

**COMMERCIAL AND INDUSTRIAL ENERGY SERVICES
NO NEW SERVICE****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 energy efficient design and the installation of Energy Efficiency Measures. No New Service after February 28, 2002.

Applicable

To service under the Company's General Service Schedules 23, 28, 30, 41, 47 and 48 in all territory served by the Company in the State of Oregon. 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).

Customers using more than "one average megawatt" (8,760,000 kilowatt-hours of electricity per year) at a site may be required to sign a Company reimbursement agreement prior to receiving services or payments under this Schedule.

Description

Service under this program is available to improve the energy efficiency of eligible Commercial Buildings and Industrial Facilities connected to Company's system. The Company may provide Energy Efficiency Incentives which result in the installation of Energy Efficiency Measures, and also may provide for energy analyses inspections, savings verification and evaluation studies related to such Measures.

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

Average Monthly On Peak kW Savings = (baseline average monthly On Peak kW - proposed average monthly On Peak kW), where;

- ⇒ Average monthly On Peak kW = sum of the 12 Monthly Maximum On Peak kW/12, where;
- ⇒ Monthly Maximum On Peak kW = highest of all 15 minute average kW (as determined below) for On Peak hours (6AM to 10PM, Monday through Saturday during the month), where;
- ⇒ 15 minute average kW = sum of kWh used over 0.25 hrs/0.25 hrs

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.

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Definitions (continued)**Baseline Level**

Baseline Adjustments: Company may adjust baseline during engineering analysis to reflect codes, standard practice or end of useful life. The baseline for all fluorescent lighting efficiency measures in all facilities shall be the Energy Saving tube and Magnetic Energy Efficient ballast values (in watts) listed in Table 5(b) of the latest edition of the Oregon Non-Residential Energy Code.

New Commercial: Estimated electric energy use by equipment, system, or end-use, occurring from compliance with current energy code requirements or from the implementation of the Owner's building plans, whichever is less.

Existing Commercial: Estimated electric energy use by equipment, system, or end-use to occur from implementation of Owner's remodeling plans initially presented to Company. If Owner has no remodeling plans, Company shall establish a baseline for Owner's Commercial Building.

New Industrial: Estimated electric energy use of the more efficient practice between the Customer's industry standard practice and the Customer's own facility's standard practice as determined by the Company. Baseline Level may be adjusted when actual production history becomes available.

Existing Industrial: Estimated electric energy use by existing processes, equipment and systems normalized by reasonable annual average production volume of the new energy efficient equipment.

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.

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

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 Measures pursuant to this Tariff Schedule.

Energy Efficiency Measures (EEMs): Permanently installed measures specified in an Energy Efficiency Incentive Agreement which can improve the efficiency of the Customer's electric energy use. Energy Efficiency Measures designed to primarily reduce Average Monthly On Peak kW must also reduce electric energy use to be eligible for Energy Efficiency Incentives.

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Definitions (continued)

Energy Efficiency Measure (EEM) Cost

New Construction, Major Renovation or Replacement: EEM Cost is the total installed cost of the energy efficient equipment or system minus the greater of the cost of the code compliance or common practice equipment or system.

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

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.

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 Melded Interest Rate or the Performance Guarantee Interest Rate as applicable, in equal monthly payments over the term specified in the Energy Services Agreement.

Industrial Facility: Buildings and process equipment associated with manufacturing.

Mixed Use: Buildings with mixed commercial and residential use shall be considered Commercial Buildings under this Schedule provided at least 50% of the square footage is designated for commercial use **and** the commercial space is served under a Company General Service Schedule specified in this Schedule under **Applicable**.

New Commercial Building: A structure or addition to a structure that is not an Industrial Facility and that is completed after the date of this Tariff.

New Load: Loads for a New Commercial Building, plant or industrial process that had not previously existed, and loads from added capacity to an existing industrial process line or added square footage and facilities to a Commercial Building. In the case of new loads resulting from added capacity to an existing process line, only incremental load associated with an increase in process capacity will be considered new load. Existing processes where hours of operation are increased are not considered new loads.

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 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.

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Incentives for EEMs:

Energy Efficiency Incentives: Energy Efficiency Incentives 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) \$0.12/kWh for the Annual kWh savings as determined using Company provided or approved engineering analysis;
- (b) \$50/kW for Average Monthly On Peak kW savings determined using Company provided or approved engineering analysis.
- (c) 50% of the EEM Costs as determined by the Company.

No Energy Efficiency Incentives will be paid for EEMs with simple payback (based on energy savings) of one year or less.

To qualify for Energy Efficiency Incentives, a maximum of 50% of the annual kWh savings resulting from installation of EEMs specified in an Energy Efficiency Incentive Agreement can result from lighting. 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.

Short Term Incentive: In addition to the Energy Efficiency Incentives provided for in this Schedule, Company will pay a Short Term Incentive for EEMs that are completed by December 31, 2001 as follows:

- (a) The Short Term Incentive for EEMs completed by December 31, 2001 shall be 25% of the Energy Efficiency Incentive.
- (b) Total Company paid incentives, including Energy Efficiency Incentives, Short Term Incentive and Company's Business Energy Tax Credit (BETC) offer shall not exceed 100% of the incremental cost of the EEM. If necessary, Company will re-calculate Short Term Incentive to meet this requirement.
- (c) For the purposes of the Short Term Incentive, "complete" shall mean EEMs are permanently installed, capable of delivering energy savings and final invoices are available to the Company.

Provisions of Service**(1) Energy Analysis**

Company shall meet with Customer or Owner and any design team and may perform a preliminary energy analysis to determine what EEMs may be appropriate for further design and energy savings analysis.

(2) Energy Design

Before funding any energy design, Company shall require Customer or Owner to sign a Design Development Letter. If Customer or Owner enters into an Agreement within 60 days after Company provides an Energy Design Report and Customer or Owner installs all of the recommended EEMs, then Customer or Owner will not be charged for the Energy Design Report.

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Provisions of Service (continued)**Energy Design (continued)**

- * If Energy Design Report shows EEMs that would provide energy savings in excess of Customer or Owner's stated financial criteria and does not enter into an Energy Efficiency Incentive Agreement, within sixty (60) days after Company provides an Energy Design Report to Customer or Owner, then Company may charge Customer or Owner one-half of Company's costs of the energy design, but not to exceed an amount specified in the Design Development Letter. The Design Development Letter shall include, but not be limited to, the above provisions.
- * If Customer or Owner enters an Energy Efficiency Incentive Agreement to install some, but not all of the recommended EEMs, Customer or Owner will pay the above cost to the Company, multiplied by the ratio of the annual energy savings from the recommended EEMs not included in the Energy Efficiency Incentive Agreement to the total annual energy savings shown in the Energy Design Report.
- * If Customer demonstrates to Company's satisfaction that 50% of the annual kWh savings from EEMs recommended in the Energy Design have been installed, and Customer or Owner does not sign an Energy Efficiency Incentive Agreement, the cost of the Energy Design will be waived.

(3) EEM Inspection

Company will inspect any EEMs which is 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 On Peak kW savings and eligible EEM Costs will all be reduced by 20% and an Energy Efficiency Incentive calculated using the provisions specified under Incentives for EEMs. EEMs where the Owner or Customer has "opted-out" of EEM Commissioning and are later commissioned are not eligible for an additional Energy Efficiency Incentive after the Energy Efficiency Incentive is paid.

(5) Measure Performance Verification

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

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Provisions of Service (continued)

- (6) Company will provide Energy Efficiency Incentives for energy efficiency improvements to heat pump space heating systems only for New Commercial Buildings whose base case plans call for heat pump space heating systems.
- (7) Energy Efficiency Payments will not be available to Owners after the effective date of this Schedule. The elimination of the Energy Service Charge portion associated with Schedule 125 will 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.
- (8) Energy Efficiency Payments or Energy Efficiency Incentives will not be made available to induce fuel switching by Owner.

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.