

PACIFIC POWER & LIGHT COMPANY

FOR COMMISSION'S RECEIPT
STAMP

SCHEDULE 125
COMMERCIAL AND INDUSTRIAL ENERGY SERVICES
OPTIONAL FOR QUALIFYING CUSTOMERS

PURPOSE:

Service under this Schedule is intended to maximize the efficient utilization of the electricity requirements of new and existing loads in Commercial and Industrial Facilities by promoting the installation of Energy Efficiency Measures.

APPLICABLE:

To service under the Company's General Service Schedules 24, 33, 36, 40, 47T, 48T and 54 in all territory served by the Company in the State of Washington. This Schedule is not applicable to existing Commercial Buildings under 20,000 square feet. Square footage is the total Building or Facility area served by the Company's meter(s).

DEFINITIONS:

Annual kWh Savings: The annual kilowatt-hour (kWh) savings resulting from installation of the Energy Efficiency Measures, as estimated by Company using engineering analysis.

Average Monthly kW Savings: The Average Monthly kilowatt (KW) savings resulting from the installation of Energy Efficiency Measures as estimated by Company using engineering analysis as described below:

Average monthly KW Savings = (baseline average monthly kW - proposed average monthly kW), where:

- ⇒ Average monthly kW = sum of the 12 Monthly Maximum kW/12, where
- ⇒ Monthly Maximum kW = highest of all 15 minute average kW (as determined below)
- ⇒ 15 minute average kW = sum of kWh used over 0.25 hrs /0.25 hrs

(Continued)

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DEFINITIONS: (continued)

Baseline Level:

Baseline Adjustments: Company may adjust baseline electric energy consumption and costs during engineering analysis to reflect any of the following: energy codes, standard practice, changes in capacity, changes in production or facility use and equipment at the end of its useful life. For existing fixtures, baseline wattages for all fluorescent lighting Energy Efficiency Measures in all facilities shall be the lesser of existing equipment or the energy efficient magnetic ballast and energy saving lamp combination listed in the lighting table available on the Washington energy efficiency program section of the Company web site.

Commercial Building: A structure that is served by Company and meets the applicability requirements of this tariff at the time an Energy Efficiency Incentive Agreement is executed which does not meet the definition of an Industrial Facility.

Commissioning: The process of verifying and documenting that the performance of electric energy using systems meets the design intent and owner's operational requirement.

Customer: Any party who has applied for, been accepted and receives service at the real property, or is the electricity user at the real property.

Energy Efficiency Incentive: Payment of money made by Company to Owner or Customer for installation of an Energy Efficiency Project pursuant to an executed Energy Efficiency Incentive Agreement.

(Continued)

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SCHEDULE 125
COMMERCIAL AND INDUSTRIAL ENERGY SERVICES
OPTIONAL FOR QUALIFYING CUSTOMERS

DEFINITIONS: (continued)

Energy Efficiency Incentive Agreement: An agreement between Owner or Customer and Company providing for Company to furnish Energy Efficiency Incentive with respect to Energy Efficiency Project pursuant to this tariff schedule.

Energy Efficiency Measure (EEM): A permanently installed measure specified in an Energy Efficiency Incentive Agreement which can improve the efficiency of the Customer's electric energy use. EEMs designed to primarily reduce Average Monthly kW must also reduce electric energy use to be eligible for Energy Efficiency Incentives.

Energy Efficiency Measure (EEM) Cost:

New construction: EEM Cost is the total installed cost of the energy efficient equipment or system minus the cost of the code compliance/common practice equipment or system.

Major Renovation: EEM Cost is the total installed cost of the energy efficient equipment or system minus the cost of the code compliance/common practice equipment or system.

Retrofit: EEM Cost is the total installed cost of the energy efficiency equipment or modification.

In the case of new construction, major renovation and retrofits, EEM Costs shall mean the Owner or Customer's reasonable costs incurred (net of any discounts, rebates or incentives other than Energy Efficiency Incentives from the Company, or other consideration that reduces the final actual EEM Cost incurred by the Owner or Customer) to purchase and install EEMs at the Owner or Customer's facility. If the Owner or Customer installs the EEM then the cost of installation shall be equal to the Owner's or Customer's actual labor costs for such installation.

For Energy Efficiency Projects involving EEM(s) that save both natural gas and electricity where the Owner or Customer can reasonably expect to receive an incentive from their gas company, the EEM Cost will be pro-rated prior to calculating the Energy Efficiency Incentive. This does not apply to design assistance projects.

Energy Efficiency Project: One or more EEM(s) covered by one Energy Efficiency Incentive Agreement. Annual kWh and Average Monthly kW savings for an Energy Efficiency Project shall be the sum of the individual EEM values.

Energy Efficiency Project Cost: Energy Efficiency Project cost shall be the sum of the individual EEM costs.

Industrial Facility: Buildings and process equipment associated with manufacturing.

Mixed Use: Buildings served by a residential schedule and a rate schedule listed under **Applicable** shall be eligible for services under this schedule provided the Energy Efficiency Project meets the definition of New
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SCHEDULE 125
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OPTIONAL FOR QUALIFYING CUSTOMERS

DEFINITIONS: (continued)

New Construction: A newly constructed facility or newly constructed square footage added to an existing facility.

Major Renovation: A change in facility use type or where the existing system will not meet Owner/Customer projected requirements within existing square footage.

Owner: The person who has both legal and beneficial title to the real property specified in an Energy Efficiency Incentive Agreement or Energy Services Agreement or who is the mortgagor under a duly recorded mortgage or the grantor under a duly recorded deed of trust or a purchaser under a duly recorded agreement with respect to such real property.

Retrofit: Changes, modifications or additions to systems or equipment in existing facility square footage.

Supplemental Services Agreement: An agreement between Owner or Customer and Company providing for Company to furnish Supplemental Services with respect to Supplemental Services section of this Tariff Schedule.

INCENTIVES FOR ENERGY EFFICIENCY PROJECTS:

Energy Efficiency Incentives: The Energy Efficiency Incentive made by the Company for installation of EEMs pursuant to an Energy Efficiency Incentive Agreement shall be the **lesser** of the sum of (a) and (b) **OR** (c):

- (a) \$0.15/kWh for the Energy Efficiency Project Annual kWh savings as determined using Company provided or approved engineering analysis;
- (b) \$50/kW for the Energy Efficiency Project Average Monthly kW savings determined using Company provided or approved engineering analysis.
- (c) 60 percent of the Energy Efficiency Project Cost as determined by the Company.

Energy Efficiency Projects are eligible for Energy Efficiency Incentives per Table 1.

(Continued)

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Table 1

Program track	Design Assistance	Standard	Standard	Standard
Project Scope	Comprehensive	System	System	System
Type	New Construction/ Major renovation	New Construction/ Major renovation	New Construction/ Major renovation	Retrofit
Energy code applies	Yes	Yes	No	No
Owner/Customer Energy Efficiency Incentive caps applied to the Energy Efficiency Project				
60 % of project cost cap	No	Yes	Yes	Yes
1 yr simple payback cap	No	Yes	Yes	Yes
Lighting savings cap	No	50%	50%	50%
Energy savings threshold	Must exceed code by 10% - whole building electric basis	Qualifying equipment must exceed code	none	none
Design team incentives				
Honorarium	Yes	Yes	Not available	Not available
Design Incentive	Based on project size	Not available	Not available	Not available

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OPTIONAL FOR QUALIFYING CUSTOMERS

INCENTIVES FOR ENERGY EFFICIENCY PROJECTS: (continued)

All proposed Energy Efficiency Measure costs are subject to Company review and approval prior to offering an Energy Efficiency Incentive Agreement. All final Energy Efficiency Measure costs are subject to Company review and approval prior to paying an Energy Efficiency Incentive per the terms of an Energy Efficiency Incentive Agreement. Company review and approval of Energy Efficiency Measure costs may require additional documentation from the Customer or Owner.

For the purposes of calculating maximum annual electric savings resulting from lighting, electric savings resulting from lighting interaction with mechanical equipment and from lighting controls will be considered to be lighting savings.

The ten percent whole building energy savings threshold shall be calculated as follows: The Energy Efficiency Project must reduce the proposed electric energy consumption by at least 10% when compared to the baseline level of whole building electric consumption that would have resulted under the current Washington energy code. The date of the building permit application shall establish the current version of the code.

The Customer or Owner may receive only one financial incentive from the Company per EEM. Design team incentives are available per Table 1 and the terms posted on the Washington energy efficiency program page of the Company web site.

PROVISIONS OF SERVICE:

(1) **Energy Analysis**

Company shall meet with Customer or Owner and any design team and may perform an initial site visit/plans review to determine what EEMs may be appropriate for an energy analysis.

(2) **Supplemental Services**

Company may offer Supplemental Services beyond those described elsewhere in this Tariff Schedule through a Supplemental Services Agreement. Supplemental services shall include, but are not limited to: detailed design, life cycle costs calculations or compliance documentation for green or high performance building standards. Company will negotiate the amount and terms of the supplemental services on a project specific basis and may require any or all of the following: installation of EEMs delivering a certain amount of annual kWh savings, offset of a portion of the available incentive or direct reimbursement of a portion (up to 100%) of the direct Company costs for the service provided.

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SCHEDULE 125
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PROVISIONS OF SERVICE: (continued)

(3) **EEM Inspection**

Company will inspect any EEMs which are funded by or installed under this program. Satisfactory inspection by Company will be required prior to receiving Energy Efficiency Incentives specified in the Energy Efficiency Incentive Agreement.

(4) **EEM Commissioning**

Company will require that EEMs as specified in the Energy Efficiency Incentive Agreement be commissioned prior to receiving Energy Efficiency Incentives specified in the Energy Efficiency Incentive Agreement.

(4a) **Commissioning Opt-Out:** Required EEM Commissioning may be omitted with the following adjustments. Annual kWh savings, Average Monthly kW savings and eligible EEM Costs will all be reduced by 20% prior to calculation of the eligible Energy Efficiency Project Incentive. EEMs where the Owner or Customer has "opted-out" of EEM Commissioning that are later commissioned are not eligible for an additional incentive after the Energy Efficiency Project Incentive is paid.

(5) **Measure Performance Verification/Evaluation**

Company may verify or evaluate the energy savings of installed Energy Efficiency Measures specified in the Energy Efficiency Incentive Agreement. This verification may include a telephone survey, site visit, review of plant operation characteristics, and pre- and post-installation of monitoring equipment as necessary to quantify actual energy savings.

(6) **Minimum Equipment Efficiency**

For Retrofit Energy Efficiency Projects, EEMs must meet minimum equipment efficiency levels and equipment eligibility requirements in Schedule 115 to be eligible for incentives available under this Schedule.

(7) **Prior Energy Service program participation requirements and definitions:**

- Energy Efficiency Payments are not available to Owners after July 16, 2001. The elimination of the Energy Service Charge portion associated with Schedule 125 does not affect Energy Service Charges' currently outstanding and obligations pursuant to an executed Energy Services Agreement remain in effect until the Energy Efficiency Payment with interest is re-paid in full.
- **Energy Efficiency Payments:** Any payments of money made by Company to Owner for installation of EEMs pursuant to an Energy Services Agreement.
- **Energy Services Agreement:** An agreement between the Owner and the Company providing for Company to furnish or provide Energy Efficiency Payments with respect to EEMs pursuant to this Tariff Schedule.

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PROVISIONS OF SERVICE: (continued)

- **Energy Services Charge:** As specified in the Energy Services Agreement, the monthly Energy Services Charge is that monthly payment required to repay the Energy Efficiency Payments, with interest at the Merged Interest Rate or the Performance Guarantee Interest Rate as applicable, in equal monthly payments over the term specified in the Energy Services Agreement.

(8) **Fuel Switching**

Energy Efficiency Incentives will not be made available to induce fuel switching by Owner.

(9) **Design team incentives**

Company may offer incentives to a design team member with current professional certification including architects and engineers. Incentives are available per Table 1 and include honorariums and design incentives.

Honorariums are designed to encourage early initial Company consultation on Owner/Customer's design and plans. Honorariums will be equally available to all professionally certified architects and engineers for Washington projects within Company's territory and will be limited to one honorarium per project.

Design incentives will be offered to all professional certified architects and engineers for Washington projects within Company's territory. Payment of incentives to the design team will require final construction documents include an efficient design meeting Company requirements. Incentives will be based on the square footage of the project and limited to one per project.

Additional conditions for design team incentives will be available on the Washington energy efficiency program section of the Company's web site and may be changed with 45 days notice posted on the web site.

RULES AND REGULATIONS:

Service under this Schedule is subject to the General Rules and Regulations contained in the tariff of which this Schedule is a part, and to those prescribed by regulatory authorities.

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