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1407 W. North Temple, Suite 330  
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June 3, 2020

***VIA ELECTRONIC FILING***

Diane Hanian  
Commission Secretary  
Idaho Public Utilities Commission  
1131 W. Chinden Blvd  
Building 8 Suite 201A  
Boise, ID 83714

**Re: CASE NO. PAC-E-20-07  
IN THE MATTER OF ROCKY MOUNTAIN POWER'S APPLICATION FOR  
APPROVAL OF POWER PURCHASE AGREEMENT BETWEEN PACIFICORP  
AND BIRCH HYDRO COMPANY**

Dear Ms. Hanian:

Please find enclosed for filing Rocky Mountain Power's Application in the above-referenced matter.

Informal inquiries may be directed to Ted Weston, Idaho Regulatory Manager at (801) 220-2963.

Very truly yours,

Joelle R. Steward  
Vice President Regulation

Enclosures

Adam Lowney (ISB#10456)  
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**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF ROCKY MOUNTAIN ) CASE NO. PAC-E-20-07  
POWER’S APPLICATION FOR APPROVAL )  
OF POWER PURCHASE AGREEMENT ) APPLICATION OF  
BETWEEN PACIFICORP AND BIRCH ) ROCKY MOUNTAIN POWER  
HYDRO COMPANY )**

Comes now, Rocky Mountain Power, a division of PacifiCorp, (“Company”), and hereby respectfully requests, pursuant to RP 52 and the applicable provisions of the Public Utility Regulatory Policies Act of 1978 (“PURPA”), that the Idaho Public Utilities Commission, (“Commission”), issue an order approving or rejecting the Power Purchase Agreement (“Agreement”) between PacifiCorp and the Birch Hydro Company, (“Seller”) dated May 19, 2020.

In support of this Application, Rocky Mountain Power states as follows:

**I. INTRODUCTION**

1. Rocky Mountain Power provides electric service to retail customers in the states of Idaho, Wyoming, and Utah. Rocky Mountain Power is a public utility in the state of Idaho and is subject to the Commission's jurisdiction with respect to its prices and terms of electric service to retail customers pursuant to Idaho Code 61-129. Rocky Mountain Power provides retail electric service to approximately 84,000 customers in the state of Idaho.

2. Seller owns, operates, and maintains a small hydro-electric power plant located in Clark County, Idaho with a nameplate capacity rating of 2.65 megawatts (the “Facility”). Seller

operates the Facility as a Qualifying Facility (“QF”) under the applicable provisions of the Public Utility Regulatory Policies Act of 1978 (“PURPA”).

3. Sections 201 and 210 of PURPA, and pertinent regulations of the Federal Energy Regulatory Commission (“FERC”) require that regulated electric utilities purchase electricity produced by co-generators or small power producers that obtain QF status. The rate a QF receives for the sale of its electricity is generally referred to as the “avoided cost” and must reflect the incremental cost to an electric utility of electric energy or capacity or both, which, but for the purchase from the QF, such utility would generate itself or purchase from another source. The Commission has authority under PURPA, Sections 201 and 210 and FERC regulations, 18 C.F.R.S 292, to set avoided costs, order electric utilities to enter into fixed-term obligations for the purchase of electricity from QFs, and implement FERC rules.

4. On December 18, 2012, the Commission issued Order No. 32697, which established parameters for published and negotiated avoided cost rate calculations. The Commission further established and defined numerous contract terms and conditions for standard purchase power agreements (“PPA”) entered into between regulated utilities and QFs. On January 2, 2013, the Commission issued Errata to Order No. 32697, which corrected published avoided cost rates to include energy payments not discounted by transmission and line loss. Subsequently the Commission issued reconsideration Orders Nos. 32737 and 32802 on February 5, 2013 and May 5, 2013, respectively, which further clarified certain terms and conditions of PPAs. The ESA contains published rates for projects of 10 average megawatts (“aMW”) or less pursuant to Commission Order No. 34350. The Facility is an existing QF that is seeking a replacement agreement. The replacement ESA contains capacity payments for the entire term of the Agreement, with no sufficiency period. See Order No. 32697 at 21-22, Order No. 32737 at 5, and Order No.

32871. Pursuant to the Commission's direction in its Reconsideration Order No. 32737, the rates were calculated by Commission Staff for a QF in the “non-seasonal hydro” category based on the surrogate avoided resource (“SAR”) avoided cost methodology.

## **II. THE POWER PURCHASE AGREEMENT**

5. The Seller’s current PURPA contract was executed on August 21, 1984, after it was approved by the Commission in December 1981. That contract was amended on January 20, 1992, to resolve the Parties’ dispute over calculation of the variable energy rate, as evidenced in Restated Appendix B. PacifiCorp and Seller agreed, by letter dated March 30, 2006, that the current PURPA contract would expire, at midnight, on March 31, 2022. The total nameplate capacity of the facility is 2.65 MW.

6. The Seller has demonstrated to the Company’s reasonable satisfaction that: (1) the feasibility that facility net energy will equal the energy delivery schedules for the full term of this Agreement; and (2) the likelihood that the facility, under average design conditions, will generate at no more than 2.5 aMW in any calendar month. The facilities estimated net output is approximately 12,600,000 megawatt-hours per year.

7. The PPA submitted herewith, as Attachment 1, complies with the Commission's orders.

8. Under the terms of the Agreement, the Seller elected to contract with the Company for a twenty-year term, starting from the approval of the Agreement by the Commission. Except as otherwise indicated, the Company will pay the Seller the price set forth in Exhibit K to the Agreement.

9. Paragraph 2.1 of the Agreement provides that it will not become effective until the Commission has approved it and determined that the prices paid for energy and capacity are just

and reasonable, in the public interest, and that costs incurred by the Company for purchasing energy and capacity are legitimate expenses, all of which the Commission will allow the Company to recover in Idaho rates in the event other jurisdictions deny recovery of their proportionate share of said expenses.

### III. COMMUNICATIONS

10. Communications regarding this filing should be addressed to:

Ted Weston  
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Email: [adam@mrg-law.com](mailto:adam@mrg-law.com)

In addition, Rocky Mountain Power requests that all data requests regarding this Application be sent in Microsoft Word to the following:

By email (preferred): [datarequest@pacificorp.com](mailto:datarequest@pacificorp.com)

By regular mail: Data Request Response Center  
PacifiCorp  
825 Multnomah, Suite 2000  
Portland, Oregon 97232

Informal questions may be directed to Ted Weston, Idaho Regulatory Affairs Manager at (801) 220-2963.

#### **IV. MODIFIED PROCEDURE**

11. The Company believes that a hearing is not necessary to consider the issues presented herein and respectfully requests that this Application be processed under Modified Procedure, i.e., by written submissions rather than by hearing, pursuant to RP 201.

#### **VI. REQUEST FOR RELIEF**

WHEREFORE, Rocky Mountain Power respectfully requests that the Commission:

- (1) Issue an order authorizing that this matter be processed by Modified Procedure;
- (2) Approve or reject the power purchase agreement between the Birch Hydro Company and the Company without change or condition; and
- (3) Declare that the avoided cost prices set forth in the Agreement are just and reasonable, in the public interest, and that the Company's incurrence of such costs are legitimate expenses, all of which the Commission will allow Rocky Mountain Power to recover in rates in Idaho in the event other jurisdictions deny recovery of their proportionate share of said expenses.

DATED this 3<sup>rd</sup> day of June, 2020.

Respectfully submitted,  
ROCKY MOUNTAIN POWER

A handwritten signature in blue ink that reads "Adam Lowney". The signature is written in a cursive style with a large initial "A".

---

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Portland, OR 97205  
Telephone: (503) 595-3926  
Fax: (503) 595-3928  
Email: [adam@mrg-law.com](mailto:adam@mrg-law.com)

*Attorney for Rocky Mountain Power*

# Attachment 1

**POWER PURCHASE AGREEMENT**

**BETWEEN**

**BIRCH POWER COMPANY**

**AND**

**PACIFICORP**

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Exhibit K	Rocky Mountain Power Schedule No. 38
Exhibit L	Party Notice Information

## POWER PURCHASE AGREEMENT

THIS POWER PURCHASE AGREEMENT (this “Agreement”), is entered into between Birch Power Company, an Idaho Corporation (the “Seller”) and PacifiCorp, an Oregon corporation (“PacifiCorp”). Seller and PacifiCorp are sometimes referred to in this Agreement collectively as the “Parties” and individually as a “Party.”

- A. Seller owns, operates and maintains an existing hydro-powered generating facility for the generation of electric energy located in Clark County, Idaho, with a nameplate capacity rating of 2.65 MW (the “Facility”); and
- B. Seller will operate the Facility as a Qualifying Facility (“QF”); and
- C. Seller desires to sell, and PacifiCorp agrees to purchase, the Net Output delivered by the Facility in accordance with the terms and conditions of this Agreement; and
- D. The rates, terms and conditions in this Agreement are in accordance with the rates, terms, and conditions approved by the Commission for purchases from QFs; and
- E. PacifiCorp intends to designate the Facility as a Network Resource for the purposes of serving network load.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises below and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties mutually agree as follows:

### SECTION 1 DEFINITIONS, RULES OF INTERPRETATION

1.1 Defined Terms. Unless otherwise required by the context in which any term appears, initially capitalized terms used in this Agreement have the following meanings:

“Abandonment” means (a) the relinquishment of all possession and control of the Facility by Seller, but only if such relinquishment is not caused by or attributable to an Event of Default by PacifiCorp, a request by PacifiCorp, or an event of Force Majeure.

“Adjusted Scheduled Monthly Energy Delivery” shall have the meaning set forth in Section 4.10

“Affiliate” means, with respect to any entity, each entity that directly or indirectly controls, is controlled by, or is under common control with, such designated entity, with “control” meaning the possession, directly or indirectly, of the power to direct management and policies, whether through the ownership of voting securities or by contract or otherwise. Notwithstanding the foregoing, with respect to PacifiCorp, “Affiliate” only includes Berkshire Hathaway Energy Company and its direct, wholly owned subsidiaries.

“Agreement” is defined in the Recitals.

“AC” means alternating current.

“As-built Supplement” is a supplement to Exhibit B of this Agreement, as provided in Section 6.1, which provides the final “as-built” description of the Facility, including the Point of Delivery.

“Business Day” means any day on which banks in Portland, Oregon, are not authorized or required by Requirements of Law to be closed.

“Capacity Rights” means any current or future defined characteristic, certificate, tag, credit, ancillary service or attribute thereof, or accounting construct, including any of the same counted towards any current or future resource adequacy or reserve requirements, associated with the electric generation capability and capacity of the Facility or the Facility’s capability and ability to produce energy. Capacity Rights are measured in MW and do not include any Tax Credits or other tax incentives existing now or in the future associated with the construction, ownership or operation of the Facility.

“Commission” means the Idaho Public Utilities Commission.

“Conditional DNR Notice” is defined in Section 4.2.

“Conforming Energy” means all Net Energy except Non-Conforming Energy subject to any adjustments to the Energy Delivery Schedule in Section 4.10.

“Conforming Energy Purchase Price” means the applicable price for Conforming Energy and capacity (if any), specified in Exhibit K.

“Contract Interest Rate” means the lesser of (a) the highest rate permitted under Requirements of Law or (b) 200 basis points per annum plus the rate per annum equal to the publicly announced prime rate or reference rate for commercial loans to large businesses in effect from time to time quoted by Citibank, N.A. as its “prime rate.” If a Citibank, N.A. prime rate is not available, the applicable prime rate will be the announced prime rate or reference rate for commercial loans in effect from time to time quoted by a bank with \$10 billion or more in assets in New York City, N.Y., selected by the Party to whom interest is being paid.

“Contract Price” means the applicable price, expressed in \$/MWh, for Net Output and Capacity Rights stated in Section 5.1.

“Contract Year” means any consecutive twelve (12) month period during the Term, commencing at 00:00 hours on April 1, 2022 or any of its anniversaries and ending at 24:00 hours on the last day of such twelve (12) month period.

“Credit Requirements” means a senior, unsecured long term debt rating (or corporate rating if such debt rating is unavailable) of (a) ‘BBB+’ or greater from S&P, or (b) ‘Baa1’ or greater from Moody’s; provided that if such ratings are split, the lower of the two ratings must be at least ‘BBB+’ or ‘Baa1’ from S&P or Moody’s, and provided further that if (a) or (b) is not available, an equivalent rating as determined by PacifiCorp through an internal

process review and utilizing a proprietary credit scoring model developed in conjunction with a third party.

“Delay Damages” for any given day are equal to (a) the Expected Net Output for the Facility, expressed in MWhs per year, divided by 365, multiplied by (b) PacifiCorp’s Cost to Cover.

“Effective Date” is defined in Section 2.1.

“Electric System Authority” means each of NERC, WECC, WREGIS, an RTO, a regional or sub-regional reliability council or authority, and any other similar council, corporation, organization or body of recognized standing with respect to the operations of the electric system in the WECC region, as such are applicable to the Seller or PacifiCorp.

“Energy Delivery Schedule” is defined in Section 4.9 of this Agreement.

“Energy Imbalance Market” means generation facilities electrically located within PacifiCorp’s balancing authority areas that are, from time to time, bid in to or otherwise subject to dispatch instructions issued or originating from the Market Operator.

“Environmental Attributes” means any and all claims, credits, benefits, emissions reductions, offsets, and allowances associated with the avoidance of the emission of any gas, chemical, or other substance to the air, soil or water. Environmental Attributes include: (a) any avoided emissions of pollutants to the air, soil, or water such as sulfur oxides, nitrogen oxides, carbon monoxide, and other pollutants; and (b) any avoided emissions of carbon dioxide, methane, and other greenhouse gases that have been determined by any Governmental Authority to contribute to the actual or potential threat of altering the Earth’s climate by trapping heat in the atmosphere. Environmental Attributes do not include (i) Tax Credits or other tax incentives existing now or in the future associated with the construction, ownership or operation of the Facility, (ii) matters designated by PacifiCorp as sources of liability, or (iii) adverse wildlife or environmental impacts.

“Environmental Contamination” means the introduction or presence of Hazardous Materials at such levels, quantities or location, or of such form or character, as to constitute a violation of federal, state or local laws or regulations, and present a material risk under federal, state or local laws and regulations that the Premises will not be available or usable for the purposes contemplated by this Agreement.

“Event of Default” is defined in Section 11.1.

“Expected Monthly Net Output” means the estimated monthly Net Output as determined in Exhibit A.

“Expected Net Output” means 12,600,000 MWh of Net Output in the first full Contract Year reduced, as applicable, by an annual degradation factor of 0 per Contract Year, measured at the Point of Delivery. Seller estimates that the Net Output will be delivered during each Contract Year according to the Expected Monthly Net Output provided in Exhibit A, as reduced each Contract Year, as applicable, by the annual degradation factor.

“Facility” is defined in the Recitals and is more fully described in attached Exhibit B and includes all equipment, devices, associated appurtenances owned, controlled, operated and managed by Seller in connection with, or to facilitate, the production, generation, transmission, delivery, or furnishing of electric energy by Seller to PacifiCorp and required to interconnect with the System.

“FERC” means the Federal Energy Regulatory Commission.

“Firm Market Price Index” means the hourly value calculated based on the average prices reported by the Intercontinental Exchange, Inc. (“ICE”) Day-Ahead PV On-Peak Index and the ICE Day-Ahead PV Off-Peak Index (each an “ICE Index”) for a given day, weighted by the count of hours for each ICE Index on such day, multiplied by the hourly CAISO day-ahead market locational marginal price for the “PACE.DGAP\_PACE-APND” location, and divided by the average of the same CAISO index over all hours in such day. If applicable, the resulting value will be reduced by the integration costs specified in the most recent Commission order as applicable to the Facility. If any index is not available for a given period, the Firm Market Price Index will be the average price derived from days in which all published data is available, for the same number of days immediately preceding and immediately succeeding the period in which an index was not available, regardless of which days of the week are used for this purpose. If the Firm Market Price Index or its replacement or any component of that index or its replacement ceases to be published or available, or useful for its intended purpose under this Agreement, during the Term, the Parties must agree upon a replacement Firm Market Price Index or component that, after any necessary adjustments, provides the most reasonable substitute quotation of the hourly price of electricity for the applicable periods.

“Force Majeure” is defined in Section 14.1.

“Forced Outage” means NERC Event Types U1, U2 and U3, as provided in attached Exhibit J, and specifically excludes any Maintenance Outage or Planned Outage.

“Generation Interconnection Agreement” means the generator interconnection agreement entered into separately between Seller and Interconnection Provider concerning the Interconnection Facilities.

“Governmental Authority” means any supranational, federal, state or other political subdivision thereof, having jurisdiction over Seller, PacifiCorp or this Agreement, including any municipality, township or county, and any entity or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any corporation or other entity owned or controlled by any of the foregoing.

“Hazardous Materials” means any waste or other substance that is listed, defined, designated or classified as or determined to be hazardous under or pursuant to any environmental law or regulation.

“Inadvertent Energy” means: (1) energy delivered in excess of the Maximum Monthly Purchase Obligation; and (2) energy delivered to the Point of Delivery at a rate exceeding the Maximum Delivery Rate. Inadvertent Energy is not included in Net Output.

“Indemnified Party” is defined in Section 6.2.3(b).

“Initial Delivery Date” is defined in Section 2.2(a).

“Initial Energy Delivery Schedule” shall have the meaning set forth in Section 4.9.

“Interconnection Facilities” means all the facilities installed, or to be installed, for the purpose of interconnecting the Facility to the System, including electrical transmission lines, upgrades, transformers and associated equipment, substations, relay and switching equipment, and safety equipment.

“Interconnection Provider” means PacifiCorp Transmission.

“KW” means kilowatt.

“Lender” means an entity lending money or extending credit (including any financing lease, monetization of tax benefits, transaction with a tax equity investor, back leverage financing or credit derivative arrangement) to Seller or Seller’s Affiliates (a) for the construction, term or permanent financing or refinancing of the Facility, (b) for working capital or other ordinary business requirements for the Facility (including for the maintenance, repair, replacement or improvement of the Facility), (c) for any development financing, bridge financing, credit support, and related credit enhancement or interest rate, currency, weather, or Environmental Attributes in connection with the development, construction or operation of the Facility, or (d) for the purchase of the Facility and related rights from Seller.

“Liabilities” is defined in Section 12.1.1.

“Licensed Professional Engineer” means a person proposed by Seller and acceptable to PacifiCorp in its reasonable judgment who (a) to the extent mandated by Requirements of Law is licensed to practice engineering in the appropriate engineering discipline for the required certification being made, in the United States, and in all states for which the person is providing a certification, evaluation or opinion with respect to matters or Requirements of Law specific to such state, (b) has training and experience in the engineering disciplines relevant to the matters with respect to which such person is called upon to provide a certification, evaluation or opinion, (c) is not an employee of Seller or an Affiliate, and (d) is not a representative of a consulting engineer, contractor, designer or other individual involved in the development of the Facility, or a representative of a manufacturer or supplier of any equipment installed in the Facility.

“Maintenance Outage” means NERC Event Type MO, as provided in attached Exhibit J, and includes any outage involving ten percent (10%) of the Facility’s Net Output that is not a Forced Outage or a Planned Outage.

“Market Operator” means the California Independent System Operator or any other entity performing the market operator function for the Energy Imbalance Market or any organized day-ahead or intra-hour market.

“Maximum Delivery Rate” means the maximum hourly rate of delivery of Net Output in MWh from the Facility to the Point of Delivery, calculated on the basis of the Net Output delivered in an hour accruing at an average rate equivalent to the actual Nameplate Capacity Rating, as stated in Exhibit A.

“Maximum Monthly Purchase Obligation” means the maximum amount of energy PacifiCorp is obligated to purchase under this Agreement in a calendar month. In accordance with Commission orders, the Maximum Monthly Purchase Obligation for a given month, in kWh, shall not exceed 10,000 kW multiplied by the total number of hours in that month and prorated for any partial month.

“Moody’s” means Moody’s Investor Services, Inc.

"Mountain Prevailing Time" or "MPT" means Mountain Standard Time or Mountain Daylight Time, as applicable in Utah on the day in question.

“MW” means megawatt.

"MWh" means megawatt-hour.

“Nameplate Capacity Rating” means the maximum installed instantaneous generation capacity of the completed Facility, expressed in MW (AC), when operated in compliance with the Generation Interconnection Agreement and consistent with the recommended power factor and operating parameters provided by the manufacturer of the generator. The Nameplate Capacity Rating of the Facility is 2.65 MW.

“Net Energy” means the energy component, in kWh, of Net Output. Net Energy does not include Inadvertent Energy.

“NERC” means the North American Electric Reliability Corporation.

“Net Output” means all energy and capacity produced by the Facility, less station use and less transformation and transmission losses and other adjustments (e.g., Seller’s load other than station use), if any. For purposes of calculating payment under this Agreement, Net Output of energy will be the amount of energy flowing through the Point of Delivery.

“Network Resource” is defined in the Tariff.

“Non-Conforming Energy” means for any Billing Period subject to any adjustments to the Energy Delivery Schedule in Section 4.9, as may be adjusted pursuant to Section 4.10: (1) that portion, if any, of Net Energy delivered subsequently to the initial 110% of the Scheduled Monthly Energy Delivery for that Billing Period; or (2) all Net Energy delivered when Net Energy delivered is less than 90% of the Scheduled Monthly Energy Delivery for that Billing Period; and (3) all Net Output produced by the Facility prior to the Commercial Operation Date.

“Non-Conforming Energy Purchase Price” means the applicable price for Non-Conforming Energy and capacity, specified in Section 5.1.

“Off-Peak Hours” means all hours ending 01:00:00 through 06:00:00 and hours ending 23:00:00 through 24:00:00, MPT, Monday through Saturday and hours ending 01:00:00 through 24:00:00, MPT, on Sundays and NERC designated holidays.

“On-Peak Hours” means all hours ending 07:00:00 through 22:00:00 MMPT, Monday through Saturday, excluding NERC designated holidays.

“Output” means all energy produced by the Facility.

“PacifiCorp” is defined in the Recitals, and explicitly excludes PacifiCorp Transmission.

“PacifiCorp Indemnitees” is defined in Section 12.1.1.

“PacifiCorp Representatives” is defined in Section 6.14.

“PacifiCorp Transmission” means PacifiCorp, an Oregon corporation, acting in its interconnection or transmission function capacity.

“PacifiCorp’s Cost to Cover” means the positive difference, if any, between (a) the time weighted average of the Firm Market Price Index for each day for which the determination is being made, and (b) the Contract Price in effect on such days, stated as an amount per MWh.

“Party” and “Parties” are defined in the Recitals.

“Permits” means the permits, licenses, approvals, certificates, entitlements and other authorizations issued by Governmental Authorities required for the construction, ownership or operation of the Facility or occupancy of the Premises.

“Planned Outage” means NERC Event Type PO, as provided in attached Exhibit J, and specifically excludes any Maintenance Outage or Forced Outage.

“Point of Delivery” means the point of interconnection between the Facility and the System, as specified in the Generation Interconnection Agreement and as further described in Exhibit C.

“Premises” means the real property on which the Facility is or will be located, as more fully described on Exhibit B.

“Project Development Security” is an amount equal to twenty five dollars (\$25) per kW of the expected Nameplate Capacity Rating.

“Prudent Electrical Practices” means any of the practices, methods and acts engaged in or approved by a significant portion of the independent electric power generation industry for facilities of similar size and characteristics or any of the practices, methods or acts, which, in the exercise of reasonable judgment in the light of the facts known at the time a

decision is made, could have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety and expedition.

“PURPA” means the Public Utility Regulatory Policies Act of 1978.

“QF” means “Qualifying Facility,” as that term is defined in the FERC regulations (codified at 18 CFR Part 292) in effect on the Effective Date.

“Qualifying Curtailment” means, to the extent not caused by Seller’s negligent, reckless, or willful actions, a period in a given calendar month during which delivery of Net Output is curtailed or interrupted pursuant to Section 4.5, and only applicable to adjustment of the Energy Delivery Schedule as described in Section 4.10.

“Qualifying Institution” means a United States commercial bank or trust company organized under the laws of the United States of America or a political subdivision thereof having assets of at least \$10,000,000,000 (net of reserves) and a credit rating on its long-term senior unsecured debt of at least ‘A’ from S&P and ‘A2’ from Moody’s.

“Required Facility Documents” means the Permits and other authorizations, rights and agreements necessary for construction, ownership, operation, and maintenance of the Facility, and to deliver the Net Output to PacifiCorp in accordance with this Agreement and Requirements of Law, including those listed in Exhibit D.

“Requirements of Law” means any applicable federal, state and local law, statute, regulation, rule, action, order, code or ordinance enacted, adopted, issued or promulgated by any Governmental Authority (including those pertaining to electrical, building, zoning, environmental and wildlife protection, and occupational safety and health).

“RTO” means any entity (including an independent system operator) that becomes responsible as system operator for, or directs the operation of, the System.

“S&P” means Standard & Poor’s Rating Group (a division of S&P Global, Inc.).

“Schedule 38” means Rocky Mountain Power Idaho Schedule No. 38 as attached in Exhibit K, and as approved by the Commission on the Effective Date.

“Scheduled Monthly Energy Delivery” means the Net Energy scheduled to be delivered during a given calendar month, as specified by Seller in the Energy Delivery Schedule.

“Subsequent Energy Delivery Schedule” is defined in Section 4.9.2 of this Agreement.

“Seller” is defined in the Recitals.

“Seller Indemnitees” is defined in Section 12.1.2.

“Seller’s Cost to Cover” means the positive difference, if any, between (a) the Contract Price per MWh, and (b) the net proceeds per MWh actually realized by Seller from the

sale to a third party of Net Output not purchased by PacifiCorp as required under this Agreement.

“System” means the electric transmission substation and transmission or distribution facilities owned, operated or maintained by Transmission Provider, which includes the circuit reinforcements, extensions, and associated terminal facility reinforcements or additions required to interconnect the Facility, all as provided in the Generation Interconnection Agreement.

“Tariff” means PacifiCorp’s Open Access Transmission Tariff on file with FERC, as such tariff is revised from time to time.

“Tax Credits” means any state, local and federal production and investment tax credits, tax deductions, or other tax benefits specific to the production of renewable energy or investments in renewable energy facilities.

“Term” is defined in Section 2.1.

“Termination Damages” is defined in Section 11.5.

“Transmission Provider” means PacifiCorp Transmission, including PacifiCorp’s business unit responsible for the safe and reliable operation of PacifiCorp’s balancing authority areas.

“WECC” means the Western Electricity Coordinating Council.

## 1.2 Rules of Interpretation.

1.2.1 General. Unless otherwise required by the context in which any term appears, (a) the singular includes the plural and vice versa; (b) references to “Articles,” “Sections,” “Schedules,” “Appendices” or “Exhibits” are to articles, sections, schedules, appendices or exhibits of this Agreement; (c) all references to a particular entity or an electricity market price index include a reference to such entity’s or index’s successors; (d) “herein,” “hereof” and “hereunder” refer to this Agreement as a whole; (e) all accounting terms not specifically defined in this Agreement must be construed in accordance with generally accepted accounting principles, consistently applied; (f) the masculine includes the feminine and neuter and vice versa; (g) “including” means “including, without limitation” or “including, but not limited to”; (h) all references to a particular law or statute mean that law or statute as amended from time to time; (i) all references to energy or capacity are to be interpreted as utilizing alternating current, unless expressly stated otherwise; and (j) the word “or” is not necessarily exclusive. Reference to “days” means calendar days, unless expressly stated otherwise in this Agreement.

1.2.2 Terms Not to be Construed For or Against Either Party. Each term in this Agreement must be construed according to its fair meaning and not strictly for or against either Party.

1.2.3 Headings. The headings used for the sections and articles of this

Agreement are for convenience and reference purposes only and in no way affect the meaning or interpretation of the provisions of this Agreement.

1.2.4 Interpretation with FERC Orders. Each Party conducts its operations in a manner intended to comply with FERC Order No. 717, Standards of Conduct for Transmission Providers, and its companion orders, requiring the separation of its transmission and merchant functions. Moreover, the Parties acknowledge that Interconnection Provider's transmission function offers transmission service on its system in a manner intended to comply with FERC policies and requirements relating to the provision of open-access transmission service.

(a) The Parties acknowledge and agree that the Generation Interconnection Agreement is a separate and free standing contract and that the terms of this Agreement are not binding upon the Interconnection Provider.

(b) Notwithstanding any other provision in this Agreement, nothing in the Generation Interconnection Agreement, nor any other agreement between Seller on the one hand and Transmission Provider or Interconnection Provider on the other hand, nor any alleged event of default under the Generation Interconnection Agreement, will alter or modify the Parties' rights, duties, and obligations in this Agreement. This Agreement will not be construed to create any rights between Seller and the Interconnection Provider or between Seller and the Transmission Provider.

(c) Seller acknowledges that, for purposes of this Agreement, the Interconnection Provider and Transmission Provider are deemed separate entities and separate contracting parties from PacifiCorp. Seller acknowledges that PacifiCorp, acting in its merchant capacity function as purchaser in this Agreement, has no responsibility for or control over Interconnection Provider or Transmission Provider, and is not liable for any breach of agreement or duty by Interconnection Provider or Transmission Provider.

## **SECTION 2 TERM; MILESTONES**

2.1 Term. This Agreement will become effective after the occurrence of all of the following events: (1) execution by both Parties; (2) approval by the Commission; (3) Seller has executed and is performing in accordance with a new Generation Interconnection Agreement with the Interconnection Provider; *provided*, however, this Agreement shall not become effective until the Commission has determined, pursuant to a final and non-appealable order, that the prices to be paid for energy and capacity are just and reasonable, in the public interest, and that the costs incurred by PacifiCorp for purchases of capacity and energy from Seller are legitimate expenses, all of which the Commission will allow PacifiCorp to recover in rates in Idaho in the event other jurisdictions deny recovery of their proportionate share of said expenses. Unless terminated earlier as provided herein, once effective, this Agreement remains in effect until March 31, 2042 (the “Term”). For the sake of clarity, Seller is obligated to sell and make available to PacifiCorp its Net Output from the Initial Delivery Date through the last date of the Term.

2.2 Milestones. Time is of the essence in the performance of this Agreement, and Seller’s delivery of Net Output is critically important. Therefore, Seller must achieve the milestones provided in (a) through (e) below at the times so indicated.

(a) Seller must begin selling and making available to PacifiCorp Net Output under this Agreement on April 1, 2022 (“Initial Delivery Date”).

(b) Seller must provide a fully executed and effective Generation Interconnection Agreement to PacifiCorp before April 1, 2022.

(c) Seller must provide PacifiCorp with documentation showing that Seller has obtained retail electric service for the Facility before April 1, 2022.

### **SECTION 3 REPRESENTATIONS AND WARRANTIES**

3.1 Mutual Representations and Warranties. Each Party represents and warrants to the other that:

3.1.1 Organization. It is duly organized and validly existing under the laws of the State of its organization.

3.1.2 Authority. It has the requisite power and authority to enter this Agreement and to perform according to its terms.

3.1.3 Corporate Actions. It has taken all corporate actions required to be taken by it to authorize the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated.

3.1.4 No Contravention. The execution and delivery of this Agreement does not contravene any provision of, or constitute a default under, any indenture, mortgage, security instrument or undertaking, or other material agreement to which it is a party or by which it is bound, or any valid order of any court, or any regulatory agency or other Governmental

Authority having authority to which it is subject.

3.1.5 Valid and Enforceable Agreement. This Agreement is a valid and legally binding obligation of it, enforceable in accordance with its terms, except as enforceability may be limited by general principles of equity or bankruptcy, insolvency, bank moratorium or similar laws affecting creditors' rights generally and laws restricting the availability of equitable remedies.

3.2 Seller's Further Representations, Warranties and Covenants. Seller further represents, warrants, and covenants to PacifiCorp that:

3.2.1 Authority. Seller (a) has all required regulatory authority to make wholesale sales from the Facility; (b) has the power and authority to own and operate the Facility and be present upon the Premises for the Term; and (c) is duly qualified and in good standing under the laws of each jurisdiction where its ownership, lease or operation of property, or the conduct of its business requires such qualification.

3.2.2 No Contravention. The execution, delivery, performance and observance by Seller of its obligations in this Agreement do not and will not:

(a) contravene, conflict with or violate any provision of any material Requirements of Law presently in effect having applicability to either Seller or any owner of Seller;

(b) require the consent or approval of or material filing or registration with any Governmental Authority or other person other than consents and approvals which are (i) provided in Exhibit D or (ii) required in connection with the construction or operation of the Facility and expected to be obtained in due course; or

(c) result in a breach of or constitute a default under any provision of (i) any security issued by Seller or any owner of Seller, the effect of which would materially and adversely affect Seller's performance of, or ability to perform, its obligations in this Agreement, or (ii) any material agreement, instrument or undertaking to which either Seller or any owner or other Affiliate of Seller is a party or by which the property of either Seller or any owner or other Affiliate of Seller is bound, the effect of which would materially and adversely affect Seller's performance of, or ability to perform, its obligations in this Agreement.

3.2.3 Required Facility Documents. All Required Facility Documents are listed on Exhibit D. Pursuant to the Required Facility Documents, Seller holds as of the Effective Date (or such other later date as may be specified under Requirements of Law), and will maintain for the Term all Required Facility Documents. The anticipated use of the Facility complies with all applicable restrictive covenants affecting the Premises. Following the the Effective Date, Seller must promptly notify PacifiCorp of any additional Required Facility Documents. If reasonably requested by PacifiCorp, Seller must provide copies of any or all Required Facility Documents.

3.2.4 Delivery of Energy. Before April 1, 2022, Seller must hold all rights sufficient to enable Seller to deliver Net Output at the Nameplate Capacity Rating from the

Facility to the Point of Delivery pursuant to this Agreement throughout the Term.

3.2.5 Control of Premises. Seller has all legal rights necessary for the Seller to enter upon and occupy the Premises for the purpose of constructing, operating and maintaining the Facility for the Term. All leases of real property required for the operation of the Facility or the performance of any obligations of Seller in this Agreement are identified in Exhibit E. Seller must maintain all leases or other land grants necessary for the construction, operation and maintenance of the Facility. Upon request by PacifiCorp, Seller must provide copies of the memoranda of lease recorded in connection with the development of the Facility.

3.2.6 Litigation. No litigation, arbitration, investigation or other proceeding is pending or, to the best of Seller's knowledge, threatened against Seller or any Affiliate of Seller, with respect to this Agreement, the Facility, or the transactions contemplated in this Agreement. No other investigation or proceeding is pending or threatened against Seller or any Affiliate of Seller, the effect of which would materially and adversely affect Seller's performance of its obligations in this Agreement.

3.2.7 Eligible Contract Participant. Seller, and any guarantor of its obligations under this Agreement, is an "eligible contract participant" as that term is defined in the United States Commodity Exchange Act.

3.2.8 Undertaking of Agreement; Professionals and Experts. Seller has engaged those professional or other experts it believes necessary to understand its rights and obligations pursuant to this Agreement. In entering into this Agreement and agreeing to undertake the obligations within, Seller has investigated and determined that it is capable of performing and has not relied upon the advice, experience or expertise of PacifiCorp in connection with the transactions contemplated by this Agreement.

3.2.9 Verification. All information relating to the Facility, its operation and output provided to PacifiCorp and contained in this Agreement has been verified by Seller and is true and accurate.

3.3 No Other Representations or Warranties. Each Party acknowledges that it has entered into this Agreement in reliance upon only the representations and warranties provided in this Agreement, and that no other representations or warranties have been made by the other Party with respect to the subject matter.

3.4 Continuing Nature of Representations and Warranties; Notice. The representations and warranties provided in this Section 3 are made as of the Effective Date and are deemed repeated as of April 1, 2022. If at any time during the Term, either Party obtains actual knowledge of any event or information that would have caused any of the representations and warranties in this Agreement to be materially untrue or misleading at the time given, such Party must provide the other Party with written notice of the event or information, the representations and warranties affected, and the action, if any, which such Party intends to take to make the representations and warranties true and correct. The notice required by this section must be given as soon as practicable after the occurrence of each such event.

## SECTION 4

### DELIVERIES OF NET OUTPUT

4.1 Purchase and Sale. Subject to the provisions of this Agreement, Seller must sell and make available to PacifiCorp, and PacifiCorp must purchase and receive the entire Net Output from the Facility at the Point of Delivery. PacifiCorp is under no obligation to make any purchase other than Net Output and is not obligated to purchase, receive or pay for Net Output that is not delivered to the Point of Delivery.

4.2 Designation as Network Resource. Within five (5) Business Days following the Effective Date, PacifiCorp will submit an application to the Transmission Provider requesting designation of the Facility as a Network Resource, thereby authorizing transmission service under PacifiCorp's Network Integration Transmission Service Agreement with the Transmission Provider. If PacifiCorp is notified in writing by the Transmission Provider that designation of the Facility as a Network Resource requires the construction of transmission system network upgrades or otherwise requires potential redispach of other Network Resources of PacifiCorp (the "Conditional DNR Notice"), the Parties will promptly meet to determine how such conditions to the Facility's Network Resource designation may impact the Contract Price or other terms and conditions of this PPA. If, within thirty (30) days following the date of PacifiCorp's receipt of the Conditional DNR Notice, the Parties are unable to reach agreement on any necessary adjustments to ensure the Contract Price reflects an "avoided cost" price as determined by the Commission and PURPA, PacifiCorp will submit the matter to the Commission for a determination on what adjustments, if any, are appropriate as a result of the Conditional DNR Notice. PacifiCorp will submit such filing with the Commission within sixty (60) days following the date of PacifiCorp's receipt of the Conditional DNR Notice. In the event of a Conditional DNR Notice, Seller will have the right to terminate the Agreement upon written notice to PacifiCorp and such termination by Seller will not be an Event of Default and no damages or other liabilities under this Agreement will be owed by one Party to the other Party; provided, however, that Seller's right to terminate the Agreement under this Section 4.2 will cease following (a) any amendment of this Agreement associated with addressing matters covered under this Section 4.2 or (b) PacifiCorp incurring costs at Seller's request in furtherance of addressing matters covered under this Section 4.2.

4.3 No Sales to Third Parties. During the Term, Seller will not sell any Net Output, energy, or Capacity Rights from the Facility to any party other than PacifiCorp; provided, however, that this restriction does not apply during periods when PacifiCorp is in default under this Agreement because it has failed to accept or purchase Net Output as required under this Agreement.

4.4 Title and Risk of Loss of Net Output. Seller must deliver Net Output to the Point of Delivery and Capacity Rights free and clear of all liens, claims and encumbrances. Title to and risk of loss of all Net Output transfers from Seller to PacifiCorp upon its delivery to PacifiCorp at the Point of Delivery. Seller is in exclusive control of, and responsible for, any damage or injury caused by, all Output up to and at the Point of Delivery. PacifiCorp is in exclusive control of, and responsible for, any damages or injury caused by, Net Output after the Point of Delivery.

4.5 Curtailement. PacifiCorp is not obligated to purchase, receive, pay for, or pay any damages associated with, Net Output not delivered to the System or Point of Delivery due to any of the following: (a) the interconnection between the Facility and the System is disconnected, suspended or interrupted, in whole or in part, consistent with the terms of the Generation Interconnection Agreement; (b) the Market Operator or Transmission Provider directs a general curtailment, reduction, or redispatch of generation in the area (which would include the Net Output) for any reason (excluding curtailment of purchases for general economic reasons unilaterally directed by the Market Operator or PacifiCorp acting solely in its merchant function capacity), even if and no matter how such curtailment or redispatch directive is carried out by PacifiCorp, which may fulfill such directive by acting in its sole discretion; or if PacifiCorp curtails or otherwise reduces the Net Output in any way in order to meet its obligations to the Market Operator or Transmission Provider to operate within system limitations; (c) the Facility's Output is not received because the Facility is not fully integrated or synchronized with the System; (d) an icing event within the immediate water source used as the Facility's primary motive force; or (e) an event of Force Majeure prevents either Party from delivering or receiving Net Output. Seller will reasonably determine the MWh amount of Net Output curtailed under this Section 4.5 based on the amount of energy that could have been generated at the Facility and delivered to PacifiCorp as Net Output but that was not generated and delivered because of the curtailment. Seller must promptly provide PacifiCorp with access to such information and data as PacifiCorp may reasonably require to confirm to its reasonable satisfaction the amount of energy that was not generated or delivered because of a curtailment described in this Section 4.5.

4.6 PacifiCorp as Merchant. Seller acknowledges that PacifiCorp, acting in its merchant capacity function as purchaser under this Agreement, has no responsibility for or control over PacifiCorp Transmission, in either its capacity as Transmission Provider or Interconnection Provider.

4.7 Ownership of Environmental Attributes, Tax Credits. Seller maintains ownership of any Environmental Attributes associated with the Output and any Tax Credits associated with the Output or the Facility.

4.8 Purchase and Sale of Capacity Rights. Seller transfers to PacifiCorp, and PacifiCorp accepts from Seller, any right, title, and interest that Seller may have in and to Capacity Rights, if any, existing during the Term. Seller represents that it has not sold, and covenants that during the Term it will not sell or attempt to sell to any other person or entity the Capacity Rights, if any. During the Term, Seller must not report to any person or entity that the Capacity Rights, if any, belong to anyone other than PacifiCorp. At PacifiCorp’s request, Seller must execute such documents and instruments as may be reasonably required to effect recognition and transfer of the Net Output or any Capacity Rights to PacifiCorp.

4.9 Energy Delivery Schedule. Seller shall prepare and provide to PacifiCorp, on an ongoing basis, a written schedule of Net Energy expected to be delivered by the Facility (“Energy Delivery Schedule”) , in accordance with the following:

From the Effective Date through the first twelve full calendar months following the Effective Date, Seller predicts that the Facility will produce and deliver the following monthly amounts (“Initial Energy Delivery Schedule”):

<u>Month</u>	<u>Energy Delivery (kWh)</u>
January	651,138
February	889,407
March	1,244,914
April	1,194,864
May	1,207,965
June	1,088,503
July	1,082,496
August	1,115,806
September	1,071,216
October	1,162,981
November	1,135,470
December	796,807

4.9.1 Seller may revise the Initial Energy Delivery Schedule any time prior to the Effective Date.

4.9.2 On an after April 1, 2022, the Seller may revise any future monthly Energy Delivery Schedule with additional forward estimates (which shall be the “Subsequent Energy Delivery Schedule”) by providing written notice no later than 5 PM Mountain Standard time on the 20th day of the month that is prior to the month to be revised. If the 20th day of the month falls on a weekend or holiday, then written notice must be received on the last business

day prior to the 20th day of the month . For example, if the Seller would like to revise the Energy Delivery Schedule for October, Seller must submit a revised schedule no later than September 20th or the last business day prior to September 20th. Pacificorp agrees that such dates above shall be revised to the 25<sup>th</sup> day of the month that is prior to the month to be revised (or the last business day prior to the 25<sup>th</sup> of the month if the 25<sup>th</sup> falls on a weekend or holiday) to the extent that Pacificorp develops a web-based or other electronic noticing or scheduling system for Seller to provide such estimates.

a.) This written notice must be provided to PacifiCorp in accordance with Section 22.1, including the electronic notice provisions therein, or by other means of electronic notice as agreed to by both parties.

b.) Failure to provide timely written notice of changes to the Initial Energy Delivery Schedule or, if applicable, the most recent Subsequent Energy Delivery Schedule will be deemed to be an election of no change from the most recently provided Energy Delivery Schedule

4.10 Adjustment of Energy Delivery Schedule. In the event of either (i) a Qualifying Curtailment, or (ii) a Forced Outage lasting at least 48 hours and for which Seller provides notice to PacifiCorp pursuant to Section 6.5.3 (“Qualifying Outage”), the Scheduled Monthly Energy Delivery will be adjusted, *pro rata*, (“Adjusted Scheduled Monthly Energy Delivery”) for that month to determine Conforming Energy and Non-Conforming Energy. The Adjusted Scheduled Monthly Energy Delivery shall be calculated as follows:

$$SMED(adj) = SMED \left( 1 - \sum_{i=1}^n \left( \frac{Hc_i}{Ht} * \frac{DRm - DRc_i}{DRm} \right) \right)$$

Where:

- SMED* = Scheduled Monthly Energy Delivery for the month in which the Qualifying Curtailment(s) and/or Qualifying Outage(s) occur
- SMED(adj)* = Adjusted Scheduled Monthly Energy Delivery for the month in which the Qualifying Curtailment(s) and/or Qualifying Outage(s) occur
- Hc<sub>i</sub>* = the duration in hours of the Qualifying Curtailment(s) and/or Qualifying Outage(s) occur
- Ht* = total hours in the month in which Qualifying Curtailment(s) and/or Qualifying Outage(s) occur
- DRc<sub>i</sub>* = the Maximum Curtailed Facility Delivery Rate during the Qualifying Curtailment(s) and/or Qualifying Outage(s) occur
- DRm* = the Maximum Facility Delivery Rate
- i* = a Qualifying Curtailment and/or Qualifying Outage
- n* = the number of Qualifying Curtailment(s) and/or Qualifying Outage(s) in the month

Where Qualifying Curtailments and/or Qualifying Outages overlap, each distinct period of overlap shall be calculated as a separate Qualifying Curtailment and/or Qualifying Outage such

that no hour within a calendar month may figure into more than one Qualifying Curtailment or Qualifying Outage.

## **SECTION 5 CONTRACT PRICE; COSTS**

5.1 Contract Price; Includes Capacity Rights. PacifiCorp will pay Seller Conforming Energy or Non-Conforming Energy Purchase Prices stated in Exhibit K and as described in this Section 5.1 for all deliveries of Net Output adjusted for the month and On-Peak Hours or Off-Peak Hours and Capacity Rights, up to the Maximum Delivery Rate.

5.2 Costs and Charges. Seller is responsible for paying or satisfying when due all costs or charges imposed in connection with the scheduling and delivery of Net Output up to and at the Point of Delivery, including transmission costs, transmission line losses, and any operation and maintenance charges imposed by Interconnection Provider for the Interconnection Facilities. Except as provided in Section 4.2, PacifiCorp is responsible for all costs or charges, if any, imposed in connection with the delivery of Net Output at and from the Point of Delivery. Without limiting the generality of the foregoing, Seller, in accordance with the Generation Interconnection Agreement, is responsible for all costs associated with the modifications to Interconnection Facilities or the System (including System upgrades) caused by or related to the Facility.

5.3 Station Service. Seller is responsible for arranging and obtaining, at its sole risk and expense, station service required for the Facility that is not provided by the Facility itself.

5.4 Taxes. Seller must pay, or reimburse PacifiCorp for, all existing and any new sales, use, excise, severance, ad valorem, and any other similar taxes, imposed or levied by any Governmental Authority on the Net Output or Capacity Rights up to and including the Point of Delivery, regardless of whether such taxes are imposed on PacifiCorp or Seller under Requirements of Law. PacifiCorp must pay, or reimburse Seller for, all such taxes imposed or levied by any Governmental Authority on the Net Output or Capacity Rights beyond the Point of Delivery, regardless of whether such taxes are imposed on PacifiCorp or Seller under Requirements of Law. The Contract Price will not be adjusted on the basis of any action of any Governmental Authority with respect to changes to or revocations of sales and use tax benefits, rebates, exception or give back. In the event any taxes are imposed on a Party for which the other Party is responsible in this Agreement, the Party on which the taxes are imposed must promptly provide the other Party notice and such other information as such Party reasonably requests with respect to any such taxes.

5.5 Costs of Ownership and Operation. Without limiting the generality of any other provision of this Agreement and subject to Section 5.4, Seller is solely responsible for paying when due (a) all costs of owning and operating the Facility in compliance with existing and future Requirements of Law and the terms and conditions of this Agreement, and (b) all taxes and charges (however characterized) now existing or later imposed on or with respect to the Facility and its operation, including any tax or charge (however characterized) payable by a generator of Environmental Attributes.

5.6 Rates Not Subject to Review. The rates for service specified in this Agreement will remain in effect until expiration of the Term, and are not subject to change for any reason, including regulatory review, absent agreement of the Parties. Neither Party will petition FERC to amend such prices or terms, or support a petition by any other person seeking to amend such prices or terms, absent the agreement in writing of the other Party. Further, absent the agreement in writing by both Parties, the standard of review for changes to this Agreement proposed by a Party, a non-party or the FERC acting *sua sponte* will be the “public interest” application of the “just and reasonable” standard of review as described in United Gas Pipe Line Co. v. Mobile Gas Service Corp., 350 U.S. 332 (1956), and Federal Power Commission v. Sierra Pacific Power Co., 350 U.S. 348 (1956), and clarified by Morgan Stanley Capital Group. Inc. v. Public Util. Dist. No. 1 of Snohomish, 554 U.S. 527, 128 S. Ct. 2733 (2008).

## **SECTION 6 OPERATION AND CONTROL**

### 6.2 Standard of Facility Operation.

6.2.1 General. Seller will operate all interconnected equipment associated with the Facility within its control in accordance with all applicable federal, state, and local laws and regulations to ensure system safety and reliability of interconnected operations. At Seller’s sole cost and expense, Seller must operate, maintain and repair the Facility in accordance with (a) the applicable and mandatory standards, criteria and formal guidelines of FERC, NERC, any RTO, and any other Electric System Authority and any successors to the functions thereof; (b) the Permits and Required Facility Documents; (c) the Generation Interconnection Agreement; (d) all Requirements of Law; (e) the requirements of this Agreement; and (f) Prudent Electrical Practice. Seller acknowledges that it has no claim under this Agreement against PacifiCorp with respect to any requirements imposed by or damages caused by (or allegedly caused by) the Transmission Provider or Interconnection Provider or with respect to the provision of station service.

6.2.2 Qualified Operator. Seller or an Affiliate of Seller must operate and maintain the Facility or cause the Facility to be operated and maintained by an entity that has at least two years of experience in the operation and maintenance of similar facilities of comparable size to the Facility. Seller must provide PacifiCorp thirty (30) days prior written notice of any change in operator of the Facility.

### 6.2.3 Fines and Penalties.

(a) Without limiting a Party's rights under Section 6.2.3(b), each Party must pay all fines and penalties incurred by such Party on account of noncompliance by such Party with Requirements of Law as such fines and penalties relate to the subject matter of this Agreement, except where such fines and penalties are being contested in good faith through appropriate proceedings.

(b) If fines, penalties, or legal costs are assessed against or incurred by either Party (the "Indemnified Party") on account of any action by any Governmental Authority due to noncompliance by the other Party (the "Indemnifying Party") with any Requirements of Law or the provisions of this Agreement, or if the performance of the Indemnifying Party is delayed or stopped by order of any Governmental Authority due to the Indemnifying Party's noncompliance with any Requirements of Law, the Indemnifying Party must indemnify and hold harmless the Indemnified Party against any and all Liabilities suffered or incurred by the Indemnified Party as a result thereof. Without limiting the generality of the foregoing, the Indemnifying Party must reimburse the Indemnified Party for all fees, damages, or penalties imposed on the Indemnified Party by any Governmental Authority, other person or to other utilities for violations to the extent caused by a default by the Indemnifying Party or a failure of performance by the Indemnifying Party under this Agreement.

6.3 Interconnection. Seller is responsible for the costs and expenses associated with obtaining from the Interconnection Provider network resource interconnection service (or interconnection service of a comparable nature) for the Facility at its Nameplate Capacity Rating. Seller has no claims under this Agreement against PacifiCorp, acting in its merchant function capacity, with respect to any requirements imposed by or damages caused by (or allegedly caused by) acts or omissions of the Transmission Provider or Interconnection Provider, acting in such capacities, in connection with the Generation Interconnection Agreement or otherwise.

6.4 Coordination with System. Seller's delivery of electricity to PacifiCorp under this Agreement must be at a voltage, phase, power factor, and frequency as reasonably specified by PacifiCorp. Seller will furnish, install, operate, and maintain in good order and repair, and without cost to PacifiCorp, such switching equipment, relays, locks and seals, breakers, automatic synchronizers, and other control and protective apparatus determined by PacifiCorp to be reasonably necessary for the safe and reliable operation of the Facility in parallel with the System, or Seller may contract with PacifiCorp to do so at the Seller's expense. PacifiCorp must at all times have access to all switching equipment capable of isolating the Facility from the System.

6.5 Outages.

6.5.1 Planned Outages. Seller must provide PacifiCorp with an annual forecast of Planned Outages for each Contract Year at least one month, but no more than three months, before the first day of that Contract Year, and may update such Planned Outage schedule as necessary to comply with Prudent Electrical Practices. Any such update to the Planned Outage schedule must be promptly submitted to PacifiCorp. Except as may be required in the Generation Interconnection Agreement, Seller may not schedule a Planned Outage during any portion of the months of December and July, except to the extent reasonably required to enable a vendor to satisfy a guarantee requirement.

6.5.2 Maintenance Outages. If Seller reasonably determines that it is necessary to schedule a Maintenance Outage, Seller must notify PacifiCorp of the proposed Maintenance Outage as soon as practicable but in any event at least five (5) days before the outage begins. Seller must take all reasonable measures consistent with Prudent Electrical Practices to not schedule any Maintenance Outage during the months of December and July. Notice of a proposed Maintenance Outage by Seller must include the expected start date and time of the outage, the amount of generation capacity of the Facility that will not be available, and the expected completion date and time of the outage. PacifiCorp will promptly respond to such notice and may request reasonable modifications in the schedule for the outage. Seller must use all reasonable efforts to comply with any request to modify the schedule for a Maintenance Outage provided that such change has no substantial impact on Seller. Once the Maintenance Outage has commenced, Seller must keep PacifiCorp apprised of any changes in the generation capacity available from the Facility during the Maintenance Outage and any changes in the expected Maintenance Outage completion date and time. As soon as practicable, any notifications given orally must be confirmed in writing. Seller make take all reasonable measures consistent with Prudent Electrical Practices to minimize the frequency and duration of Maintenance Outages.

6.5.3 Forced Outages. Seller must promptly provide to PacifiCorp an oral report, via telephone to a number specified by PacifiCorp (or other method approved by PacifiCorp), of any Forced Outage resulting in more than ten percent (10%) of the Nameplate Capacity Rating of the Facility being unavailable. This report from Seller must include the amount of the generation capacity of the Facility that will not be available because of the Forced Outage and the expected return date of such generation capacity. Seller must promptly update the report as necessary to advise PacifiCorp of changed circumstances. As soon as practicable, the oral report must be confirmed in writing to PacifiCorp. Seller must take all reasonable measures consistent with Prudent Electrical Practices to avoid Forced Outages and to minimize their duration.

6.5.4 Notice of Deratings and Outages. Without limiting the foregoing, Seller will inform PacifiCorp, via telephone to a number specified by PacifiCorp (or other method approved by PacifiCorp), of any limitations, restrictions, deratings or outages reasonably predicted by Seller to affect more than five percent (5%) of the Nameplate Capacity rating of the Facility for the following day and will promptly update such notice to the extent of any material changes in this information.

6.5.5 Effect of Outages on Estimated Output. Seller represents and warrants that the Expected Monthly Net Output provided in Exhibit A takes into account the Planned Outages, Maintenance Outages, and Forced Outages that Seller reasonably expects to encounter in the ordinary course of operating the Facility.

## 6.6 Scheduling.

6.6.1 Cooperation and Standards. With respect to any and all scheduling requirements, (a) Seller must cooperate with PacifiCorp with respect to scheduling Net Output, and (b) each Party will designate authorized representatives to communicate with regard to

scheduling and related matters arising under this Agreement. Each Party must comply with the applicable variable resource standards and criteria of any applicable Electric System Authority, as applicable.

6.6.2 Schedule Coordination. If, as a result of this Agreement, PacifiCorp is deemed by an RTO to be financially responsible for Seller's performance under the Generation Interconnection Agreement due to Seller's lack of standing as a "scheduling coordinator" or other RTO-recognized designation, qualification or otherwise, then Seller must either (a) promptly take all actions necessary to acquire such RTO-recognized standing (or must contract with a third party who has such RTO-recognized standing) so that PacifiCorp is no longer responsible for Seller's performance under the Generation Interconnection Agreement or RTO requirement, or (b) provide notice to PacifiCorp that it is electing to terminate this Agreement, which termination shall be without penalty.

6.7 Forecasting.

6.7.1 Long-Range Forecasts. Seller must, by December 1<sup>st</sup> of each year during the Term (except for the last year of the Term), provide an annual update to the expected long-term monthly/diurnal mean net energy and net capacity factor estimates (12 X 24 profile). Seller must prepare such forecasts utilizing a renewable energy resource prediction model or service that is satisfactory to PacifiCorp in the exercise of its reasonable discretion and comparable in accuracy to models or services commonly used in the industry. The forecasts provided by Seller must comply with all applicable Electric System Authority tariff procedures, protocols, rules and testing as necessary and as may be modified from time to time.

6.8 Increase in Nameplate Capacity Rating; New Project Expansion or Development. If Seller elects to increase the ability of the Facility to deliver Net Output in quantities in excess of the Maximum Delivery Rate through any means, including replacement or modification of Facility equipment or related infrastructure, PacifiCorp is not required to purchase any Net Output above the Maximum Delivery Rate. If Seller elects to build an expansion or additional project within one mile of the Facility (measured from the nearest generation equipment at both locations), Seller may not require PacifiCorp to purchase (and PacifiCorp will have no obligation to purchase pursuant to this Agreement) the output of any such expansion or additional facility. Seller agrees that it will not seek to avoid the obligations in this Section 6.8 through use or establishment of a special purpose entity or other Affiliate. Any such expansion or additional facility may not materially and adversely impact the ability of either Party to fulfill its obligations under this Agreement.

6.9 Telemetry. Seller must provide telemetry or other cellular or web-based equipment and facilities capable of transmitting the following information concerning the Facility pursuant to the Generation Interconnection Agreement and to PacifiCorp on a real-time basis, and will operate such equipment when requested by PacifiCorp to indicate:

- (a) instantaneous MW output at the Point of Delivery;
- (b) Net Output; and

- (c) the Facility's total instantaneous generation capacity.

Commencing on the date of initial deliveries under this Agreement, Seller must also transmit or otherwise make accessible to PacifiCorp any other data from the Facility that Seller receives on a real time basis, including Net Output data. Such real time data must be made available to PacifiCorp on the same basis as Seller receives the data (e.g., if Seller receives the data in four second intervals, PacifiCorp must also receive the data in four second intervals). If Seller uses a web-based performance monitoring system for the Facility, Seller must provide PacifiCorp access to Seller's web-based performance monitoring system.

6.10 Transmission Provider Consent. Within ten (10) days of the Effective Date, Seller must execute and submit to PacifiCorp, a consent in the form provided in Exhibit H or as otherwise required by Transmission Provider, that allows PacifiCorp to read the meter and receive any and all data from the Transmission Provider relating to transmission of Output or other matters relating to the Facility without the need for further consent from Seller.

6.11 Dedicated Communication Circuit. Seller must install a dedicated direct communication circuit (which may be by common carrier telephone), or cellular or web-based equipment, between PacifiCorp and the control center in the Facility's control room or such other communication equipment as the Parties may agree, if requested to by Pacificorp.

6.12 Reports and Records.

6.12.1 Electronic Fault Log. Seller must maintain an electronic fault log of operations of the Facility during each hour of the Term commencing on April 1, 2022. Seller must provide PacifiCorp with a copy of the electronic fault log within thirty (30) days after the end of the calendar month to which the fault log applies.

6.12.2 Information to Governmental Authorities. Seller must, promptly upon written request from PacifiCorp, provide PacifiCorp with data collected by Seller related to the construction, operation or maintenance of the Facility reasonably required for reports to any Governmental Authority or Electric System Authority, along with a statement from an officer of Seller certifying that the contents of the submittals are true and accurate to the best of Seller's knowledge. Seller must use best efforts to provide this information to PacifiCorp sufficiently in advance to enable PacifiCorp to review such information and meet any submission deadlines. PacifiCorp will reimburse Seller for all of Seller's reasonable actual costs and expenses in excess of \$5,000 per year, if any, incurred in connection with PacifiCorp's requests for information under this subsection.

6.12.4 Data Request. Seller must, promptly upon written request from PacifiCorp, provide PacifiCorp with data collected by Seller related to the construction, operation or maintenance of the Facility reasonably required for information requests from any Governmental Authorities, state or federal agency intervener or any other party achieving intervenor status in any PacifiCorp rate proceeding or other proceeding before any Governmental Authority. Seller must use best efforts to provide this information to PacifiCorp sufficiently in advance to enable PacifiCorp to review such date and meet any submission deadlines. PacifiCorp will reimburse Seller for all of Seller's reasonable actual costs and expenses in excess

of \$5,000 per year, if any, incurred in connection with PacifiCorp's requests for information under this subsection.

6.12.5 Documents to Governmental Authorities. After sending or filing any statement, application, and report or any document with any Governmental Authority or Electric System Authority relating to operation and maintenance of the Facility, Seller must promptly provide to PacifiCorp a copy of the same.

6.12.6 Notice of Material Adverse Events. Seller must promptly notify PacifiCorp of receipt of written notice or actual knowledge by Seller or its Affiliates of the occurrence of any event of default under any material agreement to which Seller is a party and of any other development, financial or otherwise, which would have a material adverse effect on Seller, the Facility, or Seller's ability to develop, construct, operate, maintain or own the Facility, including any material violation of any environmental laws or regulations arising out of the construction or operation of the Facility, or the presence of Environmental Contamination at the Facility or on the Premises.

6.12.7 Notice of Litigation. Following its receipt of written notice or knowledge of the commencement of any action, suit, or proceeding before any court or Governmental Authority against Seller, its members, or any Affiliate relating to the Facility or this Agreement, or that could materially and adversely affect Seller's performance of its obligations in this Agreement, Seller must promptly notify PacifiCorp.

6.12.8 Additional Information. Seller must provide to PacifiCorp such other information as relevant to Seller's performance of its obligations under this Agreement or the Facility as PacifiCorp may, from time to time, reasonably request.

6.12.9 Confidential Treatment. The reports and other information provided to PacifiCorp under this Section 6.12 will be treated as confidential if such treatment is requested in writing by Seller at the time the information is provided to PacifiCorp, subject to PacifiCorp's rights to disclose such information pursuant to Sections 6.12.3 and 6.12.4, and pursuant to any applicable Requirements of Law. Seller will have the right to seek confidential treatment of any such information from any Governmental Authority entitled to receive such information.

6.13 Financial and Accounting Information. If PacifiCorp or one of its Affiliates determines that, under (a) the Accounting Standards Codification (ASC) 810, Consolidation of Variable Interest Entities, and (b) Requirements of Law that it may hold a variable interest in Seller, but it lacks the information necessary to make a definitive conclusion, Seller agrees to provide, upon PacifiCorp's written request, sufficient financial and ownership information so that PacifiCorp or its Affiliate may confirm whether a variable interest does exist under ASC 810 and Requirements of Law. If PacifiCorp or its Affiliate determines that, under ASC 810, it holds a variable interest in Seller, Seller agrees to provide, upon PacifiCorp's written request, sufficient financial and other information to PacifiCorp or its Affiliate so that PacifiCorp may properly consolidate the entity in which it holds the variable interest or present the disclosures required by ASC 810 and Requirements of Law. PacifiCorp will reimburse Seller for Seller's reasonable costs and expenses, if any, incurred in connection with PacifiCorp's requests for information under this Section 6.13. Seller will have the right to seek confidential treatment of any such information from any Governmental Authority entitled to receive such information.

6.14 Access Rights. Upon reasonable prior notice and subject to the prudent safety requirements of Seller, and Requirements of Law relating to workplace health and safety, Seller must provide PacifiCorp and its authorized agents, employees and inspectors ("PacifiCorp Representatives") with reasonable access to the Facility: (a) for the purpose of reading or testing metering equipment, (b) as necessary to witness any acceptance tests, and (c) for other reasonable purposes at the reasonable request of PacifiCorp. PacifiCorp will release Seller from any and all Liabilities resulting from actions or omissions by any of the PacifiCorp Representatives in connection with their access to the Facility, except to the extent such Liabilities are caused by the intentional or negligent act or omission of Seller or its agents or Affiliates.

## **SECTION 7 QUALIFYING FACILITY STATUS**

7.1 Seller's QF Status. Seller must maintain throughout the Term the Facility's status as a QF. Seller must provide PacifiCorp with copies of any QF certification or recertification documentation within ten (10) days of its filing with any Governmental Authority. At any time during the Term, PacifiCorp may require Seller to provide PacifiCorp with evidence satisfactory to PacifiCorp in its reasonable discretion that the Facility continues to qualify as a QF under all applicable requirements.

## **SECTION 8 SECURITY AND CREDIT SUPPORT**

Reserved

## SECTION 9

### METERING

9.1 Installation of Metering Equipment. At Seller's expense, metering equipment must be designed, furnished, installed, owned, inspected, tested, maintained and replaced as provided in the Generation Interconnection Agreement. Seller must reasonably cooperate with PacifiCorp in developing any metering protocols necessary for PacifiCorp to comply with the requirements of the Market Operator.

9.2 Metering. Metering must be performed at the location and in the manner specified in Exhibit C, the Generation Interconnection Agreement, and as necessary to perform Seller's obligations under this Agreement. All quantities of Net Output purchased must reflect the net amount of energy flowing onto the System at the Point of Delivery.

9.3 Inspection, Testing, Repair and Replacement of Meters. PacifiCorp has the right to periodically inspect, test, repair and replace the metering equipment that is provided for in the Generation Interconnection Agreement, without PacifiCorp assuming any obligations of Seller under the Generation Interconnection Agreement. If any of the inspections or tests disclose an error exceeding 0.5 percent (0.5%), either fast or slow, the necessary corrections will be made of previous readings for the actual period during which the metering equipment rendered inaccurate measurements if that period can be ascertained. If the actual period of error cannot be ascertained, the corrections will be made for the entire time period since the metering equipment was last inspected and verified accurate, not to exceed three (3) months. Any corrections under this Section 9.3 will be reflected as an adjustment in the next monthly invoice.

9.4 Metering Costs. To the extent not otherwise provided in the Generation Interconnection Agreement, Seller is responsible for all costs relating to all metering equipment installed to accommodate Seller's Facility.

9.5 WREGIS Metering. Seller must cause the Facility to implement all necessary generation information communications in WREGIS, and report generation information to WREGIS, which may be accomplished by executing a QRE agreement with PacifiCorp the current form of which is attached as Exhibit G, pursuant to a WREGIS-approved meter dedicated to the Facility and only the Facility.

## SECTION 10

### BILLINGS, COMPUTATIONS AND PAYMENTS

10.1 Monthly Invoices. On or before the thirtieth (30th) day following the end of each Billing Period, PacifiCorp shall send to Seller payment for Seller's deliveries of Net Output to PacifiCorp, together with computations supporting such payment.

10.2 Offsets. Either Party may offset any payment due under this Agreement against amounts owed by the other Party pursuant under this Agreement. Either Party's exercise of recoupment and set off rights will not limit the other remedies available to such Party under this Agreement.

10.3 Interest on Late Payments. Any amounts not paid when due under this Agreement will bear interest at the Contract Interest Rate from the date due until paid.

10.4 Disputed Amounts. If either Party, in good faith, disputes any amount due under an invoice provided under this Agreement, such Party must notify the other Party of the specific basis for the dispute and, if the invoice shows an amount due, must pay that portion of the invoice that is undisputed on or before the due date. Any such notice of dispute must be provided within two (2) years of the date of the invoice in which the error first occurred. If any amount disputed by such Party is determined to be due the other Party, or if the Parties resolve the payment dispute, the amount due must be paid within five (5) Business Days after such determination or resolution, along with interest at the Contract Interest Rate from the date due until the date paid.

10.5 Audit Rights. Each Party, through its authorized representatives, has the right, at its expense upon reasonable notice and during normal business hours, to examine and copy the records of the other Party to the extent reasonably necessary to verify the accuracy of any statement, charge or computation made under this Agreement or to verify the other Party's performance of its obligations under this Agreement. Upon request, each Party must provide to the other Party statements evidencing the quantities of Net Output delivered at the Point of Delivery. If any statement is found to be inaccurate, a corrected statement will be issued and, subject to Section 10.4, any amount due one Party to the other Party as a result of the corrected statement will be promptly paid including the payment of interest at the Contract Interest Rate from the date of the overpayment or underpayment to the date of receipt of the reconciling payment.

## **SECTION 11 DEFAULTS AND REMEDIES**

11.1 Defaults. The following events are defaults under this Agreement, and are "Events of Defaults" after the passing of notice and cure periods, as applicable:

### 11.1.1 Defaults by Either Party.

(a) A Party fails to make a payment when due under this Agreement if the failure is not cured within ten (10) Business Days after the non-defaulting Party gives the defaulting Party a notice of the default.

(b) A Party (i) makes a general assignment for the benefit of its creditors; (ii) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy or similar law for the protection of creditors, or has such a petition filed against it and such petition is not withdrawn or dismissed within sixty (60) days after such filing; (iii) becomes insolvent; or (iv) is unable to pay its debts when due.

(c) A Party breaches a representation or warranty in this Agreement if the breach is not cured within thirty (30) days after the non-defaulting Party gives the defaulting Party a notice of the default; provided, however, that if such default is not reasonably capable of being cured within the thirty (30) day cure period but is reasonably capable of being cured within

ninety (90) days, the defaulting Party will have an additional reasonable time to cure the default, not to exceed ninety (90) days following the date of notice of the default by the non-defaulting Party, if the defaulting Party provides to the non-defaulting Party a remediation plan within fifteen (15) days following the date of notice of the default by the non-defaulting Party, the non-defaulting Party approves such remediation plan, and the defaulting Party promptly commences and diligently pursues the remediation plan.

(d) A Party fails to perform any material obligation in this Agreement for which an exclusive remedy is not provided in the Agreement and which is not otherwise an identified Event of Default in this Agreement, if the failure is not cured within thirty (30) days after the non-defaulting Party gives the defaulting Party notice of the default; provided, however, that if such default is not reasonably capable of being cured within the thirty (30) day cure period but is reasonably capable of being cured within ninety (90) days, the defaulting Party will have an additional reasonable time to cure the default, not to exceed ninety (90) days following the date of notice of the default by the non-defaulting Party, if the defaulting Party provides to the non-defaulting Party a remediation plan within fifteen (15) days following the date of notice of the default by the non-defaulting Party, the non-defaulting Party approves such remediation plan, and the defaulting Party promptly commences and diligently pursues the remediation plan.

#### 11.1.2 Defaults by Seller.

(a) Seller sells Output or Capacity Rights from the Facility to a party other than PacifiCorp in breach of Section 4.3, if Seller does not permanently cease such sale and compensate PacifiCorp for the damages arising from the breach within ten (10) days after PacifiCorp gives Seller a notice of default.

(b) PacifiCorp receives notice of foreclosure of the Facility or any part thereof by a Lender, mechanic or materialman, or any other holder, of an unpaid lien or other charge or encumbrance, if the same has not been stayed, paid, or bonded around within ten (10) days of the date of the notice received by PacifiCorp.

(c) Seller fails to maintain any Required Facility Documents or Permits necessary to own or operate the Facility and is not able to obtain the necessary Required Facility Documents or Permits within ninety (90) days after the loss of the applicable Required Facility Documents or Permits.

(d) Seller's Abandonment of construction or operation of the Facility and such failure continues for thirty (30) days after Seller's receipt of written notice from PacifiCorp.

(e) Seller fails to maintain insurance as required by the Agreement and such failure continues for fifteen (15) days after Seller's receipt of written notice from PacifiCorp.

### 11.2 Remedies for Failure to Deliver/Receive.

#### 11.2.1 Remedy for Seller's Failure to Deliver. Upon the occurrence and during

the continuation of a default of Seller under Section 11.1.2(a), Seller must pay PacifiCorp within five (5) Business Days after receipt of invoice, an amount equal to the sum of (a) PacifiCorp's Cost to Cover multiplied by the Net Output delivered to a party other than PacifiCorp, (b) additional transmission charges, if any, reasonably incurred by PacifiCorp in moving replacement energy to the Point of Delivery or if not there, to such points in PacifiCorp's control area as determined by PacifiCorp, and (c) any additional cost or expense incurred as a result of Seller's default, as determined by PacifiCorp in a commercially reasonable manner. The invoice for such amount must include a written statement explaining in reasonable detail the calculation of such amount.

11.2.2 Remedy for PacifiCorp's Failure to Purchase. If PacifiCorp fails to receive or purchase all or part of the Net Output required to be purchased under this Agreement and such failure is not excused by Seller's failure to perform under or comply with this Agreement, then PacifiCorp must pay Seller, on the earlier of the date payment would otherwise be due in respect of the month in which the failure occurred or within five (5) Business Days after receipt of invoice, an amount equal to Seller's Cost to Cover multiplied by the amount of Net Output not purchased. The invoice for such amount must include a written statement explaining in reasonable detail the calculation of such amount.

11.2.3 Remedy for Seller's Failure to Provide Capacity Rights. Seller is liable for PacifiCorp's actual damages in the event Seller fails to sell or deliver all or any portion of the Capacity Rights to PacifiCorp.

11.3 Termination and Remedies. From and during the continuance of an Event of Default, the non-defaulting Party will be entitled to all remedies available at law or in equity, and may terminate this Agreement by notice to the other Party designating the date of termination and delivered to the defaulting Party no less than fifteen (15) days before such termination date. The notice required under this Section 11.3 may be provided in the notice of default (and does not have to be a separate notice) provided it complies with the terms of this Section 11.3. Seller must provide copies of such termination notice to the notice addresses of the then-current President and General Counsel of PacifiCorp by registered overnight delivery service or by certified or registered mail, return receipt requested. Seller's termination notice must state prominently in type font no smaller than 14-point capital letters that "THIS IS A TERMINATION NOTICE UNDER A PPA. YOU MUST CURE A DEFAULT, OR THE PPA WILL BE TERMINATED," must state any amount alleged to be owed, and must include wiring instructions for payment. Notwithstanding any other provision of this Agreement to the contrary, Seller will not have any right to terminate this Agreement if the default that gave rise to the termination right is cured within fifteen (15) days of PacifiCorp's receipt of such notice. Further, from and after the date upon which Seller fails to remedy a default within the time periods provided in this Agreement, and until PacifiCorp has recovered all damages incurred on account of such default by Seller, PacifiCorp may offset its damages against any payment due Seller. Except in circumstances in which a remedy provided for in this Agreement is described as a Party's sole or exclusive remedy, the non-defaulting Party may pursue any and all legal or equitable remedies provided by law, equity or this Agreement. The rights contemplated by this Section 11 are cumulative such that the exercise of one or more rights does not constitute a waiver of any other rights. In the event of a termination of this Agreement:

(a) Each Party must pay to the other all amounts due the other under this Agreement for all periods prior to termination, subject to offset by the non-defaulting Party against damages incurred by such Party.

(b) The amounts due under this Section 11.3 must be paid within thirty (30) days after the billing date for such charges and will bear interest at the Contract Interest Rate from the date of termination until the date paid. The foregoing does not extend the due date of, or provide an interest holiday for any payments otherwise due under this Agreement.

(c) Without limiting the generality of the foregoing, the provisions of Sections 4.6, 5.4, 5.5, 6.12.3, 6.12.4, 6.13, 10.3, 10.4, 10.5, 11.3, 11.4, 11.5, 11.6, 11.7, 11.8, 12, 13, 16, 17, 21, and 24 survive the termination of this Agreement.

11.4 Termination of Duty to Buy. If this Agreement is terminated because of a default by Seller, neither Seller nor any Affiliate or successor to Seller with respect to the ownership of the Facility or Premises, may thereafter require or seek to require PacifiCorp to make any purchases from the Facility or any electric generation facility constructed on the Premises under PURPA, or any other Requirements of Law, for any periods that would have been within the Term had this Agreement remained in effect for its maximum term. Seller agrees that it will not seek to avoid the restrictions in this Section 11.4 through use or establishment of a special purpose entity or other Affiliate.

11.5 Termination Damages. If this Agreement is terminated by PacifiCorp as a result of an Event of Default by Seller, termination damages owed by Seller to PacifiCorp will be the positive difference, if any, between (a) PacifiCorp's estimated costs to secure replacement power for a period of twenty four (24) months following the date of termination, including any associated transmission necessary to deliver such replacement power; and (b) the Contract Price for such twenty four (24) month period ("Termination Damages"). PacifiCorp must calculate the Termination Damages in a commercially reasonable manner and provide to Seller a written statement explaining in reasonable detail the calculation of Termination Damages. Amounts owed pursuant to this Section 11.5 are due by Seller within ten (10) Business Days after receipt of the written statement of Termination Damages from PacifiCorp. Each Party agrees and acknowledges that the damages that PacifiCorp would incur due to Seller's Event of Default would be difficult or impossible to predict with certainty, it is impractical and difficult to assess actual damages in the circumstances stated, and therefore the Termination Damages as agreed to in this Section 11.5 are a fair and reasonable calculation of such damages

11.6 Duty/Right to Mitigate. Each Party agrees that it has a duty to mitigate damages and covenants that it will use commercially reasonable efforts to minimize any damages it may incur as a result of the other Party's performance or non-performance. With respect to Seller, Seller must use commercially reasonable efforts to maximize the price for Net Output received by Seller from third parties, including entering into an enabling agreement with, or being affiliated with, one or more power marketers of nationally recognized standing to market such Net Output not purchased or accepted by PacifiCorp (only during a period PacifiCorp is in default), to the extent permitted by Requirements of Law and the Generation Interconnection Agreement. With respect to PacifiCorp, PacifiCorp must use commercially reasonable efforts to minimize the price paid to third parties for energy purchased to replace Net Output not delivered by Seller as required under this Agreement.

11.7 Security. If this Agreement is terminated because of Seller's default, PacifiCorp may, in addition to pursuing any and all other remedies available at law or in equity, proceed against any security held by PacifiCorp in whatever form to reduce the amounts that Seller owes PacifiCorp arising from such default.

11.8 Cumulative Remedies. Except in circumstances in which a remedy provided for in this Agreement is described as a sole or exclusive remedy, the rights and remedies provided to PacifiCorp in this Agreement are cumulative and not exclusive of any rights or remedies of PacifiCorp.

## SECTION 12

## **INDEMNIFICATION AND LIABILITY**

### 12.1 Indemnities.

12.1.1 Indemnity by Seller. To the extent permitted by Requirements of Law and subject to Section 12.1.5, Seller releases, indemnifies and holds harmless PacifiCorp, its divisions, Affiliates, and each of its and their respective directors, officers, employees, agents, and representatives (collectively, the “PacifiCorp Indemnitees”) against and from any and all losses, fines, penalties, claims, demands, damages, liabilities, actions or suits of any nature whatsoever (including legal costs and attorneys’ fees, both at trial and on appeal, whether or not suit is brought) (collectively, “Liabilities”) actually or allegedly resulting from, arising out of, or in any way connected with, the performance by Seller of its obligations under this Agreement, or relating to the Facility or Premises, for or on account of injury, bodily or otherwise, to, or death of, or damage to, or destruction or economic loss of property of, any person or entity, except for Liabilities caused by the gross negligence or willful misconduct of any person or entity within the PacifiCorp Indemnitees. Seller is solely responsible for (and will defend and hold PacifiCorp harmless against) any damage that may occur as a direct result of Seller’s breach of the Generation Interconnection Agreement.

12.1.2 Indemnity by PacifiCorp. To the extent permitted by Requirements of Law and subject to Section 12.1.5, PacifiCorp releases, indemnifies and holds harmless Seller, its Affiliates, and each of its and their respective directors, officers, employees, agents, and representatives (collectively, the “Seller Indemnitees”) against and from any and all Liabilities actually or allegedly resulting from, arising out of, or in any way connected with, the performance by PacifiCorp of its obligations under this Agreement for or on account of injury, bodily or otherwise, to, or death of, or damage to, or destruction or economic loss of property of, any person or entity within the Seller Indemnitees, except for Liabilities caused by the gross negligence or willful misconduct of any person or entity within the Seller Indemnitees.

12.1.3 Additional Cross Indemnity. Without limiting Sections 12.1.1 and 12.1.2, Seller releases, indemnifies and holds harmless the PacifiCorp Indemnitees from and against all Liabilities related to Net Output prior to its delivery by Seller at the Point of Delivery, and PacifiCorp releases, indemnifies and holds harmless the Seller Indemnitees from and against all Liabilities related to Net Output once delivered to PacifiCorp at the Point of Delivery as provided in this Agreement, except in each case to the extent such Liabilities are attributable to the gross negligence, willful misconduct, or a breach of this Agreement by any member of the PacifiCorp Indemnitees or the Seller Indemnitees, respectively, seeking indemnification under this Agreement.

12.1.4 No Dedication. Nothing in this Agreement will be construed to create any duty to, any standard of care with reference to, or any liability to any person not a Party. No undertaking by one Party to the other under any provision of this Agreement will constitute the dedication of PacifiCorp’s facilities or any portion thereof to Seller or to the public, nor affect the status of PacifiCorp as an independent public utility corporation or Seller as an independent individual or entity.

12.1.5 Consequential Damages. **NEITHER PARTY WILL BE LIABLE TO**

**THE OTHER PARTY FOR SPECIAL, PUNITIVE, INDIRECT, EXEMPLARY OR CONSEQUENTIAL DAMAGES, WHETHER SUCH DAMAGES ARE ALLOWED OR PROVIDED BY CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, STATUTE OR OTHERWISE. THE PARTIES AGREE THAT ANY LIQUIDATED DAMAGES, DELAY DAMAGES, TERMINATION DAMAGES, PACIFICORP AND SELLER COST TO COVER DAMAGES, OR OTHER SPECIFIED MEASURE OF DAMAGES EXPRESSLY PROVIDED FOR IN THIS AGREEMENT DO NOT REPRESENT SPECIAL, PUNITIVE, INDIRECT, EXEMPLARY OR CONSEQUENTIAL DAMAGES AS CONTEMPLATED IN THIS PARAGRAPH.**

**SECTION 13**

## INSURANCE

13.1 Required Policies and Coverages. Without limiting any Liabilities or any other obligations of Seller, Seller must secure and continuously carry the insurance coverage specified on Exhibit I.

## SECTION 14

### FORCE MAJEURE

14.1 Definition of Force Majeure. “Force Majeure” or “an event of Force Majeure” means an event that prevents a Party from performing an obligation under this Agreement and that (a) is not reasonably anticipated as of the Effective Date, (b) is not within the reasonable control of the Party affected by the event, (c) is not the result of such Party’s negligence or failure to act, and (d) could not be overcome by the affected Party’s use of due diligence in the circumstances. Force Majeure includes events of the following types (but only to the extent that such an event, in consideration of the circumstances, satisfies the requirements in the preceding sentence): environmental disasters,; civil disturbance; sabotage; strikes; lock-outs; work stoppages; and action or restraint by court order or public or Governmental Authority (as long as the affected Party has not applied for or assisted in the application for, and has opposed to the extent reasonable, such court or government action). Notwithstanding the foregoing, none of the following constitute Force Majeure: (i) Seller’s ability to sell, or PacifiCorp’s ability to purchase energy or capacity at a more advantageous price than is provided under this Agreement; (ii) the cost or availability of fuel or motive force to operate the Facility; (iii) economic hardship, including lack of money or the increased cost of electricity, steel, labor, or transportation; (iv) any breakdown or malfunction of the Facility’s equipment (including any serial equipment defect) that is not caused by an independent event of Force Majeure; (v) the imposition upon a Party of costs or taxes; (vi) delay or failure of Seller to obtain or perform any Required Facility Document unless due to a Force Majeure event; (vii) any delay, alleged breach of contract, or failure by the Transmission Provider or Interconnection Provider unless due to a Force Majeure event; (viii) maintenance upgrade or repair of any facilities or right of way corridors constituting part of or involving the Interconnection Facilities, whether performed by or for Seller, or other third parties (except for repairs made necessary as a result of an event of Force Majeure); (ix) Seller’s failure to obtain, or perform under, the Generation Interconnection Agreement, or its other contracts and obligations to transmission owner, Transmission Provider or Interconnection Provider, unless due to a Force Majeure event; or (x) any event attributable to the use of Interconnection Facilities for deliveries of Net Output to any party other than PacifiCorp.

14.2 Suspension of Performance. Neither Party will be liable for any delay or failure in its performance under this Agreement, nor will any delay, failure, or other occurrence or event become an Event of Default, to the extent such delay, failure, occurrence or event is substantially caused by conditions or events of Force Majeure during the continuation of the event of Force Majeure, provided that: (a) the Party affected by the Force Majeure, within five (5) days after the occurrence of the event of Force Majeure, gives the other Party written notice describing the particulars of the event of Force Majeure and how the event has impacted the affected Party's obligations under this Agreement; (b) the suspension of performance of the affected Party's obligations is of no greater scope and of no longer duration than is required to remedy the effect of the Force Majeure; and (c) the affected Party uses diligent efforts to remedy its inability to perform.

14.3 Force Majeure Does Not Affect Other Obligations. No obligations of either Party that arose before the event of Force Majeure causing the suspension of performance or that arise after the cessation of such event of Force Majeure is excused by such event of Force Majeure.

14.4 Strikes. Notwithstanding any other provision of this Agreement, neither Party will be required to settle any strike, walkout, lockout or other labor dispute on terms which, in the sole judgment of the Party involved in the dispute, are contrary to the Party's best interests.

14.5 Right to Terminate. If a Force Majeure event prevents a Party from substantially performing its obligations under this Agreement for a period exceeding 180 consecutive days, then the Party not affected by the Force Majeure event may terminate this Agreement by giving ten (10) days prior notice to the other Party. Upon such termination, neither Party will have any liability to the other with respect to the period following the effective date of such termination; provided, however, that this Agreement will remain in effect to the extent necessary to facilitate the settlement of all liabilities and obligations arising under this Agreement before the effective date of such termination.

## **SECTION 15 SEVERAL OBLIGATIONS**

Nothing in this Agreement will be construed to create an association, trust, partnership or joint venture or to impose a trust, partnership or fiduciary duty, obligation or Liability on or between the Parties.

## **SECTION 16 CHOICE OF LAW**

This Agreement will be interpreted and enforced in accordance with the laws of the State of Idaho, applying any choice of law rules that may direct the application of the laws of another jurisdiction.

## **SECTION 17 PARTIAL INVALIDITY**

If any of the terms of this Agreement are finally held or determined to be invalid, illegal or void as being contrary to any applicable law or public policy, all other terms of this Agreement will remain in effect. The Parties agree to use best efforts to amend this Agreement to reform or replace any terms determined to be invalid, illegal or void, such that the amended

terms (a) comply with and are enforceable under applicable law, (b) give effect to the intent of the Parties in entering into this Agreement, and (c) preserve the balance of the economics and equities contemplated by this Agreement in all material respects.

## **SECTION 18 NON-WAIVER**

No waiver of any provision of this Agreement will be effective unless the waiver is provided in writing that (a) expressly identifies the provision being waived, and (b) is executed by the Party waiving the provision. A Party's waiver of one or more failures by the other Party in the performance of any of the provisions of this Agreement will not be construed as a waiver of any other failure or failures, whether of a like kind or different nature.

## **SECTION 19 GOVERNMENTAL JURISDICTION AND AUTHORIZATIONS**

This Agreement is subject to the jurisdiction of those Governmental Authorities having jurisdiction over either Party or this Agreement.

## **SECTION 20 SUCCESSORS AND ASSIGNS**

20.1 Restriction on Assignments. Except as provided in this Section 20, neither Party may assign this Agreement or any of its rights or obligations without the prior written consent of the other Party.

20.2 Permitted Assignments. Notwithstanding Section 20.1, either Party may, without the need for consent from the other Party (but with notice to the other Party, including the names of the assignees): (a) transfer, sell, pledge, encumber or assign this Agreement or the related accounts, revenues or proceeds in connection with project financing for the Facility; or (b) transfer or assign this Agreement to an Affiliate meeting the requirements of this Agreement, provided, however, that Seller will not transfer, sell, encumber or assign this Agreement or any interest in this Agreement to any Affiliate of PacifiCorp without the prior written consent of PacifiCorp. For any assignment under (b) above, the assignee must agree in writing to be bound by the terms and conditions of this Agreement and must possess the same or similar experience, and possess the same or better creditworthiness, as the assignor. PacifiCorp may assign this Agreement in whole or in part without the consent of Seller to any person or entity in the event that PacifiCorp ceases to be a load-serving entity, in which event PacifiCorp will be released from liability under this Agreement. The Party seeking to assign or transfer this Agreement is solely responsible for paying all costs of assignment.

## **SECTION 21 ENTIRE AGREEMENT**

This Agreement supersedes all prior agreements, proposals, representations, negotiations, discussions or letters, whether oral or in writing, regarding the subject matter of this Agreement. No modification of this Agreement is effective unless it is in writing and executed by both Parties.

## **SECTION 22 NOTICES**

22.1 Addresses and Delivery Methods. All notices, requests, statements or payments must be made to the addresses set out in Exhibit L. In addition, copies of a notice of termination of this Agreement under Section 11.3 must contain the information required by Section 11.3 and must be sent to the then-current President and General Counsel of PacifiCorp. Notices required to be in writing must be delivered by letter or other tangible documentary form. Notice by overnight mail or courier will be deemed to have been given on the date and time evidenced by the delivery receipt. Notice by hand delivery will be deemed to have been given when received or hand delivered. Notice by electronic transmission is effective as of transmission, but must be followed up by notice by registered mail or overnight carrier to be effective. Notice by certified or registered mail, return receipt requested, will be deemed to have been given upon receipt. The Parties may change any of the persons to whom notices are addressed, or their addresses, by providing written notice in accordance with this section.

## **SECTION 23 PUBLICITY**

23.1 News Releases and Publicity. Before Seller issues any news release or publicly distributed promotional material regarding this Agreement, Seller must first provide a copy thereof to PacifiCorp for its review. Any use of the name “Berkshire Hathaway,” in any form, requires the prior written consent of PacifiCorp.

## **SECTION 24 DISAGREEMENTS**

24.1 Negotiations. Prior to proceeding with formal dispute resolution, the Parties must first attempt in good faith to resolve informally all disputes arising out of, related to or in connection with this Agreement. Any Party may give the other Party written notice of any dispute not resolved in the normal course of business. Executives of both Parties at levels one level above those employees who have previously been involved in the dispute must meet at a mutually acceptable time and place within ten (10) days after delivery of such notice, and thereafter as often as they reasonably deem necessary, to exchange relevant information and to attempt to resolve the dispute. If the matter has not been resolved within thirty (30) days after the referral of the dispute to such executives, or if no meeting of such executives has taken place within fifteen (15) days after such referral, either Party may initiate any legal remedies available to the Party. No statements of position or offers of settlement made in the course of the dispute process described in this section will be offered into evidence for any purpose in any litigation between the Parties, nor will any such statements or offers of settlement be used in any manner against either Party in any such litigation. Further, no such statements or offers of settlement will constitute an admission or waiver of rights by either Party in connection with any such litigation. At the request of either Party, any such statements and offers of settlement, and all copies thereof, will be promptly returned to the Party providing the same.

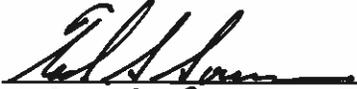
24.2 Mediation. If the dispute is not resolved under the procedures provided in Section 24.1, either Party may request that the matter be submitted to non-binding mediation. The costs of the mediation, including fees and expenses, will be borne equally by the Parties. All verbal and written communications between the Parties and issued or prepared in connection with the mediation will be deemed prepared and communicated in furtherance, and in the context, of dispute settlement, and will be exempt from discovery and production, and will not be admissible in evidence (whether as admission or otherwise) in any litigation or other proceedings for the resolution of the dispute.

24.3 Choice of Forum. Each Party irrevocably consents and agrees that any legal action or proceeding arising out of this Agreement or the actions of the Parties leading up to the Agreement will be brought exclusively in the state and federal courts in Salt Lake City, Utah. By execution and delivery of this Agreement, each Party (a) accepts the exclusive jurisdiction of such court and waives any objection that it may now or hereafter have to the exercise of personal jurisdiction by such court over each Party for the purpose of any proceeding related to this Agreement; (b) irrevocably agrees to be bound by any final judgment (after any and all appeals) of any such court arising out of such documents or actions; (c) irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceedings arising out of such documents brought in such court (including any claim that any such suit, action or proceeding has been brought in an inconvenient forum) in connection herewith; (d) agrees that service of process in any such action may be effected by mailing a copy thereof by registered or certified mail, postage prepaid, to such Party at its address stated in this Agreement; and (e) agrees that nothing in this Agreement affects the right to effect service of process in any other manner permitted by law.

24.4 WAIVER OF JURY TRIAL. EACH PARTY WAIVES THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON THIS AGREEMENT, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT. EACH PARTY FURTHER WAIVES ANY RIGHT TO CONSOLIDATE ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT WITH ANY PROCEEDING IN WHICH A JURY TRIAL HAS NOT OR CANNOT BE WAIVED. THIS PARAGRAPH WILL SURVIVE THE EXPIRATION OR TERMINATION OF THIS AGREEMENT.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed in their respective names as of the date last written below.

BIRCH CREEK POWER COMPANY,  
INC.

By:   
Name: Ted S. Sorenson  
Title: President  
Date: 5/19/2020

PACIFICORP

By: **Bruce Griswold** Digitally signed by Bruce Griswold  
Date: 2020.05.18 13:53:09 -07'00'  
Name: Bruce Griswold  
Title: Short-term Origination, Director  
Date: May 18, 2020

## EXHIBIT A

### EXPECTED MONTHLY NET OUTPUT

<b>Month</b>	<b>On-Peak Energy (MWh)</b>	<b>Off-Peak Energy (MWh)</b>	<b>Total Energy (MWh)</b>
January	372,079	279,059	651,138
February	508,233	381,174	889,407
March	711,379	533,535	1,244,914
April	682,779	512,084	1,194,864
May	690,266	517,699	1,207,965
June	622,002	466,501	1,088,503
July	618,569	463,927	1,082,496
August	637,603	478,203	1,115,806
September	612,123	459,093	1,071,216
October	664,561	498,420	1,162,981
November	648,840	486,630	1,135,470
December	455,318	341,489	796,807

The energy values above will be reduced 0each Contract Year following the Effective Date.

### MAXIMUM DELIVERY RATE

*2.65 MW*

**EXHIBIT B**  
**DESCRIPTION OF SELLER'S FACILITY**

*[Provide a detailed description of the Facility, including the following, as applicable:]*

Type (synchronous or inductive): synchronous  
Facility Nameplate Capacity Rating: 2,650 kw  
Model: Kunming Electric Machinery Co. Ltd. SFW 2650 20/215 date 10/2006  
Number of Phases: 3  
Power factor requirements: none  
Rated Power Factor (PF) or reactive load (kVAR): 0.9 PF  
Rated Output (kW): 2,650 kw  
Rated Output (kVA): 4,160 volts  
Rated Voltage (line to line):  
Rated Current (A): Stator: 408.6 A; Rotor: 273 A  
Maximum kW Output: 2,650 kW  
Maximum kVA Output: 2,944.4kVA  
Minimum kW Output: 50 kW

Station service requirements, and other loads served by the Facility, if any: none

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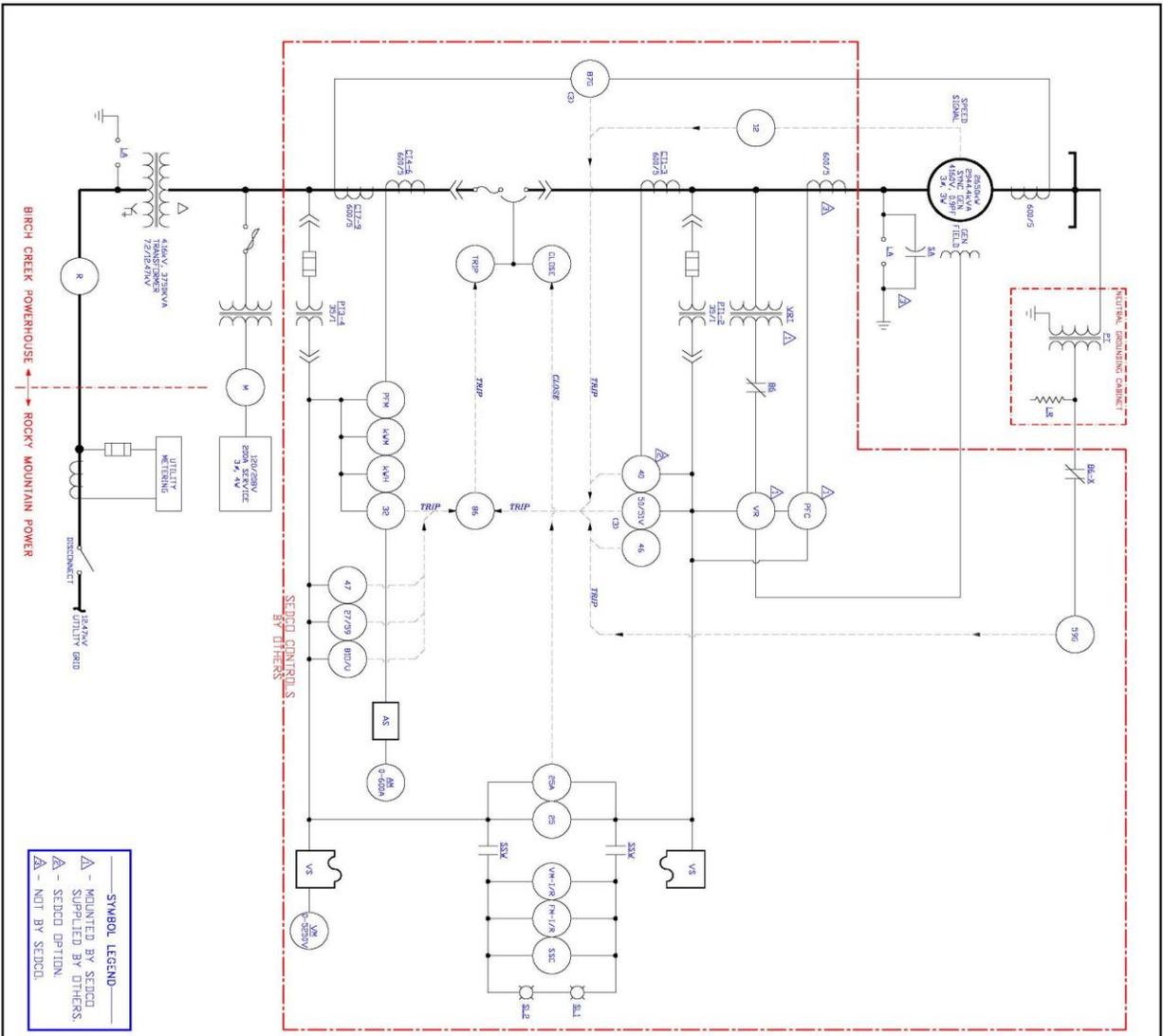
Location of the Facility: *[Please include city and county, and legal description of parcel]*

Located in Clark County, Idaho in the Northeast  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$  of Section 14; in Township 8 North; Range 31 East, Section 14, Boise Base Meridian.

## **EXHIBIT C**

### **SELLER'S INTERCONNECTION FACILITIES**

The interconnection facilities for the Project are located adjacent to the powerhouse, which is located in Clark County, Idaho in the Northeast  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$  of Section 14; in Township 8 North; Range 31 East, Section 14, Boise Base Meridian. The closest street address is the corner of the Reno Cutoff Road, DuBois, Idaho. See attached one-line diagram.



BIRCH CREEK POWERHOUSE → ROCKY MOUNTAIN POWER

**SYMBOL LEGEND**  
 Δ - MOUNTED BY SEDCO  
 Δ - SUPPLIED BY OTHERS  
 Δ - SEDCO OPTION  
 Δ - NOT BY SEDCO

**DRAWING LIST**

2335-1	- ONE LINE DIAGRAM
2335-2	- PANEL LAYOUT DIMENSIONAL
2335-3	- NEUTRAL GROUND CABINET LAYOUT
2335-4	- GENERATOR REGULATOR SCHEME
2335-5	- GENERATOR BREAKER CONTROL
2335-6	- CONTROL LADDER
2335-7	- PROGRAMMABLE CONTROLLER LADDER
2335-8	- SMART MAN CONNECTION DIAGRAM
2335-9A	- SMART MAN CONNECTION DIAGRAM
2335-10	- PLANT ELECTRICAL BLOCK DIAGRAM
2335-11	- PLANT ELECTRICAL BLOCK DIAGRAM
2335-12	- MATERIAL LIST

**DEVICE LEGEND**

AM	- AMMETER SWITCH
AS	- SURGE ARRESTOR
CS	- CIRCUIT BREAKER
FM	- FREQUENCY METER
FR-1/R	- INCINGMING/RUNNING FREQUENCY METER
KWH	- KILOWATT HOURMETER
KVA	- KILOWATT METER
LN	- LIGHTNING ARRESTOR
PT	- POTENTIAL TRANSFORMER
PFM	- POWER FACTOR METER
PFM	- POWER FACTOR METER
PT	- POTENTIAL TRANSFORMER
R	- RECLOSED
SA	- SURGE ARRESTOR
SSC	- SYNC SCOPE
VLT	- VOLT METER
VH-1/R	- INCINGMING/RUNNING VOLT METER
VR	- VOLTAGE REGULATOR TRANSFORMER
VRT	- VOLTAGE REGULATOR TRANSFORMER
VST	- VOLT METER SWITCH

**PROTECTIVE RELAYS**

RELAY	FUNCTION	MFG	PART No.	SETTING	COIL VOLTS	COIL AMPS
12	SPEED RELAY	COOPERATION	253-493DU	80% 100% 150%	120VAC	N/A
25	CHECK RELAY	BASLER	ME-46A-44RD	PER UTILITY	120VAC	N/A
25A	SYNCHRONIZER	BASLER	PRS-210	BUS-GEN-SYNC	120VAC	N/A
32	REVERSE RELAY	GE	121CWSJARA	25V REV. PWR	120VAC	5A
40	PHASE BALANCE	BASLER	AIE-ELC-BNDG	PER GEN	115VAC	5A
46	NEG. SEQUENCE	GE	125CC2ICIA	NAMEPLATE	125VDC	5A
47	PHASE RELAY	BASLER	E3F-DIP-3910F	27-88% Spec	120VAC	N/A
50/51V	VOLTAGE RELAY	BASLER	E3F-DIP-3910F	59-110% Spec	120VAC	N/A
52	CURRENT RELAY	GE	121FCV51BDA	NAMEPLATE	120VAC	5A
52CB	CIRCUIT BREAKER	GE	VB 416	N/A	125VDC	1280A
59G	GROUND FAULT RELAY	GE	121AASIKIA	TYPE DIAL 1	67VAC	N/A
810/0	FREQUENCY	BASLER	T3E-EL-VZMDF	800-60Hz, 105VAC	N/A	N/A
86	LOCKOUT RELAY	ESCO	7804	N/A	125VDC	N/A
87G	DIFFERENTIAL	GE	12CF2E2BBA	PER GEN NAMEPLATE	N/A	5A

\* TO BE DETERMINED  
 N/A NOT APPLICABLE

DESIGNED BY: A. ELZE, PROJECT ENGINEER  
 CHECKED BY: S. D. W. 2335-1 REV. 1.01 9.10.2005  
 REFER TO RELEVANT PANEL IDENTIFIERS

**SOETENSON ENGINEERING**  
 BIRCH CREEK HYDRO PROJECT  
 ONE LINE DIAGRAM

DWG No.: 2335-1

REV	BY	DATE
1	SD	10-26-05
2	PT	12-28-05
3	JH	4-27-06

DATE: 11-26-09

**EXHIBIT D**  
**REQUIRED FACILITY DOCUMENTS**

*[REQUIRED OF ALL FACILITIES:*

*QF Certification*

*Interconnection Agreement (or list of studies and study agreements completed as of the Effective Date)*

*Depending upon the type of Facility and its specific characteristics, additional Required Facility Documents may be requested.]*

FERC License No. 7194

IDWR Water Right No. 36-07136 and 32-07128

QF Certification No. QF85-126-000

## **EXHIBIT E**

### **LEASES**

The powerhouse for the project is located on deeded, owned ground. Parts of the penstock and canals are located on federal land, of which Seller is authorized to use pursuant to its FERC license.

## EXHIBIT G

### QUALIFIED REPORTING ENTITY SERVICES AGREEMENT

Energy Supply Management Master v4.1a; 03122019

This Qualified Reporting Entity Services Agreement (this “Agreement”) is entered into by and between PacifiCorp (“PacifiCorp”) and \_\_\_\_\_ (“Counterparty”; PacifiCorp and Counterparty may be referred to individually herein as “Party” and collectively as “Parties”) as of the date signed by both Parties with reference to the following:

WHEREAS, Counterparty represents to PacifiCorp that it owns or otherwise has the rights to all or part of the non-energy attributes of the generation from that certain electric generation facility as more particularly described in Exhibit A (the “Facility”) as such rights are defined in that power purchase agreement between PacifiCorp and Counterparty (the “PPA”), or other rights respecting the Facility itself enabling it to lawfully enter hereinto; and

WHEREAS, the Western Renewable Electricity Generation Information System (“WREGIS”) is a system tracking quantities of renewable energy generation generated by electric generating facilities in the nature of the Facility, as a Facility pursuant to WREGIS Terms of Use (“TOU”); and

WHEREAS, WREGIS requires that each Facility have a designated Qualified Reporting Entity; and

WHEREAS, Counterparty is an Account Holder in WREGIS and wishes to register the Facility with WREGIS; and

WHEREAS, Counterparty wishes to retain PacifiCorp to act as its WREGIS-defined Qualified Reporting Entity (“QRE”) for the Facility;

NOW THEREFORE, in consideration of the mutual promises herein contained, the Parties agree as follows:

#### I. Definitions; Rules of Construction.

1.1 Initially capitalized terms used and not otherwise defined herein are defined in the in the WREGIS Operating Rules or in Attachment 1 *Definitions* of the WREGIS TOU.

1.2 “Affiliate” means, with respect to any entity, each entity that directly or indirectly controls, is controlled by, or is under common control with, such designated entity, with “control” meaning the possession, directly or indirectly, of the power to direct management and policies, whether through the ownership of voting securities or by contract or otherwise. Notwithstanding the foregoing, with respect to PacifiCorp, Affiliate shall only include Berkshire Hathaway Energy Company and its direct, wholly owned subsidiaries.

1.3 “Business Day” means a day of the week other than Saturday, Sunday, or a federal holiday.

1.4 “Electric System Authority” means each of NERC, WECC, WREGIS, a regional transmission organization, a regional or sub-regional reliability council or authority, and any other similar council, corporation, organization or body of recognized standing with respect to the operations of the electric system in the WECC region.

1.5 “FERC” means the Federal Energy Regulatory Commission.

1.6 “Generation Interconnection Agreement” means the agreement entered into separately between Counterparty and Interconnection Provider concerning the Interconnection Facilities.

1.7 “Facility” is defined in the Preamble.

1.8 “Interconnection Facilities” means all the facilities installed, or to be installed, for the purpose of interconnecting the Facility to the System, including electrical transmission lines, upgrades, transformers and associated equipment, substations, relay and switching equipment, and safety equipment.

1.9 “Interconnection Provider” means the FERC-regulated or United States Department of Energy entity with whom the Facility has contracted for interconnection to the electric transmission grid; in the event Interconnection Provider is PacifiCorp, PacifiCorp would be the Interconnection Provider operating in its regulated transmission function, and not as the party hereto.

1.10 “Metering External Webpage” means a website owned and operated by PacifiCorp that PacifiCorp may at its option, but without being obligated to do so, make available and operate for the display of all data that will be included in the Monthly Generation Extract File.

1.11 “Monthly Generation Extract File” means a data file that contains generation data from Counterparty’s Points of Metering and conforms to the characteristics and requirements set forth in the WREGIS Interface Control Document.

1.12 “NERC” means the North American Electric Reliability Corporation.

1.13 “Points of Metering” means the points at which electric generation is measured.

1.14 “PPA” is defined in the Preamble.

1.15 “Prudent Electrical Practices” means any of the practices, methods and acts engaged in or approved by a significant portion of the electrical utility industry or any of the practices, methods or acts, which, in the exercise of reasonable judgment in the light of the facts known at the time a decision is made, could have been expected to accomplish the desired result

at the lowest reasonable cost consistent with reliability, safety and expedition. Prudent Electrical Practices is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to be a spectrum of possible practices, methods or acts.

1.16 “QRE” means a WREGIS-defined Qualified Reporting Entity.

1.17 “Renewable” is defined in section 2 of the WREGIS Operating Rules.

1.18 “Requirements of Law” means any applicable federal, state and local law, statute, regulation, rule, code or ordinance enacted, adopted, issued or promulgated by any federal, state, local or other Governmental Authority or regulatory body (including those pertaining to electrical, building, zoning, environmental and occupational safety and health requirements).

1.19 “Settlement Estimation Procedures” means a calculation based on standard utility estimation rules using algorithms developed and approved by PacifiCorp’s billing department.

1.20 “System” means the electric transmission substation and transmission or distribution facilities owned, operated or maintained by Transmission Provider, which shall include, after construction and installation of the Facility, the circuit reinforcements, extensions, and associated terminal facility reinforcements or additions required to interconnect the Facility, all as set forth in the Generation Interconnection Agreement.

1.21 “Tariff” means the PacifiCorp FERC Electric Tariff Fifth Revised Volume No. 11 Open Access Transmission Tariff, or such updated volume as posted on PacifiCorp’s Open Access Same-Time Information System on the effective date of this Agreement.

1.22 “Transmission Provider” means the FERC-regulated or United States Department of Energy entity with whom the Facility has contracted for electric transmission at and away from the Facility to any point on, or interconnection with, the electric transmission grid; in the event Transmission Provider is PacifiCorp, PacifiCorp would be the Interconnection Provider operating in its regulated transmission function, and not as the party hereto.

1.23 “Wholesale Generation Also Serving On-Site Loads” is defined in section 2 of the WREGIS Operating Rules.

1.24 “WECC” means the Western Electricity Coordinating Council.

1.25 “WREGIS” means the Western Renewable Energy Generation Information System.

1.26 “WREGIS Certificate” or “Certificate” means “Certificate” as defined by the WREGIS Operating Rules.

1.27 “WREGIS Operating Rules” means the operating rules and requirements adopted by WREGIS, including the TOU.

1.28 General Rules of Interpretation. Unless otherwise required by the context in which any term appears, (a) the singular includes the plural and vice versa; (b) references to “Articles,” “Sections,” “Schedules,” “Annexes,” “Appendices” or “Exhibits” are to articles, sections, schedules, annexes, appendices or exhibits hereof; (c) all references to a particular entity or an electricity market price index include a reference to such entity’s or index’s successors; (d) “herein,” “hereof” and “hereunder” refer to this Agreement as a whole; (e) all accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles consistently applied; (f) the masculine includes the feminine and neuter and vice versa; (g) “including” means “including, without limitation” or “including, but not limited to”; (h) all references to a particular law or statute mean that law or statute as amended from time to time; and (i) the word “or” is not necessarily exclusive.

1.29 Interpretation with FERC Orders. Counterparty acknowledges and agrees that PacifiCorp must conduct its operations in a manner intended to comply with FERC Order No. 717, Standards of Conduct for Transmission Providers, which requires the functional separation of a utility’s transmission and merchant functions. Moreover, the Parties acknowledge that each of Transmission Provider’s and Interconnection Provider’s transmission function offers transmission service on its system in a manner intended to comply with FERC policies and requirements relating to the provision of open-access transmission service. Counterparty agrees to conduct itself and operate the Facility in accordance with all Requirements of Law, all requirements of all applicable Electric System Authorities, and all requirements of the Interconnection Agreement.

1.29.1 Counterparty agrees to enter into the Generation Interconnection Agreement with the Interconnection Provider. The Generation Interconnection Agreement shall be a separate and free standing contract and the terms hereof are not binding upon the Interconnection Provider or Transmission Provider, although both are express third party beneficiaries hereof.

1.29.2 Notwithstanding any other provision in this Agreement, nothing in the Generation Interconnection Agreement, nor any other agreement between Counterparty on the one hand and Transmission Provider or Interconnection Provider on the other hand, nor any alleged event of default thereunder, shall alter or modify the Parties’ rights, duties, and obligation hereunder. Likewise, nothing herein or connected with the performance by PacifiCorp hereof shall affect or impair the rights of Interconnection Provider or Transmission Provider, under the Interconnection Agreement or otherwise. This Agreement shall not be construed to create any rights between Counterparty and the Interconnection Provider or between Counterparty and the Transmission Provider.

1.29.3 Counterparty expressly recognizes that, for purposes hereof, the Interconnection Provider and Transmission Provider each shall be deemed to be a separate entity and separate contracting party from PacifiCorp whether or not the Generation Interconnection Agreement is entered into with Interconnection Provider or an affiliate thereof. Counterparty acknowledges that PacifiCorp, acting in its merchant capacity function as purchaser hereunder, has no responsibility for or control over Interconnection Provider or Transmission Provider, and is not liable for any breach of agreement or duty by Interconnection Provider or Transmission

Provider. Nothing in this Agreement shall operate to diminish, nor shall this Agreement extend to, Interconnection Provider or Transmission Provider's use, retention, or disclosure of Counterparty or Facility information (including information within the scope of this Agreement) in connection with PacifiCorp operating in its transmission function, including its carrying out of its obligations and business practices as a Balancing Authority or activities undertaken pursuant to the Tariff.

## II. Term and Termination.

2.1 This Agreement shall be effective upon execution by the Parties and shall continue in effect until such time as either Party, upon providing 60 days written notice to the other Party, chooses to terminate. PacifiCorp may initiate any regulatory proceedings it deems appropriate to terminate this Agreement prior to the effectiveness of such termination. Notwithstanding the foregoing, (a) Counterparty may terminate this Agreement upon an event of default by PacifiCorp if PacifiCorp does not cure such event of default within 10 days of written notice, (b) PacifiCorp may terminate this Agreement upon an event of default by Counterparty if Counterparty does not cure such event of default within 10 days of written notice, (c) PacifiCorp may terminate this Agreement if the Facility fails to meet the requirements of Section 3.1 hereof and such failure is not cured within 30 days, and (d) either Party may terminate this Agreement immediately upon notice to the other if Counterparty or the Facility fail to comply with Section 1.29. This Agreement may also be terminated as otherwise set forth herein.

## III. QRE Services.

3.1 QRE Services. PacifiCorp will, on the terms set forth herein, serve as a QRE for the Facility so long as (a) the Facility meets the definition of Renewable, (b) is within the metered boundaries of both PacifiCorp's Balancing Authority, (c) is equipped with either: (1) Transmission Provider or Interconnection Provider (as applicable) owned and operated meters; or (2) meters that meet the Interconnection Provider's requirements and (d) meet all applicable WREGIS requirements.

3.2 Compensation to PacifiCorp. In exchange for the services performed by PacifiCorp hereunder, Counterparty shall pay PacifiCorp as follows: Counterparty shall pay PacifiCorp a one-time initial setup fee of \$280, which PacifiCorp may at its option deduct from payments due to Counterparty under the PPA and otherwise shall be payable within ten days of demand by invoice following execution of this Agreement. PacifiCorp shall charge Counterparty a monthly reporting fee of \$50 per generating unit for which PacifiCorp reports output to WREGIS, provided that PacifiCorp may, in its discretion, assess and bill for all fees due hereunder on an annual, rather than monthly, basis. PacifiCorp may at its option deduct from payments due to Counterparty under the PPA all other fees due hereunder, which shall otherwise be due within ten days of PacifiCorp's issuance of an invoice for such fees. PacifiCorp will review costs associated with this service on an annual basis, and may make necessary adjustments to the monthly reporting fee charged herein. Any change in the monthly reporting fee will become effective only after a minimum thirty (30) days prior written notice to Counterparty. In the event WREGIS, WECC, or any other entity with the ability or jurisdiction to modify the QRE reporting process requires a change that materially increases the costs to PacifiCorp of providing QRE services, PacifiCorp may pass those costs to the Counterparty by

increasing the monthly reporting fee. PacifiCorp will use best efforts to provide Counterparty with prior notice before billing Counterparty for such increased costs. The fees set forth herein relate to PacifiCorp serving as a QRE for Counterparty pursuant to the terms of this Agreement. The necessary metering is a prerequisite for this service and is not covered in the fees described above.

3.3 Points of Metering. The Points of Metering that PacifiCorp will use are set forth in Exhibit A. Counterparty certifies that all Points of Metering listed in Exhibit A measure data only from Facility that meet the definition of Renewable. Counterparty shall notify PacifiCorp at least thirty (30) Business Days prior to making any proposed material changes to the Points of Metering. Following such notification, the Parties will decide whether such changes are mutually acceptable. If such changes are not acceptable to PacifiCorp, PacifiCorp may terminate this Agreement.

3.4 Expenses. Except as otherwise provided in the Interconnection Agreement (and in such case, only vis-à-vis Interconnection Provider), Counterparty shall bear all costs and expenses, including those incurred by PacifiCorp, relating to all metering or other equipment installed to accommodate Counterparty's Facility.

3.5 Reporting. Counterparty hereby grants to PacifiCorp sole and exclusive permission and authority to report Data and Output to WREGIS and warrants and represents that neither Counterparty nor any other person or entity acting on behalf of Counterparty has granted, or will hereafter grant during the term hereof any similar data reporting authority or permission to any other QRE or WREGIS Account Holder or to any other party or Agent for use in WREGIS, or any other energy tracking system, for the Facility. As a precondition for PacifiCorp to be able to perform hereunder, Counterparty shall submit Counterparty's Output data to PacifiCorp by allowing PacifiCorp to collect such data, at the Points of Metering, and report such data in the manner set forth herein.

3.5.1 Monthly Generation Extract File. PacifiCorp shall submit a Monthly Generation Extract File to WREGIS on Counterparty's behalf, which will conform to the characteristics and data requirements set forth in the WREGIS Interface Control Document.

3.5.2 Reporting Cycle. PacifiCorp shall submit the Monthly Generation Extract File to WREGIS no later than sixty days following the end date of the output being reported.

3.5.3 Verification. Should PacifiCorp choose at its option to operate and make available a Metering External Webpage, PacifiCorp may in its reasonably exercised discretion grant Counterparty access for Counterparty to verify such information as prescribed by PacifiCorp from time to time, and to timely notify PacifiCorp in writing of any errors Counterparty detects.

3.5.4 Adjustments. After PacifiCorp submits the Monthly Generation Extract File to WREGIS, any information contained in the Monthly Generation Extract File shall be final for purposes of WREGIS reporting, subject only to the adjustment procedures set forth in the WREGIS Operating Rules, which shall be Counterparty's responsibility to implement if necessary.

3.6 Obligations of Counterparty. Counterparty shall report and provide to PacifiCorp accurate and complete generation Data and Output information for the Facility. Counterparty shall send the Data and other Output Information in a format and in compliance with any protocols which PacifiCorp may specify to Counterparty. Counterparty has a continuing duty to immediately notify PacifiCorp, if and when any generation Data or Output information has been sent in error or ceases to be truthful, accurate, or complete and to supply the corrected data as soon as practical, but not later than five (5) Business Days from the date Counterparty discovers that discrepancy in the Data or Output information.

3.7 WREGIS Fees. Counterparty is solely responsible for the payment directly to WREGIS of any and all WREGIS fees and costs that are required to register Counterparty's Facility and, to the extent the Generator Owner is a WREGIS Account Holder, Counterparty is responsible for the payment directly to WREGIS of all other WREGIS fees incident to the reporting of Generator Data and Output to WREGIS. Counterparty acknowledges and agrees that PacifiCorp shall have no obligation to advance or make payment of WREGIS fees or costs on Counterparty's behalf. Upon request by PacifiCorp made if PacifiCorp has received such a request from WREGIS or any regulator or third party, Counterparty shall provide PacifiCorp with evidence of payment of WREGIS fees and costs; failure to provide such information to PacifiCorp, upon request, shall constitute an event of default under this Agreement.

3.8 WREGIS Accounts. Counterparty will be solely responsible to make arrangements and registrations and for entering into any such agreements that are necessary to establish transfer of Certificates directly to proper Accounts or Subaccounts of Counterparty. Counterparty agrees that such arrangements shall preclude the need for PacifiCorp to act as custodian of such Certificates or to be responsible in any way to hold such Certificates in any Account or Subaccount of PacifiCorp or bear any responsibility, possession, obligation, or risk of loss with respect to Certificates created, held, or owned, with respect to the Facility. Counterparty acknowledges that, pursuant to section 11 of the WREGIS TOU, any generation data that PacifiCorp, acting as a QRE, provides to WREGIS shall reside in WREGIS and Counterparty will have no control over such data's use other than that provided for under the WREGIS TOU.

3.9 Obligations of PacifiCorp. PacifiCorp shall specify for Counterparty the protocols, reporting frequency, data file formats, and communication protocols for reporting generating Data, or Output, as necessary. PacifiCorp shall timely report to WREGIS Counterparty Data and/or Output information as specified in the most current WREGIS Interface Control Document (ICD). PacifiCorp shall not use or disclose Counterparty generation Data for any other purpose than reporting the Data to WREGIS, except as may be required by law, the Public Utility Commission of Oregon, any other state, federal, municipal or other regulator or governmental authority with jurisdiction over PacifiCorp or any of its assets, or a court of competent jurisdiction or as required under the terms of an existing agreement between the Parties. PacifiCorp shall not use Generator Owner generation Data for any other purpose. Notwithstanding the foregoing, PacifiCorp shall not be responsible for handling, account administration, transfer, evidence of, or any determination of Counterparty Certificate ownership or any other obligations for Certificates of Counterparty with regard to Certificates; and

Counterparty shall bear all responsibility for such handling, account administration, evidence of, or any determination of Counterparty Certificate ownership and all other obligations pertaining to creation and ownership of such Certificates.

### 3.10 Measurement.

3.10.1 Meter Data. Counterparty authorizes PacifiCorp's metering services organization to provide Counterparty's meter data directly to WREGIS in the form of the Monthly Generation Extract File. Counterparty authorizes PacifiCorp to gather data from the Points of Metering listed in Exhibit A. All such data is considered data which Counterparty has created and submitted to PacifiCorp, notwithstanding that PacifiCorp, rather than Counterparty will gather it.

3.10.2 Wholesale Generation Also Serving On-Site Loads. If Counterparty has any Wholesale Generation Also Serving On-Site Loads (as defined in Article One above), such Facility will need to have the on-site load generation metered (and registered) separately from the generation that is supplied to the grid, in accordance with the WREGIS Operating Rules. Otherwise, PacifiCorp will not report any data from such Facility. If such Facility exist, they must be specified in Exhibit A.

3.10.3 Estimates. When meter readings are not available due to meter hardware failure or data that is determined to be invalid due to meter malfunction or calibration or configuration error, to the extent deemed by PacifiCorp to be appropriate and permitted pursuant to WREGIS TOU, PacifiCorp will, if possible, rely on readings from redundant meters whether such meters are PacifiCorp owned or not. If readings from redundant meters are not possible, PacifiCorp will estimate and report meter data according to PacifiCorp's Settlement Estimation Procedures.

3.10.4 Responsibility. Counterparty is solely responsible for the data created and submitted to PacifiCorp, acting as a QRE, to forward to WREGIS.

3.11 Regulatory Requirements. PacifiCorp may release information provided by Counterparty hereunder, or gathered by PacifiCorp in connection herewith, to comply with any regulatory requirements applicable to PacifiCorp or if requested by a PacifiCorp regulator or if required by any other federal law or court order. Counterparty waives all applicable provisions of the Tariff which require PacifiCorp to hold confidential information with respect to the Generator Owner and the Facility, to the extent necessary for PacifiCorp to report, as a QRE, generation Data and Output regarding the Generation Unit(s) and to carry out PacifiCorp's obligations under this Agreement. This provision shall survive any termination of this Agreement.

3.12 Grant by Counterparty. Counterparty hereby grants to, permits, and authorizes PacifiCorp the following:

3.12.1 PacifiCorp is hereby authorized to communicate and transact with WREGIS as Counterparty's sole and exclusive reporting source of generation data for the

Facility, and WREGIS is hereby authorized to communicate and transact directly with PacifiCorp regarding any generation data issues for the Facility. PacifiCorp is hereby authorized to act on behalf of Counterparty, but only to the extent that PacifiCorp has lawful, contractual access to WREGIS.

3.12.2 PacifiCorp is hereby authorized to provide WREGIS with all generation data for the Facility that WREGIS requires, including, but not limited to, data required for preparation of required reports and billing.

3.12.3 PacifiCorp is authorized to undertake all actions which are reasonable and necessary to carry out the obligations set forth in the subsections above.

3.12.4 Counterparty retains all other rights and responsibilities and all other obligations to WREGIS.

#### IV. INDEMNITY.

4.1 INDEMNITY. TO THE EXTENT PERMITTED BY REQUIREMENTS OF LAW, COUNTERPARTY HEREBY INDEMNIFIES AND AGREES TO HOLD PACIFICORP, ITS AFFILIATES, AND EACH OF ITS AND THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, AND REPRESENTATIVES (COLLECTIVELY, THE "PACIFICORP INDEMNITEES") HARMLESS AGAINST ANY AND ALL LOSSES, FINES, PENALTIES, CLAIMS (INCLUDING THIRD PARTY CLAIMS), DEMANDS, DAMAGES, LIABILITIES, ACTIONS OR SUITS OF ANY NATURE WHATSOEVER (INCLUDING LEGAL COSTS AND ATTORNEY'S FEES, BOTH AT TRIAL AND ON APPEAL, WHETHER OR NOT SUIT IS BROUGHT) (COLLECTIVELY, "LIABILITIES") THAT ARE IN ANY WAY ASSOCIATED WITH PACIFICORP'S PERFORMANCE OR FAILURE TO PERFORM HEREUNDER. THIS INCLUDES LIABILITY ARISING FROM: THE DATA CONTAINED IN THE MONTHLY GENERATION EXTRACT FILE, OR ANY OTHER FINANCIAL INJURY, OR DAMAGE TO PERSONS OR PROPERTY. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING:

4.2 WAIVER OF CAUSES OF ACTION AND CLAIMS FOR DAMAGES. WITHOUT LIMITING THE GENERALITY OF SECTION 4.1 ABOVE, COUNTERPARTY HEREBY WAIVES ANY AND ALL CAUSES OF ACTION ARISING UNDER OR IN RESPECT TO THIS AGREEMENT, WHETHER IN CONTRACT, TORT OR ANY OTHER LEGAL OR EQUITABLE THEORY (INCLUDING STRICT LIABILITY) AGAINST PACIFICORP OR ANY PACIFICORP INDEMNITEE. IN NO EVENT SHALL PACIFICORP OR ANY PACIFICORP INDEMNITEE BE LIABLE TO COUNTERPARTY ITS BOARD OF DIRECTORS, EMPLOYEES, AGENTS, OR REPRESENTATIVES FOR ANY DEMANDS, DIRECT COSTS, LOST OR PROSPECTIVE PROFITS OR ANY OTHER LIABILITIES OR EXPENSES, WHETHER SPECIAL, PUNITIVE, EXEMPLARY, CONSEQUENTIAL, INCIDENTAL, OR INDIRECT IN NATURE, THAT ARE IN ANY WAY ASSOCIATED WITH

**PACIFICORP'S PERFORMANCE OF THE QRE FUNCTION OR OTHERWISE UNDER OR IN RESPECT OF THIS AGREEMENT.**

**4.3 INDEMNITY FOR COUNTERPARTY ACTIONS. WITHOUT LIMITING THE GENERALITY OF SECTION 4.1 ABOVE, COUNTERPARTY SHALL RELEASE, INDEMNIFY AND HOLD PACIFICORP AND ALL PACIFICORP INDEMNITEES HARMLESS AGAINST AND FROM ANY AND ALL LIABILITIES RESULTING FROM, OR ARISING OUT OF, OR IN ANY WAY CONNECTED WITH, THE PERFORMANCE BY COUNTERPARTY OF ITS OBLIGATIONS HEREUNDER, OR RELATING TO THE FACILITY, FOR OR ON ACCOUNT OF (I) INJURY, BODILY OR OTHERWISE, TO, OR DEATH OF, OR (II) FOR DAMAGE TO, OR DESTRUCTION OR ECONOMIC LOSS OF PROPERTY OF, ANY PERSON OR ENTITY, EXCEPTING ONLY TO THE EXTENT SUCH LIABILITIES AS MAY BE CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY PACIFICORP INDEMNITEE.**

**4.4 NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, COUNTERPARTY ASSUMES FULL RESPONSIBILITY AND RISK OF LOSS RESULTING FROM (1) THE FAILURE TO SEND DATA IN A FORMAT SPECIFIED BY PACIFICORP, (2) THE FAILURE TO USE PROTOCOLS SPECIFIED BY PACIFICORP OR (3) THE SENDING OF ERRONEOUS, UNTRUTHFUL, INACCURATE, AND/OR INCOMPLETE GENERATING DATA TO PACIFICORP OR THE SENDING OF ERRONEOUS, UNTRUTHFUL, INACCURATE, AND/OR INCOMPLETE DATA BY PACIFICORP TO WREGIS. IN NO EVENT SHALL PACIFICORP BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, SPECIAL, EXEMPLARY, OR OTHER INDIRECT LOSS OR DAMAGES RESULTING FROM ANY BREACH OF THIS AGREEMENT, WHETHER CAUSED BY THE NEGLIGENCE OR INTENTIONAL ACTIONS OF PACIFICORP (AND/OR ITS CONTRACTORS, AGENTS, AND EMPLOYEES), REGARDLESS OF WHETHER SUCH CLAIM FOR DAMAGES IS BASED IN CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE. IN NO EVENT SHALL PACIFICORP BE LIABLE FOR ANY LOSS OR HARM SUFFERED BY COUNTERPARTY OR ANY THIRD PARTY DUE TO ANY ACTION OR INACTION BY PACIFICORP TAKEN HEREUNDER THAT CAUSES A FACILITY TO LOSE ANY CREDENTIALS, REGISTRATION OR QUALIFICATION UNDER THE RENEWABLE PORTFOLIO STANDARD OR SIMILAR LAW OF ANY STATE OR OTHER JURISDICTION.**

**4.5 PACIFICORP WILL NOT BE RESPONSIBLE FOR ANY DAMAGES RESULTING FROM ECONOMIC LOSS, LOSS OF USE, LOSS OF DATA, LOSS OF BUSINESS, LOSS OF PROFIT, LOSS OF PRODUCTION TAX CREDITS, LOSS OF SAVINGS OR REVENUE, LOSS OF GOODWILL, THE CLAIMS OF THIRD PARTIES (INCLUDING CUSTOMERS AND SHAREHOLDERS OR OTHER EQUITY OWNERS), PERSONAL INJURIES OR PROPERTY DAMAGES SUSTAINED BY THE COUNTERPARTY OR ANY THIRD PARTIES, EVEN IF PACIFICORP HAS BEEN NOTIFIED BY COUNTERPARTY (OR BY ANY THIRD PARTY) OF SUCH DAMAGES.**

**4.6 PACIFICORP DISCLAIMS ANY LIABILITY FOR AND COUNTERPARTY WAIVES ANY CLAIM FOR LOSS OR DAMAGE RESULTING FROM ERRORS, OMISSIONS, OR OTHER INACCURACIES IN ANY PART OF WREGIS OR THE REPORTS, CERTIFICATES OR OTHER INFORMATION COMPILED OR PRODUCED BY AND FROM OR INPUT INTO WREGIS USING COUNTERPARTY-SUPPLIED GENERATION DATA, WHETHER OR NOT SUCH ERRORS, OMISSIONS OR INACCURACIES ARE DUE TO ERRONEOUS, UNTRUTHFUL, INCOMPLETE, OR INACCURATE INFORMATION INPUT BY PACIFICORP INTO WREGIS.**

**4.7 COUNTERPARTY HEREBY RELEASES PACIFICORP AND PACIFICORP INDEMNITEES FROM ANY AND ALL LIABILITY WITH RESPECT TO DAMAGES OR INJURIES INCURRED BY GENERATOR OWNER AS RELATES TO THE FOREGOING, EXCLUDING ANY ARISING AS A RESULT OF TORTIOUS AND INTENTIONALLY KNOWING OR RECKLESS CONDUCT BY PACIFICORP.**

**4.8 COUNTERPARTY ACKNOWLEDGES AND AGREES THAT, IN THE EVENT OF BREACH OF THIS CONTRACT OR ANY OTHER ACTION RESULTING IN LOSS OR POTENTIAL LOSS OR DAMAGE TO COUNTERPARTY, COUNTERPARTY'S SOLE RECOURSE IS TERMINATION OF THIS AGREEMENT.**

**4.9 WITHOUT LIMITING THE GENERALITY OF SECTION 4.1 ABOVE, COUNTERPARTY AGREES TO DEFEND, INDEMNIFY, AND HOLD PACIFICORP AND PACIFICORP INDEMNITEES HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS (INCLUDING THIRD-PARTY CLAIMS); CAUSES OF ACTION, WHETHER IN CONTRACT, TORT, OR ANY OTHER LEGAL THEORY (INCLUDING STRICT LIABILITY); COSTS AND EXPENSES AND OTHER LIABILITIES OF ANY NATURE WHATSOEVER, WHENEVER ARISING, ARISING OUT OF, RESULTING FROM, ATTRIBUTABLE TO, OR RELATED TO COUNTERPARTY GENERATION DATA OR OUTPUT, INCLUDING: ANY INACCURACY, ERROR, OR DELAY IN OR OMISSION OF (I) ANY DATA, INFORMATION, OR SERVICE, OR (II) THE TRANSMISSION OR DELIVERY OF ANY DATA, INFORMATION, OR SERVICE; ANY INTERRUPTION OF ANY SUCH DATA, OUTPUT, INFORMATION, OR SERVICE (WHETHER OR NOT CAUSED BY PACIFICORP); OR ANY FINANCIAL, BUSINESS, COMMERCIAL, OR OTHER JUDGMENT, DECISION, ACT, OR OMISSION MADE BY ANY PERSON OR ENTITY BASED UPON OR RELATED TO THE DATA, OUTPUT, INFORMATION OR SERVICE.**

4.10 Interconnection. Counterparty shall have no claims hereunder against PacifiCorp, acting in its merchant function capacity, with respect to any requirements imposed by or damages caused by (or allegedly caused by) acts or omissions of the Transmission Provider or Interconnection Provider, in connection with the Generation Interconnection Agreement or otherwise. Counterparty shall defend, indemnify and hold PacifiCorp harmless against any liability arising due to Counterparty's performance or failure to perform under the Generation Interconnection Agreement. Counterparty's failure to obtain, or perform under, the Generation

Interconnection Agreement, or its other contracts and obligations to, Transmission Provider or Interconnection Provider is not a Force Majeure.

4.11 This Article IV shall survive any termination of this Agreement, whether such termination is by PacifiCorp or Counterparty, and whether or not such termination is on account of a default.

#### V. Further Counterparty Obligations.

5.1 No Sale. Nothing herein constitutes a sale or purchase of energy or renewable energy certificates to or by PacifiCorp.

5.2 Tax Benefits. Counterparty shall bear all risks, financial and otherwise throughout the Term, associated with Counterparty's or the Facility's eligibility to receive any tax benefits, including production or investment tax credits or accelerated depreciation.

5.3 Further Assurances. At PacifiCorp's request, the Parties shall execute such documents and instruments as may be reasonably required to effect the essential intent and purposes hereof.

5.4 Station Service. Counterparty shall be responsible for arranging and obtaining, at its sole risk and expense, any station service required by the Facility.

5.5 Costs of Ownership and Operation. Without limiting the generality of any other provision hereof, Counterparty shall be solely responsible for paying when due (a) all costs of owning and operating the Facility in compliance with existing and future Requirements of Law and the terms and conditions hereof, and (b) all taxes and charges (however characterized) now existing or hereinafter imposed on or with respect to the Facility, its operation, or on or with respect to emissions or other environmental impacts of the Facility, including any such tax or charge (however characterized) to the extent payable by a generator of such energy or renewable energy certificates.

5.6 Coordination with System. Counterparty shall be responsible for the coordination and synchronization of the Facility and the Interconnection Facilities with the System, and shall be solely responsible for (and shall defend and hold PacifiCorp harmless against) any damage that may occur as a direct result of Counterparty's breach of the Generation Interconnection Agreement.

5.7 Data Request. Counterparty shall, promptly upon written request from PacifiCorp, provide PacifiCorp with data reasonably required for information requests from any Governmental Authorities, state or federal agency intervenor or any other party achieving intervenor status in any PacifiCorp rate proceeding or other proceeding before any governmental authority. Counterparty shall use best efforts to provide this information to PacifiCorp sufficiently in advance to enable PacifiCorp to review it and meet any submission deadlines.

5.8 Additional Information. Counterparty shall provide to PacifiCorp such other information respecting Counterparty or the Facility as PacifiCorp may, from time to time, reasonably request.

5.9 No Dedication. Nothing herein shall be construed to create any duty to, any standard of care with reference to, or any liability to any person not a Party hereto. No undertaking by one Party to the other under any provision hereof shall constitute the dedication of PacifiCorp's facilities or any portion thereof to Counterparty or to the public, nor affect the status of PacifiCorp as an independent public utility corporation or Counterparty as an independent individual or entity.

5.10 Required Policies and Coverages. Without limiting any liabilities or any other obligations of Counterparty hereunder, Counterparty shall secure and continuously carry with an insurance company or companies the insurance coverage specified in the Generation Interconnection Agreement.

## VI. Representations and Warranties.

6.1 Mutual Representations and Warranties. Each Party represents and warrants to the other that: (i) it is duly organized and validly existing under the laws of the jurisdiction of its incorporation or organization; (ii) it has the corporate, governmental and other legal capacity and authority to enter hereinto and to perform its obligations hereunder; (iii) such execution and performance do not violate or conflict with any law, order or agreement applicable to it; (iv) it has all governmental and other authorizations that are required to have been obtained or submitted by it with respect hereto, and they are in full force and effect; (v) its obligations hereunder are valid, binding and enforceable in accordance with their terms (subject to bankruptcy or similar laws affecting creditors' rights generally); and (vi) no Event of Default, or event which with notice and/or lapse of time would constitute such an Event of Default, has occurred and is continuing or would occur as a result of its entering into or performing its obligations hereunder.

6.2 Representations and Warranties of Counterparty. Counterparty hereby represents and warrants to PacifiCorp: (i) it is not relying upon any representations of PacifiCorp other than those expressly set forth herein; (ii) it has entered hereinto with a full understanding of the material terms and risks of the same, and it is capable of assuming those risks; (iii) it has made its trading and investment decisions based upon its own judgment and any advice from such advisors as it has deemed necessary and not in reliance upon any view expressed by PacifiCorp; (iv) it has not received from PacifiCorp any assurances or promises regarding any financial results or benefits hereunder; (v) service hereunder is not a utility service within the meaning of Section 466 of the United States Bankruptcy Code; and (vi) Counterparty holds legal title to the Facility or otherwise holds the legal right to cause the Facility to enter into this Agreement.

## VII. Financial Responsibility.

7.1 Adequate Assurances. Without limiting PacifiCorp's rights under Article VIII hereof, if Counterparty has failed to make a timely payment hereunder, and PacifiCorp has reasonable grounds for insecurity regarding the performance of any obligation of Counterparty

hereunder (whether or not then due), PacifiCorp may demand Adequate Assurances of Performance. "Adequate Assurances of Performance" means sufficient security in the form, amount, by an issuer or guarantor, and for the term reasonably acceptable to PacifiCorp, including, but not limited to, cash, a standby irrevocable letter of credit, a prepayment, a security interest in government securities, an asset or a performance bond or guaranty. Such Adequate Assurances of Performance shall be provided within three business days after a written demand is made by PacifiCorp.

#### VIII. Events of Default; Remedies.

8.1 Event of Default. "Event of Default" means, with respect to a Party (the "Defaulting Party"):

8.1.1 the failure to render when due any payment or performance hereunder, if such failure is not remedied within five days after written notice;

8.1.2 the failure to timely provide adequate assurances required pursuant to Article VII hereof;

8.1.3 any such Party's representation or warranty proves to have been incorrect or misleading in any material respect when made;

8.1.4 the failure to perform any other covenant set forth herein if such failure is not remedied within five days after written notice;

8.1.5 its bankruptcy, if adequate assurances acceptable to PacifiCorp and approved by the Bankruptcy Court are not provided;

8.1.6 the expiration or termination of any credit support of Counterparty's obligations hereunder (other than in accordance with its terms) prior to the satisfaction of all obligations of Counterparty without the written consent of PacifiCorp; or

8.1.7 In the case of Counterparty:

8.1.7.1 Counterparty fails to report generation Data or Output information to PacifiCorp for the Facility or Counterparty fails to send the data in a format and use the protocols specified by PacifiCorp as determined by PacifiCorp to be required to meet the requirements of the WREGIS Operating Rules;

8.1.7.2 Counterparty is delinquent in payment to WREGIS of any WREGIS fees for registration or maintenance of Accounts or Subaccounts, which payment impairs the ability of PacifiCorp to report Generator Data, Output, or other information to WREGIS regarding the Facility, which delinquency continues for a period of thirty (30) days;

8.1.7.3 Counterparty fails to comply with a request by PacifiCorp to provide evidence of payment of WREGIS fees pertaining to the Facility; or

8.1.7.4 Counterparty knowingly or intentionally falsifies or misrepresents any Data, Output information, or other information required by WREGIS.

8.2 Remedies Upon Event of Default. In the Event of Default by a Party and for so long as the Event of Default is continuing, the non-defaulting Party (the "Performing Party") shall have the right to do any or all of the following: (1) upon two business days' written notice to the Defaulting Party, terminate this Agreement; (2) withhold any payments or performance due in respect of this Agreement; and (3) exercise such other remedies as may be available at law or in equity or as otherwise provided for herein, to the extent such remedies have not been otherwise waived or limited pursuant to the terms hereof.

8.3 Setoff. If an Event of Default occurs, the Performing Party may, at its election, set off any or all amounts which the Defaulting Party owes to it or any Affiliate of the Performing Party (whether under this Agreement or otherwise and whether or not then due) against any or all amounts which it or any Affiliate of the Performing Party owes to the Defaulting Party (whether under this Agreement or otherwise and whether or not then due).

8.4 Payment of Damages. Any amounts due on account of default shall be paid by the close of business on the next business day following the Defaulting Party's receipt of the Performing Party's written termination notice setting forth the termination payment due.

8.5 Limitation of Liability. **THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED HEREIN SATISFY THE ESSENTIAL PURPOSES HEREOF. FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGE IS PROVIDED, SUCH REMEDY OR MEASURE SHALL BE THE SOLE AND EXCLUSIVE REMEDY THEREFOR. LIABILITY THAT HAS NOT BEEN OTHERWISE EXCLUDED PURSUANT TO THE TERMS HEREOF SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY AS THE SOLE AND EXCLUSIVE REMEDY. EXCEPT AS OTHERWISE SPECIFICALLY SET FORTH HEREIN, NO PARTY SHALL BE REQUIRED TO PAY OR BE LIABLE FOR SPECIAL, CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY, OR INDIRECT DAMAGES, LOST PROFIT OR BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT, CONTRACT OR OTHERWISE.**

8.6 Survival. This Article survives the expiration or termination hereof.

## IX. Force Majeure.

9.1 Except with regard to a Party's obligation to make payments hereunder, in the event either Party hereto is rendered unable, wholly or in part, by Force Majeure to carry out its obligations with respect hereto, then upon such Party's (the "Claiming Party") giving notice and full particulars of such Force Majeure as soon as reasonably possible after the occurrence of the cause relied upon, such notice to be confirmed in writing or by facsimile to the other Party, then the obligations of the Claiming Party shall, to the extent they are affected by such Force Majeure, be suspended during the continuance of said inability, but for no longer period, and the Claiming

Party shall not be liable to the other Party for, or on account of, any loss, damage, injury or expense resulting from, or arising out of such event of Force Majeure. The Party receiving such notice of Force Majeure shall have until the end of the Business Day following such receipt to notify the Claiming Party that it objects to or disputes the existence of an event of Force Majeure. "Force Majeure" means an event or circumstance which prevents one Party from performing its obligations hereunder, which event or circumstance was not anticipated, which is not within the reasonable control of, or the result of the negligence of, the Claiming Party, and which, by the exercise of due diligence, the Claiming Party is unable to overcome or avoid or cause to be avoided. Counterparty's failure to obtain, or perform under, the Generation Interconnection Agreement, or its other contracts and obligations to, Transmission Provider or Interconnection Provider is not a Force Majeure.

9.2 Force Majeure Does Not Affect Other Obligations. No obligations of either Party that arose before the Force Majeure causing the suspension of performance or that arise after the cessation of the Force Majeure shall be excused by the Force Majeure.

9.3 Strikes. Notwithstanding any other provision hereof, neither Party shall be required to settle any strike, walkout, lockout or other labor dispute on terms which, in the sole judgment of the Party involved in the dispute, are contrary to the Party's best interests.

## X. Miscellaneous.

10.1 Choice of Law. This Agreement shall be interpreted and enforced in accordance with the laws of the state of Oregon, excluding any choice of law rules that may direct the application of the laws of another jurisdiction.

10.2 Restriction on Assignments. Neither Party may assign this Agreement or any of its rights or obligations hereunder without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Any purported assignment in violation hereof shall be void ab initio. This Agreement inures to the benefit of and is binding upon the Parties and their respective successors and permitted assigns.

10.3 Notices. All notices, requests, statements or payments shall be made to the addresses set out on the Notices Exhibit. Notices required to be in writing shall be delivered by letter, facsimile or other documentary form. Notice by facsimile or hand delivery shall be deemed to have been given when received or hand delivered. Notice by overnight mail or courier shall be deemed to have been given on the date and time evidenced by the delivery receipt. The Parties may change any of the persons to whom notices are addressed, or their addresses, by providing written notice in accordance with this Section.

10.4 Entire Agreement; Counterparts. This Agreement constitutes the entire agreement between the Parties with respect to its subject matter. This Agreement may not be amended, changed, modified, or altered unless such amendment, change, modification, or alteration is in writing and signed by both Parties. This Agreement may be executed in counterparts, including by telefacsimile transmission, each of which is an original and all of which taken together constitute one and the same original instrument. This Agreement completely and fully

supersedes all other prior understandings or agreements, both written and oral, between the Parties relating to the subject matter hereof. If any provision of this Agreement is determined to be invalid, void or unenforceable by any court of competent jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Agreement, provided the basic purposes of this Agreement and the benefits to the Parties are not substantially impaired.

10.5 No Waiver. Waiver by a Party of any default by the other Party shall not be construed as a waiver of any other default, nor shall any delay by a Party in the exercise of any right under this Agreement be considered as a waiver or relinquishment thereof.

10.6 Jurisdiction. Any judicial action arising out of, resulting from or in any way relating to this Agreement shall be brought only in a state or federal court of Multnomah County, Oregon. In the event such judicial proceedings are instituted by either Party, the prevailing Party shall be entitled to award of its costs and attorneys' fees incurred in connection with such proceedings.

10.7 Jury Trial Waiver. **THE PARTIES EACH HEREBY IRREVOCABLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING HERETO, OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY FURTHER WAIVES ANY RIGHT TO CONSOLIDATE ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED.**

10.8 No Third Party Beneficiaries. With the exception of Transmission Provider and Interconnection Provider, who are express third party beneficiaries hereof, this Agreement confers no rights whatsoever upon any person other than the Parties and shall not create, or be interpreted as creating, any standard of care, duty or liability to any person not a Party hereto.

10.9 Relationship of the Parties. Nothing contained herein shall be construed to create an association, joint venture, trust, or partnership, or impose a trust or partnership covenant, obligation, or liability on or with regard to any one or more of the Parties. Each Party shall be individually responsible for its own covenants, obligations, and liabilities under this Agreement.

10.10 Survival. This Article survives the expiration or termination hereof.

*[signature page follows]*

IN WITNESS WHEREOF, the Parties have executed this Agreement by their duly authorized representatives as of the date last below written.

<p>PacifiCorp</p> <p>By: _____ Name: _____ Title: _____ Date: _____</p>	<p>&lt;COUNTERPARTY&gt;</p> <p>By: _____ Name: _____ Title: _____ Date: _____</p>
---	---

**Exhibit A**  
**Facility and Generation Data**

For Facility enter the following information:

Facility Name and Address or Location

Meter Number (Device ID)

Facility's WREGIS Generator ID

EIA or QF ID#

One-line diagram that includes description of meter locations at the facility – voltage and location

**EXHIBIT H**  
**SELLER AUTHORIZATION TO RELEASE**  
**GENERATION DATA TO PACIFICORP**

[DATE]

Director, Transmission Services  
PacifiCorp  
825 NE Multnomah, Suite 1600  
Portland, OR 97232

To Whom it May Concern:

\_\_\_\_\_ (“Seller”) hereby voluntarily authorizes PacifiCorp's Transmission business unit to share Seller's interconnection information with marketing function employees of PacifiCorp, including but not limited to those in Energy Supply Management. Seller acknowledges that PacifiCorp did not provide it any preferences, either operational or rate-related, in exchange for this voluntary consent.

\_\_\_\_\_

**EXHIBIT I**  
**REQUIRED INSURANCE**

1.1 Required Policies and Coverages. Without limiting any liabilities or any other obligations of Seller under this Agreement, Seller must secure and continuously carry with an insurance company or companies rated not lower than “A-/VII” by the A.M. Best Company the insurance coverage specified below:

1.1.1 Workers’ Compensation. Seller shall comply with any applicable laws or statutes, state or federal jurisdiction, where Seller performs work.

1.1.2 Employers’ Liability. Seller shall maintain employers’ liability insurance with minimum limits covering bodily injury for: \$1,000,000 – each accident, \$1,000,000 by disease – each employee, and \$1,000,000 by disease – policy limit.

1.1.3 Commercial General Liability. Seller shall maintain insurance to include premises and operations, contractual liability, with a minimum single limit of \$1,000,000 each occurrence to protect against and from loss by reason of injury to persons or damage to property based upon and arising out of the activity under this Agreement.

1.1.4 Business Automobile Liability. Seller shall secure and continuously carry business automobile liability insurance with a minimum single limit of \$1,000,000 each accident covering bodily injury and property damage with respect to Seller’s vehicles whether owned, hired or non-owned.

1.1.5 Umbrella/excess Liability. Seller shall maintain umbrella or excess liability insurance on an occurrence and following form basis with a minimum limits as follows:

(a) Facility Capacity Rating at or above 200 KW - \$5,000,000

1.1.6 Property Insurance. Seller shall maintain property insurance covering equipment and structures in an amount at least equal to the full replacement value for "all risks" of physical loss or damage, including coverage for earth movement, flood, boiler and machinery, and business interruption. The policy may contain separate sub-limits and deductibles subject to insurance company underwriting guidelines. Property insurance will be maintained in accordance with terms available in the insurance market for similar facilities.

1.2 Additional Provisions or Endorsements.

1.2.1 Except for workers’ compensation and property insurance, the policies required must include provisions or endorsements as follows:

(a) naming PacifiCorp, parent, divisions, officers, directors and employees as additional insureds;

(b) include provisions that such insurance is primary insurance with respect to the interests of PacifiCorp and that any other insurance maintained by PacifiCorp is excess and not contributory insurance with the insurance required under this schedule; and

(c) cross liability coverage or severability of interest.

1.2.2 Unless prohibited by applicable law, all required insurance policies must contain provisions that the insurer will have no right of recovery or subrogation against PacifiCorp.

1.3 Certificates of Insurance. Seller must provide PacifiCorp with certificates of insurance within ten (10) days after the date by which such policies are required to be obtained, in ACORD or similar industry form. The certificates must indicate that the insurer will provide thirty (30) days prior written notice of cancellation. If any coverage is written on a “claims-made” basis, the certification accompanying the policy must conspicuously state that the policy is “claims made.”

1.4 Term of Commercial General Liability Coverage. Commercial general liability coverage must be maintained by Seller for a minimum period of five (5) years after the completion of this Agreement and for such other length of time necessary to cover liabilities arising out of the activities under this Agreement.

1.5 Periodic Review. PacifiCorp may review this schedule of insurance as often as once every two (2) years. PacifiCorp may in its discretion require Seller to make reasonable changes to the policies and coverages described in this Exhibit to the extent reasonably necessary to cause such policies and coverages to conform to the insurance policies and coverages typically obtained or required for power generation facilities comparable to the Facility at the time PacifiCorp's review takes place.

**EXHIBIT J**  
**NERC EVENT TYPES**

Event Type	Description of Outages
U1	<u>Unplanned (Forced) Outage—Immediate</u> – An outage that requires immediate removal of a unit from service, another outage state or a Reserve Shutdown state. This type of outage results from immediate mechanical/electrical/hydraulic control systems trips and operator-initiated trips in response to unit alarms.
U2	<u>Unplanned (Forced) Outage—Delayed</u> – An outage that does not require immediate removal of a unit from the in-service state but requires removal within six (6) hours. This type of outage can only occur while the unit is in service.
U3	<u>Unplanned (Forced) Outage—Postponed</u> – An outage that can be postponed beyond six hours but requires that a unit be removed from the in-service state before the end of the next weekend. This type of outage can only occur while the unit is in service.
SF	<u>Startup Failure</u> – An outage that results from the inability to synchronize a unit within a specified startup time period following an outage or Reserve Shutdown. A startup period begins with the command to start and ends when the unit is synchronized. An SF begins when the problem preventing the unit from synchronizing occurs. The SF ends when the unit is synchronized or another SF occurs.
MO	<u>Maintenance Outage</u> – An outage that can be deferred beyond the end of the next weekend, but requires that the unit be removed from service before the next planned outage. (Characteristically, a MO can occur any time during the year, has a flexible start date, may or may not have a predetermined duration and is usually much shorter than a PO.)
ME	<u>Maintenance Outage Extension</u> – An extension of a maintenance outage (MO) beyond its estimated completion date. This is typically used where the original scope of work requires more time to complete than originally scheduled. Do not use this where unexpected problems or delays render the unit out of service beyond the estimated end date of the MO.
PO	<u>Planned Outage</u> – An outage that is scheduled well in advance and is of a predetermined duration, lasts for several weeks and occurs only once or twice a year.
PE	<u>Planned Outage Extension</u> – An extension of a planned outage (PO) beyond its estimated completion date. This is typically used where the original scope of work requires more time to complete than originally scheduled. Do not use this where unexpected problems or delays render the unit out of service beyond the estimated end date of the PO.

## EXHIBIT K

### SCHEDULE 38 AND PRICING SUMMARY TABLE

**Conforming Energy Purchase Price** =  $AR_{ce} * MPM$

**Non-Conforming Energy Purchase Price** = Minimum of [ $AR_{ce} * MPM$ ; or  
Mid- C-85]

Where

$AR_{ce}$  = Conforming Energy annual rate from Table 1, below, for the year of the Net Output.

MPM = monthly On-Peak or Off-Peak multiplier from Table 2, below, that corresponds to the month of the Net Output and whether the Net Output occurred during On-Peak Hours or Off-Peak Hours.

Mid-C-85 = 85% of weighted average of the average Index Price for the month, or portion of month, of Net Output.

**Table 1: Conforming Energy Annual Rates**

<b>Year</b>	<b>Conforming Energy Annual Rate (<math>AR_{ce}</math>) \$/MWh</b>
2022	\$58.16
2023	\$60.92
2024	\$64.25
2025	\$67.53
2026	\$69.88
2027	\$71.26
2028	\$73.63
2029	\$74.96
2030	\$76.77
2031	\$78.28
2032	\$81.21
2033	\$83.48
2034	\$85.71
2035	\$87.86
2036	\$90.30
2037	\$92.19
2038	\$94.21
2039	\$96.37
2040	\$99.30
2041	\$101.13
2042	\$103.19

**Table 2: Monthly On-Peak/Off-Peak Multipliers**

<b>Month</b>	<b>On-Peak Hours</b>	<b>Off-Peak Hours</b>
January	103%	94%
February	105%	97%
March	95%	80%
April	95%	76%
May	92%	63%
June	94%	65%
July	121%	92%
August	121%	106%
September	109%	99%
October	115%	105%
November	110%	96%
December	129%	120%

*[Schedule 38 as it exists on the Effective Date will be inserted as Exhibit K.]*

## EXHIBIT L

### PARTY NOTICE INFORMATION

To Counterparty: Birch Power Company  
1600 John Adams Parkway, Suite 101  
Idaho Falls, Idaho 83401  
Attn: Ted S. Sorenson, President  
Telephone: (208) 589-6908  
Email: [ted@tsorenson.net](mailto:ted@tsorenson.net)

with a copy to: Miriah R. Elliott  
498 West 140 South  
Ivins, UT 84738  
Telephone: (801) 891-4147  
Email: [miriah@tsorenson.net](mailto:miriah@tsorenson.net)

To PacifiCorp: PacifiCorp  
825 NE Multnomah, Suite 600  
Portland, Oregon 97232-2315  
Attn: Director, Origination  
Telefacsimile (503) 813-6271

with a copy to: PacifiCorp  
825 NE Multnomah, Suite 600  
Portland, Oregon 97232-2315  
Attn: Contract Administration  
Telefacsimile (503) 813-6291  
E-mail: [cntadmin@pacificorp.com](mailto:cntadmin@pacificorp.com)

With a copy to: PacifiCorp Legal Department  
825 NE Multnomah, Suite 1800  
Portland, Oregon 97232-2315  
Attn: Assistant General Counsel  
Telefacsimile (503) 813-6761

**EXHIBIT 4.9.2**

[Subsequent Energy Schedules – as appended]

**SECOND AMENDMENT TO THE POWER PURCHASE AGREEMENT  
BETWEEN BIRCH CREEK POWER COMPANY, INC. AND UTAH POWER &  
LIGHT CO.**

WHEREAS, PacifiCorp's predecessor in interest, Utah Power & Light Company, and Birch Power Company, Inc. (f/k/a Birch Creek Power Co.) entered into a thirty-five year Power Purchase Agreement on August 21, 1984, as Buyer and Seller, respectively;

WHEREAS, Utah Power & Light Company and Birch Power Company, Inc. executed an amended Power Purchase Agreement on January 20, 1992, to resolve the Parties' dispute over calculation of the variable energy rate, as evidenced in Restated Appendix B;

WHEREAS, PacifiCorp and Seller agreed, by letter dated March 30, 2006, that this Power Purchase Agreement shall expire, at midnight, on March 31, 2022.

WHEREAS, Seller desires to replace its existing, 2,645 kW hydroelectric turbine-generator with a new, 2,650 kW turbine-generator on or before March 1, 2007;

WHEREAS, PacifiCorp's Transmission function does not object to the proposed replacement so long as the new generator utilizes the existing switch-gear, utility protective relaying, and step-up transformer, without modification, and so long as Seller permits PacifiCorp Transmission conduct a site inspection, at Generator's expense;

WHEREAS, Seller's upgrade is expected to increase annual average generation from its Facility by fifteen percent (15%);

WHEREAS, Buyer and Seller desire that, except for the changes necessary to effectuate their intent, above, the Power Purchase Agreement Between Birch Creek Power Company, Inc. and Utah Power & Light Company, executed August 21, 1984, remain in full force and effect.

NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

Buyer and Seller hereby adopt and affirm the attached "Second Amended Power Purchase Agreement Between Birch Creek Power Company, Inc. and Utah Power & Light Company," as a current and complete integration of the terms of their August 21, 1984 Power Purchase Agreement and all subsequent amendments thereto.

Agreed to by Birch Power Co.  By: _____  Title: _____  Date: _____	Agreed to by PacifiCorp  By: _____  Title: _____  Date: _____
--	---

**Attachment:** Second Amended Power Purchase Agreement Between Birch Creek Power Company, Inc. and Utah Power & Light Company.

6.6  
DIF# 270  
CIT# 456

IDAHO

POWER PURCHASE AGREEMENT  
BETWEEN  
BIRCH CREEK POWER COMPANY, INC.  
AND  
UTAH POWER & LIGHT COMPANY

THIS AGREEMENT is entered into this 21 day of August, 1984, by and between Birch Creek Power Company, Inc. hereinafter referred to as "Seller," organized and existing under the laws of the state of Idaho and UTAH POWER & LIGHT Company hereinafter referred to as "Buyer", a corporation organized and existing under the laws of the State of Utah. Seller and Buyer are sometimes referred to hereinafter collectively as "Parties" and individually as "Party".

WITNESSETH:

WHEREAS, Seller agrees to construct, own, operate and maintain a hydro-electric power plant with a capacity of 2,800 kilowatts, hereinafter referred to as Facility\*; and

WHEREAS, Seller wishes to sell to Buyer and Buyer wishes to purchase all electric energy from the Facility.

\_\_\_\_\_

\*Initial capitalization of words and phrases other than proper names indicates that these terms are defined in Appendix A hereof.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the parties agree as follows:

ARTICLE I  
TERM OF AGREEMENT

Subject to the terms and conditions hereof, this Agreement shall be binding upon execution and shall remain in effect for a term of thirty-five (35) years from the date energy is first delivered by Seller to Buyer. It is anticipated that testing of the Facility and in-service generation will commence in late 1985 or early 1986..

ARTICLE II  
SALE OF POWER

A. Seller agrees to sell and deliver and Buyer agrees to purchase and accept all energy generated from the subject Facility in accordance with Appendix A.

B. Seller's proposed Facility shall be located at T8N, R31E, Section 14 in Clark County, Idaho, and shall provide energy as set forth herein.

ARTICLE III  
PURCHASE PRICE AND METHOD OF PAYMENT

A. Buyer shall pay Seller, for energy delivered at the point specified herein, the sum of:

1. A fixed rate of 40.49 mills per kilowatt-hour, reflecting a 1985 scheduled in-service date and a thirty-five (35) year term as

shown in Appendix B. This rate shall not change due to a delay in completion of construction nor shall it be subject to escalation.

2. A variable rate of 14.0 mills per kilowatt-hour, updated annually and approved by the Idaho Public Utilities Commission, as specified in Appendix B, to reflect the current average price of coal to Buyer with the base at 1984 being 14.0 mills per kilowatt-hour.

B. The kilowatt-hours for which Buyer shall be obligated to purchase shall be the kilowatt-hours measured on Buyer's meters located on the low voltage side of Buyer's transformers.

C. Buyer's obligation to pay Seller for energy furnished to Buyer shall commence on the date Seller first delivers energy to Buyer from the Facility.

#### ARTICLE IV

#### APPENDICES

This Agreement includes Appendices A, B, C, D, E, and F all of which are attached hereto and incorporated herein by reference.

#### ARTICLE V

#### NOTICES

All written notices shall be addressed as follows:

To Buyer: Corporate Secretary  
Utah Power & Light Company  
P.O. Box 899  
Salt Lake City, UT 84110

with copy to Customer Service Manager listed below.

Inquiries concerning meter readings, billings, etc., should be addressed to:

Customer Service Manager  
Utah Power & Light Company  
P.O. Box 130  
25 East Main Street  
Rexburg, ID 83440

To Seller:

Birch Power Co.  
Attention: Mr. Ted S. Sorenson, President  
550 Linden Drive  
Idaho Falls, ID 83401

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the first date hereinabove set forth.

ATTEST:

Lloyd J. Benton

SELLER:  
BIRCH POWER COMPANY

By: Ted Sorenson

ATTEST:

Thomas W. Frye  
Asst. Sec.

BUYER:  
UTAH POWER & LIGHT COMPANY

By: [Signature]  
Vice President

°(C14:10)  
8-03-84

## APPENDIX A

### POWER PURCHASE GENERAL TERMS AND CONDITIONS

#### A. DEFINITIONS

Whenever used in this Agreement, and/or Appendices, the following terms shall have the following meanings:

1. Buyer's Review and/or Acceptance - Buyer's review and/or acceptance, or failure to review or accept Seller's specifications and/or equipment shall not constitute nor be construed as approval or endorsement or as a warranty of safety, durability, strength, adequacy, or reliability thereof.

2. Designated Dispatch Facility - Buyer's System or local dispatching operators with whom all operating communications and required reports will be made by Seller.

3. Facility - The hydro-electric generation facility and appurtenant facilities constructed, owned, operated, and maintained by Seller, more specifically described as follows: Seller's hydro generation project is located in Township 8 North; Range 31 East; Section 14, Boise Base Meridian. The facility is located in the Northeast 1/4 of the Northeast 1/4 of Section 14, Clark County, Idaho. Facility will consist of one Francis Turbine which will drive a single 2,800 kW synchronous generator which will generate at 2,400 volts. Seller's facility will be complete including all required and necessary control, relays, circuit breakers, etc.

4. Interconnection Facilities - All facilities required by Appendix D to be installed solely to interconnect and deliver power from Seller's Facility to Buyer's system.

5. Prudent Electrical Practices - The practices and methods, as changed from time to time, that are commonly used in the electrical industry to operate electric equipment lawfully and with safety and dependability.

6. Special Facilities - Facilities supplied, purchased, and owned by Buyer at Seller's request, or because such facilities are necessary additions and/or reinforcements to Buyer's system, all as set forth in Exhibit E.

B. CONSTRUCTION

1. Land Rights - Seller will, at its sole expense, use its best efforts to acquire for Buyer all necessary rights-of-way, both on and off Seller's real and personal property, to install, operate, maintain, replace and remove Buyer's equipment and all Special Facilities, and to do all other work Buyer deems necessary pursuant to this Agreement.

2. Facility and Equipment Design and Construction - Except for Special Facilities and metering equipment, Seller shall design, construct, install, own, operate, and maintain the Facility and all equipment needed to generate and deliver energy in accordance with Appendix D. Metering equipment shall be owned and maintained by Buyer in accordance with Appendix D, Subpart A.6. Seller agrees to meet the requirements established by Buyer in Appendix D for

those portions of Seller's Facility and equipment producing or transmitting electrical power and such other equipment which directly or indirectly affect Buyer's system. To aid in determination of compliance with Buyer's requirements and in acknowledgement that timing is critical to equipment purchase, Seller shall submit the Facility and equipment specifications to Buyer for review prior to Seller's purchase of equipment and Buyer shall submit its comments to Seller within forty-five (45) days from receipt of those specifications. Seller agrees to change, at Buyer's expense its Facility and equipment as may be required by Buyer to meet changing requirements of Buyer's system except Seller, at its sole expense, will make those alterations to protective equipment as specified in Appendix D, Subpart B. 3. h.

Seller shall ensure that wave forms, voltage flicker, power factor, and inverter techniques conform with criteria established by Buyer as set forth in Appendix D.

C. OPERATION

1. Point of Delivery - Seller shall deliver the energy designated in Article I at the point of delivery as set forth in Appendix F.

2. Communications - Buyer and Seller shall maintain operating communications through Buyer's Designated Dispatch Facility in accordance with Appendix D.

3. Facility and Equipment Operations and Maintenance - Seller shall operate and maintain its Facility and equipment according to Prudent Electrical Practices.

Seller's scheduled outages shall be performed between March 1, and May 31, unless otherwise agreed to by Buyer.

Buyer shall not be obligated to accept, and Buyer may require Seller to curtail, interrupt or reduce deliveries of energy if Buyer determines that curtailment, interruption or reduction is necessary because of a condition on Buyer's system or of seller's facility which is likely to result in an imminent disruption to buyer's customers, or is imminently likely to endanger life or property, or threatens the integrity of Seller's Facility or Buyer's System.

Except in case of emergency, in order not to interfere unreasonably with the other Party's operations, the curtailing, interrupting or reducing Party shall give the other Party reasonable prior notice of any curtailment, interruption or reduction, the reason for its occurrence and its probably duration. Seller shall notify Buyer within two (2) hours of any Facility outage.

4. Meters - All meters used to determine the billing hereunder shall be as specified by Buyer and shall be sealed and the seals shall be broken only upon occasions when the meters are to be inspected, tested or adjusted.

Buyer shall, at Seller's expense, inspect and test all meters upon their installation and at least once every two (2) years thereafter. If requested to do so by Seller, Buyer shall inspect or test a meter more frequently than every two (2) years, but the expense of such inspection or test shall be paid by Seller unless upon being inspected or tested the meter is found to register inaccurately by more than two (2) percent of full scale, in which

case Buyer shall pay the expense of the test. Each Party shall give reasonable notice of the time when any inspection or test shall take place to the other Party, and that Party may have representatives present at the test or inspection. If a meter is found to be inaccurate or defective, it shall be adjusted, repaired or replaced, at Seller's expense, in order to provide accurate metering.

If a meter fails to register, or if the measurement made by a meter during a test varies by more than two (2) percent from the measurement made by the standard meter used in the test, adjustment shall be made correcting all measurements made by the inaccurate meter and billings based on such measurements for:

a. the actual period during which inaccurate measurements were made, if the period can be determined, or if not,

b. the period immediately preceding the test of the meter equal to one-half (1/2) the time from the date of the last previous test of the meter; provided, that the period covered by the correction shall not exceed six (6) months.

If a meter fails to register, the meter shall be adjusted and the capacity and energy for billing purposes shall be deemed to be the same as the same billing period for the previous year.

Each Party, after reasonable notice to the other Party, shall have the right of access to all metering and related records.

D. BILLING

On or before the 30th day following the monthly billing period, (i.e., once per month) Buyer will send a statement to Seller itemizing the kilowatt hours, kilovar hours, and the applicable rates for all capacity and energy received from Seller, together with the kilovar hours received by Seller from Buyer, the expenses incurred by Buyer pursuant to this Agreement, if any, and the payment owed to Seller.

E. PAYMENT

Buyer will include payment with the billing statement. If either Party objects to the billing statement, the Party objecting will, within six (6) months after all information necessary to verify the billing statement becomes available, deliver to the other Party a written summary of its objections to the billing statement, which objections shall include the amount by which the Party believes the billing statement is incorrect. All other payments due will be paid pending the resolution of the billing dispute. Upon determination by the Parties of the correct amount due, the indebted Party shall promptly pay such amount with interest at the rate then established for late payments by the Public Utilities Commission of Idaho. If either Party fails to object to a billing statement within the 6 month period, the billing statement and payment shall be deemed to be correct and neither Party shall be entitled to make any claim against the other Party arising from the billing statement.

F. FORCE MAJEURE

The term "force majeure" as used herein, means unforeseeable causes beyond the reasonable control of, and without the fault or negligence of,

the Party claiming force majeure. If either Party because of force majeure is rendered wholly or partly unable to perform its obligations under this Agreement, that Party shall be excused from whatever performance is affected by the force majeure, including payment obligations, to the extent so affected provided that:

1. The nonperforming Party, within two weeks after the occurrence of the force majeure, gives the other Party written notice describing particularly the nature of the occurrence;

2. The suspension of performance is of no greater scope and of no longer duration than is required by the force majeure;

3. No obligations of either Party which arose before the occurrence causing the suspension of performance are excused as a result of the occurrence; and

4. The non-performing Party uses its best efforts to remedy its inability to perform. This subparagraph shall not require the settlement of any strike, walkout, lockout or other labor dispute on terms which, in the sole judgement of the Party involved in the dispute, are contrary to its interest. It is understood and agreed that the settlement of strikes, walkouts, lockouts or other labor disputes shall be entirely within the discretion of the Party involved.

5. Failure, however, to remedy any event of force majeure within two (2) years after its occurrence shall constitute termination of this Agreement and the provisions of Appendix C, Subpart B shall apply.

G. INDEMNITY

Each Party shall indemnify the other Party, its officers, agents, and employees against all loss, damage, expense and liability to third persons for injury to or death of person or injury to property, proximately caused by the indemnifying Party's construction, ownership, operation, or maintenance of, or by failure of, any such Party's works or facilities used in connection with this Agreement. The indemnifying Party shall, on the other Party's request, defend any suit asserting a claim covered by this indemnity. The indemnifying Party shall pay all costs that may be incurred by the other Party in successfully enforcing this indemnity clause.

H. SEVERAL OBLIGATIONS

Except where specifically stated in this Agreement to be otherwise, the duties, obligations and liabilities of the Parties are intended to be several and not joint or collective. Nothing contained in this Agreement shall ever be construed to create an association, trust, partnership, or joint venture or impose a trust or partnership duty, obligation or liability on or with regard to either Party. Each Party shall be individually and severally liable for its own obligations under this Agreement.

I. WAIVER

Any waiver at any time by either Party of its rights with respect to a default under this Agreement, or with respect to any other matters arising in connection with this Agreement, shall not be deemed a waiver with respect to any subsequent default or other matter.

J. ASSIGNMENT

This Agreement shall be binding upon and inure to the benefit of or may be performed by the successors and assigns of the Parties, except that no assignment, pledge or other transfer of this Agreement by any Party shall operate to release the assignor, pledgor or transferor from any of its obligations under this Agreement unless consent to the release is given in writing by the other Party, its successors and assigns. Such release shall not be unreasonably withheld.

K. CHOICE OF LAWS

This Agreement shall be construed and interpreted in accordance with the laws of the State of Idaho, excluding any choice of law rules which may direct the application of the laws of another jurisdiction.

L. JURISDICTIONAL APPROVALS

This Agreement shall be submitted by Buyer to the Public Service Commission of Utah, the Idaho Public Utilities Commission and the Public Service Commission of Wyoming for approval and shall be subject to an express finding and supporting order by all the aforementioned Commissions that:

(A) Seller is a qualifying small power production producer or a cogenerator, as defined in 16 C.F.R. §796(17) (D) and (1B) (c), respectively;

(B) The Facility is "new capacity," as defined in 18 C.F.R. §292.304 (b) (1);

(C) Buyer is required by 18 C.F.R. §292.303 (a) and §292.304 (b) (2) to purchase any energy and capacity provided by Seller at rates equal to Buyer's avoided costs, as defined in 18 C.F.R. §292.101 (b) (6);

(D) Buyer is required, by 18 C.F.R. §292.304 (d) (2) to purchase energy and capacity from Seller pursuant to a legally enforceable obligation for a specified term at a rate based on Buyer's avoided costs calculated at the time the obligation is incurred.

(E) The rate for sales by Seller to Buyer established in this Agreement equals Buyer's avoided costs, calculated at the time the Agreement is executed by the parties;

(F) Buyer is accordingly legally obligated to purchase energy and capacity from Seller at the rates established in this Agreement; and

(G) Buyer's costs for purchases of energy and capacity from Seller for the duration of this Agreement are reasonable and prudent expenditures.

This Agreement shall also be submitted by Buyer to the Federal Energy Regulatory Commission for approval and shall be subject to the above-stated express finding and supporting order unless and until the Federal Energy Regulatory Commission disclaims jurisdiction or provides to

Buyer written notice that said Commission does not review or approve such contracts.

°(C14:11)  
8-03-84

APPENDIX B

SCHEDULE OF ENERGY PURCHASED RATES

Fixed Energy Rates

<u>Scheduled Commencement of Service</u>	<u>Term of Agreement (Years)</u>							
	<u>4</u>	<u>6</u>	<u>10</u>	<u>15</u>	<u>20</u>	<u>25</u>	<u>30</u>	<u>35</u>
1984-\$/kW-Yr	106	115	133	161	188	215	241	266
-Mills/kWh*	16	18	20	25	29	33	37	40.49

The fixed energy rate figure shall not be subject to escalation.

Variable Energy Rate

(Mills/kWh)

1984                      14.00

The variable energy rate figure shall be updated annually commencing on January 1 of each year after the date energy is first delivered by Seller to Buyer. The rate paid will be the average cost of fuel consumed in Buyer's coal fired generating stations determined pursuant to Buyer's normal accounting practices. The adjustment may be up or down.

1. Through June 30, 1992, the variable energy rate shall remain 14 mills per kWh.

2. Effective July 1, 1992 and continuing through June 30, 2003, the variable energy rate shall be 14 mills per kWh, which represents Buyer's estimated levelized variable fuel and operation and maintenance (O&M) cost during that time period.

3. Beginning July 1, 2003 and continuing throughout the Term of the Power Purchase Agreement, including any extensions, the variable energy rate shall be calculated in accordance with the following methodology:

(a) The variable energy rate shall be the sum of Buyer's fuel cost and variable O&M cost.

(b) Buyer's fuel cost shall be the average cost of fuel consumed in Buyer's Utah Division coal-fired generating stations, specifically the Carbon, Hale, Naughton, Huntington and Hunter generating plants. If any of the specified plants does not operate as a coal-fired power plant in any calendar year, such plant shall be excluded from the calculation of the average cost of fuel. The average cost of fuel shall be calculated using data reported in Buyer's FERC Form 1. For 1990, Buyer's fuel costs are reported at pages 402-403, lines 12 and 21 of the FERC Form 1. In the event that the FERC Form 1 ceases to include the cost of fuel or net generation data, comparable data based upon Buyer's normal accounting practices shall be used.

(c) Buyer's variable O&M cost shall be calculated using the methodology adopted by the Idaho Public Utilities Commission in Order No. 23738 for determining the variable avoided O&M cost of the Surrogate Avoidable Resource, excluding the State of Montana generation tax and the line loss adjustment. For example, Buyer's variable O&M cost for 1990 would be \$1.089 per MWh (based on Colstrip 1989 costs) and for 1991 would be \$1.401 per MWh (based on Colstrip 1990 costs).

(d) The variable energy rate shall be updated annually effective July 1 of each year based upon Buyer's fuel cost and variable O&M cost for the preceding calendar year. The adjustment to the variable energy rate may be up or down. Buyer shall notify Seller and the Idaho Public Utilities Commission of the updated variable energy rate on or before July 1 of each year.

\*Based on a 75 percent capacity factor.

APPENDIX C  
ADJUSTMENT OF PAYMENTS  
IN THE EVENT OF TERMINATION

A. GENERAL PROVISIONS

1. The Parties understand and agree that the Seller may terminate this Agreement at any time. The Parties further understand and agree that the payment Buyer makes to Seller for power generated is based on Seller's performance during the full term of this Agreement and that in the event Seller terminates during the term:

- a. Buyer shall be deemed damaged by reason thereof,
- b. It would be impracticable or extremely difficult to fix the actual damages to Buyer resulting therefrom,
- c. The refund and payments as provided in Appendix C, Subpart B, are in the nature of adjustments in power purchase prices and liquidated damages, and not a penalty, and are fair and reasonable, and
- d. Such refunds and payments represent a reasonable endeavor by the Parties to estimate a fair compensation for the reasonable losses that result from such termination.

2. Seller shall be invoiced by Buyer for all refunds and payments due under this Appendix and shall pay such amounts to Buyer within thirty (30) days after receipt of said invoice.

3. Buyer shall have the right to offset any amounts due it against any present or future payments due Seller.

B. ADJUSTMENT UPON TERMINATION OF CONTRACT

In the event this Agreement is terminated, Seller shall refund to Buyer an amount equal to one-half the difference between:

1. The sum of the fixed energy payments paid to Seller pursuant to Article 3 to the date of termination, and;
2. The sum of the fixed energy payments which would have been paid to Seller based on a term of agreement extending to the date of termination, as derived or interpolated from Appendix B.

Example

Assuming this Agreement was terminated at the end of ten (10) years, and the annual generation from the Facility had been 2,000,000 kWh for each year of the ten (10) year period, then the refund to Buyer would be calculated as follows:

$$\begin{aligned} \text{Total Ten-Year Generation} &= 20,000,000 \text{ kWh} \\ \text{Total Payment To Seller} &= 20,000,000 \text{ kWh} \times 40.49 \text{ Mills/kWh} = \$809,800 \\ \text{Total Payment If Seller Had} \\ \text{Contracted For Ten Years} &= 20,000,000 \text{ kWh} \times 20 \text{ Mills/kWh}^* = \$400,000 \\ \text{Refund to Buyer} &= \frac{\$809,800 - \$400,000}{2} = \$204,900 \end{aligned}$$

\*Rate from Appendix B for a Ten-Year Contract Term in 1984.

APPENDIX D

Parallel Generation Interconnection Requirements

For Single And Three Phase Generation

A. GENERAL REQUIREMENTS FOR ALL GENERATORS

1. All installations made for the purpose of interconnection with Buyer's system shall comply with Buyer's requirements, the National Electrical Code, and the National Electrical Safety Code.

2. Seller shall provide at its sole cost an accessible, visible, lockable disconnect switch in the generator circuit. This switch is to be identified by Seller as the Generator Disconnect switch. This switch may be locked in the open position by Buyer's personnel under the following conditions:

a. For the protection of the line crews while doing any work on Buyer's lines or equipment.

b. If inspection of Seller's equipment reveals hazardous conditions or a lack of proper maintenance.

c. If Seller's generating equipment interferes with Buyer's customers, or with the operation or integrity of Buyer's system.

3. Seller's Protective System shall be designed to automatically disconnect from Buyer's system when Buyer's service is interrupted.

4. Seller shall maintain its equipment (generator, protective equipment, and other associated equipment) in good working order. The equipment shall be subject to Buyer's inspection.

5. Seller's Facility shall be interconnected only after all legally required inspections and written approvals are completed and when such interconnection shall not reduce the integrity of Buyer's system. As a guide, total harmonic distortion introduced into Buyer's system shall not exceed five (5) percent with no single harmonic contribution of more than three (3) percent. However, in no case shall interconnection be allowed to produce abnormal voltages or voltage fluctuations, or harmonic content that would cause undue interference with Buyer's customer loads or Buyer's equipment.

In order to facilitate interconnection, a schedule for the inspections and approvals referenced in the preceding paragraph shall be prepared by the Parties within forty-five (45) days from the date of this Agreement.

6. Metering Equipment

a. The Seller shall provide adequate space for Buyer's metering equipment including, but not limited to, billing meters, current and voltage transformers, test switches, and modems in accordance with Buyer's requirements.

b. Seller shall pay all costs of metering equipment in excess of those which would ordinarily be required to meter Seller's load; however, Seller shall have no ownership in meters, instrument transformers, and associated revenue metering equipment.

c. Metering will be installed to measure the reactive power and energy supplied from Buyer's system to the Facility. When the Facility is generating, Seller shall maintain a power factor of unity at all times. Any kilowatt-hour or kilovar-hour

input to Seller will be paid for by Seller at the rate of \$0.30 per kvar month. This rate will be subject to annual adjustment, as determined by Buyer, and to regulatory authorities having jurisdiction.

7. Seller shall provide adequate space to Buyer to install a third meter in the generator circuit for the measurement of the generator output for research studies as may be deemed necessary by Buyer.

8. Hydro Generation

a. DC Generators with Synchronous Inverter:

1) The total harmonic distortion introduced onto Buyer's system by an inverter shall not be more than 5%.

2) No single harmonic produced by the inverter shall contribute more than 3% distortion onto Buyer's system.

b. Induction Generators:

1) The generators shall be equipped with an over frequency or speed relay set such that frequency cannot exceed 64 Hertz, and under voltage relays set no lower than 90% of nominal voltage and over voltage relays set no higher than 110% of nominal voltage in order to automatically disconnect the generator when Buyer's service is interrupted.

2) The generators shall be equipped with reverse current (or power) relays to prevent the generators from acting as a motor.

3) The generators shall be within a + or - 5% of synchronous speed before being automatically connected onto the Buyer's system.

c. Synchronous Generators:

Synchronous generator installations shall require special approval by Buyer's Engineering and Relaying Departments due to the complexity of designing appropriate relaying and switching devices to automatically disconnect the generator from the utility systems under all necessary conditions.

d. AC Generators with Static Frequency Changer:

1) Static frequency changers shall be of the type that utilizes Buyer's frequency to trigger the output frequency to insure frequency compatibility, and to insure no output when Buyer's system is out of service.

2) The total harmonic distortion introduction into Buyer's system by a static frequency changer shall be no more than 5%.

3) No single harmonic distortion by the static frequency changer shall contribute more than 3% distortion onto Buyer's system.

B. ADDITIONAL GENERAL REQUIREMENTS FOR THREE-PHASE GENERATORS

1. It is the sole responsibility of Seller to provide for the safe and effective operation of its generators even though most

commercially available three-phase generators will be equipped with appropriate protection and governor control systems, and in the case of synchronous machines, proper excitation and voltage control equipment. Buyer may require protection and control systems in addition to that supplied with the generators.

2. Prior to initial energizing of Seller's generating system, inspection and/or tests shall be jointly performed by both Seller and Buyer to verify the proper operation of such generators and related equipment.

3. Seller is fully responsible for the protection of all generators and all of their associated equipment. Protection shall be provided for Seller's own equipment failures and for fault and other disturbance on Buyer's system.

a. Each location's protection arrangements and design drawings shall be reviewed by Buyer's Engineering Department and accepted in writing prior to installation. The completed installation is subject to a final inspection and tests by Buyer personnel before commencement of parallel generation is permitted.

b. Seller shall provide automatic equipment suitable to Buyer to disconnect Seller's generators from Buyer's system in the event of a power outage or a fault on Buyer's system. The relays used to control the automatic disconnect device shall be so engineered, designed and set that they can detect the loss of voltage or fault occurring on Buyer's system.

As a minimum requirement, the protective relays shall include over/under voltage and over/under frequency relays for

sensing abnormal voltage and/or system disturbances. Additions to the minimum requirement may be necessary for certain system arrangements and installations. Buyer reserves the right to determine the adequacy of relaying, and if additional relaying will be required. For synchronous machines a voltage restrained over current-type or impedance-type relay shall be provided to detect a phase fault and an over current or ground fault voltage detector relay for sensing a ground fault.

c. Recommended relay settings:

Over frequency:	64 Hertz	10 cycle time delay
Under frequency	59 Hertz	10 cycle time delay
Over voltage:	110 Percent	0.5-5 second time delay
Under voltage:	90 Percent	0.5-2 second time delay

Fault detecting relay to be provided after consultation with Buyer's Engineering Department.

d. Seller understands that a phase unbalance disturbance on Buyer's system can result in over heating of the Seller's generators. A negative sequence-type relay (current or voltage) is necessary to initiate tripping under phase unbalanced conditions, and may also be used to block closing of the automatic disconnecting device if Buyer's system is single phased.

e. Seller shall be fully responsible for the routine maintenance of the generators and protecting equipment and the keeping of records of such maintenance. These records shall be available to Buyer for inspection at all times.

f. Seller is solely responsible for the protection of his equipment from transient surges initiated by lightning, switching or other system disturbances.

g. Any modification of Seller's equipment shall require an engineering review and written acceptance by Buyer's Engineering Department.

h. Seller, at its sole expense, shall modify existing protective equipment in the event such modifications are required by government or industry regulations and/or standards.

4. The generator nameplate voltage shall be the same as the nominal voltage supplied by Buyer. If generation occurs at voltages other than the nominal voltages supplied by Buyer, Seller shall supply a dedicated generator transformer to transform the total capacity of the generator to the nominal voltage supplied by Buyer. The transformer configuration shall be specified by Buyer. Connections shall be ungrounded Wye-Delta or Delta-Delta with the generator connected to the Delta side. (The grounded Wye-grounded Wye connection will allow generator harmonic currents to flow into Buyer's system which may cause interference with Buyer's customers and/or communications equipment.) The transformer connection shall provide for relay protection to Buyer's system.

#### C. SPECIFIC REQUIREMENTS FOR THREE-PHASE GENERATORS

##### 1. Synchronous Generators

Seller shall provide either automatic synchronizing or manual synchronizing, supervised by a synchronism check relay.

2. Induction Generators

None

3. DC Generators with Inverters

The AC output of the synchronous inverter shall be compatible with Buyer's system voltage and frequency.

4. AC Generators With Static Frequency Changer

The AC output of the static frequency changer shall be compatible with Buyer's voltage and frequency.

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8/03/84

APPENDIX E  
SPECIAL FACILITIES

A. SPECIAL FACILITIES REQUIRED

The Special Facilities Required under this Agreement are described as follows:

Line Construction

1. Eight (8) 35' Line Poles.
2. One (1) 40' Line Pole.
3. (1) 40' Terminal Pole and Primary Voltage Underground Termination.
4. Two (2) Down Guys and Anchors.
5. Nine (9) Spans of 3 - #1/0 ACSR Conductor and 1 - #2 ACSR Conductor.
6. Two (2) Sets of Disconnect Switches.
7. One (1) 3,000 kVA, 7200/12470Y - 2,400 Volt, Pad Mounted Transformer.

Metering Installation

1. Two (2) Current Transformers
2. Two (2) Potential Transformers
3. Two (2) Gem Meters
4. Misc. - Test Switch, Cabinet, Wiring, Test Box

The cost of the aforementioned facilities, including installation, will be approximately \$56,756.

B. PAYMENT FOR SPECIAL FACILITIES

Buyer shall attempt to coordinate the construction of Special Facilities with the construction work being performed by Seller. Seller shall reimburse Buyer for the Special Facilities described herein within thirty (30) days of receipt of bill from Buyer. Thereafter, Seller shall pay Buyer monthly, within fifteen (15) days of receipt of bill from Buyer, for all the annual expenses including but not limited to Operation and Maintenance, Advalorem Taxes, Administrative and General, and Working Capital expense.

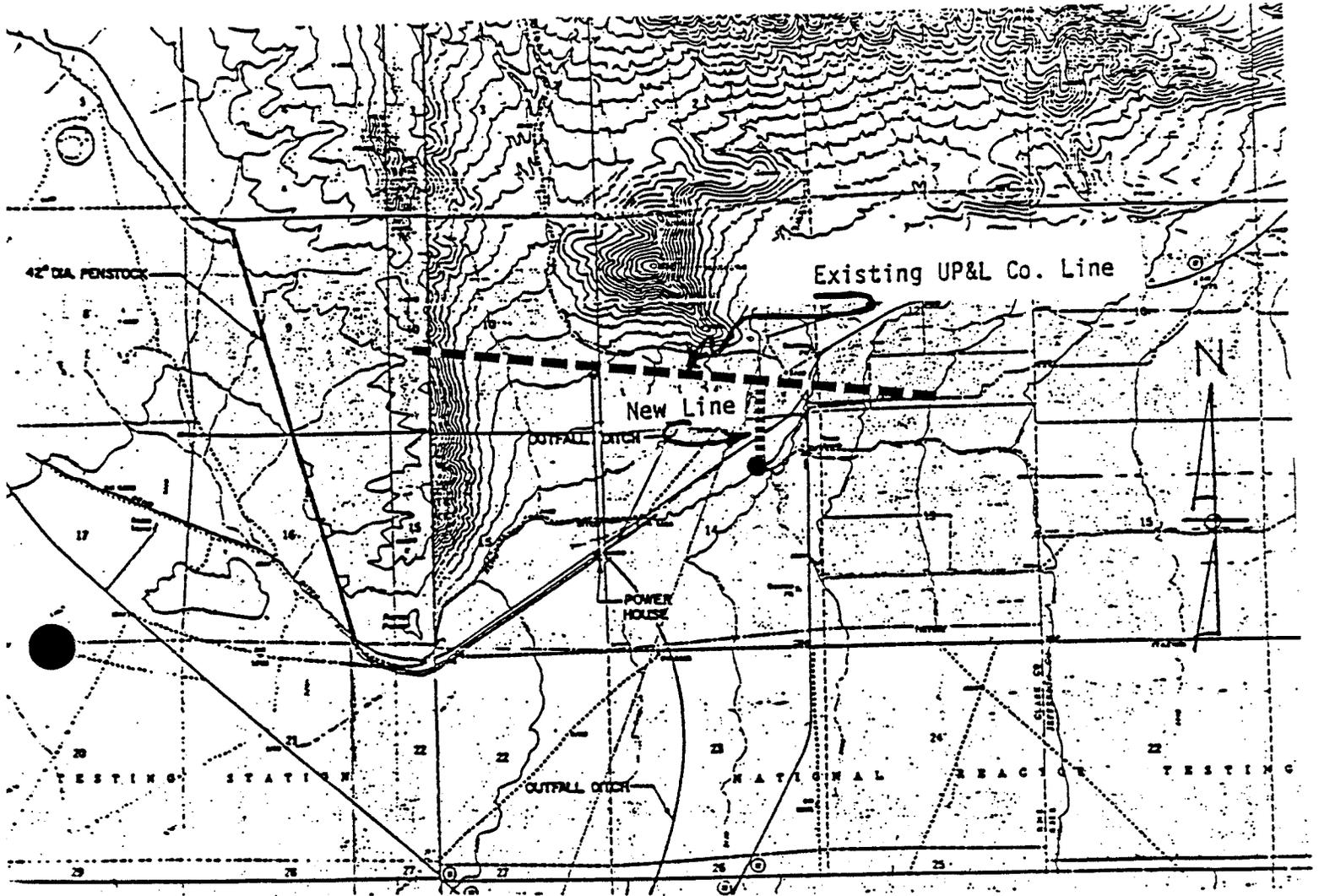
C. REMOVAL OF SPECIAL FACILITIES

Within sixty (60) days of the termination of this Agreement, Buyer shall prepare and forward to Seller an estimate of the remaining value of the Special Facilities described in this Appendix, Subpart A, less removal costs and costs involved in the transfer of the removed material to Buyer's nearest warehouse. Buyer shall then be invoiced by Seller for the net amount due as estimated by Buyer for the Special Facilities and Buyer shall pay such amount to Seller within thirty (30) days after receipt of said invoice.

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8-9-84

APPENDIX E  
Special Facilities



LEGEND

- Existing UP&L Co. 12.47 kV 3 phase Line
- ..... Required Tap Line to Birch Creek Power Co. Facilities

APPENDIX F

POINT OF DELIVERY

Point of delivery shall be at the secondary (low voltage) terminals of Buyer's 7,200/12,470 Y-2,400 volt pad mounted transformer located at Seller's facility in the Northeast 1/4 of the Northeast 1/4 of Section 14, Township 8 North, Range 31 East, Boise Base Meridian, all of which is located in Clark County, Idaho.

°(14:16)  
8/9/84