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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

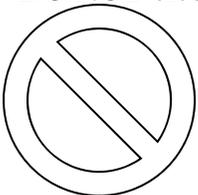
Other

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.**

July 30, 2018

***VIA ELECTRONIC FILING***

Public Utility Commission of Oregon  
201 High Street SE, Suite 100  
Salem, OR 97301-1166

**RE: RE 142—Informational Filing on Qualifying Facility Transactions**

In accordance with OAR 860-029-0020(1), PacifiCorp d/b/a Pacific Power submits an electronic copy of an executed qualifying facility (QF) power purchase agreement (PPA), as listed on Attachment A.

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, Manager, Regulatory Affairs, at (503) 813-6583.

Sincerely,



Etta Lockey  
Vice President, Regulation

Enclosures

cc: Brittany Andrus, PUC Staff

RE 142

Informational Filing – QF Agreements

July 30, 2018

Attachment A

Oregon / PacifiCorp

Docket: RE 142 – Informational Filing

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

<p><b>Oregon Qualifying Facility (QF) Agreements</b></p>
<p><b>** NON-CONFIDENTIAL **</b></p>
<p>Deschutes Valley Water District (Opal Springs) – 5.93 MW</p>

**POWER PURCHASE AGREEMENT**

**BETWEEN**

**DESCHUTES VALLEY WATER DISTRICT**

**[an existing Firm Qualifying Facility with 10,000 kW Facility Capacity Rating, or Less  
and not an Intermittent Resource]**

**AND**

**PACIFICORP**

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- EXHIBIT G: GREEN TAG ATTESTATION AND BILL OF SALE

POWER PURCHASE AGREEMENT

July  
THIS POWER PURCHASE AGREEMENT ("Agreement"), entered into this <sup>19<sup>th</sup></sup> day of ~~May~~ July, 2018, is between Deschutes Valley Water 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 owns, operates and maintains the Opal Springs Hydroelectric Project facility for the generation of electric power, including interconnection facilities, located in Culver, Jefferson, Oregon with a Facility Capacity Rating of 5,930-kilowatts (kW) as further described in Exhibit A and Exhibit B ("Facility"); and

B. The Parties desire to enter into this Agreement to replace in its entirety the power purchase agreement dated November 15, 1982 and as amended June 30, 1983 (the "PPA"), which terminates on December 31, 2020; and

C. Seller intends to continue to deliver Net Output under this Agreement; and

D. Seller intends to continue to operate the Facility as a Qualifying Facility, and is deemed to have established commercial operation under the previous PPA; and

E. Seller estimates that the average annual Net Energy to be delivered by the Facility to PacifiCorp is 28,782,454 kilowatt-hours (kWh), which amount of energy PacifiCorp will include in its resource planning; and

F. Seller shall (choose one)  sell all Net Output to PacifiCorp and purchase its full electric requirements from PacifiCorp or another electric service provider  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 this Agreement; and

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

## 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 on 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, unless otherwise agreed to, the time period between PacifiCorp's consecutive readings of its power purchase billing meter at the Facility in the normal course of PacifiCorp's business. Such periods typically range between twenty-seven (27) and thirty-four (34) days and may not coincide with 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 “**Commission**” means the Public Utility Commission of Oregon.

1.6 “**Contract Price**” means the applicable price for capacity or energy, or both capacity and energy, stated in Sections 5.1, 5.2, and 5.3.

1.7 “**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 Effective Date and end on the next succeeding December 31, and the last Contract Year shall end on the Termination Date.

1.8 “**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.

1.9 “**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 Schedule 37, 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 Schedule 37. Such amount shall be fixed at the Effective Date of this Agreement.

1.10 “**Effective Date**” of this Agreement shall be 12:01 AM January 1, 2021, which is the day after the date upon which the PPA terminates.

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

1.12 “**Environmental Attributes**” shall mean any and all claims, credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, resulting from the avoidance of the emission of any gas, chemical, or other substance to the air, soil or water. Environmental Attributes include but are not limited to: (1) any avoided emissions of pollutants to the air, soil, or water such as (subject to the foregoing) sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO), and other pollutants; and (2) any avoided emissions of carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change to contribute to the actual or potential threat of altering the Earth's climate by trapping heat in the atmosphere.

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

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

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

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

1.17 “**Generation Interconnection Agreement**” means the generation interconnection agreement to be entered into separately between Seller and PacifiCorp’s transmission or distribution department, as applicable, providing for the construction, operation, and maintenance of PacifiCorp’s interconnection facilities required to accommodate deliveries of Seller’s Net Output if the Facility is to be interconnected directly with PacifiCorp rather than another electric utility.

1.18 “**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.

1.19 “**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.

1.20 “**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.

1.21 “**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.

1.22 “**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 operate, maintain or own the Facility as provided in this Agreement

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

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

1.25 “**Nameplate 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, kilovolt-amperes, kilowatts, volts, or other appropriate units. Usually indicated on a nameplate attached to the individual machine or device.

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

1.27 “**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. For purposes of calculating payment under this Agreement, Net Output of energy shall be the amount of energy flowing through the Point of Delivery.

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

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

1.30 “**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 Schedule 37.

1.31 “**Point of Delivery**” means the high side of the Seller’s step-up transformer(s) located at the point of interconnection between the Facility and PacifiCorp’s distribution/transmission system, or as otherwise specified in the Generation Interconnection Agreement, or, if the Facility is not interconnected directly with PacifiCorp, the point at which another utility will deliver the Net Output to PacifiCorp as specified in **Exhibit B**.

1.32 “**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.

1.33 “**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.

1.34 “**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.

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

1.36 “**Renewable Resource Sufficiency Period**” means the period from Effective Date through December 31, 2027.

1.37 “**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).

1.38 “**Required Facility Documents**” means all licenses, permits, authorizations, and agreements, including a Generation Interconnection Agreement or equivalent, necessary for operation, and maintenance of the Facility consistent with the terms of this Agreement and requested in writing by PacifiCorp, including without limitation those set forth in **Exhibit C**.

1.39 “**Standard Avoided Cost Rates Schedule**” means the Commission-approved Standard Avoided Cost Rates Schedule of Pacific Power & Light, 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 F**.

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

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

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

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

## **Section 2: TERM; EFFECTIVE DATE**

2.1 After execution by both Parties, this Agreement shall become effective on the Effective Date.

2.2 By the Effective Date, Seller shall provide PacifiCorp with (a) a copy of an executed Generation Interconnection Agreement, or wheeling agreement, as applicable, which shall be consistent with all material terms and requirements of this Agreement, (b) the Required Facility Documents, and (c) an executed copy of **Exhibit E** – Seller’s Authorization to Release Generation Data to PacifiCorp.

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.

2.4 Except as otherwise provided herein, this Agreement shall terminate on December 31, 2035 (“**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 a municipal water district duly organized and validly existing under the laws 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 Seller's 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):

    EP     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, 28,782,454 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 make available from the Facility a minimum of 16,213,245 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 Effective Date, and further provided that such minimum Net Output shall be reduced on a pro-rata basis for any periods during a Contract Year that the Facility was prevented from generating electricity for reasons of Force Majeure ("**Minimum Annual Delivery**"). Seller estimates, for informational purposes, that it will make available from the Facility a maximum of 33,926,098 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 D-1**.

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 G** 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 PacifiCorp’s 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 PacifiCorp’s Standard Avoided Cost Rates Schedule, and a table summarizing the purchase prices under the pricing option selected by Seller, is attached as **Exhibit F**.

5.2 (Fixed Price Standard Sellers 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 **PacifiCorp’s Standard Avoided Cost Rates Schedule** during the first fifteen (15) years after the Effective 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 **PacifiCorp’s 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 (Mid-C), 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 any 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 Generation Interconnection Agreement and any other agreements with PacifiCorp.

6.3 Seller shall operate and maintain the Facility in a safe manner in accordance with the Generation Interconnection Agreement (if applicable), 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 PacifiCorp's electric system is disconnected, suspended or interrupted, in whole or in part, pursuant to the Generation Interconnection Agreement, or to the extent generation curtailment is required as a result of Seller's non-compliance with the Generation Interconnection Agreement. 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**

8.1 PacifiCorp shall design, furnish, install, own, inspect, test, maintain and replace all metering equipment required pursuant to the Generation Interconnection Agreement, if applicable.

8.2 Metering shall be performed at the location and in a manner consistent with this Agreement and as specified in the Generation Interconnection Agreement, or, if the Net Output is to be wheeled to PacifiCorp by another utility, metering will be performed in accordance with the terms of PacifiCorp's interconnection agreement with such other utility. 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 Delivery, so that the purchased amount reflects the net amount of energy flowing into PacifiCorp's system at the Point of Delivery.

8.3 PacifiCorp shall periodically inspect, test, repair and replace the metering equipment as provided in the Generation Interconnection Agreement, if applicable. If the Net Output is to be wheeled to PacifiCorp by another utility, meter inspection, testing, repair and replacement will be performed in accordance with the terms of PacifiCorp's interconnection agreement with such utility. If any of the inspections or tests discloses an error exceeding two percent (2%), either fast or slow, proper correction, based upon the inaccuracy found, shall be made of previous readings for the actual period during which the metering equipment rendered inaccurate measurements if that period can be ascertained. If the actual period cannot be ascertained, the proper correction shall be made to the measurements taken during the time the metering equipment was in service since last tested, but not exceeding three (3) Billing Periods, in the amount the metering equipment shall have been shown to be in error by such test. Any correction in billings or payments resulting from a correction in the meter records shall be made in the next monthly billing or payment rendered following the repair of the meter.

**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, the Generation Interconnection 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. Within thirty (30) days after the Effective 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 Generation Interconnection 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 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 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.
- 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; *provided, however* that PacifiCorp shall not terminate for a default under Section 11.1.5 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, 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 Contract 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. No later than the Effective Date of this Agreement, 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 Upon the Effective Date, 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
<b>All Notices</b>	PacifiCorp 825 NE Multnomah Street Portland, OR 97232 Attn: Contract Administration, Suite 600 Facsimile: (503) 813 – 6291 Email: <a href="mailto:cntadmin@PacifiCorp.com">cntadmin@PacifiCorp.com</a>  Duns: 00-790-9013 Federal Tax ID Number: 93-0246090	Deschutes Valley Water District 881 SW Culver Hwy Madras, OR 97741 Attn: Edson Pugh Facsimile: 541-475-6013 Email: <a href="mailto:Edson@dvwd.org">Edson@dvwd.org</a>  Duns: 09-625-0659 Federal Tax ID Number: 93-6001466

Notices	PacifiCorp	Seller
<b>All Invoices:</b>	Attn: Back Office, Suite 700 Facsimile: (503) 813 - 5580 Email: powerinvoices@pacificorp.com	Attn: Joan Moe Facsimile: 541-475-6013 Email: jmoe@dvwd.org
<b>Scheduling:</b>	Attn: Pre-Scheduling, Suite 600 Phone: (503) 813 - 6090 Email: ctpreschd@pacificorp.com	Attn: Operators - Opal Springs Phone: 541-546-6151 Email: bkula@dvwd.org (Bonn), mbarry@dvwd.org (Mike),
<b>Payments:</b>	Attn: Central Cashiers Office, Suite 550 Phone: (503) 813 - 6826	Attn: Joan Moe Facsimile: 541-475-6013 Email: jmoe@dvwd.org
<b>Wire Transfer:</b>	Bank One N.A. To be provided in separate letter from PacifiCorp to Seller	Seller will provide information separately.
<b>Credit and Collections:</b>	Attn: Credit Manager, Suite 700 Phone: (503) 813 - 7280 Facsimile: (503) 813-5609	Attn: Joan Moe Phone: 541-475-3849 Facsimile: 541-475-6013
<b>With Additional Notices of an Event of Default or Potential Event of Default to:</b>	Attn: Assistant General Counsel 825 NE Multnomah Street, Suite 1800 Portland, OR 97232  Phone: (503) 813-5356	

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

5/1/06

Seller

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

Name: Edson Pugh

Title: General Manager

**EXHIBIT A**  
**DESCRIPTION OF SELLER'S FACILITY**

The Opal Springs Hydroelectric Project (FERC No. 5891) (OSHP or Project), owned and operated by the Deschutes Valley Water District (DVWD), lies within a strongly groundwater influenced section of the Lower Crooked River, and within a deep gorge approximately 5 miles southwest of Culver, Oregon. The Project extends from River Mile (RM) 6.9 on Crooked River, less than a mile above Lake Billy Chinook, up to RM 7.8, 0.2 miles downstream of a federally designated Wild-and-Scenic section of the river.

The Project consists of a 21-foot-high, 175' 2 1/2"-foot-long concrete capped rockfill diversion dam creating a pool with a storage capacity of 106.4 acre-feet and a surface area of 11.1 acres at normal maximum pool elevation of 2005.9 feet NGVD 29; a 44-foot by 33-foot rectangular concrete intake structure 32 feet in height; two 12.5-foot-diameter, 1,157-foot-long buried corrugated metal conduits; a 30-foot-diameter steel surge tank-bifurcator; a 16-foot-diameter, 160-foot-long steel penstock; two existing Crooked River-fed turbine-driven potable water pumps, one rated at 160 horsepower and the other rated at 410 horsepower; a powerhouse containing one 4.3 MW generating unit; a 4160v/69kV transformer to a 69 kV switch; and appurtenant facilities.

Seller's Facility consists of one 4.3 MW generating unit manufactured by Siemens-Allis. More specifically, generator at the Facility is described as:

**Type (synchronous or inductive):** synchronous

**Model:** AKW

**Number of Phases:** 3

**Rated Output (kW):** 4,300

**Rated Output (kVA):** 5,060

**Rated Voltage (line to line):** 4,160

**Rated Current (A):** Stator: 702 Amps; Rotor: 234 Amps

**Maximum kW Output:** @PF 1 = 5060 kW **Maximum kVA Output:** \_\_\_\_\_ kVA

**Minimum kW Output:** @PF .85 = 4300 kW

---

**Facility Capacity Rating:** 5,930 kW at 37.0 Ft. Net Head and reflects maximum generation capacity in kW during high run-off water flow conditions in the spring months each year. Facility Capacity Rating is consistent with Seller's Generation Interconnection Agreement.

---

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

The 5,060 KVA rating is in line with the 4,300-kW number at a PF of 0.85. The powerhouse rating is 4,300 kW, although it can and does operate above that rating with higher head or if the PF were higher up to 5,930 kW. Due to wooden flashboards that were installed in the early days of this hydro operation which increased the project's head, the project can operate above a 0.85 PF.

**Station service requirements, and other loads served by the Facility, if any, are described as follows:** Facility consumes about 30 amps of 480 3-phase load which would be about 25 kVA

---

[Calculation: 30 amps x 480 volts x 1.732 (for 3-Phase power, otherwise skip this multiplier for single phase) = 24.941532 = 25 kVA]

---

**Location of the Facility:** The Facility is located in Deschutes County, Oregon. The location is more particularly described as follows:

Crooked River (in canyon) SW Lasalle Ln,  
Culver, OR 97734  
Latitude 44.486N, Longitude -121.298W

**Power factor requirements:**

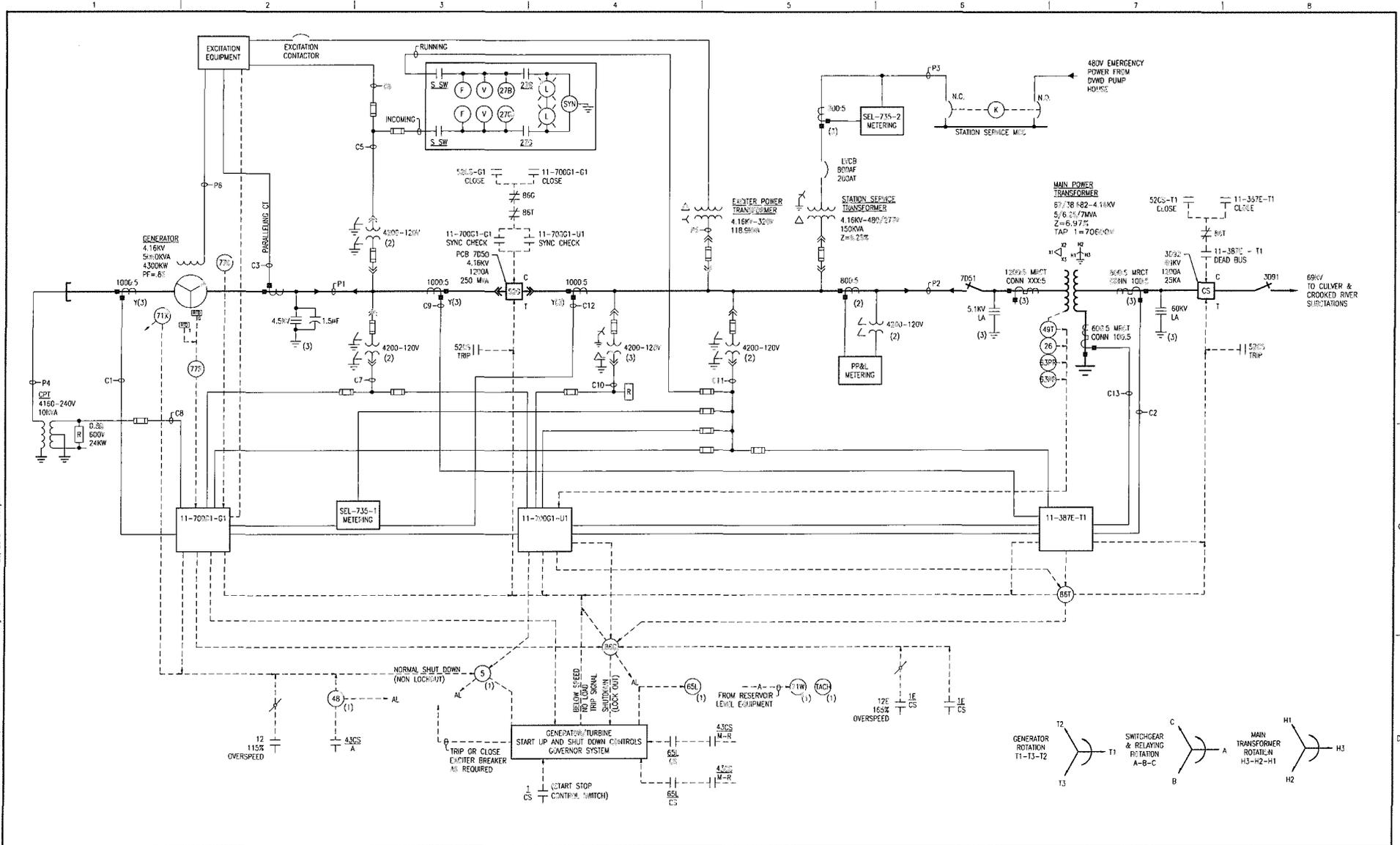
Rated Power Factor (PF) or reactive load (kVAR):

**EXHIBIT B**  
**SELLER'S INTERCONNECTION FACILITIES**

**POINT OF DELIVERY / SELLER'S INTERCONNECTION FACILITIES**

Facility connects to PacifiCorp from Facility's substation transformer by switch 3D91. This leads to the Culver substation via the 69kV transmission line.

See attached one-line diagram.



Project: 1127958 Opal Springs Hydroelectric Dam 34005B-10ng Layout1 Rev. 26, 2012 - 4:03pm  
 Scale: 1:1

THIS DRAWING WAS PREPARED BY POWER ENGINEERS, INC. FOR A SPECIFIC PROJECT, BASED ON CONSIDERATION OF THE SPECIFIC AND UNIQUE REQUIREMENTS OF THE PROJECT. NOISE OF THIS DRAWING OR ANY INFORMATION CONTAINED IN THIS DRAWING FOR ANY PURPOSE IS FURNISHED UNLESS WRITTEN PERMISSION FROM POWER ENGINEERS, INC. IS OBTAINED.

REV	REVISIONS	DATE	DRN	DSGN	CKD	APPD	REFERENCE DRAWINGS
1	AS BUILT	1/31/12	MAG	CJS	CJS		
0	ISSUED FOR CONSTRUCTION	09/23/11	MAG	CJS	CJS		

DSGN	CJS	6/2/11
DRN	MAG	6/9/11
CKD	CJS	6/9/11
SCALE:	NONE	
FOR 22-34 Dwg ONLY		



DESCHUTES VALLEY WATER DISTRICT  
 OPAL SPRINGS HYDROELECTRIC PROJECT  
 ONE LINE DIAGRAM

JOB NUMBER	123058	REV	1
DRAWING NUMBER	E8-1		

EXECUTION VERSION

**EXHIBIT C**  
**REQUIRED FACILITY DOCUMENTS**

QF Certification  
Interconnection Agreement  
FERC License or documentation of an applicable exemption  
Power Generation Water Rights

## Edson at DVWD

---

**From:** eFiling@ferc.gov  
**Sent:** Wednesday, February 02, 2011 11:23 AM  
**To:** edson@dvwd.org; eFiling@ferc.gov  
**Subject:** FERC Receipt of Filing in New Docket

### Confirmation of Receipt

-----

This is to confirm receipt by the FERC Office of the Secretary of the following electronic submission:

-Submission ID: 283167  
-Docket(s) No.: New Docket  
-Filed By: DESCHUTES VALLEY WATER DISTRICT -Signed By: Edson Pugh -Filing Desc: Form 556 of DESCHUTES VALLEY WATER DISTRICT under New Docket. This is for Opal Springs Hydro.  
-Submission Date/Time: 2/2/2011 2:18:28 PM -Filed Date: 2/2/2011 2:18:28 PM

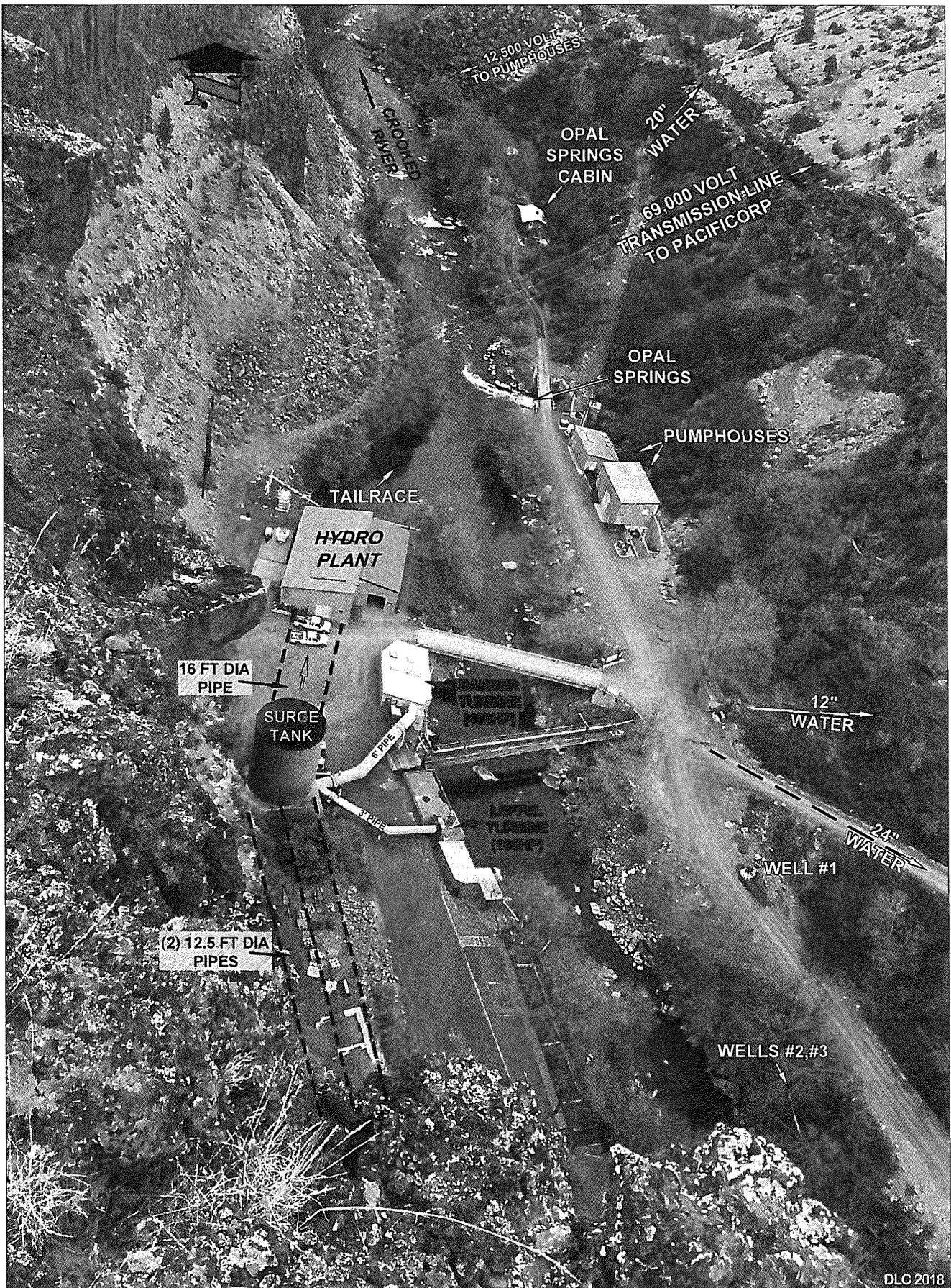
Additional detail about your filing is available via the following link:

<https://ferconline.ferc.gov/SubmissionStatus.aspx?hashcode=ES0Z7PmMGmNF6b4EJwHOQ>

You will receive an email, shortly, concerning the status of your submission.

Thank you for participating in the FERC Electronic Filing System. If you have any questions, or if you detect errors in your submission or the FERC-generated PDF, please contact FERC at:

E-Mail: [efiling@ferc.gov](mailto:efiling@ferc.gov) <mailto:efiling@ferc.gov> (do not send filings to this address)  
Voice Mail: 202-502-8258.



DESCHUTES VALLEY WATER DISTRICT  
**OPAL SPRINGS PROJECT AREA**

**EXHIBIT D-1**  
**SELLER'S MOTIVE FORCE PLAN**

**A. MONTHLY DELIVERY SCHEDULES AND SCHEDULED MAINTENANCE**

<b>Month</b>	<b>Average Energy (kWh)</b>
January	2,418,966
February	2,389,967
March	2,729,980
April	3,014,233
May	2,687,167
June	2,337,726
July	2,086,228
August	2,097,828
September	2,178,067
October	2,311,858
November	2,176,155
December	2,354,279
<b>TOTAL</b>	<b>28,782,454</b>

**B. MINIMUM ANNUAL DELIVERY CALCULATION**

16,213,245 kWh (1985) – Lowest generation in plant history (based on scheduled maintenance outage).

**C. MAXIMUM ANNUAL DELIVERY CALCULATION**

Annual maximum generation: 33,926,098 kWh (2006). Highest generation year in plant history.

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

Kleinschmidt Associates of Portland, Oregon has been retained by Deschutes Valley Water District for the purposes of executing this PPA for the Opal Springs Hydroelectric Project (FERC Project No. 5891).

Since the project is a run-of-the-river project, the power production is heavily influenced by weather patterns as the Opal Springs Hydroelectric Project does not retain any water. Based on the relatively long historic daily flow release and operation patterns (data available since 1985), and the probability that the Opal Springs Hydroelectric Project will continue to operate the Project as it historically has, we are confident that unless there is a major climate change, or a significant change to the operational management plan during the term of the Agreement, that the plant will generate the average Monthly Delivery Schedules as identified in Exhibit D-1.

**ENGINEER'S CERTIFICATION**

- (1) THAT THE FACILITY'S AVERAGE NET ENERGY ESTIMATE IS 28,782,454 KWH PER YEAR IN EACH FULL CALENDAR YEAR OF THIS AGREEMENT IN ACCORDANCE WITH METHODS AND VARIANCES DESCRIBED ABOVE AND IN EXHIBIT D-1;

**KLEINSCHMIDT ASSOCIATES**

  
Eric Chambers, P.E.

4/27/2018  
Date

- (2) THAT THE FACILITY'S MINIMUM NET ENERGY ESTIMATE IS 16,213,245 KWH. KWH PER YEAR IN EACH FULL CALENDAR YEAR OF THIS AGREEMENT IN ACCORDANCE WITH METHODS AND VARIANCES DESCRIBED ABOVE AND IN EXHIBIT D-1;

**KLEINSCHMIDT ASSOCIATES**

  
Eric Chambers, P.E.

4/27/2018  
Date

- (3) THAT THE FACILITY'S MAXIMUM NET ENERGY ESTIMATE IS 33,926,098 KWH PER YEAR IN EACH FULL CALENDAR YEAR OF THIS AGREEMENT IN ACCORDANCE WITH METHODS AND VARIANCES DESCRIBED ABOVE AND IN EXHIBIT D-1;

**KLEINSCHMIDT ASSOCIATES**

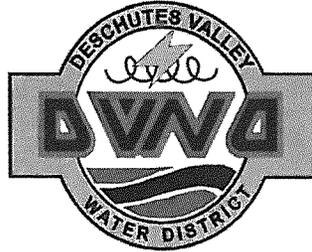
  
Eric Chambers, P.E.

4/27/2018  
Date

Average MWh by Month + Year																		
Month	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Jan		2522354	2320140	2274600	2474500	2309000	2200400	2379980	2270399	2497199	2232222	2650540	3538033	2666969	3078003	0	2015699	2366209
Feb		<b>3563225</b>	2771397	2180200	2032600	2105600	2372100	2138164	2096207	2266124	3111037	3480163	3345845	2535744	3334368	1983245	1795672	2088103
March		3639002	2841640	2293200	3580400	2271900	1942900	2229995	2911417	2291747	2676533	3133709	2640037	3011418	3496795	2947304	1732747	2301200
April		3895281	3757137	2201800	3676500	2268400	1958700	1915786	3229658	2130357	2762012	3123129	3460100	3397632	<b>4129319</b>	3910618	2126896	2145550
May		1239104	2449983	1932000	3148450	2295900	3340000	2132947	3735940	2127678	3040375	3193127	2552525	3951457	2864193	2242603	2066101	2065003
June	2506922	1988083	2045555	2530800	2179900	1870900	1169400	2002437	2874157	2126871	2372821	2452600	2810000	3409545	2512579	2106143	2066100	2021024
July	2418054	2281826	2379740	1824100	1789300	2000900	1665000	1899415	2100563	1646926	1980411	2011943	<b>2538069</b>	2149924	1767401	2258896	2083254	1954385
Aug	2144895	1538955	2422950	2330900	2557500	2233000	1963000	2141878	<b>2636652</b>	2056828	2136574	2335913	2259870	2531448	0	2207765	2075954	2109511
Sept	2386126	<b>2862925</b>	2812904	1146100	2466300	1907500	2134000	2040350	2592265	2220844	2219311	2274574	2385034	2638190	0	2319667	1996667	2208638
Oct	2522354	2447854	<b>2887500</b>	2154500	2544400	2657400	2711776	1828233	2582704	2275078	2500502	2500570	2344396	2643703	0	2443481	2359759	2443660
Nov	1908368	2300983	2069200	2486500	2358100	2195400	2273792	2583751	2408450	2301337	<b>2795325</b>	2716934	2415741	754975	0	2272348	2229955	2219578
Dec	2326526	2886339	2103900	2180722	2201200	2241600	2195020	2435022	2908347	2469323	3078280	3157642	2258235	<b>3247630</b>	0	2309231	2309703	2294166

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
2335268	2461978	2396897	<b>4250883</b>	3017420	2228523	1132368	2386126	3203336	2308354	2276622	2125576	2884002	2332093	2271209
2142246	2503397	2105528	3310043	2362255	2133665	2002723	2264539	0	2147119	2070200	2013150	2464170	2673469	3086630
2298405	3506072	2300255	3620037	3211343	2676885	2277929	2351150	2095373	2467646	2325771	2321168	2281750	<b>3906859</b>	3776773
2236869	3609588	2602453	3986459	1914064	3192882	2749549	3526105	3786358	3645511	2732662	2706647	2311950	3246500	4118996
2128935	3030708	3583302	3368782	907073	3078634	2895367	3181509	<b>4215563</b>	2697118	2206051	2147082	2362647	2542499	3266680
1998089	2407355	2233414	2811577	2108250	2510544	2359266	2997685	<b>3436953</b>	2339925	2183995	2060857	2089215	2225812	2336190
2043438	2234690	2040766	2118227	2097955	2101909	2048409	2143831	2365657	2191787	2098950	2125710	2189695	2208180	
1912406	2215635	1808259	1962356	2048429	2184375	2080312	2208531	2193533	2196047	2139653	2165198	2164684	2167471	
2175863	2355546	2252073	2305955	2338915	2224990	1907947	2342513	2247808	2174709	2122466	2187194	2209852	2240916	
2343853	2400095	2478191	2578036	2439432	2427224	2396283	2458360	1664683	2193800	2322809	2168464	2095339	2165016	
2247617	2329042	2304677	2165740	2173651	2240982	2208815	2390108	2319147	2211073	2139075	2246115	2124991	2243902	
2326841	2404217	2581493	1448003	2235659	2239047	2246135	3191562	2342762	2293707	2179995	2777520	2175492	2291610	

**EXHIBIT E**  
**SELLER AUTHORIZATION TO RELEASE**  
**GENERATION DATA TO PACIFICORP**



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

**RE: Deschutes Valley Water District Interconnection Request**

Dear Sir or Madam:

Deschutes Valley Water District hereby voluntarily authorizes PacifiCorp's Transmission business unit to share Deschutes Valley Water District'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. Deschutes Valley Water 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 'Edson Pugh'.

Name: Edson Pugh

Title: General Manager

Date: April 2, 2018

**EXHIBIT F**  
**STANDARD AVOIDED COST RATES SCHEDULE AND PRICING SUMMARY**  
**TABLE**

Oregon Renewable Base-load Avoided Cost Prices <sup>1</sup> (\$/MWh)			
Contract Year	Year	On-Peak	Off-Peak
1	2021	\$28.83	\$20.81
2	2022	\$30.82	\$24.41
3	2023	\$33.60	\$27.48
4	2024	\$37.09	\$25.38
5	2025	\$39.55	\$33.35
6	2026	\$39.95	\$33.95
7	2027	\$41.01	\$35.23
8	2028	\$101.36	\$67.58
9	2029	\$103.54	\$69.45
10	2030	\$105.62	\$71.55
11	2031	\$108.05	\$73.36
12	2032	\$110.56	\$75.32
13	2033	\$112.91	\$77.54
14	2034	\$115.52	\$79.59
15	2035	\$118.46	\$81.28

<sup>1</sup> 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)

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**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)

**AVOIDED COST PURCHASES FROM  
 ELIGIBLE QUALIFYING FACILITIES**
**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 June 1, 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 PURCHASES FROM  
 ELIGIBLE QUALIFYING FACILITIES**
**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)

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

**AVOIDED COST PURCHASES FROM  
 ELIGIBLE QUALIFYING FACILITIES**
**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).

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

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**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](http://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).

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**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 G**  
**GREEN TAG ATTESTATION AND BILL OF SALE**

Subject to Green Tags ownership as defined in Section 5.5, from the period commencing on \_\_\_\_\_ and ending on \_\_\_\_\_, \_\_\_\_\_ ("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: \_\_\_\_\_ Fuel Type: \_\_\_\_\_

Capacity (MW): \_\_\_\_\_ Operational Date: \_\_\_\_\_

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.