

**COMPETITIVE BID OPTION VOLUMETRIC INCENTIVE RATE PILOT
OPTIONAL FOR QUALIFYING CUSTOMERS****Available**

In all territory served by Company in Oregon. Consumers must submit bids pursuant to requests for proposal to secure capacity reservations, until the annual capacity limit for the system size class is reached. Capacity limits and allocation periods are established by Commission order.

Applicable

To purchases of energy and associated environmental benefits from consumers who own Eligible Systems (defined pursuant to OAR 860-084-0010(6)) with a capacity greater than ten (10) kilowatts but less than or equal to five-hundred (500) kilowatts or who own the property on which an Eligible System with a capacity greater than ten (10) kilowatts but less than or equal to five-hundred (500) kilowatts has been installed. Consumers shall be required to enter into a standard fifteen (15) year contract with the Company and may not be compensated pursuant to Schedule 136. This Schedule is offered in compliance with ORS 757.365 as amended by House Bill 3690, OAR 860-084-0010, and OAR 860-084-0100 through -0450.

Definitions**Eligible System**

A solar photovoltaic system whose primary purpose is to meet the consumer's load service obligation and is metered to measure the quantity of energy generated, permanently installed in the State of Oregon, comprised of all new components first operational and on-line after July 1, 2010, financed without expenditures under ORS 757.612 (3)(b)(B), tax credits under ORS 469.160, ORS 469.185 to 469.225, or Blue Sky program grants, and certified by the consumer as constructed from new components (modules, inverter, batteries, mounting hardware, etc.).

Pilot Year

In 2010, the Pilot Year will be the nine-month period beginning July 1, 2010; thereafter the Pilot Year will be the twelve-month period beginning on April 1 and ending on March 31 of each year until March 31, 2015, or when the Company reaches 100 percent of its allocated solar photovoltaic pilot capacity limit.

Qualifying Assignee

A person to whom a consumer may assign Volumetric Incentive Rate payments under the standard contract. The Company or its affiliate or any other regulated utility is not a Qualifying Assignee. Qualifying Assignees include, but are not limited to:

- (a) a lender providing up front financing to a consumer,
- (b) a company or individual who enters into a financial agreement with a consumer to own and operate a Eligible System on behalf of the retail electricity consumer in return for compensation,
- (c) a company or individual who contracts with the consumer to locate an Eligible System on property owned by the consumer, or
- (d) any party identified by the consumer to receive payments that the Company is obligated to pay to the consumer.

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**COMPETITIVE BID OPTION VOLUMETRIC INCENTIVE RATE PILOT
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The capacity reservation begins when the bidder is notified of a successful bid. Notification will occur within 15 business days after the bidding response deadline.

Bid Option

1. Capacity reservations under this Schedule are awarded annually based on competitive bidding. The Company will announce a request for proposal for each Pilot Year. Participants will have at least 30 days to submit proposals. The participant must submit an application package meeting guidelines pursuant to OAR 860-084-0230(2).
2. Winning bid(s) selection will be based on the lowest bid price and available capacity only. Bids may be submitted with a bid price to the fourth decimal.
3. A capacity reservation deposit of \$500 or \$20 per kilowatt of proposed system capacity, whichever is greater, is required within 3 business days of notification of selection as the winning bidder. Should the deposit not be received within the 3 business day limit the selection will be rescinded and the capacity will be offered to the next lowest bidder.
4. Within two months of securing a capacity reservation, a consumer must submit a completed application for interconnection that meets all the requirements of OAR 860-084-0270.
5. Capacity reservations shall expire if a completed interconnection application is not filed within two months of the Reservation Start Date, or if the system has not been installed within twelve months of the Reservation Start Date.
6. After interconnection, the capacity reservation deposit shall be refunded or credited to the consumer within 45 days after their next monthly bill. If the capacity reservation expires, the capacity reservation deposit will not be refunded.

Standard Contract

After consumer's application for interconnection is complete, and after the Company has determined interconnection to be feasible, the Company and consumer will enter into a 15-year standard Volumetric Incentive Payment and Interconnection Agreement. A copy of the standard contract may be viewed at: <http://www.pacificpower.net/env/nmcg/osip.html>

Monthly Billing

The Monthly Billing shall be the Solar Meter Charge.

Solar Meter Charge

\$10.00 per month

Volumetric Incentive Rate

Volumetric Incentive Rates shall be determined based on a successful bid from the competitive bidding process. The bid price in place at the time of the successful bid applies to the entire 15 year life of the standard contract. Payments will be equal to the product of the eligible kilowatt-hours of electricity delivered to the Company and the Volumetric Incentive Rate per kilowatt-hour established through the consumer's successful bid.

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**COMPETITIVE BID OPTION VOLUMETRIC INCENTIVE RATE PILOT
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1. Consumer may assign Volumetric Incentive Rate payments to a single Qualifying Assignee. Changes to assignment may be made over the contract term. Payments will be made to the Qualifying Assignee within 45 days from the last day of the consumer's prior billing period. A \$25 setup fee shall be required for payment assignments and any subsequent re-assignments.
2. Applicant, if requested, will provide the Company with documentation of applicant's legal right (e.g. through ownership, lease, or irrevocable license) to maintain the Eligible System.
3. The Company shall own 100 percent of the renewable energy certificates associated with the energy provided by the contracted system.
4. A consumer may transfer its existing contract to another consumer eligible to contract with the Company and residing at the same address where the system is installed.
5. Eligible Systems must be installed on the same property as the property where the consumer buys electricity from the Company.
6. Systems that are uninstalled before the end of the contract term are not eligible for subsequent volumetric incentive rates, other feed-in tariffs, or pilot programs during the remainder of the contract term; and these systems cannot be reinstalled for the purposes of entering a new contract under any solar photovoltaic pilot program, volumetric incentive or other feed-in tariff program in the service territory of any electric company in the State of Oregon during the contract term of the system, except that a system may be uninstalled and reinstalled at another location under the same contract.
7. The Eligible Systems must be in compliance with the siting, design, interconnection, installation, and electric output laws, rules, standards and codes required by the laws of Oregon.
8. The Eligible Systems must be permanently installed in the State of Oregon by a retail electricity consumer of the Company.
9. The Eligible Systems must be first operational and on-line after July 1, 2010.
10. The Eligible Systems must not be financed with expenditures under ORS 757.612(3)(b)(B), tax credits under ORS 469.160, ORS 469.185 to 469.225, or a Blue Sky grant.
11. The Eligible Systems must be certified by the consumer as constructed from new components (modules, inverter, batteries, mounting hardware, etc.)
12. The Eligible Systems must be compliant with Commission quality and reliability requirement for solar photovoltaic systems and system installation.
13. The consumer is responsible for all costs associated with its facility, interconnection, and all costs related to any modifications to the facility that may be required by the company for purposes of safety and reliability.
14. At its own expense, the Company shall install and own the required metering equipment.

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**COMPETITIVE BID OPTION VOLUMETRIC INCENTIVE RATE PILOT
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Special Conditions (continued)

15. Customers must have an additional, Company-owned, meter which measures only energy from the qualified system generation, net of system requirements.
16. Prior to interconnection, the owner of a contracted system must obtain liability insurance. Liability insurance shall be maintained for the term of the contract.
17. Except as otherwise provided for in OAR 860-084-340, the consumer must install and maintain a manual disconnect switch that will disconnect the facility from the Company's system. The disconnect switch must be a lockable, load-break switch that plainly indicates whether it is in the open or closed position. The disconnect switch must be readily accessible to the Company at all times and located within ten (10) feet of the Company's meter.
18. The Company may disconnect the consumer's electric service at any time if the facility must be physically disconnected for any reason.
19. The Company shall not be liable directly or indirectly for permitting or continuing to allow an attachment of a facility, or for the acts or omissions of the consumer that cause loss or injury, including death, to any third party.
20. Prior to receiving service, an interconnection review may be required in accordance with OAR 860-084-320 or -330.
21. A consumer subject to this Schedule 137 must be eligible to make wholesale sales of energy at market-based rates.
22. The Company reserves the right to reject as non-responsive any or all bid proposals received for failure to meet any requirement of the request for proposal.
23. Payments for payable generation will be held by the Company until the amount accrued per customer generator exceeds \$25.00.