

RENEWABLE ENERGY RIDER - OPTIONAL

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Available

In all territory served by the Company in the State of Oregon.

Applicable

To large Non-residential Consumers receiving Delivery Service under Pacific Power's Electric Service Schedules.

Administration

Funds received from Consumers under this Schedule will cover program costs and match Renewable Energy purchases to Block purchases. Funds not spent after covering program costs and matching Renewable Energy purchases to Block purchases may be used to fund Qualifying Initiatives as defined below.

Block

1 Block equals 200 kWh of Renewable Energy.

Charge per Block

\$1.95 per month

Monthly Billing

The Monthly Billing shall be the number of Blocks the Consumer has agreed to purchase multiplied by the Charge per Block. The Monthly Billing is in addition to all other charges contained in Consumer's applicable tariff schedule. This rider's Monthly Billing shall be applied to the Consumer's billing regardless of actual energy consumption.

Renewable Energy

Renewable Energy includes bundled power or Renewable Energy Credits (RECs) derived from the following fuels:

- wind;
- solar;
- geothermal energy;
- certified low impact hydroelectric;
- hydrogen derived from photovoltaic electrolysis or a non-hydrocarbon derivation process;
- pipeline or irrigation canal hydroelectric systems;
- wave or tidal action; and
- low emissions biomass based on digester methane gas from landfills, sewage treatment plants or animal waste and biomass energy based on solid organic fuels from wood, forest or field residues or dedicated crops that do not include wood pieces that have been treated with chemical preservatives such as creosote, pentachlorophenol or copper chrome arsenic.

Renewable Energy Credits (also known as Tradable Renewable Energy Credits, Renewable Energy Certificates, Green Tags or Carbon Credits) represent all of the regional and global environmental and emissions benefits associated with one unit of output from a qualifying renewable electricity generating resource. In some markets, the credits are certified by an independent third party and include a serial number for tracking purposes.

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Renewable Energy (continued)

Offering must consist of 100% new Renewable Energy.

New Renewable Energy is (1) placed in operation (generating electricity) on or after January 28, 2000; (2) repowered on or after January 28, 2000 such that 80% of the fair market value of the project derives from new generation equipment installed as part of the repowering, or (3) a separable improvement to or enhancement of an operating existing facility that was first placed in operation prior to January 28, 2000, such that the proposed incremental generation is contractually available for sale and metered separately than existing generation at the facility. Any enhancement of a fuel source that increases generation at an existing facility, without the construction of a new or repowered, separately metered generating unit, is not eligible to participate.

Preference will be given to resources within Pacific Power and Rocky Mountain Power service territories.

Renewable Energy purchases made to match Consumer Block purchases are in addition to investments associated with the Company's Integrated Resource Plan, and are not considered for purposes of any Renewable Portfolio Standard requirements. Renewable Energy generated in response to any federal or state statutory requirement to construct or contract for the Renewable Energy is not eligible.

Qualifying Initiatives

1. Funding for locally-owned commercial-scale Renewable Energy projects that produce less than 10 MW of electricity. The preference is for local community based projects that provide strong environmental and economic benefit to local communities and Consumers the Company services under this Schedule.
2. Funding for research and development projects encouraging Renewable Energy market transformation in order to accelerate marketability of Renewable Energy technologies.
3. Investment in the above-market costs associated with the construction of Renewable Energy facilities or purchase by contract of Renewable Energy, reducing the costs of Renewable Energy to be competitive with cost-effective resources.
4. To the extent a project in paragraphs 1, 2, and 3 above is able to generate RECs, the recipient agrees that the Company has the right to claim a share of the project's REC output. The share amount is expressed as a percentage of output when comparing the Company's financial contribution to the overall cost of the project. The share amount of these RECs will be retired on behalf of program participants across the Company's service territories. The Company will also be given the opportunity to purchase additional RECs off the project.
5. Qualifying Initiatives are not considered for purposes of any Renewable Portfolio Standard requirements. Renewable Energy generated in response to any federal or state statutory requirement to construct or contract for the Renewable Energy is not eligible.

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Special Conditions

1. Consumers may apply for this Schedule anytime during the year.
2. The Company may not accept enrollments for accounts that have a time-payment agreement in effect, or have received two or more disconnect notices, or have been disconnected within the last 12 months.
3. The Company will buy Renewable Energy within two years of a Consumer's purchase.
4. Beginning January 1, 2008, all RECs purchased under this program must be registered with the Western Renewable Energy Generation Information System (WREGIS), if WREGIS is operational, or as otherwise approved by the Oregon Portfolio Committee.
5. To ensure that all costs and benefits of this program are isolated to the participants of this program, all funds collected under this program will be separately identified and tracked by state jurisdiction by which the funds were collected. On the effective date of this Schedule, the Company will establish a regulatory liability for all funds collected and will debit the regulatory liability as funds are spent. The Company will apply its authorized rate of return to the balances in the regulatory liability account. The Company will endeavor to match spending to collection within each calendar year.
6. The Company may use Consumer proprietary information gathered for the provisioning of electricity services upon Consumer written or verbal permission as long as it provides the same information under the same terms and conditions to alternative Renewable Energy Credit providers upon Consumer written or verbal request.
7. The Company will communicate to Consumers that they are not required to buy Renewable Energy Credits from the Company in order to continue to receive the Company's safe and reliable Electricity Service.
8. The Company will not use bill inserts to market Renewable Energy Credits to Consumers served under this Schedule.

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.