baseload Renewable Qualifying Facility

A Renewable Qualifying Facility that generates Qualifying Electricity using any qualifying resource other than wind or solar.

Small Power Production Facility

A facility which produces electric energy using as a primary energy source biomass, waste, renewable resources or any combination thereof and has a power production capacity which, together with other facilities located at the same site, is not greater than 80 megawatts.

(continued)

Definitions (continued)**On-Peak Hours or Peak Hours**

On-Peak hours are defined as 6:00 a.m. to 10:00 p.m. Pacific Prevailing Time Monday through Saturday, excluding NERC holidays.

Due to the expansions of Daylight Saving Time (DST) as adopted under Section 110 of the U.S. Energy Policy Act of 2005, the time periods shown above will begin and end one hour later for the period between the second Sunday in March and the first Sunday in April and for the period between the last Sunday in October and the first Sunday in November.

Off-Peak Hours

All hours other than On-Peak.

Excess Output

Excess Output shall mean any increment of Net Output delivered at a rate, on an hourly basis, exceeding the Facility Nameplate Capacity. PacifiCorp shall pay Seller the Off-Peak Price as described and calculated under pricing option 4 (Non-Firm Market Index Avoided Cost Price) for all Excess Output.

Same Site

Generating facilities are considered to be located at the same site as the QF for which qualification for the standard rates and standard contract is sought if they are located within a five-mile radius of any generating facilities or equipment providing fuel or motive force associated with the QF for which qualification for the standard rates and standard contract is sought.

Person(s) or Affiliated Person(s)

A natural person or persons or any legal entity or entities sharing common ownership, management or acting jointly or in concert with or exercising influence over the policies or actions of another person or entity. Two facilities will not be held to be owned or controlled by the same person(s) or affiliated person(s) solely because they are developed by a single entity. Two facilities will not be held to be owned or controlled by the same person(s) or affiliated person(s) if such common person or persons is a "passive investor" whose ownership interest in the QF is primarily related to utilizing production tax credits, green tag values and MACRS depreciation as the primary ownership benefit and the facilities at issue are independent family-owned or community-based projects. A unit of Oregon local government may also be a "passive investor" in a community-based project if the local governmental unit demonstrates that it will not have an equity ownership interest in or exercise any control over the management of the QF and that its only interest is a share of the cash flow from the QF, which share will not exceed 20%. The 20% cash flow share limit may only be exceeded for good cause shown and only with the prior approval of the Commission.

Shared Interconnection and Infrastructure

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

(continued)

Definitions (continued)**Family Owned**

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

Community-Based

A community project (or a community sponsored project) must have a recognized and established organization located within the county of the project or within 50 miles of the project that has a genuine role in helping the project be developed and must have a significant continuing role with or interest in the project after it is completed and placed in service. Many varied and different organizations may qualify under this exception. For example, the community organization could be a church, a school, a water district, an agricultural cooperative, a unit of local government, & local utility, a homeowners' association, a charity, a civic organization, and etc.

After excluding the passive investor whose ownership interests are primarily related to green tag values and tax benefits as the primary ownership benefit, the equity (ownership) interests in a community sponsored project must be owned in substantial percentage (80 percent or more) by the following persons (individuals and entities): (i) the sponsoring organization, or its controlled affiliates; (ii) members of the sponsoring organization (if it is a membership organization) or owners of the sponsorship organization (if it is privately owned); (iii) persons who live in the county in which the project is located or who live a county adjoining the county in which the project is located; or (iv) units of local government, charities, or (v) other established nonprofit organizations active either in the county in which the project is located or active in a county adjoining the county in which the project is located.

Dispute Resolution

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

Any dispute concerning a QF's entitlement to the standard rates and standard contract shall be presented to the Commission for resolution. The QF may file a complaint asking the Commission to adjudicate disputes regarding the formation of the standard contract. The QF may not file such a complaint during any 15-day period in which the utility has the obligation to respond, but must wait until the 15-day period has passed. The utility may respond to the complaint within ten days of service. The Commission will limit its review to the issues identified in the complaint and response, and utilize a process similar to the arbitration process adopted to facilitate the execution of interconnection agreements among telecommunications carriers. See OAR 860, Division 016. The Administrative Law Judge will act as an administrative law judge, not as an arbitrator.

(continued)

Self Supply Option

Owner shall elect to sell all Net Output to PacifiCorp and purchase its full electric requirements from PacifiCorp or sell Net Output surplus to its needs at the Facility site to PacifiCorp and purchase partial electric requirements service from PacifiCorp, in accordance with the terms and conditions of the power purchase agreement and the appropriate retail service.

Pricing Options**1. Standard Fixed Avoided Cost Prices**

Prices are fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. Standard Fixed Avoided Cost Prices are available for a contract term of up to 15 years and prices under a longer term contract (up to 20 years) will thereafter be under the Firm Market Indexed Avoided Cost Price. The Standard Fixed Avoided Cost pricing option is available to all Qualifying Facilities. The Standard Fixed Avoided Cost Price for Wind Qualifying Facilities will reflect integration costs as set forth on page 5.

2. Renewable Fixed Avoided Cost Prices

Prices are fixed at the time that the contract is signed by both the Renewable Qualifying Facility and the Company and will not change during the term of the contract. Renewable Fixed Avoided Cost Prices are available for a contract term of up to 15 years and prices under a longer term contract (up to 20 years) will thereafter be under the Firm Market Indexed Avoided Cost Price. The Renewable Fixed Avoided Cost pricing option is available only to Renewable Qualifying Facilities. A Renewable Qualifying Facility choosing the Renewable Fixed Avoided Cost pricing option: (a) must cede all Green Tags generated by the facility, as defined in the standard contract, to the Company during the Renewable Resource Deficiency Period identified on page 8 including during any period after the first 15 years of a longer term contract (up to 20 years); and (b) will retain ownership of all Environmental Attributes generated by the facility, as defined in the standard contract, during the Renewable Resource Sufficiency Period identified on page 8.

3. Firm Market Indexed Avoided Cost Prices

Firm Market Index Avoided Cost Prices are available to Qualifying Facilities that contract to deliver firm power. Monthly On-Peak / Off-Peak prices paid are a blending of Intercontinental Exchange (ICE) Day Ahead Power Price Report at market hubs for On-Peak and Off-Peak prices. The monthly blending matrix is available upon request.

4. Non-Firm Market Index Avoided Cost Prices

Non-Firm Market Index Avoided Cost Prices are available to Qualifying Facilities that do not elect to provide firm power. Qualifying Facilities taking this option will have contracts that do not include minimum delivery requirements, default damages for construction delay or, for under delivery or early termination, or default security for these purposes. Monthly On-Peak / Off-Peak prices paid are 93 percent of a blending of ICE Day Ahead Power Price Report at market hubs for on-peak and off-peak firm index prices. The monthly blending matrix is available upon request. The Non-Firm Market Index Avoided Cost pricing option is available to all Qualifying Facilities. The Non-Firm Market Index Avoided Cost Price for Wind Qualifying Facilities will reflect integration costs.

(continued)

Monthly Payments

A Qualifying Facility shall select the option of payment at the time of signing the contract under one of the Pricing Options specified above. Once an option is selected the option will remain in effect for the duration of the Facility's contract.

Renewable or Standard Fixed Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at the renewable or standard fixed prices as provided in this schedule. On-Peak and Off-Peak are defined in the definitions section of this schedule.

Firm Market Indexed and Non-Firm Market Index Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at the market prices calculated at the time of delivery. On-Peak and Off-Peak are defined in the definitions section of this schedule.

Avoided Cost Prices
Standard Fixed Avoided Cost Prices for Base Load and Wind QF (¢/kWh)

Deliveries During Calendar Year	Base Load QF (1,3)		Wind QF (2,3)	
	On-Peak Energy Price (a)	Off-Peak Energy Price (b)	On-Peak Energy Price (c)	Off-Peak Energy Price (d)
2017	2.66	2.00	2.34	1.68
2018	2.47	1.92	2.14	1.59
2019	2.53	1.97	2.19	1.63
2020	2.73	2.11	2.39	1.77
2021	2.88	2.08	2.53	1.73
2022	3.08	2.44	2.73	2.08
2023	3.36	2.75	3.00	2.38
2024	3.71	2.54	3.34	2.17
2025	3.96	3.34	3.57	2.95
2026	4.00	3.40	3.60	3.00
2027	4.10	3.52	3.70	3.12
2028	5.81	2.78	4.71	2.37
2029	6.12	3.01	4.99	2.59
2030	6.44	3.26	5.28	2.83
2031	6.67	3.41	5.48	2.97
2032	6.93	3.59	5.71	3.14
2033	7.26	3.85	6.02	3.39
2034	7.51	4.01	6.24	3.54
2035	7.78	4.20	6.48	3.72
2036	8.21	4.54	6.87	4.04

(continued)

Effective for service on and after July 16, 2017

**AVOIDED COST PURCHASES FROM
 ELIGIBLE QUALIFYING FACILITIES**
Avoided Cost Prices (Continued)
Standard Fixed Avoided Cost Prices for Fixed and Tracking Solar QF (#/kWh)

Deliveries During Calendar Year	Fixed Solar QF (3)		Tracking Solar QF (3)	
	On-Peak Energy Price (e)	Off-Peak Energy Price (f)	On-Peak Energy Price (g)	Off-Peak Energy Price (h)
2017	2.66	2.00	2.66	2.00
2018	2.47	1.92	2.47	1.92
2019	2.53	1.97	2.53	1.97
2020	2.73	2.11	2.73	2.11
2021	2.88	2.08	2.88	2.08
2022	3.08	2.44	3.08	2.44
2023	3.36	2.75	3.36	2.75
2024	3.71	2.54	3.71	2.54
2025	3.96	3.34	3.96	3.34
2026	4.00	3.40	4.00	3.40
2027	4.10	3.52	4.10	3.52
2028	5.37	2.78	5.32	2.78
2029	5.66	3.01	5.62	3.01
2030	5.97	3.26	5.93	3.26
2031	6.19	3.41	6.14	3.41
2032	6.44	3.59	6.39	3.59
2033	6.76	3.85	6.71	3.85
2034	7.00	4.01	6.94	4.01
2035	7.26	4.20	7.20	4.20
2036	7.67	4.54	7.62	4.54

- (1) Capacity Contribution to Peak for Avoided Proxy Resource and Base Load Qualifying Facility resource are assumed 100%.
- (2) The standard avoided cost price for wind is reduced by an integration charge of \$3.06/MWh (\$2014). If Wind Qualifying Facility is not in PacifiCorp's balancing authority area, then no reduction is required.
- (3) Standard Resource Sufficiency Period ends December 31, 2027 and Standard Resource Deficiency Period begins January 1, 2028.

(continued)

Avoided Cost Prices (Continued)
Renewable Fixed Avoided Cost Prices for Base Load and Wind QF (¢/kWh)

Deliveries During Calendar Year	Renewable Base Load QF (1,4)		Wind QF (1,2,3)	
	On-Peak Energy Price (a)	Off-Peak Energy Price (b)	On-Peak Energy Price (c)	Off-Peak Energy Price (d)
2017	2.66	2.00	2.34	1.68
2018	2.47	1.92	2.14	1.59
2019	2.53	1.97	2.19	1.63
2020	2.73	2.11	2.39	1.77
2021	2.88	2.08	2.53	1.73
2022	3.08	2.44	2.73	2.08
2023	3.36	2.75	3.00	2.38
2024	3.71	2.54	3.34	2.17
2025	3.96	3.34	3.57	2.95
2026	4.00	3.40	3.60	3.00
2027	4.10	3.52	3.70	3.12
2028	10.14	6.76	7.46	6.35
2029	10.35	6.95	7.62	6.53
2030	10.56	7.16	7.76	6.73
2031	10.81	7.34	7.94	6.90
2032	11.06	7.53	8.12	7.08
2033	11.29	7.75	8.28	7.29
2034	11.55	7.96	8.47	7.49
2035	11.85	8.13	8.69	7.65
2036	12.10	8.37	8.87	7.87

(continued)

Avoided Cost Prices (continued)
Renewable Fixed Avoided Cost Prices for Fixed and Tracking Solar QF (¢/kWh)

Deliveries During Calendar Year	Fixed Solar QF (1,4)		Tracking Solar QF (1,4)	
	On-Peak Energy Price (e)	Off-Peak Energy Price (f)	On-Peak Energy Price (g)	Off-Peak Energy Price (h)
2017	2.66	2.00	2.66	2.00
2018	2.47	1.92	2.47	1.92
2019	2.53	1.97	2.53	1.97
2020	2.73	2.11	2.73	2.11
2021	2.88	2.08	2.88	2.08
2022	3.08	2.44	3.08	2.44
2023	3.36	2.75	3.36	2.75
2024	3.71	2.54	3.71	2.54
2025	3.96	3.34	3.96	3.34
2026	4.00	3.40	4.00	3.40
2027	4.10	3.52	4.10	3.52
2028	8.42	6.76	8.65	6.76
2029	8.59	6.95	8.84	6.95
2030	8.76	7.16	9.01	7.16
2031	8.96	7.34	9.22	7.34
2032	9.17	7.53	9.43	7.53
2033	9.36	7.75	9.62	7.75
2034	9.57	7.96	9.84	7.96
2035	9.82	8.13	10.10	8.13
2036	10.02	8.37	10.31	8.37

- (1) For the purpose of determining: (i) when the Renewable Qualifying Facility is entitled to renewable avoided cost prices; and (ii) the ownership of Environmental Attributes and the transfer of Green Tags to PacifiCorp, the Renewable Resource Sufficiency Period ends December 31, 2027, and the Renewable Resource Deficiency Period begins January 1, 2028.
- (2) During the Renewable Resource Deficiency Period, the renewable avoided cost price for a Wind Qualifying Facility will be adjusted by adding the difference between the avoided integration costs and the Qualifying Facility's integration costs. If the Wind Qualifying Facility is in PacifiCorp's Balancing Authority Area (BAA), the adjustment is zero (integration costs cancel each other out). If the Wind Qualifying Facility is not in PacifiCorp's BAA, the renewable avoided cost price will be increased by avoided integration charge of \$3.06/MWh (\$2014).
- (3) During Renewable Resource Sufficiency Period, the renewable avoided cost price for a Wind Qualifying Facility is reduced by an integration charge of \$3.06/MWh (\$2014) for Wind Qualifying Facilities located in PacifiCorp's BAA (in-system). If a Wind Qualifying Facility is not in PacifiCorp's BAA, the renewable avoided cost price will be increased by avoided integration charge of \$3.06/MWh (\$2014).
- (4) During the Renewable Resource Deficiency Period, the renewable avoided cost price for Base Load, Fixed Solar and Tracking Solar is increased by an integration charge of \$3.06/MWh (\$2014).

(continued)

Effective for service on and after July 16, 2017

Qualifying Facilities Contracting Procedure

Interconnection and power purchase agreements are handled by different functions within the Company. Interconnection agreements (both transmission and distribution level voltages) are handled by the Company's transmission function (PacifiCorp Transmission Services) while power purchase agreements are handled by the Company's merchant function (PacifiCorp Commercial and Trading).

It is recommended that the owner initiate its request for interconnection 18 months ahead of the anticipated in-service date to allow time for studies, negotiation of agreements, engineering, procurement, and construction of the required interconnection facilities. Early application for interconnection will help ensure that necessary interconnection arrangements proceed in a timely manner on a parallel track with negotiation of the power purchase agreement.

1. Eligible Qualifying Facilities

APPLICATION: To owners of eligible existing or proposed QFs with a design capacity less than or equal to 10,000 kW for Base Load and Wind QF resources and less than or equal to 3,000 kW for Solar QF resources who desire to make sales to the Company in the state of Oregon. Such owners will be required to enter into a written power purchase agreement with the Company pursuant to the procedures set forth below.

I. Process for Completing a Power Purchase Agreement**A. Communications**

Unless otherwise directed by the Company, all communications to the Company regarding QF power purchase agreements should be directed in writing as follows:

PacifiCorp
Manager-QF Contracts
825 NE Multnomah St, Suite 600
Portland, Oregon 97232

The Company will respond to all such communications in a timely manner. If the Company is unable to respond on the basis of incomplete or missing information from the QF owner, the Company shall indicate what additional information is required. Thereafter, the Company will respond in a timely manner following receipt of all required information.

(continued)

B. Procedures

1. The Company's approved generic or standard form power purchase agreements may be obtained from the Company's website at www.pacificorp.com, or if the owner is unable to obtain it from the website, the Company will send a copy within seven days of a written request.
2. In order to obtain a project specific draft power purchase agreement the owner must provide in writing to the Company, general project information required for the completion of a power purchase agreement, including, but not limited to:
 - (a) demonstration of ability to obtain QF status;
 - (b) design capacity (MW), station service requirements, and net amount of power to be delivered to the Company's electric system;
 - (c) generation technology and other related technology applicable to the site;
 - (d) proposed site location;
 - (e) schedule of monthly power deliveries;
 - (f) calculation or determination of minimum and maximum annual deliveries;
 - (g) motive force or fuel plan;
 - (h) proposed on-line date and other significant dates required to complete the milestones;
 - (i) proposed contract term and pricing provisions as defined in this Schedule (i.e., standard fixed price, renewable fixed price);
 - (j) status of interconnection or transmission arrangements;
 - (k) point of delivery or interconnection;
3. The Company shall provide a draft power purchase agreement when all information described in Paragraph 2 above has been received in writing from the QF owner. Within 15 business days following receipt of all information required in Paragraph 2, the Company will provide the owner with a draft power purchase agreement including current standard avoided cost prices and/or other optional pricing mechanisms as approved by the Public Utility Commission of Oregon in this Standard Avoided Cost Rate Schedule.
4. If the owner desires to proceed with the power purchase agreement after reviewing the Company's draft power purchase agreement, it may request in writing that the Company prepare a final draft power purchase agreement. In connection with such request, the owner must provide the Company with any additional or clarified project information that the Company reasonably determines to be necessary for the preparation of a final draft power purchase agreement. Within 15 business days following receipt of all information requested by the Company in this paragraph 4, the Company will provide the owner with a final draft power purchase agreement.

(continued)

B. Procedures (continued)

5. After reviewing the final draft power purchase agreement, the owner may either prepare another set of written comments and proposals or approve the final draft power purchase agreement. If the owner prepares written comments and proposals the Company will respond in 15 business days to those comments and proposals.

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

II. Process for Negotiating Interconnection Agreements

[NOTE: Section II applies only to QFs connecting directly to PacifiCorp's electrical system. An off-system QF should contact its local utility or transmission provider to determine the interconnection requirements and wheeling arrangement necessary to move the power to PacifiCorp's system.]

In addition to negotiating a power purchase agreement, QFs intending to make sales to the Company are also required to enter into an interconnection agreement that governs the physical interconnection of the project to the Company's transmission or distribution system. The Company's obligation to make purchases from a QF is conditioned upon the QF completing all necessary interconnection arrangements. It is recommended that the owner initiate its request for interconnection 18 months ahead of the anticipated in-service date to help ensure that necessary interconnection arrangements proceed in a timely manner on a parallel track with negotiation of the power purchase agreement.

Because of functional separation requirements mandated by the Federal Energy Regulatory Commission, interconnection and power purchase agreements are handled by different functions within the Company. Interconnection agreements (both transmission and distribution level voltages) are handled by the Company's transmission function (including but not limited to PacifiCorp Transmission Services) while power purchase agreements are handled by the Company's merchant function (including but not limited to PacifiCorp's Commercial and Trading Group).

(continued)

II. Process for Negotiating Interconnection Agreements (continued)

A. Communications

Initial communications regarding interconnection agreements should be directed to the Company in writing as follows:

PacifiCorp
Director – Transmission Services
825 NE Multnomah St, Suite 1600
Portland, Oregon 97232

Based on the project size and other characteristics, the Company will direct the QF owner to the appropriate individual within the Company's transmission function who will be responsible for negotiating the interconnection agreement with the QF owner. Thereafter, the QF owner should direct all communications regarding interconnection agreements to the designated individual, with a copy of any written communications to the address set forth above.

B. Procedures

Generally, the interconnection process involves (1) initiating a request for interconnection, (2) undertaking studies to determine the system impacts associated with the interconnection and the design, cost, and schedules for constructing any necessary interconnection facilities, and (3) executing an interconnection agreement to address facility construction, testing, acceptance, ownership, operation and maintenance issues. Consistent with PURPA and Oregon Public Utility Commission regulations, the owner is responsible for all interconnection costs assessed by the Company on a nondiscriminatory basis. For interconnections impacting the Company's Transmission and Distribution System, the Company will process the interconnection application through PacifiCorp Transmission Services.

EXHIBIT H
GREEN TAG ATTESTATION AND BILL OF SALE

Subject to Green Tags ownership as defined in Section 5.5, from the period commencing on October 15, 2018 and ending on _____, Three Sisters Irrigation District ("Seller") hereby sells, transfers and delivers to PacifiCorp the Green Tags (including all Green Tag Reporting Rights) associated with the generation of Net Output under the Power Purchase Agreement (Renewable Energy) between Seller and PacifiCorp dated [_____] (the "PPA"), as described below, in the amount of one Green Tag for each megawatt hour generated. Defined terms used in this Green Tag Attestation and Bill of Sale (as indicated by initial capitalization) shall have the meaning set forth in the PPA.

Facility name and location: Watson Net Meter/Micro Hydroelectric Facility, 68000 Hwy 20, Bend, Oregon Fuel Type: Water

Capacity (MW): .2 MW

Operational Date: 10/15/2018

Energy Admin. ID no.: _____

Dates	MWh generated
_____	_____

Seller further attests, warrants and represents, under penalty of perjury, as follows:

- i) to the best of its knowledge, the information provided herein is true and correct;
- ii) its sale to PacifiCorp is its one and only sale of the Green Tags referenced herein;
- iii) the Facility generated Output in the amount indicated above; and
- iv) to the best of Seller's knowledge, each of the Green Tags associated with the generation Output have been generated and sold by the Facility.

This Green Tag Attestation and Bill of Sale confirms, in accordance with the PPA, the transfer from Seller to PacifiCorp all of Seller's right, title and interest in and to the Green Tags (including Green Tag Reporting Rights), as set forth above.

Seller's Contact Person: [_____]

WITNESS MY HAND,

a _____

By _____

Its _____

Date: _____

This Attestation may be disclosed by Seller and PacifiCorp to others, including the Center for Resource Solutions and the public utility commissions having jurisdiction over PacifiCorp, to substantiate and verify the accuracy of PacifiCorp's advertising and public communication claims, as well as in PacifiCorp's advertising and other public communications.

ADDENDUM W

ADDENDUM W

GENERATION SCHEDULING ADDENDUM

WHEREAS, Seller and PacifiCorp are parties to that certain power purchase agreement, dated February 18, 2014, whereby Seller sells and PacifiCorp purchases the net output of an approximately 700 kilowatt (kW) hydroelectric facility (the "Facility") located in Deschutes County, Oregon (the "2014 PPA");

WHEREAS, the 2014 PPA included a "Generation Scheduling Addendum" included in the 2014 PPA as Addendum W;

WHEREAS, Seller has expanded its Facility to increase the capacity by approximately 200 kW (the "Capacity Expansion");

WHEREAS, Seller has entered into this Agreement with PacifiCorp whereby Seller sells and PacifiCorp purchases the net output of the Facility that is attributable to the Capacity Expansion;

WHEREAS, consistent with the amendment to the 2014 PPA, dated May 8th, 2018, this Addendum W is intended to replace the original Addendum W that was included in the 2014 PPA and will address generation scheduling under the 2014 PPA and this Agreement;

WHEREAS, Seller's Facility, including the Capacity Expansion, is not located within the balancing authority area of PacifiCorp;

WHEREAS, Seller's Facility, including the Capacity Expansion, does not interconnect directly to PacifiCorp's transmission system;

WHEREAS, Seller and PacifiCorp have not executed a Generation Interconnection Agreement in conjunction with the 2014 PPA and will not execute a Generation Interconnection Agreement in conjunction with this Agreement;

WHEREAS, Seller has elected to exercise its right under the federal Public Utility Regulatory Policies Act to deliver Net Output from its QF Facility, including the Capacity Expansion, to PacifiCorp via one (or more) Transmitting Entities;

WHEREAS, PacifiCorp desires that Seller schedule delivery of Net Output on a firm, hourly basis; and

WHEREAS, PacifiCorp does not intend to buy, and Seller does not intend to deliver, more or less than the Net Output from the Facility, including the Capacity Expansion, except as expressly provided below.

NOW, THEREFORE, Seller and PacifiCorp do hereby agree to the following, which shall become part of the Agreement as well as the 2014 PPA:

ADDENDUM W-ctd.

DEFINITIONS

The meaning of the terms defined in the Agreement and this **Addendum W** shall apply to this Generation Scheduling Addendum:

“Aggregate Net Output” means the aggregate of the “Net Output” as defined in the 2014 PPA and the “Net Output” as defined in this Agreement.

“Day” means midnight to midnight, prevailing local time at the Point of Delivery, or any other mutually agreeable 24-hour period.

“Energy Imbalance Accumulation,” or **“EIA,”** means the accumulated difference between Seller’s Aggregate Net Output and the energy scheduled and delivered at the Point of Delivery. A positive accumulated difference indicates Seller’s net delivery of Supplemented Output to PacifiCorp. A negative accumulated difference indicates Seller’s scheduled and delivered at the Point of Delivery is less than Seller’s Aggregate Net Output.

“Firm Delivery” means uninterruptible transmission service that is reserved and/or scheduled between the Point of Interconnection and the Point of Delivery pursuant to Seller’s Transmission Agreement.

“Settlement Period” means one month.

“Supplemented Output” means any increment of scheduled hourly energy or capacity delivered to the Point of Delivery in excess of the Aggregate Net Output during that same hour.

“Surplus Delivery” means any energy delivered in excess of hourly Aggregate Net Output that is not offset by the delivery of energy in deficit of hourly Aggregate Net Output during the Settlement Period. PacifiCorp shall accept Surplus Delivery, but shall not pay for it.

SELLER’S OBLIGATIONS IN LIEU OF THOSE CONTAINED IN A GENERATION INTERCONNECTION AGREEMENT.

1. **Seller’s Responsibility to Arrange for Delivery of Net Output to Point of Delivery.** Seller shall arrange for the Firm Delivery of Aggregate Net Output to the Point of Delivery. Seller shall comply with the terms and conditions of the Transmission Agreement(s) between the Seller and the Transmitting Entity(s). Whenever Seller fails to provide for Firm Delivery of Aggregate Net Output, all Net Output (under either this Agreement or the 2014 PPA) delivered via non-firm transmission rights shall be deemed Excess Output, and therefore subject to the payment provision in Section 5.4.

2. **Seller’s Responsibility to Schedule Delivery.** Seller shall coordinate with the Transmitting Entity(s) to provide PacifiCorp with a schedule of the next Day’s hourly scheduled Aggregate Net Output deliveries at least 24 (twenty-four) hours prior to the beginning of the day being scheduled, and otherwise in accordance with the WECC Prescheduling Calendar (which is updated annually and may be downloaded at: <http://www.wecc.biz/>).

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3. **Seller's Responsibility to Maintain Interconnection Facilities.** PacifiCorp shall have no obligation to install or maintain any interconnection facilities on Seller's side of the Point of Interconnection. PacifiCorp shall not pay any costs arising from Seller interconnecting its Facility with the Transmitting Entity(s).

4. **Seller's Responsibility to Pay Transmission Costs.** Seller shall make all arrangements for, and pay all costs associated with, transmitting Aggregate Net Output to PacifiCorp, scheduling energy into the PacifiCorp system and any other costs associated with delivering the Seller's Aggregate Net Output to the Point of Delivery.

5. **Energy Reserve Requirements.** The Transmitting Entity shall provide all generation reserves as required by the WECC and/or as required by any other governing agency or industry standard to deliver the Net Energy (under this Agreement and the 2014 PPA) to the Point of Delivery, at no cost to PacifiCorp.

6. **Seller's Responsibility to Report Net Output.** On or before the tenth (10th) day following the end of each Billing Period, Seller shall send a report documenting hourly station service, Excess Output, Net Output under the 2014 PPA, and Net Output under this Agreement from the Facility during the previous Billing Period, in columnar format substantially similar to the attached **Example 1**. If requested, Seller shall provide an electronic copy of the data used to calculate Net Output, in a standard format specified by PacifiCorp. For each day Seller is late delivering the certified report, PacifiCorp shall be entitled to postpone its payment deadline under the 2014 PPA and this Agreement by one day. Seller hereby grants PacifiCorp the right to audit its certified reports of hourly Net Output. In the event of discovery of a billing error resulting in underpayment or overpayment, the Parties agree to limit recovery to a period of three years from the date of discovery.

7. **Seller's Supplemental Representations and Warranties.** In addition to the Seller's representations and warranties contained in the 2014 PPA and this Agreement, Seller warrants that:

(a) Seller's Supplemented Output, if any, results from Seller's purchase of some form of energy imbalance ancillary service;

(b) The Transmitting Entity(s) requires Seller to procure the service, above, as a condition of providing transmission service;

(c) The Transmitting Entity requires Seller to schedule deliveries of Net Output in increments of no less than one (1) megawatt;

(d) Seller is not attempting to sell PacifiCorp energy or capacity in excess of its Aggregate Net Output; and

(e) The energy imbalance service, above, is designed to correct a mismatch between energy scheduled by the QF and the actual real-time production by the QF.

8. **Seller's Right to Deliver Supplemented Output.** In reliance upon Seller's warranties in Section 7, above, PacifiCorp agrees to accept and pay for Supplemented Output;

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provided, however, that Seller agrees to achieve an EIA of zero (0) kilowatt-hours during On-Peak Hours and zero (0) kilowatt-hours during Off-Peak Hours at the end of each Settlement Period.

(a) **Remedy for Seller's Failure to Achieve zero EIA.** In the event Seller does not achieve zero EIA at the end of each Settlement Period, PacifiCorp will declare any positive balance to be Surplus Delivery, and Seller's EIA will be reset to zero. PacifiCorp will include an accounting of Surplus Delivery in each monthly statement provided to Seller pursuant to Section 9.1 of the 2014 PPA and this Agreement.

(b) **Negative Energy Imbalance Accumulations.** Any negative EIA (indicating that the Transmitting Entity has delivered less than Seller's Aggregate Net Output to the Point of Delivery), will be reset to zero at the end of each Settlement Period. Seller's Net Output attributed to the 2014 PPA and this Agreement shall be reduced by the negative EIA based on the ratio of the Net Output for each agreement to the Aggregate Net Output times the negative EIA for billing purposes.

(c) **PacifiCorp's Option to Change EIA Settlement Period.** In the event PacifiCorp reasonably determines that doing so likely will have a *de minimis* net effect upon the cost of Seller's Aggregate Net Output to PacifiCorp, it may elect to enlarge the Settlement Period, up to a maximum of one Contract Year. Conversely, if PacifiCorp reasonably determines, based on the QF's performance during the current year, that reducing the Settlement Period likely will significantly lower the net cost of Seller's Aggregate Net Output to PacifiCorp, it shall have the right to shorten Seller's EIA settlement period beginning the first day of the following Contract Year. However, in no case shall the Settlement Period be less than one month.

ADDENDUM W—Example 1

Example of Seller's Output Reporting Requirement with Multiple Generators

Day	Hour ending (HE)	A1 Meter Reading ¹ at Point of Interconnection (MWh)	B1 Meter reading at Station Power Meter ² (MWh)	C1	A2 Meter Reading ¹ at Point of Interconnect ion (MWh)	B2 Meter reading at Station Power Meter ² (MWh)	C2	CT	DT Combine d Facility Capacity Rating (MW)	E
				(=A1-B1)			=A2-B2	=C1+C2		=Max (0, CT-DT)
				Net Output (M Wh)			Net Output (MWh)	Net Output (MWh)		Excess Output (MWh)
1	7:00	0.20	0.01	0.19	0.65	0.01	0.64	0.83	0.90	
1	8:00	0.15	0.02	0.13		0.02	(0.02)	0.11	0.90	
1	9:00	0.12	0.01	0.11	0.50	0.01	0.49	0.60	0.90	
1	10:00	0.21	0.01	0.20	0.50	0.01	0.72	0.92	0.90	0.02
1	11:00	0.18	0.01	0.17	0.50	0.01	0.72	0.89	0.90	
1	12:00	0.17	0.01	0.16	0.40	0.01	0.39	0.55	0.90	
1	13:00	0.19	0.01	0.18	0.30	0.01	0.29	0.47	0.90	
1	14:00	0.14	0.01	0.13	0.45	0.01	0.44	0.57	0.90	
1	15:00	0.10	0.01	0.09	0.50	0.01	0.49	0.58	0.90	
1	16:00	0.05	0.01	0.04	0.60	0.01	0.59	0.63	0.90	
1	17:00	0.08		0.08	0.65		0.65	0.73	0.90	
1	18:00	0.09	0.01	0.08	0.65	0.01	0.64	0.72	0.90	
1	19:00	0.14	0.02	0.12	0.71	0.02	0.72	0.84	0.90	
1	20:00	0.16	0.01	0.15	0.50	0.01	0.49	0.64	0.90	

¹ Seller shall show adjustment of Meter Reading for losses, if any, between point of metering and the Point of Interconnection, in accordance with Section 8.1 of the 2014 PPA and this Agreement.

² Does not apply if Station Service is provided from the gross output of the Facility.