

**Available**

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

**Applicable**

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

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

**Definitions****Cogeneration Facility**

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

**Qualifying Facilities**

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

**Qualifying Electricity**

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

**Renewable Qualifying Facility**

A Qualifying Facility that generates Qualifying Electricity.

**Wind Qualifying Facility**

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

**Baseload Renewable Qualifying Facility**

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

**Small Power Production Facility**

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

(continued)

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

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

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

**Off-Peak Hours**

All hours other than On-Peak.

**Excess Output**

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

**Same Site**

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

**Person(s) or Affiliated Person(s)**

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

**Shared Interconnection and Infrastructure**

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

(continued)

---

**Definitions (continued)****Family Owned**

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

**Community-Based**

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

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

**Dispute Resolution**

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

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

(continued)

**Self Supply Option**

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

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

Prices are fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. Standard Fixed Avoided Cost Prices are available for a contract term of up to 15 years and prices under a longer term contract (up to 20 years) will thereafter be under the Firm Market Indexed Avoided Cost Price.

The Standard Fixed Avoided Cost pricing option is available to all Qualifying Facilities. The Standard Fixed Avoided Cost Price for Wind and Solar Qualifying Facilities reflects integration costs as set forth on pages 6-7.

**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. The Firm Market Index Avoided Cost Price for Wind and Solar Qualifying Facilities will reflect integration costs.

**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 and Solar Qualifying Facilities will reflect integration costs.

(continued)

---

**Third Party Transmission Cost Adjustment**

QFs located in discrete load center areas on PacifiCorp's system (also referred to as load "pockets" or load "bubbles") where there is insufficient load to sink additional generation must be exported from that load pocket, transmitted across a third-party transmission system using long-term, firm point-to-point transmission service ("LTF PTP"), and delivered to a different area on PacifiCorp's system where there is sufficient load to sink additional generation. QFs are required to reimburse PacifiCorp for the cost of these third-party system LTF PTP transmission service arrangements, including any associated Ancillary Services. PacifiCorp will procure third-party system LTF PTP and associated Ancillary Services based on the QF's maximum hourly output that is in excess of the load pocket minimum load ("Excess Generation"). Such LTF PTP transmission service and associated Ancillary Services including losses will be procured from the applicable third-party transmission provider consistent with such transmission provider's Open Access Transmission Tariff or comparable pricing schedule for transmission services.

"Ancillary Services," as used in this section, means those services necessary to support the transmission of energy from resources to loads while maintaining reliable operation of the third-party transmission provider's transmission system in accordance with good utility practice.

The amount and cost of the LTF PTP transmission service and associated Ancillary Services including losses will be subject to periodic updates as provided below and in Exhibit A of this Standard Avoided Cost Rate Schedule, and all terms and conditions will be memorialized in an exhibit to the power purchase agreement ultimately entered into between PacifiCorp and the QF, such exhibit being substantially in the form of Exhibit A of this Standard Avoided Cost Rate Schedule. QFs will have the option to select either option below for such transmission cost adjustments:

**Transmission Cost Adjustment Options**

1. Direct pass-through of actual costs. The QF will pay all actual costs incurred by PacifiCorp to secure LTF PTP transmission service and associated Ancillary Services from the applicable third-party transmission provider for exporting Excess Generation, as determined by such third-party transmission provider's Open Access Transmission Tariff or comparable pricing schedule for transmission services.
2. Fixed forecast costs. The QF will pay PacifiCorp a monthly fixed amount to secure LTF PTP transmission service and associated Ancillary Services including losses from the applicable third-party transmission provider for exporting Excess Generation. The monthly fixed amount will be determined consistent with Exhibit A of this Standard Avoided Cost Rate Schedule, including Table A of Exhibit A.

**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.

---

(continued)

**Monthly Payments (Continued)**
**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)		Wind QF (1,2)		Wind Integration
	On-Peak Energy Price	Off-Peak Energy Price	On-Peak Energy Price	Off-Peak Energy Price	All hours Energy Charge
	(a)	(b)	(c)	(d)	(e)
2020	2.58	1.92	2.54	1.88	0.39
2021	3.11	2.23	3.09	2.21	0.19
2022	3.15	2.26	3.13	2.23	0.27
2023	3.24	2.24	3.22	2.21	0.29
2024	3.33	2.32	3.29	2.29	0.35
2025	3.41	2.34	3.35	2.28	0.61
2026	5.14	3.11	6.05	3.06	0.45
2027	5.36	3.27	6.26	3.20	0.69
2028	5.61	3.47	6.51	3.38	0.93
2029	5.86	3.68	6.75	3.55	1.29
2030	6.11	3.88	6.99	3.72	1.61
2031	6.31	4.03	7.21	3.86	1.63
2032	6.51	4.18	7.43	4.00	1.74
2033	6.71	4.33	7.65	4.15	1.79
2034	6.95	4.51	7.92	4.34	1.75
2035	7.19	4.69	8.18	4.52	1.72
2036	7.40	4.84	8.44	4.69	1.58
2037	7.72	5.11	8.78	4.95	1.62
2038	7.99	5.32	9.07	5.15	1.66
2039	8.32	5.59	9.43	5.42	1.70
2040	8.50	5.70	9.63	5.53	1.74

(1) Standard Resource Sufficiency Period ends December 31, 2025 and Standard Resource Deficiency Period begins January 1, 2026.

(2) The avoided cost price has been reduced by wind or solar integration charges applicable to QF resources located in PacifiCorp's Balancing Area Authority (BAA) (in-system). If wind or solar QF resource is not in PacifiCorp's BAA, prices will be increased by the applicable integration charge.

(continued)

**Avoided Cost Prices (Continued)**
**Standard Fixed Avoided Cost Prices for Fixed and Tracking Solar QF (¢/kWh)**

Deliveries During Calendar Year	Fixed Solar QF (1,2)		Tracking Solar QF (1,2)		Solar Integration
	On-Peak Energy Price	Off-Peak Energy Price	On-Peak Energy Price	Off-Peak Energy Price	All hours Energy Charge
	(f)	(g)	(h)	(i)	(j)
2020	2.55	1.89	2.55	1.89	0.31
2021	3.10	2.22	3.10	2.22	0.15
2022	3.13	2.24	3.13	2.24	0.22
2023	3.22	2.22	3.22	2.22	0.24
2024	3.30	2.29	3.30	2.29	0.29
2025	3.36	2.29	3.36	2.29	0.50
2026	3.67	3.07	3.77	3.07	0.37
2027	3.83	3.22	3.94	3.22	0.56
2028	4.03	3.40	4.13	3.40	0.76
2029	4.22	3.57	4.32	3.57	1.05
2030	4.41	3.75	4.52	3.75	1.31
2031	4.57	3.90	4.68	3.90	1.32
2032	4.73	4.04	4.84	4.04	1.42
2033	4.89	4.18	5.00	4.18	1.45
2034	5.09	4.37	5.21	4.37	1.42
2035	5.29	4.55	5.41	4.55	1.40
2036	5.47	4.72	5.60	4.72	1.28
2037	5.75	4.98	5.88	4.98	1.31
2038	5.97	5.18	6.10	5.18	1.34
2039	6.26	5.45	6.39	5.45	1.37
2040	6.39	5.56	6.52	5.56	1.40

- (1) Standard Resource Sufficiency Period ends December 31, 2025 and Standard Resource Deficiency Period begins January 1, 2026.
- (2) The avoided cost price has been reduced by wind or solar integration charges applicable to QF resources located in PacifiCorp's Balancing Area Authority (BAA) (in-system). If wind or solar QF resource is not in PacifiCorp's BAA, prices will be increased by the applicable integration charge.

(continued)



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

Deliveries During Calendar Year	Renewable Base Load QF (1)		Wind QF (1,2)		Wind Integration
	On-Peak Energy Price	Off-Peak Energy Price	On-Peak Energy Price	Off-Peak Energy Price	All hours Energy Charge
	(a)	(b)	(c)	(d)	(e)
2020	2.58	1.92	2.54	1.88	0.39
2021	3.11	2.23	3.09	2.21	0.19
2022	3.15	2.26	3.13	2.23	0.27
2023	3.24	2.24	3.22	2.21	0.29
2024	4.16	1.69	4.56	1.65	0.35
2025	4.29	1.75	4.67	1.69	0.61
2026	4.39	1.74	4.80	1.70	0.45
2027	4.53	1.78	4.93	1.71	0.69
2028	4.64	1.88	5.02	1.78	0.93
2029	4.79	1.93	5.14	1.80	1.29
2030	4.93	1.99	5.27	1.82	1.61
2031	5.05	2.04	5.39	1.88	1.63
2032	5.13	2.14	5.48	1.96	1.74
2033	5.22	2.23	5.58	2.05	1.79
2034	5.31	2.30	5.68	2.13	1.75
2035	5.41	2.36	5.79	2.19	1.72
2036	5.52	2.39	5.93	2.24	1.58
2037	5.63	2.46	6.05	2.30	1.62
2038	5.75	2.53	6.18	2.37	1.66
2039	5.89	2.59	6.32	2.42	1.70
2040	6.03	2.64	6.48	2.47	1.74

(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, Renewable Sufficiency Period ends December 31, 2023 and Renewable Deficiency Period begins January 1, 2024.

(2) The avoided cost price has been reduced by wind or solar integration charges applicable to QF resources located in PacifiCorp's Balancing Area Authority (BAA) (in-system). If wind or solar QF resource is not in PacifiCorp's BAA, prices will be increased by the applicable integration charge.

(continued)



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

Deliveries During Calendar Year	Fixed Solar QF (1,2)		Tracking Solar QF (1,2)		Solar Integration
	On-Peak Energy Price	Off-Peak Energy Price	On-Peak Energy Price	Off-Peak Energy Price	All hours Energy Charge
	(f)	(g)	(h)	(i)	(j)
2020	2.55	1.89	2.55	1.89	0.31
2021	3.10	2.22	3.10	2.22	0.15
2022	3.13	2.24	3.13	2.24	0.22
2023	3.22	2.22	3.22	2.22	0.24
2024	2.29	1.66	2.48	1.66	0.29
2025	2.35	1.70	2.55	1.70	0.50
2026	2.42	1.71	2.62	1.71	0.37
2027	2.50	1.73	2.71	1.73	0.56
2028	2.54	1.80	2.75	1.80	0.76
2029	2.61	1.83	2.83	1.83	1.05
2030	2.69	1.85	2.91	1.85	1.31
2031	2.75	1.91	2.98	1.91	1.32
2032	2.78	2.00	3.01	2.00	1.42
2033	2.82	2.08	3.06	2.08	1.45
2034	2.86	2.16	3.10	2.16	1.42
2035	2.90	2.22	3.15	2.22	1.40
2036	2.97	2.27	3.22	2.27	1.28
2037	3.03	2.33	3.29	2.33	1.31
2038	3.09	2.40	3.35	2.40	1.34
2039	3.16	2.45	3.43	2.45	1.37
2040	3.24	2.50	3.52	2.50	1.40

(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, Renewable Sufficiency Period ends December 31, 2023 and Renewable Deficiency Period begins January 1, 2024.

(2) The avoided cost price has been reduced by wind or solar integration charges applicable to QF resources located in PacifiCorp's Balancing Area Authority (BAA) (in-system). If wind or solar QF resource is not in PacifiCorp's BAA, prices will be increased by the applicable integration charge.

(continued)

**Effective for service on and after August 26, 2020**

**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

**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.

(continued)

**I. Process for Completing a Power Purchase Agreement**  
**B. Procedures (continued)**

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)

---

**I. Process for Completing a Power Purchase Agreement**  
**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).

**II. Process for Negotiating Interconnection Agreements (continued)****A. Communications (continued)**

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.

*(This space intentionally left blank)*

---

(continued)

**Effective for service on and after February 26, 2020**

---

**Exhibit A to Oregon Standard Avoided Cost Rate Schedule****Transmission Services for Excess Generation**

1. No later than seven (7) days after the effective date of the power purchase agreement (“PPA”), PacifiCorp shall submit the request to designate the Qualifying Facility (“QF”) as a network resource eligible for network integration transmission service under its Network Integration Transmission Service Agreement with PacifiCorp’s transmission function (“DNR Request”). If, in response to PacifiCorp’s DNR Request, PacifiCorp is informed by PacifiCorp’s transmission function that such network resource designation is contingent on PacifiCorp procuring transmission service from a third-party transmission provider, PacifiCorp shall notify the QF Seller (“Seller”) in writing within seven (7) days of receiving the DNR Request transmission study and provide Seller the transmission study or other documentation from PacifiCorp’s transmission function that demonstrates the requirement.
2. Within thirty (30) days following Seller’s receipt of the notification and supporting materials contemplated in Section 1 above, Seller shall make one of the following elections in writing to PacifiCorp:
  - a. Seller shall agree to reimburse PacifiCorp for such third-party transmission service under Option 1 below plus reimburse PacifiCorp for all study costs incurred with the third-party transmission provider; or
  - b. Seller shall request PacifiCorp to prepare a proposed Monthly Transmission Rate (as defined below) under Option 2 below for Seller’s review plus reimburse PacifiCorp for all study costs incurred with the third-party transmission provider; or
  - c. Seller shall terminate the Agreement, and such termination shall not be deemed an event of default under the PPA and neither PacifiCorp nor Seller shall have any further obligations or liability to the other party relating to the PPA.

If PacifiCorp does not receive Seller’s response within forty five (45) days following the delivery of its notification under Section 1 above, Seller shall be deemed to have elected clause 2.c. above and the PPA shall immediately terminate with no further action of either party.

---

(continued)

**Effective for service on and after February 26, 2020**

3. If Seller timely elects to proceed under Option 1 or Option 2, PacifiCorp will promptly proceed to procure long-term firm, point-to-point transmission service, including ancillary services<sup>1</sup> and losses as applicable (“LTF PTP”), beginning on the scheduled initial delivery date stated in the PPA in an amount determined through the transmission service request process as identified in Section 1 above (“Excess Generation”). Such LTF PTP transmission service will be procured from the applicable third-party transmission provider consistent with such transmission provider’s Open Access Transmission Tariff (“OATT”) or comparable pricing schedule for transmission services. Such LTF PTP transmission costs incurred by PacifiCorp will be reimbursed by Seller under either Option 1 or Option 2 below, as elected by Seller under Section 2 above. Once either Option 1 or Option 2 is elected by Seller, Seller may not change its election without prior approval of PacifiCorp which approval shall not be unreasonably withheld, conditioned, or delayed subject to commitments under any third-party transmission service application in progress. Seller’s obligation to reimburse PacifiCorp for the LTF PTP transmission costs it incurs under either Option 1 or Option 2 below shall not be excused due to any delays in the commercial operation of the QF or the failure of the QF to operate, due to events of force majeure or otherwise.

**Option 1 – Direct pass-through of actual costs.**

Seller agrees to pay all actual costs incurred by PacifiCorp to secure LTF PTP transmission service from the applicable third-party transmission provider for exporting Excess Generation, as determined by such transmission provider’s OATT or comparable pricing schedule for transmission services. If requested by Seller, PacifiCorp will provide within ten (10) business days of the request documentation supporting the actual costs incurred by PacifiCorp and for which PacifiCorp is seeking reimbursement from Seller. Seller compensates PacifiCorp for the actual costs PacifiCorp incurs one month in arrears through a netting of the LTF PTP transmission costs against PacifiCorp’s monthly payment for generation under the PPA. Eighteen (18) months prior to each five (5) year anniversary of the start date under the third-party transmission service agreement, PacifiCorp will reevaluate and, if necessary, adjust the amount of LTF PTP transmission capacity necessary to export the Excess Generation.

**Option 2 – Fixed forecasted costs.**

Within ten (10) business days following PacifiCorp’s receipt of Seller’s election under clause 2.b. above, PacifiCorp will prepare and provide to Seller the proposed monthly fixed charge (the “Monthly Transmission Rate”) that Seller pays to PacifiCorp for the costs it incurs in securing LTF PTP transmission service from the applicable third-party transmission provider for exporting Excess Generation, including workpapers and any other pertinent materials supporting the calculation. Such Monthly Transmission Rate will be determined based on the values provided in Table A of this Oregon Standard Avoided Cost Rate Schedule, as applicable for the relevant third-party transmission provider. If the applicable third-party transmission provider is not identified in Table A, PacifiCorp will prepare a Monthly Transmission Rate using the same methodology as was used to develop the values in Table A using the applicable posted rates of the third-party transmission provider.

---

<sup>1</sup> Ancillary services are those services that may include balancing services that are necessary to support the transmission of energy from resources to loads while maintaining reliable operation of the third-party transmission provider’s transmission system in accordance with good utility practice.

(continued)



**3. Option 2 – Fixed forecasted costs (continued)**

Seller has ten (10) business days from the receipt of the proposed Monthly Transmission Rate to inform PacifiCorp whether it (a) elects to pay the transmission charges associated with this Option 2; (b) elects not to pay the transmission charges associated with this Option 2 and elects Option 1 instead; or (c) elects not to pay the transmission charges associated with this Option 2 and elects to terminate the PPA. If PacifiCorp does not receive Seller's response within thirty (30) days following the delivery of the proposed Monthly Transmission Rate from PacifiCorp, Seller shall be deemed to have elected clause (c) of this paragraph and the PPA shall immediately terminate with no further action of either party. Such termination of the PPA under this paragraph shall not be deemed an event of default under the PPA and no party shall have any further obligations or liability to the other party relating to the PPA.

Seller compensates PacifiCorp for the Monthly Transmission Rate one month in arrears through a netting of the Monthly Transmission Rate against PacifiCorp's monthly payment for generation under the PPA. Eighteen (18) months prior to each five (5) year anniversary of the start date under the third-party transmission service agreement, PacifiCorp will reevaluate and, if necessary, adjust the amount of LTF PTP transmission capacity necessary to export the Excess Generation. In addition, on each five year anniversary of the start date under the transmission service agreement between PacifiCorp and the third-party transmission provider, the Monthly Transmission Rate will be adjusted based on the applicable forecasted rates provided in Table A of PacifiCorp's Oregon Standard Avoided Cost Rate Schedule then in effect on such five year anniversary date; provided, however, that any posted rates of an applicable third-party transmission provider not captured in the methodology below but billed to PacifiCorp will also be included in the Monthly Transmission Rate on a prospective basis. If the applicable third-party transmission provider is not identified in Table A, PacifiCorp will adjust the Monthly Transmission Rate using the same methodology as was used to develop the values in Table A using the applicable posted rates of the third-party transmission provider then in effect on such five year anniversary date.

4. If under either Option 1 or Option 2 above, PacifiCorp is notified by the third-party transmission provider that the necessary LTF PTP transmission service request cannot be granted for the term requested, PacifiCorp shall promptly notify Seller and provide the supporting documentation received from the third-party transmission provider. Within thirty (30) days of receipt of such notice under this Section 4, and except as limited below, Seller shall elect one of the following:
- a. Seller will agree to amend the QF PPA to (i) adjust the scheduled initial delivery date and the scheduled commercial operation date, if necessary, to align with the estimated date when LTF PTP transmission service is available; (ii) provide for Seller's reimbursement to PacifiCorp for any study costs it may incur with the third-party transmission provider; (iii) adjust the Monthly Transmission Rate to align with the revised dates under (i), and (iv) adjust the PPA contract price to reflect the change to the scheduled commercial operation date;
  - b. Seller will terminate the PPA and such termination by Seller shall not be an event of default under the PPA and no damages or other liabilities under the PPA related to such termination will be owed by one party to the other party.

---

(continued)

**4. Option 2 – Fixed forecasted costs (continued)**

If PacifiCorp does not receive Seller's response within forty five (45) days following the date of PacifiCorp's notice to Seller under this Section 4, Seller shall be deemed to have elected clause (b) of this paragraph and the PPA shall immediately terminate with no further action of either Party. Seller may not elect (a) above if the estimated date for availability of LTF PTP transmission service results in an anticipated scheduled commercial operation date that is more than thirty six (36) months following the effective date of the PPA.

*(This space intentionally left blank)*

---

(continued)

**Effective for service on and after February 26, 2020**

**TABLE A**
**FIXED MONTHLY THIRD-PARTY TRANSMISSION RATES**
**Bonneville Power Administration (BPA)**

The fixed Monthly Transmission Rate for BPA consists of three components. Components A and B are multiplied by the Excess Generation in kilowatts (kW) as determined by the DNR Request described in Section 1 of this Exhibit. Component C is multiplied by the monthly generation delivery quantity exported over the third-party transmission provider's transmission system to PacifiCorp. The Monthly Transmission Rate is summed across the four components as illustrated in the below formula.

$$\text{Monthly Transmission Rate (\$)} = (A + B) * \text{Excess Generation (kW)} + C * V \text{ (MWh)}$$

Where:

A = Long-Term Firm, Point-to-Point Transmission Service (PTP) (\$/kW-month)

B = Scheduling, Control and Dispatch Service (SCD) (\$/kW-month)

C = Losses (L) (\$/MWh)

**Bonneville Power Administration**

Year	A Long Term Point-to-Point (PTP) \$/KW-Month	B Scheduling, Control & Dispatch \$/KW-Month	A+B Capacity Sub- total \$/KW-Month	C Losses <sup>(1)</sup> \$/MWh
2020	\$1.533	\$0.365	<b>\$1.898</b>	\$0.52
2021	\$1.571	\$0.374	<b>\$1.945</b>	\$0.54
2022	\$1.611	\$0.383	<b>\$1.994</b>	\$0.60
2023	\$1.651	\$0.393	<b>\$2.044</b>	\$0.64
2024	\$1.692	\$0.403	<b>\$2.095</b>	\$0.72
2025	\$1.734	\$0.413	<b>\$2.147</b>	\$0.77
2026	\$1.778	\$0.423	<b>\$2.201</b>	\$0.82
2027	\$1.822	\$0.434	<b>\$2.256</b>	\$0.82
2028	\$1.868	\$0.445	<b>\$2.313</b>	\$0.82
2029	\$1.915	\$0.456	<b>\$2.370</b>	\$0.89
2030	\$1.962	\$0.467	<b>\$2.430</b>	\$0.92

Notes:

- (1) Losses are calculated by multiplying the BPA losses factor times the Calendar Year Contract Price from the Standard Avoided Cost Rate Schedule times scheduled volume of energy moved across BPA's system in the month. Losses will vary by volume and contract price. Contract price used in table is the standard avoided cost price for wind outside of PacifiCorp's BAA then in effect in Oregon Standard Avoided Cost Rate Schedule. Volume will be monthly volume from PPA times the ratio of the Excess Generation to the total nameplate capacity of the facility. On each five year anniversary of the start date under the transmission service agreement between PacifiCorp and BPA, the Losses will be adjusted based on the applicable forecasted rates provided in Table A of PacifiCorp's Oregon Standard Avoided Cost Rate Schedule then in effect on such five year anniversary date.

(continued)

**Effective for service on and after February 26, 2020**

**TABLE A**
**FIXED MONTHLY THIRD-PARTY TRANSMISSION RATES**
**Portland General Electric (PGE)**

The fixed Monthly Transmission Rate for Portland General consists of four components. Components A, B and C are multiplied by the Excess Generation in kilowatts (kW) as determined by the DNR Request described in Section 1 of this Exhibit. Component D is multiplied by the monthly generation delivery quantity exported over the third-party transmission provider's transmission system to PacifiCorp. The Monthly Transmission Rate is summed across the all components as illustrated in the below formula.

$$\text{Monthly Transmission Rate (\$)} = (A + B + C) * \text{Excess Generation (kW)} + D * V \text{ (MWh)}$$

A = Long-Term Firm, Point-to-Point Transmission Service (PTP) (\$/kW-month)

B = Scheduling, Control and Dispatch Service (SCD) (\$/kW-month)

C = Reactive Supply & Voltage Control Service (RSVC) (\$/kW-month)

D = Losses (L) (\$/MWh)

**Portland General Electric**

Year	A Long Term Point-to-Point (PTP) \$/KW-Month	B Scheduling, Control & Dispatch \$/KW-Month	C Reactive Supply & Voltage Control \$/KW-Month	A+B+C Capacity Sub- total \$/KW-Month	D Losses <sup>(2)</sup> \$/MWh
2020 <sup>(3)</sup>	\$0.523	\$0.012	\$0.038	<b>\$0.574</b>	\$0.43
2021	\$0.536	\$0.013	\$0.039	<b>\$0.588</b>	\$0.45
2022	\$0.549	\$0.013	\$0.040	<b>\$0.603</b>	\$0.49
2023	\$0.563	\$0.013	\$0.041	<b>\$0.618</b>	\$0.53
2024	\$0.577	\$0.014	\$0.042	<b>\$0.633</b>	\$0.59
2025	\$0.592	\$0.014	\$0.043	<b>\$0.649</b>	\$0.64
2026	\$0.607	\$0.014	\$0.045	<b>\$0.666</b>	\$0.68
2027	\$0.622	\$0.015	\$0.046	<b>\$0.682</b>	\$0.68
2028	\$0.637	\$0.015	\$0.047	<b>\$0.699</b>	\$0.68
2029	\$0.653	\$0.016	\$0.048	<b>\$0.717</b>	\$0.74
2030	\$0.669	\$0.016	\$0.049	<b>\$0.735</b>	\$0.76

Notes:

- (2) Losses are calculated by multiplying the PGE losses factor times the Calendar Year Contract Price from the Standard Avoided Cost Rate Schedule times scheduled volume of energy moved across PGE's system in the month. Losses will vary by volume and contract price. Contract price used in table is the standard avoided cost price for wind outside of PacifiCorp's BAA then in effect in Oregon Standard Avoided Cost Rate Schedule. Volume will be estimated monthly volume from PPA times the ratio of the Excess Generation to the total nameplate capacity of the facility. On each five year anniversary of the start date under the transmission service agreement between PacifiCorp and PGE, the Losses will be adjusted based on the applicable forecasted rates provided in Table A of PacifiCorp's Oregon Standard Avoided Cost Rate Schedule then in effect on such five year anniversary date.
- (3) Components A, B and C are escalated each year by PacifiCorp's acknowledged integrated resource plan escalation rate for third-party transmission service. Component D is not escalated.

---

**Effective for service on and after February 26, 2020**