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August 10, 2017

VIA ELECTRONIC FILING AND US MAIL

Attention: Filing Center
Public Utility Commission of Oregon
201 High Street SE, Suite 100
P.O. Box 1088
Salem, Oregon 97308-1088

Re: Docket UM 1844

Dear Filing Center:

Attached for filing in the above-captioned docket is a copy of Portland General Electric Company's Cross-Motion for Summary Judgment On All Claims and Response to Evergreen's Motion for Partial Summary Judgment.

Please contact this office with any questions.

Very truly yours,

Alisha Till
Administrative Assistant

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
UM 1844**

Evergreen BioPower, LLC,
Complainant,

v.

Portland General Electric Company,
Respondent.

**PORTLAND GENERAL ELECTRIC
COMPANY'S CROSS-MOTION FOR
SUMMARY JUDGMENT ON ALL CLAIMS
AND RESPONSE TO EVERGREEN'S
MOTION FOR PARTIAL SUMMARY
JUDGMENT**

1 Pursuant to Oregon Rule of Civil Procedure 47, OAR 860-001-0000(1), and the
2 Prehearing Conference Memorandum issued on July 18, 2017, Portland General Electric
3 Company (PGE or Company) respectfully files this Cross-Motion for Summary Judgment on All
4 Claims and Response to Evergreen's Motion for Partial Summary Judgment. Accordingly, PGE
5 moves the Public Utility Commission of Oregon (Commission) for an order as follows:

- 6 1. Granting PGE summary judgment on its counterclaim against Evergreen BioPower, LLC
7 (Evergreen) for Breach of Contract/Breach of Warranty;
- 8 2. Granting PGE summary judgment on all claims brought by Evergreen against PGE in its
9 First Amended Complaint; and
- 10 3. Dismissing Evergreen's First Amended Complaint.

I. INTRODUCTION

11 Since the enactment of the Public Utility Regulatory Policies Act (PURPA), both the
12 Federal Energy Regulatory Commission (FERC) and this Commission have struggled to
13 balance the competing interests and goals created by the legislation—to encourage small
14 renewable power generation by requiring utilities to purchase the output of qualifying facilities
15 (QFs), while at the same time protecting utility customers from harm caused by any increased
16 costs associated with those purchases. On no issue has this tension played out more

1 frequently than with respect to QF eligibility for standard contracts. On one hand, FERC has
2 required that standard contracts, with standard avoided cost prices, be available for the smallest
3 QFs to remove barriers to contracting.¹ On the other hand, FERC recognizes that standard
4 prices can only approximate the costs avoided by the utility when it purchases a QF's output,
5 and therefore can result in utilities—and ultimately their customers—overpaying for energy.²
6 Accordingly, FERC has found that larger QFs may be required to negotiate contracts that reflect
7 the actual value received by the utility.³ FERC requires standard contracts to be made available
8 to QFs sized at 100 kW or less;⁴ however, this Commission has exercised its discretion to
9 broaden the group of QFs entitled to standard contracts, setting the eligibility cap at 10 MW,⁵
10 based on the nameplate capacity of the project components.⁶

11 The fundamental issue raised by Evergreen's Motion for Partial Summary Judgment
12 (Evergreen's Motion) is not the level at which the threshold is set, but rather whether a QF
13 whose critical components are rated at a capacity greater than 10 MW can evade the threshold
14 and insist on a standard contract, simply by redesigning its equipment to constrain generation
15 output. For several reasons, the answer is no.

16 **First**, this Commission has concluded that a QF with a nameplate capacity above 10
17 MW may not voluntarily constrain its output to become eligible for a standard contract. That is
18 precisely what Evergreen has done. Evergreen has purchased components capable of

¹ *Small Power Production and Cogeneration Facilities; Regulations Implementing Section 210 of the Public Utility Regulatory Policy Act of 1978*, Order No. 69, 45 Fed. Reg. 12,214, 12,223 (Feb. 25, 1980).

² *Id.*

³ See 18 C.F.R. § 292.304(e).

⁴ 18 C.F.R. § 292.304(c).

⁵ This Commission has revised the threshold over time and recently has reduced the threshold for PacifiCorp and Idaho Power for wind and solar QFs. *In the Matter of PacifiCorp's Application to Reduce the Qualifying Facility Contract Term and Lower the Qualifying Facility Standard Contract Eligibility Cap*, Docket No. UM 1734, Order No. 16-130 (Mar. 29, 2016); *In the Matter of Idaho Power Co., Application to Lower Standard Contract Eligibility Cap and to Reduce the Standard Contract Term*, Docket No. UM 1725, Order No. 16-129 (Mar. 29, 2016). The Commission currently is investigating a request by PGE to revise the threshold for solar QFs from 10 MW to 3 MW. *In the Matter of Portland General Electric Co., Application to Lower the Standard Price and Standard Contract Eligibility Cap for Solar Qualifying Facilities*, Docket No. UM 1854.

⁶ *In the Matter of Public Utility Commission of Oregon Staff's Investigation Relating to Electric Utility Purchases from Qualifying Facilities*, Docket No. UM 1129, Order No. 05-584 at 40 (May 13, 2005).

1 producing over 20 MW of generation, and has purposely redesigned the equipment to limit
2 output to 10 MW, in an attempt to render itself eligible for a standard contract. The fact that this
3 QF has succeeded in having certain of its components de-rated to 10 MW does not alter the
4 basic fact that Evergreen's redesign is an impermissible attempt to escape the 10 MW threshold
5 and should not be rewarded.

6 **Second**, broad policy concerns suggest that Evergreen should not be entitled to a
7 standard contract. The purpose behind the standard-contract threshold is to provide a path to a
8 contract for those QFs that lack the resources to negotiate one. Evergreen has shown itself to
9 have the financial resources to successfully negotiate a contract with PGE, and should be
10 required to do so. Moreover, Evergreen's action to reduce the energy that can be generated by
11 its facility is itself contrary to PURPA's policies, and for that reason should not be encouraged.

12 **And finally**, Evergreen's proposal is just the tip of the iceberg. PGE is receiving
13 numerous requests from QFs who are looking for ways to design their way around the standard-
14 contract threshold. While these requests differ from each other in a variety of ways, they all
15 involve players who have the financial wherewithal to negotiate a contract, but are nevertheless
16 seeking more advantageous terms and conditions, to the detriment of PGE's customers.

17 For all of these reasons, this Commission should act to protect PGE's customers, by
18 granting PGE's Motion for Summary Judgment on its counterclaim against Evergreen for
19 Breach of Contract and Breach of Warranty, and further should rule in PGE's favor on each of
20 Evergreen's claims. While a decision in PGE's favor will result in the termination of Evergreen's
21 standard contract, it will not foreclose Evergreen's right to sell its output to PGE at fair and
22 reasonable rates. On the contrary, it will confirm the parties' responsibility to negotiate a
23 contract that fairly compensates Evergreen for its generation, while protecting PGE's customers
24 from harm.

II. LEGAL BACKGROUND

1 In 1978 Congress enacted PURPA to encourage conservation, reliability, and efficiency
2 in the delivery and generation of electricity, with “equitable retail rates for electric consumers.”⁷
3 Section 210 of PURPA introduced the now-familiar requirement that utilities “must-purchase”
4 power from certain QFs.⁸ However, to ensure that this new requirement does not harm utility
5 customers, Congress expressly provided that the prices paid to QFs by electric utilities must not
6 exceed the incremental cost to the utility of alternative electric energy, defined as “the cost to
7 the electric utility of the electric energy which, but for the purchase from such [QF], such utility
8 would generate or purchase from another source.”⁹ This concept is referred to as the utility’s
9 “avoided cost.”¹⁰

10 The FERC rules implementing Section 210 clarify that “avoided cost” is the cost that the
11 utility would have paid for the capacity and energy obtained from the QF if the utility had
12 purchased the capacity and energy from another source or generated the power itself.¹¹ The
13 rule setting rates for purchases states unequivocally that “[n]othing in this subpart requires any
14 electric utility to pay more than the avoided costs for purchases.”¹² In setting this standard,
15 FERC intended that utility customers should be neither helped nor harmed by the utility’s
16 purchase of QF power, and, in fact, should remain “indifferent as to whether the utility used
17 more traditional sources of power or the newly-encouraged alternatives.”¹³ The avoided cost
18 requirement also ensures that QFs are not subsidized at customers’ expense.¹⁴ The United
19 States Supreme Court has upheld FERC’s rules, concluding that PURPA “sets full avoided cost
20 as the *maximum* rate that [FERC] may prescribe.”¹⁵

⁷ 16 U.S.C. § 2601(1).

⁸ 16 U.S.C. § 824a-3.

⁹ 16 U.S.C. § 824a-3(d).

¹⁰ See 16 U.S.C. §§ 824a-3(b), (d).

¹¹ 18 C.F.R. § 292.101(b)(6).

¹² 18 C.F.R. § 292.304(a)(2).

¹³ *So. Cal. Edison Co.*, 71 F.E.R.C. ¶¶ 61,269, 62,080 (F.E.R.C. 1995).

¹⁴ *Indep. Energy Producers Ass’n v. Cal. Pub. Util. Comm’n*, 36 F.3d 848, 858 (9th Cir. 1994).

¹⁵ *Am. Paper Institute, Inc. v. Am. Elec. Power Serv. Corp.*, 461 U.S. 402, 413 (1983) (emphasis added).

1 PURPA's policy goal of reducing market barriers to QF development, and its legal
2 requirement that utilities be held indifferent to QF generation, create an inherent tension, and
3 this Commission has correctly recognized its responsibility to balance these objectives.¹⁶ The
4 need to balance competing interests is particularly critical to the determination of which QFs are
5 entitled to standard contracts, with standard avoided cost rates, and which QFs must negotiate
6 a contract with the utility. Both FERC and this Commission have long intended "standard
7 contract rates, terms and conditions . . . to be used as a means to remove transaction costs
8 associated with QF contract negotiation, when such costs act as a market barrier to QF
9 development."¹⁷ However, both FERC and this Commission also have recognized that standard
10 avoided cost prices are only an approximation of a utility's actual avoided costs because the
11 standard price does not take into account the QF's specific project characteristics.¹⁸ As a result,
12 customers may overpay for QF generation provided under a standard contract.

13 FERC has resolved the issue by determining that standard contracts must be made
14 available to the smallest QFs only—those sized at 100 kW or under.¹⁹ This Commission has
15 exercised its discretion to set the standard-contract threshold at 10 MW.²⁰ In setting this
16 standard, the Commission has emphasized that those QFs with the financial resources to do so
17 should be required to negotiate a contract that accounts for unique project characteristics.²¹

III. STATEMENT OF UNDISPUTED FACTS

18 For purposes of this Motion, PGE accepts all but one²² of the facts presented in
19 Evergreen's Motion, Section II(B), entitled "Evergreen BioPower,"²³ and provides these
20 additional facts.²⁴

¹⁶ Order No. 05-584 at 16, 19.

¹⁷ Order No. 05-584 at 16; Order No. 69, 45 Fed. Reg. at 12,223.

¹⁸ See Order No. 05-584 at 16; Order No. 69, 45 Fed. Reg. at 12,223.

¹⁹ 18 C.F.R. § 292.304(c)(1).

²⁰ Order No. 05-584 at 40.

²¹ *Id.*

²² PGE disagrees with Evergreen's assertion that its generation is limited by its boiler capacity. See Decl. of John Morton ¶ 7. However, determination of this issue is not necessary to resolution of PGE's Motion.

²³ Evergreen's Motion for Partial Summary Judgment at 5-7.

1 The Evergreen facility is a wood biomass cogeneration facility located in Lyons,
2 Oregon.²⁵ The facility was developed in 2007 and is directly connected to PacifiCorp, with
3 whom Evergreen currently has a standard contract.²⁶ Once that contract expires, beginning on
4 January 1, 2018, Evergreen has determined to wheel its output to PGE and to sell to PGE under
5 a standard contract, because PGE’s standard renewable avoided cost rate is substantially
6 higher than PacifiCorp’s in years 2020 through 2028.²⁷

7 Evergreen initially contacted PGE regarding a power purchase agreement (PPA) on
8 November 15, 2016.²⁸ Over the subsequent months, Evergreen provided information required
9 by PGE’s Initial Information Request (IIR) form and then responded to PGE’s requests for
10 additional information.²⁹

11 After sending Evergreen a draft standard contract, in mid-April, PGE became aware that
12 there was no long-term firm available transmission capability (ATC) at the PACW.PGE point of
13 delivery (POD)—the POD that most likely would be preferred by any QF located in PacifiCorp’s
14 service territory.³⁰ For that reason, on April 18, 2017, PGE contacted Evergreen to inquire
15 about Evergreen’s planned POD.³¹ After Evergreen identified its requested POD as
16 PACW.PGE, PGE informed Evergreen about the constraint, and stated that it would need to
17 further evaluate Evergreen’s options for delivery of its generation.³² PGE was aware that its
18 then-current avoided cost prices would soon be replaced by new, lower prices.³³ To address

²⁴ PGE restates some of the facts included in Evergreen’s statement, for narrative clarity.

²⁵ Evergreen/Exhibit 10, Affidavit of Kyle Freres/5.

²⁶ Evergreen/Exhibit 10, Affidavit of Kyle Freres/5, 7, 9.

²⁷ Evergreen/Exhibit 10, Affidavit of Kyle Freres/9.

²⁸ Decl. of John Morton ¶ 2; Evergreen/Exhibit 10, Affidavit of Kyle Freres/9.

²⁹ Decl. of John Morton ¶ 2; Evergreen/Exhibit 10, Affidavit of Kyle Freres/9.

³⁰ Decl. of John Morton ¶ 3.

³¹ Decl. of John Morton ¶ 3.

³² Decl. of John Morton ¶ 4.

³³ Decl. of John Morton ¶ 4.

1 Evergreen’s concern on this point, PGE assured Evergreen it would honor the current avoided
2 cost prices even if its prices had been updated prior to the conclusion of the evaluation.³⁴

3 On May 11, PGE sent a letter to Evergreen confirming that the PACW.PGE POD was
4 constrained and stating that PGE would provide Evergreen a final PPA with the current avoided
5 cost prices if Evergreen designated another POD with sufficient ATC, or paid for the necessary
6 studies and upgrades to permit delivery at PACW.PGE.³⁵ Evergreen revised its requested
7 POD,³⁶ and PGE immediately sent Evergreen an executable standard PPA, which Evergreen
8 signed and returned.³⁷ The standard contract included a QF warranty that the project’s
9 nameplate capacity did not exceed 10 MW.³⁸

10 After receiving the executed standard PPA from Evergreen, PGE circulated the
11 document to PGE managers for final review.³⁹ In the course of that final review process, PGE’s
12 Originator, John Morton, saw a note on the IIR that raised a concern.⁴⁰ Specifically, Mr. Morton
13 noticed that, on the line requesting the nameplate rating (in kW) for the project, Evergreen had
14 answered “**10,000, Turbine Limited**”—which raised the question as to the project’s true
15 nameplate capacity.⁴¹ Mr. Morton followed up by reviewing Evergreen’s FERC Self-Certification
16 Form 556.⁴² That document raised additional questions.⁴³ Given the inconsistent information
17 he was seeing, Mr. Morton investigated further by reviewing Evergreen’s PPA with PacifiCorp,
18 which he obtained from the Commission’s website.⁴⁴

³⁴ Decl. of John Morton ¶ 4.

³⁵ Evergreen/Exhibit 2; Decl. of John Morton ¶ 5 and Exhibit B.

³⁶ Evergreen/Exhibit 9; Decl. of John Morton ¶ 5.

³⁷ Evergreen/Exhibit 3; Evergreen/Exhibit 4; Decl. of John Morton ¶ 5 and Exhibit C.

³⁸ Evergreen/Exhibit 5, May 16 PPA/7 at § 3.1.7; Decl. of John Morton, Exhibit C at 7, § 3.1.7.

³⁹ Decl. of John Morton ¶ 6.

⁴⁰ Decl. of John Morton ¶ 6.

⁴¹ Evergreen/Exhibit 8, Schedule 201 Initial Information Request/1; Decl. of John Morton ¶ 6 and Exhibit A at 1.

⁴² Decl. of John Morton ¶ 7 and Exhibit D.

⁴³ Decl. of John Morton ¶ 7 and Exhibit D at 4 (indicating that Evergreen’s gross electric power production capacity exceeds 10 MW).

⁴⁴ Decl. of John Morton ¶ 7 and Exhibit E.

1 The PacifiCorp PPA included a Motive Force Plan that described the project as follows:

2 The Evergreen Facility consists of a 100,000 lb/hr Wellons 4 cell rotary
3 grate biomass boiler with steam conditions of 850 psig and 875° F. The
4 Turbine-Generator is a General Electric machine with **a turbine rated at**
5 **10,000 kw as modified and a generator rated at 24,705 Kva** at a
6 voltage of 13.8 Kv.⁴⁵

7 This information indicated that Evergreen generator has a capacity of 21 MW,⁴⁶ and that the
8 generator's prime mover—the turbine—had been intentionally altered so that it would be limited
9 to 10 MW, which suggested to Mr. Morton that Evergreen did not, in fact, qualify for a standard
10 contract.⁴⁷ Additionally, contrary to Evergreen's assertion in its Motion that the boiler matches
11 the turbine,⁴⁸ PGE calculated Evergreen's boiler capacity to be well in excess of 20 MW, based
12 on the information provided in the Motive Force Plan.⁴⁹ However, neither the Motive Force Plan
13 nor any other information regarding the generator's capacity or the turbine's modification had
14 been provided to PGE by Evergreen.⁵⁰

15 Based on Mr. Morton's discovery, PGE's counsel, Denise Saunders, contacted
16 Evergreen's counsel.⁵¹ Ms. Saunders informed Evergreen's counsel that PGE had questions
17 about Evergreen's nameplate capacity and its eligibility for a standard contract.⁵² Ms. Saunders
18 explained that, if PGE executed the PPA but later determined that Evergreen's nameplate
19 capacity exceeded 10 MW, PGE would need to terminate the PPA based on Evergreen's
20 breach of the PPA's warranty that the capacity of the project did not exceed 10 MW.⁵³ Ms.
21 Saunders proposed to work with Evergreen to obtain more information about the project's

⁴⁵ Decl. of John Morton, Exhibit E at 89.

⁴⁶ Evergreen's generator is rated at 24,705 kVA and power factor of .85, which converts to 21 MW of real power. Decl. of John Morton ¶ 7.

⁴⁷ Decl. of John Morton ¶ 8.

⁴⁸ Evergreen's Motion for Partial Summary Judgment at 6; Evergreen/Exhibit 10, Affidavit of Kyle Freres/6.

⁴⁹ Decl. of John Morton ¶ 7.

⁵⁰ Decl. of John Morton ¶ 8.

⁵¹ Decl. of Denise Saunders ¶ 2.

⁵² Decl. of Denise Saunders ¶ 2.

⁵³ Decl. of Denise Saunders ¶ 2; see also Decl. of John Morton, Exhibit C at 7, § 3.1.7; Evergreen/Exhibit 5, May 16 PPA/7 at § 3.1.7.

1 nameplate capacity.⁵⁴ However, in the meantime, PGE offered to execute the standard PPA
2 immediately to ensure Evergreen the benefit of the then-current avoided cost prices, pending a
3 resolution of the nameplate capacity issue.⁵⁵ In doing so, PGE cautioned Evergreen's attorney,
4 ***“Please be aware that, in the event we determine that your client is in breach of the PPA,***
5 ***we would need to move to terminate.”***⁵⁶

6 Evergreen indicated that it wished for PGE to execute the contract, and PGE executed
7 the contract on May 31, 2017—one day before PGE's new avoided cost prices took effect.⁵⁷
8 PGE's transmittal letter confirmed the Company's commitment to “trying to resolve this matter
9 as quickly as possible.”⁵⁸ PGE also made clear that it would work with Evergreen to promptly
10 negotiate a contract prior to Evergreen's planned initial delivery date.⁵⁹ Evergreen filed its
11 complaint the same day.⁶⁰

12 On June 6, 2017, PGE and Evergreen held a teleconference during which Evergreen
13 confirmed many of the facts about its facility described in its Motion and the attached exhibits.⁶¹

14 Since that time, PGE has confirmed the following facts:

- 15 1. Evergreen's generator is currently rated at 24,705 kVa,⁶²
- 16 2. In order to reduce the capacity of the combined generator and turbine set, Evergreen
17 had Wellons remove blades from the turbine,⁶³
- 18 3. Moreover, upon additional investigation on June 14, PGE discovered that
19 Evergreen's capacity was reflected on WREGIS as 21 MW.⁶⁴

⁵⁴ Decl. of Denise Saunders ¶ 2.

⁵⁵ Decl. of Denise Saunders ¶ 3 and Exhibit A.

⁵⁶ Decl. of Denise Saunders ¶ 3 and Exhibit A (emphasis added).

⁵⁷ Decl. of Denise Saunders ¶ 3 and Exhibit B; Decl. of John Morton ¶ 9.

⁵⁸ Decl. of Denise Saunders ¶ 3 and Exhibit B.

⁵⁹ Decl. of Denise Saunders ¶ 3.

⁶⁰ Evergreen's Complaint.

⁶¹ Decl. of John Morton ¶ 10.

⁶² Exhibit A, Evergreen Response to PGE Data Request 1 at 1, 4.

⁶³ Exhibit A, Evergreen Response to PGE Data Request 1 at 1; Evergreen/Exhibit 10, Affidavit of Kyle Freres/10.

⁶⁴ Decl. of John Morton ¶ 11 and Exhibit F.

III. ARGUMENT

1 **A. PGE is Entitled to Summary Judgment on its Claim Against Evergreen for Breach**
2 **of Contract.**

3 PGE has alleged a counterclaim against Evergreen for Breach of Warranty and Breach
4 of Contract.⁶⁵ The undisputed facts presented in this Motion establish that Evergreen's
5 generator is rated at 24,705 kVa (21 MW).⁶⁶ The facts further establish that Evergreen took
6 affirmative actions to limit the output of the generator by removing blades from the turbine.⁶⁷ It
7 is true that, as a result of these actions, Evergreen's total output is currently constrained to 10
8 MW.⁶⁸ However, Commission precedent suggests that a QF may not circumvent the 10 MW
9 threshold in this way.⁶⁹ Accordingly, Evergreen is in default of its warranty contained in the
10 PPA, and PGE may terminate that contract.

11
12 ***1. Evergreen's PPA contains a warranty that its capacity does not exceed 10 MW.***

13 PGE's standard contract contains a warranty by the signing QF that the "Facility has a
14 Nameplate Capacity Rating not greater than 10,000 kW."⁷⁰ The PPA further provides that
15 "[b]reach by Seller or PGE of a representation or warranty" constitutes default.⁷¹ "In the event of
16 a default . . . the non-defaulting party may immediately terminate" the PPA.⁷² Because,
17 pursuant to Commission policy, Evergreen nameplate capacity is greater than 10 MW,
18 Evergreen is in breach of the PPA.

⁶⁵ PGE's Answer ¶¶ 49-54.

⁶⁶ Exhibit A, Evergreen Response to PGE Data Request 1 at 1, 4; Evergreen/Exhibit 10, Affidavit of Kyle Freres/6.

⁶⁷ Exhibit A, Evergreen Response to PGE Data Request 1 at 1; Evergreen/Exhibit 10, Affidavit of Kyle Freres/6-7. Evergreen argues that Wellons took these actions—not Evergreen. This is a distinction without a difference, as Wellons was acting on Evergreen's instructions.

⁶⁸ Exhibit A, Evergreen Response to PGE Data Request 1 at 1; Evergreen/Exhibit 10, Affidavit of Kyle Freres/6-7.

⁶⁹ Order No. 05-584 at 40.

⁷⁰ Evergreen/Exhibit 5, May 16 PPA/7 at § 3.1.7; Decl. of John Morton, Exhibit C at 7, § 3.1.7.

⁷¹ Evergreen/Exhibit 5, May 16 PPA/7 at § 8.1.1; Declaration of John Morton, Exhibit C at 11, § 8.1.1.

⁷² Evergreen/Exhibit 5, May 16 PPA/7 at § 8.3; Declaration of John Morton, Exhibit C at 11, § 8.3.

1 **2. Evergreen may not “design” its way around the 10 MW threshold.**

2 The key issue in this case is whether Evergreen can successfully evade the
3 Commission’s 10 MW threshold for standard contracts by redesigning its equipment to constrain
4 output. The Commission’s past orders and broad public policy concerns establish that it may
5 not.

6 **a. Commission policy prohibits a QF from gaining a standard contract by**
7 **voluntarily constraining output.**

8 In Order No. 05-084, the Commission first set 10 MW as the threshold for QF eligibility
9 for standard contracts.⁷³ At the same time, the Commission addressed two issues critical to an
10 analysis of Evergreen’s Motion. *First*, the Commission reaffirmed and expanded on its use of
11 nameplate capacity as a reference point for determining eligibility.⁷⁴ The Commission stated
12 that it would continue to use “[d]esign capacity, as defined by the manufacturer’s nameplate
13 capacity for a QF project,” to determine a QF’s eligibility for a standard contract.⁷⁵ The
14 Commission observed that Staff had recommended this approach because “nameplate capacity
15 provides a clear standard that is not subject to manipulation.”⁷⁶ The Commission further refined
16 its policy in a subsequent phase of the same docket, by adopting the parties’ stipulated
17 definition of “nameplate capacity” as “the full-load electrical quantities assigned by the designer
18 to a **generator and its prime mover or other piece of electrical equipment**, such as
19 transformers and circuit breakers, under standardized conditions, expressed in amperes,
20 kilovoltamperes, kilowatts, volts, or other appropriate units.”⁷⁷

⁷³ Order No. 05-584 at 40.

⁷⁴ The Commission established design capacity as the criterion for standard contract eligibility in 1981, *In the Matter of the Investigation into Electric Utility Tariffs for Cogeneration and Small Power Production Facilities*, Docket No. R-58, Order No. 81-319 at 4 (May 6, 1981), and reaffirmed this approach in 2005, Order No. 05-584 at 40.

⁷⁵ Order No. 05-584 at 40. Although Idaho Power advocated for a different method of determining eligibility in UM 1129, the Commission found that it had not been presented with sufficient evidence to fully examine Idaho Power’s argument that nameplate capacity was an inappropriate metric. *Id.*

⁷⁶ *Id.* at 39.

⁷⁷ *In the Matter of Public Utility Commission of Oregon Staff’s Investigation Relating to Electric Utility Purchases from Qualifying Facilities*, Docket No. UM 1129, Order No. 07-360 at 38 (Aug. 20, 2007) (emphasis added); Docket No. UM 1129, PacifiCorp’s Opening Brief on Phase II Issues at 22 (June 7, 2006); Docket No. UM 1129, Staff/1800, Schwartz/34.

1 **Second**, the Commission made clear that QFs would not be allowed to evade the 10
2 MW threshold by actions taken voluntarily to constrain QF output.⁷⁸ This issue came up at
3 hearing, when a witness for Weyerhaeuser asked whether a QF with a nameplate capacity
4 greater than the threshold limit could agree to sell an amount of power equal to or lower than
5 the threshold in order to qualify for standard contract terms.⁷⁹ Staff argued against this result,
6 pointing out that QFs larger than the threshold size are capable of negotiating a contract and
7 should not be eligible for standard terms.⁸⁰ The Commission firmly sided with Staff, stating:

8 We have determined that QF projects larger in size than 10 MW have the
9 financial resources to engage in QF purchase contract negotiations
10 despite the hurdles posed by market barriers that they face.
11 **Consequently, we do not discern any justification for permitting a**
12 **QF with a nameplate capacity larger than 10 MW to reduce**
13 **operations to 10 MW or less in order to receive a standard contract**
14 **terms and conditions.**⁸¹

15 The application of these policies leads to the conclusion that Evergreen is not entitled to
16 a standard contract. It is undisputed that the original nameplate capacity of Evergreen's
17 generator and turbine set was approximately 21 MW.⁸² These components are the "generator
18 and its prime mover" of Evergreen's project, and therefore dictate the nameplate capacity for the
19 purpose of the threshold. Moreover, the record is undisputed that Evergreen's generator is
20 **currently** rated at 24,705 kVa, or 21 MW.⁸³ And finally, the record is undisputed that Evergreen
21 intentionally altered the turbine for the sole purpose of evading the 10 MW threshold.⁸⁴ These
22 actions are the equivalent of the "voluntary" constraint of output addressed in Order No. 05-584.
23 Evergreen asserts that its boiler capacity is matched to the turbine,⁸⁵ a fact which PGE

⁷⁸ Order No. 05-584 at 40.

⁷⁹ *Id.*

⁸⁰ *Id.*

⁸¹ *Id.*

⁸² Exhibit A, Evergreen Response to PGE Data Request 1 at 4; Evergreen/Exhibit 10, Affidavit of Kyle Freres at 6-7.

⁸³ Exhibit A, Evergreen Response to PGE Data Request 1 at 4; Decl. of John Morton ¶ 7 (explaining conversion from kVa to MW).

⁸⁴ Exhibit A, Evergreen Response to PGE Data Request 1 at 1; Evergreen/Exhibit 10, Affidavit of Kyle Freres at 6.

⁸⁵ Exhibit A, Evergreen Response to PGE Data Request 1 at 1.

1 disputes.⁸⁶ However, determining the capacity of the boiler is not necessary for finding that
2 Evergreen is not eligible for a standard contract, because it is undisputed that the generator
3 exceeds 10 MW and the turbine's capacity intentionally was constrained to evade the cap.⁸⁷

4 Evergreen argues that the Commission's statement that QFs may not limit their
5 generation to qualify for a standard contract does not apply to Evergreen because it has a
6 component with a nameplate that now reads 10 MW.⁸⁸ PGE disagrees that the revised
7 nameplate number on the turbine is dispositive and that PGE must offer a standard contract to
8 Evergreen without further review. The Commission adopted the 10 MW cap as a proxy for a
9 QF's resources; the cap is not a limit that a QF can purposefully avoid, at additional cost, in
10 order to obtain more favorable contract prices and terms. Thus, Evergreen must do more than
11 simply show that any one or two components of the facility currently displays a nameplate that
12 reads 10 MW (or less) to be eligible for a standard contract.

13 Evergreen also suggests that, if it is not deemed eligible for a standard contract, QF
14 owners would be forced to purchase all-new equipment in order to qualify for standard
15 contracts.⁸⁹ This concern is baseless. PGE is not arguing that QFs may not deploy used
16 components in their operations. Evergreen could have purchased a used 10 MW generator and
17 turbine set—possibly at a lower price than it paid for the 21 MW set. That action would not have
18 impacted Evergreen's right to a standard contract.

19 **b. Policy considerations suggest that Evergreen should not be allowed a**
20 **standard contract.**

21 Moreover, broad policy concerns support PGE's position that Evergreen is not entitled to
22 a standard contract. The Commission has consistently referenced financial resources as the
23 primary market barrier faced by QFs—and has found that QFs larger in size than 10 MW have

⁸⁶ Decl. of John Morton ¶ 7.

⁸⁷ Exhibit A, Evergreen Response to PGE Data Request 1 at 4; Evergreen/Exhibit 10, Affidavit of Kyle Freres at 6-7.

⁸⁸ Evergreen's Motion for Partial Summary Judgment at 19-20.

⁸⁹ Evergreen's Motion for Partial Summary Judgment at 20.

1 the financial wherewithal to negotiate a contract.⁹⁰ Here, Evergreen had the financial resources
2 to purchase a 21 MW turbine-generator set that had been redesigned in an effort to qualify for a
3 standard contract.⁹¹ Allowing Evergreen to succeed in this effort would undermine the purpose
4 of the Commission’s 10 MW threshold.

5 In addition, Evergreen’s decision to reduce the capacity of its generation equipment in
6 order to qualify for a standard contract is contrary to PURPA’s very foundation. As the United
7 States Supreme Court has explained, PURPA seeks to encourage the development of
8 cogeneration and small power production facilities because “Congress believed that **increased**
9 use of these sources of energy would reduce the demand for traditional fossil fuels.”⁹² PURPA
10 was not intended to encourage the **reduction** of QF energy, thereby increasing the demand for
11 traditional fuels.

12 And finally, support of PGE’s position in this case is necessary to prevent more gaming
13 of the Commission’s 10 MW threshold. Importantly, Evergreen is not the only QF currently in
14 communication with PGE that has taken affirmative measures to modify its facility and/or restrict
15 its generation to evade the 10 MW cap. Covanta Marion, for example, which recently filed a
16 petition with FERC regarding the Commission’s QF contracting rules, is a biomass facility with a
17 nameplate capacity in excess of 10 MW and a current negotiated contract with PGE.⁹³ Covanta
18 Marion is now proposing to take its project offline and redesign its facility to constrain output to
19 10 MW—again, for the sole purpose of receiving a standard contract.⁹⁴ In addition, PGE has a
20 number of solar QFs in its queue who have proposed to oversize their generation significantly
21 above the 10 MW threshold, and then use inverters to “throttle” output down to 10 MW, in order

⁹⁰ Order No. 05-584 at 16, 40.

⁹¹ PGE has requested that Evergreen provide information about the amount it paid to have the turbine redesigned to reduce its capacity. So far, Evergreen has not provided that information.

⁹² *FERC v. Mississippi*, 456 U.S. 742, 750 (1982) (emphasis added).

⁹³ Petition for Enforcement Pursuant to the Public Utility Regulatory Policies Act of 1978 at 4, Docket No. EL17-81 (July 21, 2017); Decl. of John Morton ¶ 12.

⁹⁴ Petition for Enforcement Pursuant to the Public Utility Regulatory Policies Act of 1978 at 4, Docket No. EL17-81 (July 21, 2017); Decl. of John Morton ¶ 12.

1 to remain eligible for a standard contract.⁹⁵ In each of these cases, sophisticated and
2 experienced QFs either have purchased or propose to purchase equipment well in excess of 10
3 MW and expend additional funds to redesign or otherwise constrain output, all for the purpose
4 of remaining eligible for standard contracts, and presumably higher rates. These are not the
5 small QFs lacking the funds to negotiate that FERC envisioned when requiring standard
6 contracts for purchases from certain QFs.⁹⁶

7 In sum, PGE's interpretation of the nameplate capacity definition must be adopted if the
8 Commission's intent in setting the 10 MW cap is to have any meaning. The Commission should
9 find that, for the purposes of the threshold for standard QF contracts, Evergreen's nameplate
10 capacity exceeds 10 MW. Therefore, Evergreen is in breach of its PPA, and PGE is entitled to
11 summary judgment on its counterclaim and may move to terminate the PPA.

12 **B. PGE is Entitled to Summary Judgment on All of Evergreen's Claims.**

13 Evergreen has moved for summary judgment in its favor on Counts 1, 3 and 4 of its First
14 Amended Complaint,⁹⁷ and PGE now moves for summary judgment in its favor on all of
15 Evergreen's claims. As summarized below, and based on the facts and law discussed above,
16 the Commission should deny Evergreen's Motion for Partial Summary Judgment on Counts
17 1,3, and 4 and instead grant summary judgment to PGE on all claims.⁹⁸

18 ***EVERGREEN COUNT 1: FAILURE TO FOLLOW SCHEDULE 201 TIMELINES***

19 In Count 1 of its First Amended Complaint, Evergreen alleges that PGE failed to follow
20 Schedule 201 timelines by waiting to determine Evergreen's eligibility until after offering
21 Evergreen a final executable standard contract.⁹⁹ In particular, Evergreen alleges that PGE
22 knew or should have known of Evergreen's eligibility for a PPA no later than the date on which it

⁹⁵ Decl. of John Morton ¶ 13.

⁹⁶ See 18 C.F.R. § 292.304(c)(1).

⁹⁷ Evergreen's Motion for Partial Summary Judgment at 3.

⁹⁸ Given the structure of Evergreen's Motion, and the inter-related nature of its individual counts, it is not always clear to PGE which arguments Evergreen raises in support of which claim. PGE has attempted to address each of Evergreen's arguments in association with the most relevant claim.

⁹⁹ Evergreen's First Amended Complaint at 9.

1 tendered to Evergreen an executable PPA,¹⁰⁰ and that PGE's "demand" for additional
2 information after delivering the executable PPA violated Order No. 06-538.¹⁰¹ In essence,
3 Evergreen is alleging that PGE should have made an earlier determination of Evergreen's
4 eligibility, and given the delay in discovering the facts regarding Evergreen's nameplate
5 capacity, PGE may not raise Evergreen's nameplate capacity as the basis for denying
6 Evergreen a standard contract. This position is flawed and should be rejected.

7
8 **1. Evergreen's failure to provide PGE with critical information regarding its**
9 **nameplate capacity is the reason for PGE's delayed determination.**

10 Evergreen's Count 1 erroneously implies that PGE made no attempt to determine
11 Evergreen's eligibility for a standard contract prior to providing an executable contract, and
12 further suggests that PGE is at fault for failing to discern the very information that Evergreen
13 could have **and should have** provided to PGE at the outset. In reality, PGE began considering
14 the eligibility of Evergreen's facility upon receiving Evergreen's application and made an initial
15 eligibility determination based on the information Evergreen provided to PGE.¹⁰² However, that
16 information did not include the Motive Force Plan that Evergreen had provided to PacifiCorp,
17 which clearly reflects the varying capacities of Evergreen's components.¹⁰³ In fact, at no point
18 did Evergreen reveal that its generator is rated at 21 MW, much less offer to explain, discuss, or
19 even mention the facility's prior modifications, even though Evergreen's conversations with
20 PacifiCorp demonstrate Evergreen's awareness of the importance of these facts.¹⁰⁴ Given
21 Evergreen's failure to provide PGE with highly relevant information, Evergreen is hardly in a
22 position to complain about PGE's late discovery of its eligibility problems.

23 In his Affidavit, Evergreen witness Kyle Freres argues to the contrary that PGE **did** have
24 information that should have put the Company on notice that Evergreen's facility might have

¹⁰⁰ Evergreen's First Amended Complaint at 9.

¹⁰¹ Evergreen's Motion for Partial Summary Judgment at 12-13.

¹⁰² Decl. of John Morton ¶ 2.

¹⁰³ Decl. of John Morton ¶ 8 and Exhibit E at 89.

¹⁰⁴ Evergreen/Exhibit 10, Affidavit of Kyle Freres/7.

1 been re-rated from a higher capacity.¹⁰⁵ In particular, Mr. Freres points out that Evergreen had
2 provided the “turbine limited” notation in the IIR,¹⁰⁶ which was in fact the information that later
3 raised questions for Mr. Morton.¹⁰⁷ Mr. Freres also points out that, in its FERC Form 556, there
4 was a notation that the boiler capacity had been “limited to 10,000 MW.”¹⁰⁸ And finally, Mr.
5 Freres points out that PGE was able to obtain a copy of the PacifiCorp PPA with the Motive
6 Force Plan.¹⁰⁹ In making these arguments, Evergreen suggests that the utility’s analysts are not
7 entitled to take a QF’s stated nameplate capacity at face value. Instead, Evergreen suggests
8 that utility personnel reviewing QF submissions should be required to play detective to
9 determine whether there are subtle discrepancies in the information provided. PGE disagrees
10 with this rather cynical suggestion.¹¹⁰ Commission policy requires the QF to provide clear and
11 cogent information on which the utility may make an informed determination of eligibility for a
12 standard contract.¹¹¹ In this case, Evergreen failed to do so.

13 Therefore, primary responsibility for PGE’s delayed awareness of Evergreen’s
14 ineligibility lies with Evergreen; if Evergreen had provided PGE with the same information it
15 provided to PacifiCorp, PGE would have raised the eligibility concern much earlier in the
16 process. Unfortunately, it was only in the final stage of review when the executable contract
17 was elevated to PGE management, that Mr. Morton obtained Evergreen’s contract with
18 PacifiCorp, saw the Motive Force Plan, and raised a concern regarding Evergreen’s eligibility.¹¹²
19 PGE cannot be precluded from challenging Evergreen’s eligibility for a standard contract now,

¹⁰⁵ Evergreen/Exhibit 10, Affidavit of Kyle Freres/13-14.

¹⁰⁶ Evergreen/Exhibit 10, Affidavit of Kyle Freres/13.

¹⁰⁷ Decl. of John Morton ¶ 6.

¹⁰⁸ Evergreen/Exhibit 10, Affidavit of Kyle Freres/14.

¹⁰⁹ Evergreen/Exhibit 10, Affidavit of Kyle Freres/14.

¹¹⁰ Evergreen’s suggestion is particularly unworkable given the flood of QF applications PGE has experienced in the past year.

¹¹¹ See *In the Matter of the Public Utility Commission of Oregon Staff’s Investigation Relating to Electric Utility Purchases from Qualifying Facilities*, Docket No. UM 1129, Order No. 07-065 (Feb. 27, 2007) (approving PGE’s Advice No. 06-26, which, at Staff’s direction, added clear directions to Schedule 201, Sheets 201-2 and 201-3 requiring a QF to provide all project information necessary to prepare a draft Standard Contract).

¹¹² Decl. of John Morton ¶¶ 7-8.

1 because Evergreen’s failure to provide key information—which Evergreen knew was relevant to
2 an eligibility determination—caused the delay.¹¹³ For these reasons PGE cannot be faulted for
3 failing to determine Evergreen’s eligibility earlier than it did.

4 **2. Evergreen is not permitted to keep a PPA to which it is not entitled simply**
5 **because it evaded earlier detection of its ineligibility.**

6 Even if PGE *should have* determined Evergreen’s true nameplate capacity earlier than
7 it did—an argument PGE disputes—that fact does not excuse Evergreen from the 10 MW cap
8 for standard contract eligibility. A QF that manages to establish a legally enforceable obligation
9 (LEO) or obtain an executed standard contract for which it is not eligible is not protected from a
10 later eligibility challenge, as a matter of PURPA law and policy. As discussed in depth above,
11 one of the fundamental tenets of PURPA is that utility customers must not pay more for a QF’s
12 power than the utility’s avoided cost, and the Commission has recognized that negotiated
13 contracts lead to more accurate avoided costs.¹¹⁴ For these reasons, a QF that has a standard
14 contract, but is not eligible for it, may be receiving more favorable terms and conditions than it is
15 entitled to, at the expense of PGE’s customers. Allowing such a QF to keep that contract
16 because the eligibility concerns did not arise sooner would incentivize obfuscation and
17 withholding of information.

18 Furthermore, the PPA provides a remedy for the situation where a QF’s true nameplate
19 capacity turns out to be greater than the QF originally represented—the remedy PGE is seeking
20 here. As explained above, the PPA’s express terms required Evergreen to warrant that its
21 nameplate capacity did not exceed 10,000 KW and permitted PGE to terminate the PPA if
22 Evergreen breached its warranty.¹¹⁵ Evergreen was fully aware of these terms when it signed
23 the contract—Mr. Freres attested that he “read[s] contracts before he sign[s] them.”¹¹⁶

¹¹³ In his Affidavit, Mr. Freres states that PGE’s delay in detecting the problems with Evergreen’s eligibility put Evergreen at risk and potentially damaged Evergreen. See Evergreen/Exhibit 10, Affidavit of Kyle Freres/13. In fact, Mr. Freres provides no evidence that Evergreen has been damaged at all.

¹¹⁴ See Order No. 05-584 at 16 (“With standard contracts, project characteristics that cause the utility’s cost savings to differ from its actual avoided costs are ignored.”).

¹¹⁵ Evergreen/Exhibit 5, May 16 PPA/7 at § 8.3; Decl. of John Morton, Exhibit C at 11, § 8.3.

¹¹⁶ Evergreen/Exhibit 10, Affidavit of Kyle Freres/15.

1 Evergreen also was on notice that PGE had concerns about its eligibility for a standard
2 contract.¹¹⁷ Evergreen cannot avoid a Commission determination of its nameplate capacity
3 simply by crying “too late!”

4 ***EVERGREEN COUNT 2: FAILURE TO RECOGNIZE A LEGALLY ENFORCEABLE***
5 ***OBLIGATION (OFFER AND ACCEPTANCE)***

6 In Count 2 of its First Amended Complaint, Evergreen alleges that PGE failed to
7 recognize a LEO and that a standard PPA was offered by PGE and accepted by Evergreen.¹¹⁸
8 Although it is unclear whether Evergreen’s claim is based on PURPA or on general principles of
9 contract law, this claim must fail under either theory. PGE does not dispute that it sent
10 Evergreen an executable standard contract, and that, under normal circumstances, that action
11 would have created a LEO. PGE questions whether a valid contract can be formed when one
12 party has not disclosed all information relevant to the other party’s obligation, and disagrees that
13 general contract principles apply to PURPA PPAs; however, neither issue need be addressed to
14 resolve this claim in PGE’s favor. Even assuming for purposes of Evergreen’s Motion that a
15 valid PPA was entered between Evergreen and PGE, Evergreen has breached the PPA’s
16 warranty that its facility is less than 10 MW.¹¹⁹ PGE cautioned Evergreen prior to executing the
17 PPA that Evergreen would be in breach if its facility exceeded 10 MW.¹²⁰ Therefore, it was not
18 PGE’s actions but rather Evergreen’s actions that have called the continuing existence of the
19 standard PPA into question. The Commission should grant summary judgment for PGE on this
20 claim.

21 ***EVERGREEN COUNT 3: FAILURE TO RECOGNIZE A LEGALLY ENFORCEABLE***
22 ***OBLIGATION (DETRIMENTAL RELIANCE)***

23 In Count 3 of its First Amended Complaint, Evergreen alleges that PGE promised to
24 execute a PPA if Evergreen altered its planned POD, and relying on that promise, Evergreen

¹¹⁷ Decl. of Denise Saunders ¶¶ 2-3 and Exhibit A.

¹¹⁸ Evergreen’s First Amended Complaint at 10.

¹¹⁹ See Evergreen/Exhibit 5, May 16 PPA/7 at § 3.1.7; Decl. of John Morton, Exhibit C at 7, § 3.1.7.

¹²⁰ Decl. of Denise Saunders ¶¶ 2-3 and Exhibit A.

1 incurred expense to make a new transmission service request to BPA.¹²¹ Evergreen concludes
2 that PGE, having induced Evergreen to provide a benefit, is now bound to honor the PPA.¹²²
3 Contrary to Evergreen’s claims, PGE acted in good faith to address the concerns surrounding
4 Evergreen’s PPA and did not induce Evergreen to make valuable concessions in exchange for a
5 contract. Evergreen’s Motion for Partial Summary Judgment on Count 3 should be denied, and
6 the Commission should grant summary judgement in PGE’s favor instead.

7 As explained above, prior to sending Evergreen a draft PPA, PGE discovered that the
8 POD between the PGE and PacifiCorp systems had no available ATC, and therefore PGE could
9 not accept deliveries from new QFs at that POD.¹²³ PGE informed Evergreen of that fact and of
10 its options to either pay for upgrades at the PACW.PGE POD, or alternatively to deliver its
11 output at a different POD.¹²⁴ In light of the fact that Evergreen had been working with PGE to
12 obtain a PPA for some time, PGE agreed to rush the process of finding an alternative POD, and
13 updating the PPA accordingly, so that Evergreen could receive an executable contract and lock
14 in a LEO, before the existing avoided cost prices were replaced by the newer and lower ones
15 filed with the Commission.¹²⁵

16 Evergreen asserts that it agreed to change its POD to PGE’s “preferred location,”
17 thereby providing PGE with a valuable benefit in exchange for a standard contract.¹²⁶ In reality,
18 it would have been impossible for Evergreen to deliver its power at PACW.PGE because the
19 PACW.PGE POD is constrained such that no new long-term firm contracts can reach PGE’s
20 system through that POD.¹²⁷ The alternative POD that Evergreen elected—BPAT.PGE—is not

¹²¹ Evergreen’s First Amended Complaint at 10.

¹²² Evergreen’s First Amended Complaint at 10.

¹²³ Decl. of John Morton ¶¶ 3.

¹²⁴ Decl. of John Morton ¶¶ 5 and Exhibit B.

¹²⁵ Decl. of John Morton ¶¶ 4-5 and Exhibit B; Decl. of Denise Saunders ¶¶ 3 and Exhibit A.

¹²⁶ Evergreen’s Motion for Partial Summary Judgment at 15.

¹²⁷ Decl. of John Morton ¶¶ 3.

1 PGE’s “preferred” POD, it is, in fact, the only viable delivery option.¹²⁸ Therefore, Evergreen’s
2 decision to deliver to that POD was not a concession to PGE, it was a necessary step to
3 establishing a viable contract by which Evergreen actually could deliver its power. Notably,
4 Evergreen has not pleaded a claim regarding the change in POD and instead references this
5 issue only as evidence that PGE allegedly induced Evergreen to enter the PPA.¹²⁹

6 Evergreen also asserts that PGE neutralized its planned protest of PGE’s May 2017
7 avoided cost update.¹³⁰ PGE is perplexed by this claim as Evergreen has failed to articulate a
8 basis upon which a protest would or could have been made.¹³¹ PGE did not induce Evergreen
9 to sign a PPA to prevent it from protesting.

10 PGE made every effort to mitigate the impact on Evergreen of the unforeseen POD
11 constraint and even the eligibility concerns. PGE allowed Evergreen to update its POD at the
12 last minute and still quickly receive an executed contract with the most favorable avoided cost
13 prices. Then, after the questions about Evergreen’s nameplate capacity came to light, PGE
14 again agreed to sign the contract, despite its concerns, to ensure that Evergreen did not lose
15 the opportunity to obtain the most favorable avoided cost prices while PGE conducted its
16 investigation.¹³² PGE did this so that Evergreen would not be harmed if PGE’s eligibility
17 concerns ultimately were unfounded—which, as demonstrated above, unfortunately was not the
18 case.

19 Furthermore, Evergreen’s arguments regarding inducement presuppose that PURPA
20 PPAs are subject to general contract principles. However, the Oregon Court of Appeals has
21 recognized that PURPA contracts are “created by statutes, regulations and administrative
22 rules,” and are “not governed by common law concepts of contract law.”¹³³ Under PURPA, the

¹²⁸ Nothing in PURPA or the implementing regulations entitles a QF to unilaterally decide on a particular delivery point if delivery at that point will not be feasible. *Water Power Co., Inc. v. PacifiCorp*, 99 Or App 125, 128–30 (1989).

¹²⁹ See Evergreen’s First Amended Complaint.

¹³⁰ Evergreen’s Motion for Partial Summary Judgment at 15.

¹³¹ See Exhibit B, Evergreen Response to PGE Data Request 23.

¹³² Decl. of John Morton ¶ 9.

¹³³ *Snow Mt. Pine Co. v. Maudlin*, 84 Or App 590, 598–99 (1987).

1 “obligation to purchase power is imposed by law on a utility; it is not voluntarily assumed.”¹³⁴
2 For these reasons, even if they were supported by the facts of this case—which they are not—
3 equitable doctrines of general contract law cannot be used to force a utility to grant a standard
4 contract to a QF who otherwise is not eligible.

5 **EVERGREEN COUNT 4: FAILURE TO PROPERLY DETERMINE A FACILITY’S ELIGIBILITY**
6 **FOR A SCHEDULE 201 PPA**

7 Evergreen alleges that PGE failed to properly determine its eligibility for a Schedule 201
8 PPA, and moves for summary judgment on this claim.¹³⁵ However, as explained above, PGE’s
9 determination that Evergreen’s nameplate capacity exceeds 10 MW and that Evergreen is not
10 eligible for a standard contract is correct as a matter of law and policy. Therefore, the
11 Commission should deny Evergreen’s motion for summary judgment on this claim and grant
12 summary judgment to PGE.

13 Evergreen argues that PacifiCorp’s determination, in 2007, that Evergreen was eligible
14 for a standard contract with PacifiCorp is *res judicata*, such that PGE is barred from questioning
15 Evergreen’s eligibility now.¹³⁶ The doctrine of *res judicata*, or claim preclusion, “prohibits a party
16 from relitigating the same claim . . . **against the same opponent.**”¹³⁷ Because PGE was not
17 involved in any way in PacifiCorp’s determination that Evergreen was eligible for a standard
18 contract, no equitable doctrine bars PGE from questioning Evergreen’s eligibility for a standard
19 contract with PGE.

20 Even if PacifiCorp’s prior determination somehow could bind PGE, it should not do so
21 because of intervening changes in the legal landscape. PacifiCorp and Evergreen entered a
22 PPA on January 2, 2007.¹³⁸ It was not until August 20, 2007, that the Commission clarified its
23 definition of “nameplate capacity” as referring to “the full-load electrical quantities assigned by

¹³⁴ *Snow Mt. Pine Co.*, 84 Or App at 598-99.

¹³⁵ Evergreen’s First Amended Complaint at 11; Evergreen’s Motion for Partial Summary Judgment at 16-22.

¹³⁶ Evergreen’s Motion for Partial Summary Judgment at 16-17.

¹³⁷ *Bloomfield v. Weakland*, 339 Or 504, 510 (2005) (emphasis added).

¹³⁸ Decl. of John Morton, Exhibit E at 1.

1 the designer to a **generator and its prime mover or other piece of electrical**
2 **equipment** . . .”¹³⁹—thus clarifying the relevance of the fact that the nameplate capacity of
3 Evergreen’s generator was 21 MW. If PacifiCorp had applied the Commission’s current
4 definition of nameplate capacity, it may well have determined that Evergreen was not eligible for
5 a standard contract.

6 Finally, although PGE agrees with Evergreen that the utilities have the same duty to
7 enforce the eligibility requirements, PGE does not agree that it can act in a way that is contrary
8 to the Commission’s orders simply because PacifiCorp did so first. Evergreen has provided no
9 valid basis for binding PGE to PacifiCorp’s prior determination, and PGE has demonstrated that
10 Evergreen is not eligible for a standard contract.

11 **EVERGREEN COUNT 5: FAILURE TO PROPERLY DETERMINE THE 15-YEAR**
12 **FIXED PRICE PERIOD**

13 Evergreen alleges that PGE failed to properly determine the 15-year fixed-price
14 period.¹⁴⁰ However, the Commission already has decided this issue, so Evergreen’s claim must
15 fail, and the Commission should grant summary judgment to PGE on this claim.

16 Evergreen claims that it is entitled to a standard contract with 15 years of fixed prices,
17 commencing on the date that Evergreen first delivers energy to PGE, and that PGE wrongfully
18 offered Evergreen a PPA with the 15-year fixed-price period beginning on the PPA execution
19 date.¹⁴¹ However, in Order No. 17-256, issued after Evergreen’s Complaint was filed, the
20 Commission considered this very issue and determined that PGE’s approach was lawful.¹⁴² The
21 Commission clarified that, going forward, standard contracts must “provide for 15 years of fixed
22 prices that commence when the QF transmits power to the utility.”¹⁴³ However, the Commission
23 definitively held that “PGE’s past standard contracts have not been in violation of our orders,

¹³⁹ Order No. 07-360 at 38 (emphasis added).

¹⁴⁰ Evergreen’s First Amended Complaint at 11.

¹⁴¹ Evergreen’s First Amended Complaint at 11-12.

¹⁴² *Nw. and Intermountain Power Producers Coal., Cmty. Renewable Energy Ass’n, and Renewable Energy Coal. v. Portland Gen. Elec. Co.*, Docket No. UM 1805, Order No. 17-256 at 1 (July 13, 2017).

¹⁴³ *Id.* at 4.

1 [and] we shall not require that existing executed contracts be revised.”¹⁴⁴ In sum, the
2 Commission already has decided that Evergreen’s standard contract with PGE, which was
3 executed prior to issuance of Order No. 17-256, is not unlawful. Therefore, under its current
4 contract, Evergreen is not entitled to 15 years of fixed prices commencing on the delivery date,
5 and PGE is entitled to summary judgment on this claim.

IV. CONCLUSION

6 PGE has strived to diligently and fairly apply the Commission’s precedent regarding
7 standard contract eligibility. The Commission’s orders setting the 10 MW threshold, prohibiting
8 gaming, and defining nameplate capacity as the capacity of the “generator and its prime mover,”
9 clearly demonstrate that Evergreen’s re-rated turbine and 21 MW generator disqualify it from
10 obtaining a standard contract. Allowing Evergreen to successfully redesign its facility to
11 constrain generation and evade the cap would set a precedent that could have much broader
12 implications and embolden other QFs currently seeking to evade the cap by constraining
13 generation in “creative” ways.

14 Because Evergreen is not eligible for a standard contract, PGE is entitled to summary
15 judgment on its counterclaim for Breach of Contract and Breach of Warranty, and on
16 Evergreen’s Count 4. Evergreen’s other claims against PGE are baseless. PGE acted in good
17 faith to evaluate Evergreen’s eligibility, to timely provide Evergreen with a PPA, and to ensure
18 Evergreen’s continued access to more advantageous avoided cost prices, despite unforeseen
19 difficulties related to Evergreen’s POD and its eligibility. PGE is not bound by any legal or
20 equitable doctrine to continue in a standard PPA with Evergreen for which Evergreen is

21 *////*

22 *////*

23 *////*

24 *////*

¹⁴⁴ *Id.*

- 1 ineligible. Therefore, the Commission should deny Evergreen's Motion for Partial Summary
- 2 Judgment and grant summary judgment to PGE on all claims.

Dated 8-10-17

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Attorneys for Portland General Electric Company

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1844

Portland General Electric

Exhibit A to PGE'S Motion for Summary Judgment

August 10, 2017

August 1, 2017

TO: Portland General Electric Company and its attorney Lisa Rackner

FROM: Evergreen BioPower LLC and its attorney Kenneth Kaufmann

RE: **UM 1844 Portland General Electric Company first set of Data Requests to Evergreen BioPower LLC--Responses of Evergreen BioPower, LLC**

PGE Request 1:

[a]Please describe all major components of the Evergreen facility, including the nameplate capacity of each. [b] Please provide pictures of the nameplate for each device and [c] any other documents relating to the nameplate capacity of each component or of the facility as a whole.

Evergreen's Response:

- a. Major components of the Evergreen facility include:
 - i. Generator; nameplate capacity rating: 24,705 kVA (0.85 Power Factor)
 - ii. Turbine; nameplate capacity rating: 10,000 kW
 - iii. Boiler; nameplate capacity rating: 100,000 lbs/hour (matched to turbine)
 - iv. Transformer; nameplate capacity rating: 15,000 kVA
- b. Pictures of each component, above, are provided below.
- c. Please see attached:
 - i. **“Descriptive Specifications and Contract Proposal Prepared for Evergreen Biopower LLC, Lyons, Oregon, Covering a 10,000 kW Electrical Generation System”** (“10,000 KW Electrical Generation System 2006 Purchase Contract”); and
 - ii. **“TurboCare Repair Proposal and Wellons Purchase Order”**. [This document has the specification and terms of contract whereby Wellons hired TurboCare to refurbish and re-rate the turbine that was sold to Evergreen BioPower. This document remains subject to a non-disclosure agreement and cannot be released without TurboCare's consent. TurboCare was sold and is now owned by a Texas company. Evergreen is trying to obtain permission from the new owner to share the document, and will supplement its response if it is successful].

Boiler Nameplate



CERTIFIED BY WELLONS, INC.

MAWP 1000 PSIG

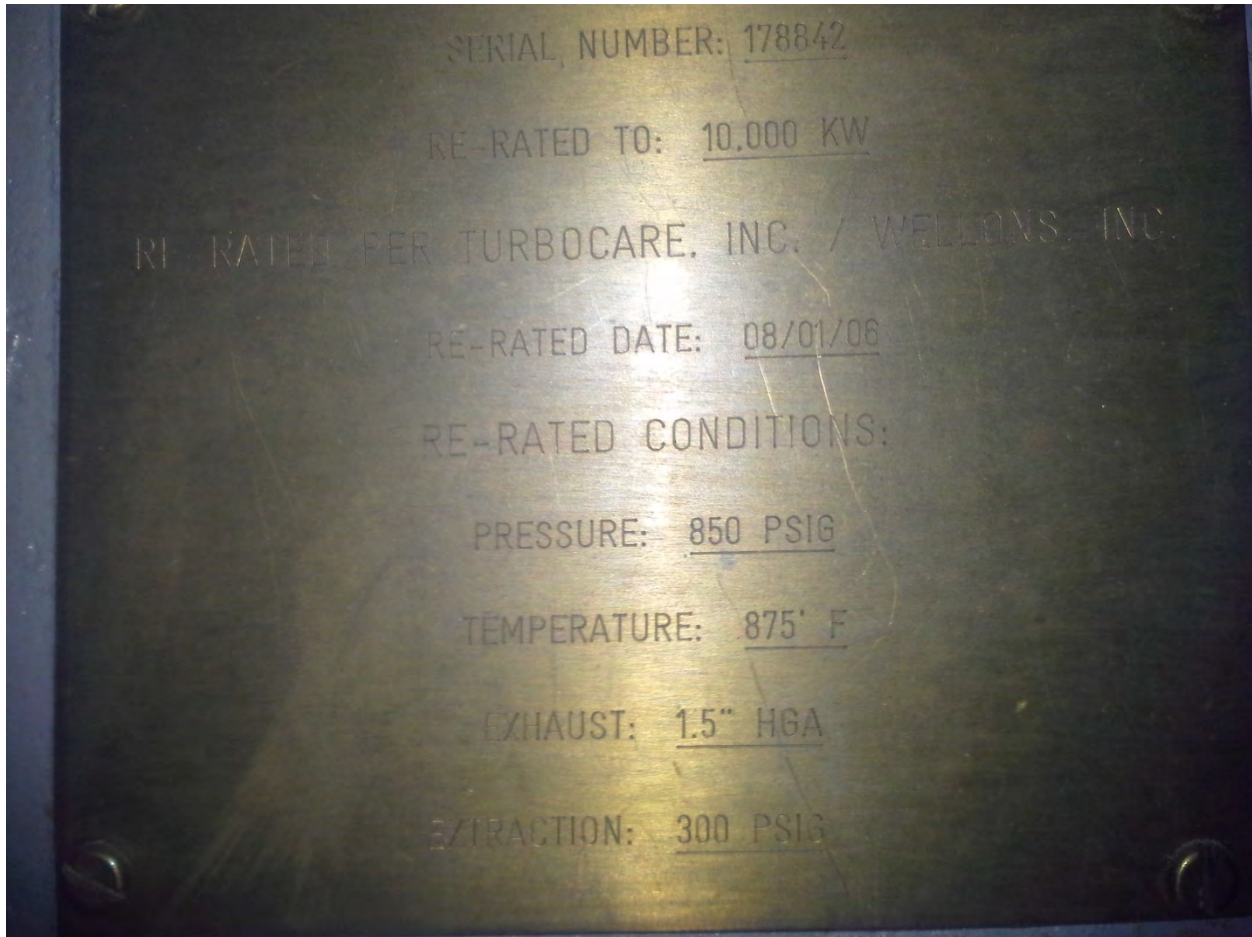
[S] HEATING SURFACE 13,592 FT²

STEAM CAPACITY 100,000 PPH

YEAR 2007

3/4" 2603-0503-1

Turbine Front Standard Nameplate



**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1844

Portland General Electric

Exhibit B to PGE'S Motion for Summary Judgment

August 10, 2017

August 4, 2017

TO: Portland General Electric Company and its attorney Lisa Rackner

FROM: Evergreen BioPower LLC and its attorney Kenneth Kaufmann

RE: **UM 1844--Evergreen BioPower LLC's responses to Portland General Electric Company's Second set of Data Requests (Answer to DR 23)**

DR 23. Regarding Evergreen's statement on page 15 of its Motion for Partial Summary Judgment, that PGE's actions 'neutraliz[ed] Evergreen's planned protest against PGE's proposed rate change at the Commission's May 18 special meeting.'

- (a) On what basis did Evergreen plan to protest PGE's proposed rate change?
- (b) Does Evergreen have any reason to believe that PGE was aware of Evergreen's planned protest?

Evergreen's response:

- (a) Evergreen objects to this questions because it impinges upon the attorney-client privilege;
- (b) Yes. Evergreen sent PGE a letter on May 15, 2007 demanding an executable contract and stating that PGE's rates were likely to go down substantially as soon as May 17 (the original planned date for Commission consideration of PGE's rate filing). PGE's tendering of an executable PPA on May 16, after repeatedly not complying with Schedule 201 deadlines, shows PGE's awareness of the likelihood of Evergreen seeking redress at the next OPUC meeting unless PGE met Evergreen's demand.

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1844

Evergreen BioPower, LLC,
Complainant,

v.

Portland General Electric Company,
Respondent.

DECLARATION OF DENISE SAUNDERS

I, Denise Saunders, declare under penalty of perjury under the laws of the state of Oregon:

1. My full name is Valerie Denise Saunders. I am employed by Portland General Electric Company (PGE or the Company) as Associate General Counsel.

2. On or about May 18, 2017, John Morton informed me that he had concerns that the nameplate capacity of Evergreen Biopower's (Evergreen) facility exceeded 10 MW. After discussing the concerns with Mr. Morton, on May 25, 2017, I called Evergreen's counsel, Ken Kaufmann. I informed Mr. Kaufmann that PGE had questions about Evergreen's nameplate capacity and its eligibility for a standard contract. I explained that, although we were willing to stand by our commitment to sign the standard Power Purchase Agreement (PPA), we were concerned that, if PGE executed the PPA but later determined that Evergreen's nameplate capacity exceeded 10 MW, PGE would need to terminate the PPA based on Evergreen's breach of the PPA. I suggested that we set up a call so that PGE's technical staff could talk with Evergreen's engineer and obtain additional information about Evergreen's capacity. Mr. Kaufmann declined and instead asked that we send our questions directly to him.

3. Given that PGE's avoided cost prices would be decreasing effective June 1, I emailed Mr. Kaufmann on May 31 to inform him that PGE would execute the standard PPA to ensure Evergreen received the benefit of the current avoided cost prices, pending a resolution

of the nameplate capacity issue. A copy of that email is attached as Exhibit A. My email stated that we would execute the standard contract “with the understanding that Evergreen will continue to work with PGE to clarify the relevant information.” I also cautioned Mr. Kaufmann, “Please be aware that, in the event we determine that your client is in breach of the PPA, we would need to move to terminate.” Later that same day, I emailed Mr. Kaufmann an executed copy of the PPA, along with requests for specific information related to the facility. A copy of that email is attached as Exhibit B. I also confirmed PGE’s commitment to “trying to resolve this matter as quickly as possible.” In a third email to Mr. Kaufmann on May 31, I made clear that, if Evergreen was not eligible for a standard contract, PGE would work with Evergreen to promptly negotiate a contract prior to Evergreen’s planned initial delivery date of January 1, 2018. A copy of that email is attached as Exhibit C. Evergreen filed its Complaint later the same day.

I hereby declare that the above statement is true to the best of my knowledge and belief, and that I understand it is made for use as evidence before the Public Utility Commission of Oregon and is subject to penalty for perjury.

SIGNED this 10th day of August, 2017, at Corvallis, Oregon.

Signed: V. Trise Sams

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1844

Portland General Electric

Exhibit A to Declaration of Denise Saunders

August 10, 2017

From: [Denise Saunders](#)
To: [Ken Kaufmann](#)
Cc: [John Morton](#); [Angeline Chong](#)
Subject: Evergreen BioPower LLC PPA
Date: Wednesday, May 31, 2017 9:02:07 AM

Ken,

As I explained in our phone conversation last week, PGE has obtained information that calls into question Evergreen BioPower LLC's (Evergreen) eligibility for a standard Schedule 201 power purchase agreement. Given our questions, PGE is concerned that Evergreen **may** be in breach of the warranties in the PPA, and the OPUC established 10 MW eligibility threshold.

Based on further discussions with my client, and given the current circumstances, PGE will go ahead and execute the Standard Off-system Non-Variable Power Purchase Agreement (PPA) with Evergreen immediately, with the understanding that Evergreen will continue to work with PGE to clarify the relevant information. To that end, I will send you PGE's questions related to the project's eligibility for the PPA next week. Please be aware that, in the event we determine that your client is in breach of the PPA, we would need to move to terminate.

I appreciate your cooperation, and look forward to resolving this matter in a mutually satisfactory fashion.

Denise

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1844

Portland General Electric

Exhibit B to Declaration of Denise Saunders

August 10, 2017

From: [Denise Saunders](#)
To: [Ken Kaufmann](#)
Cc: [John Morton](#); [Angeline Chong](#)
Subject: RE: Evergreen BioPower LLC PPA
Date: Wednesday, May 31, 2017 2:36:13 PM
Attachments: [Evergreen BioPower LLC PPA\(biomass\) Signed 05-31-17.pdf](#)

Ken - I've attached an executed copy of the PPA. As indicated in my earlier email, PGE continues to have concerns about Evergreen BioPower LLC's (Evergreen) eligibility for a standard Schedule 201 power purchase agreement. PGE is requesting the following:

- > please provide photos of the physical nameplate rating on the turbine, generator and transformer.
- > please explain how the project is able to produce 10,500kW (based on information provided in form QF06) when the turbine is only rated to 10,000kW.

PGE is committed to trying to resolve this matter as quickly as possible.

Denise

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1844

Portland General Electric

Exhibit C to Declaration of Denise Saunders

August 10, 2017

From: [Denise Saunders](#)
To: [Ken Kaufmann](#)
Cc: [John Morton](#); [Angeline Chong](#)
Subject: RE: Evergreen BioPower LLC PPA
Date: Wednesday, May 31, 2017 3:25:11 PM

Ken – PGE will want to review the information you provide to confirm that the project meets the eligibility threshold. In the event that the project is not eligible for a Schedule 201 contract and, if Evergreen wishes to negotiate a contract under Schedule 202, we will make every effort to complete negotiations and execute a contract by January 1.

Denise

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1844

Evergreen BioPower, LLC,
Complainant,

v.

Portland General Electric Company,
Respondent.

DECLARATION OF JOHN MORTON

I, John Morton, declare under penalty of perjury under the laws of the state of Oregon:

1. My full name is John Morton. I am employed by Portland General Electric Company (PGE or the Company) as Originator, Power Operations.

2. Evergreen Biopower (Evergreen) initially contacted PGE regarding a standard power purchase agreement (PPA) on November 15, 2016. We sent Evergreen our standard Initial Information Request (IIR) form, which they returned, and we then followed-up by requesting additional information, which Evergreen provided. A copy of Evergreen's IIR is attached as Exhibit A. Based on the information provided to us by Evergreen in the IIR, our contract analyst made an initial determination that Evergreen was eligible for a standard contract.

3. In late March 2017, PGE sent Evergreen a draft standard contract. However, in mid-April, PGE became aware that there was no long-term firm available transmission capability (ATC) at the PACW.PGE point of delivery (POD) and realized that it would be impossible for PGE to accept deliveries from new QFs at this POD. The PACW.PGE POD is the delivery point that most likely would be preferred by a QF located in PacifiCorp's service territory, such as Evergreen. Therefore, on April 18, 2017, PGE contacted Evergreen to inquire as to where it had planned to deliver. Evergreen stated that its requested POD was PACW.PGE.

4. Upon receiving notice that Evergreen's requested POD was PACW.PGE, we informed Evergreen about the constraint at PACW.PGE and stated that we would need to further evaluate Evergreen's options for delivery of its generation. Because we knew that our avoided cost prices soon would be replaced by new, lower prices and that Evergreen desired to execute a contract prior to the change, we assured Evergreen that we would honor the then-current avoided cost prices even if our prices had been updated prior to the conclusion of the evaluation.

5. After completing our evaluation, on May 11, we sent Evergreen a letter confirming that the PACW.PGE POD was constrained and stating that we would provide Evergreen a final PPA with the current avoided cost prices if Evergreen designated another POD with sufficient ATC, or paid for the necessary studies and upgrades to permit delivery at PACW.PGE. A copy of that letter is attached as Exhibit B. Evergreen revised its requested POD, and we immediately sent Evergreen an executable standard PPA, which Evergreen signed and returned. A copy of the PPA signed by Evergreen is attached as Exhibit C.

6. Prior to executing a PPA, PGE's standard practice is to circulate the document to several PGE managers for review and approval. In my position as Originator, I am one of the people who must initial a standard PPA before it is forwarded to PGE's Senior Vice President of Power Supply and Operations for her signature. In the course of my review of the Evergreen contract and associated documentation, I saw a note on the IIR that raised a concern. I noticed that, on the line requesting the nameplate rating (in kW) for the project, Evergreen had answered "10,000, Turbine Limited," which caused me to wonder why and how the turbine limited the capacity and whether Evergreen's true nameplate capacity exceeded 10 MW.

7. I began to investigate the Evergreen facility further. I reviewed the FERC Self Certification Form 556, and observed the maximum gross electric power production capacity of the facility was 10,500 KW. A copy of Evergreen's FERC Self-Certification Form 556 is attached as Exhibit D. Next, I obtained Evergreen's PPA with PacifiCorp from the Commission's website and reviewed that document and consulted with PGE engineer Craig

Armstrong about its contents. A copy of Evergreen's PPA with PacifiCorp, which I downloaded from the Commission website, is attached as Exhibit E. Both the facility description in the document and the Motive Force Plan attached to it indicated that Evergreen's turbine had been modified to 10 MW and that its generator was rated at 24,705 kVa. A capacity measurement in kVa represents both the real and reactive power components, and 24,705 kVa at a power factor of 0.85—the values contained on the nameplate of Evergreen's generator—yields 21 MW of real power. Additionally, our calculations based on the boiler information contained in the Motive Force Plan show that Evergreen's boiler capacity is well in excess of the generator's capacity of 21 MW. We have served additional data requests on Evergreen to confirm this conclusion.

8. After reviewing the Evergreen/PacifiCorp PPA, I came to believe that Evergreen did not, in fact, qualify for a standard contract. Evergreen had not provided the Motive Force Plan or any information about the modification or the capacity of the generator to PGE, which also raised questions in my mind regarding Evergreen's motivation.

9. As a result of my investigation and the concerns it raised, I informed Denise Saunders that I could not approve execution of the standard PPA with Evergreen. Ultimately, PGE did execute the standard PPA in order to preserve Evergreen's access to then-current avoided cost prices, but we did so with the understanding that we would terminate the PPA for breach if it turned out that Evergreen's nameplate capacity actually exceeded 10 MW.

10. After Evergreen filed its Complaint, we held a teleconference with Evergreen in which Evergreen provided more background and information about its facility, which confirmed the facts about its facility described in its Evergreen's Motion for Partial Summary Judgment and the attached exhibits.¹ Most importantly, as stated in the Affidavit of Kyle Freres, attached as Exhibit 10 to Evergreen's Motion for Partial Summary Judgment, I learned that the nameplate capacity of the generator and turbine used by Evergreen originally was approximately 21.4

¹ The call with Evergreen was considered by the parties to be a settlement conference. For that reason, I will not disclose any information learned in the conference except to the extent that the information has been made public in Evergreen's filing.

MW.² I further learned that Evergreen had had blades removed from the turbine, resulting in a turbine limited to 10 MW.³ Unfortunately, this teleconference did not assuage my concerns regarding Evergreen's eligibility.

11. As we continued our investigation and prepared to respond to Evergreen's Complaint, we discovered additional documents that called Evergreen's nameplate capacity into question. We discovered that Evergreen's nameplate capacity was reflected on WREGIS as 21 MW and that its capacity was listed as 10,500 KW on the U.S. Department of Energy (USDOE) Combined Heat and Power Installation Database⁴ and in a related project profile.⁵ Copies of the WREGIS and USDOE documents are attached as Exhibits F, G, and H, respectively. These documents further validated my concern that Evergreen's true nameplate capacity exceeds 10 MW.

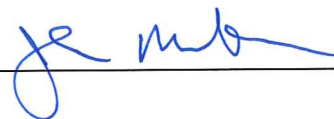
12. PGE has received a request for a standard contract from Covanta Marion, a biomass QF well in excess of 10 MW with whom PGE currently has a negotiated contract. Covanta Marion proposes to take its project offline and redesign the facility, in order to reduce operations to 10 MW for the purpose of qualifying for a standard contract.

13. Over the past year, PGE has received several requests for standard contracts from solar QFs who propose to size generation capacity (solar panels) significantly in excess of 10 MW, and to use inverters to "throttle" the output.

I hereby declare that the above statement is true to the best of my knowledge and belief, and that I understand it is made for use as evidence before the Public Utility Commission of Oregon and is subject to penalty for perjury.

SIGNED this 10 day of August, 2017, at Portland, Oregon.

Signed: _____



² See Evergreen/Exhibit 10, Affidavit of Kyle Freres/6-7.

³ *Id.* at 7.

⁴ <https://doe.icfwebservices.com/chpdb/state/OR>.

⁵ <http://www.northwestchptap.org/NWChpDocs/FreresLumber052015.pdf>.

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1844

Portland General Electric

Exhibit A to Declaration of John Morton

August 10, 2017

General Information: Please complete the matrix below to provide PGE with project specific information

Contract Information

a. Seller Legal Name	Evergreen BioPower LLC
b. Type of facility (solar, or wind for example)	Biomass
c. County and GPS Coordinate to 3 decimals	Linn County Latitude: 44.771, Longitude: 122.612
d. State	Oregon
e. Name Plate Rating in kW	10,000 Turbine Limited
f. Section 1.11 Electric system to interconnect to	PacifiCorp
g. Section 2.2.1 date to be begin delivery	1/1/2018
h. Section 2.2.3 date of Commercial Operation Date	Currently in commercial operation
i. Section 2.3 Termination Date	12/31/2033
j. Corporation type	Limited Liability Corporation
k. State of organization	Oregon
l. Net Dependable Capacity in kW	3,000
m. Estimated average annual Net Output	45,544,617
n. Maximum of kWh	60,000,000
o. Notice address line 1	PO Box 276
p. Notice address line 2	Lyons, Or 97358
q. Notice address line 3	Not Applicable
r. Notice address line 4	Not Applicable
s. Copy to address line 1	1785 Willamette Falls Dr., Suite 5
t. Copy to address line 2	West Linn, OR 97068
u. Copy to address line 3	Not Applicable
v. Copy to address line 4	Not Applicable
w. On a separate sheet include a detailed facility description	See Exhibit H
2. Status of Seller's incorporation	Exhibit A1 and A2. Incorporated 5/2/2006
3. Seller's financial statements:	
a. Income statement	See Exhibit B
b. Balance sheet	See Exhibit B
4. D & B report on seller, of the project sponsor if the seller is not in D & B	Not Applicable
5. List of all entities with an ownership interest in the facility	See Exhibit F
6. The legal name of the manager of the Facility, if applicable	Freres Lumber Co., Inc.
7. Proof of site control (lease, title to land, property tax bill, or other)	See Exhibit C
8. FERC Form 556 and docket number as proof of submittal and acceptance by FERC	See Exhibit D
9. Map adjoining QF sites owned by the same seller at this time , or within the past 12 months	Not Applicable
10. Staffing plan for getting the project online	Not Applicable

Currently Interconected with PacifiCorp. In the process of obtaining a transmission agreement.

11. Status of interconnection and transmission agreements

12. Does Seller have FERC Market Based Rate Authority? If yes provide docket #.

No

Generation information

1. Motive force plan

The QF consumes approximately 70,000 bone dry tons (Bdt) of woody biomass fuel per year. Approximately 30-40% of the fuel is supplied by Freres Lumber Mills , with the remainder purchased from 3rd party suppliers. Since achieving commercial operation in 2007, the Facility has never had to curtail due to lack of fuel inputs. There is surplus fuel supply on the open market.

2. Expected energy delivery start date

1/1/2018

3. Expected Availability of generation

1/1/2018

4. Detailed generation modeling information:

- a. Annual MWh (AC) for the first calendar year of commercial operation and an annual degradation factor
- b. Average 24-hr profile of generation MWh (AC) for each month during the first calendar year
- c. Maximum 24-hr profile of generation MWh (AC) for each month during the first calendar year
- d. Maximum annual output (monthly MWh detail)
- e. Loss Diagram

55,000- 0.05% annual degradation factor
 See Exhibit G
 See Exhibit G
 See Exhibit G
 No Applicable

Location of facility

1. GPS Coordinates (rounded to three degrees)

Latitude: 44.771, Longitude: 122.612

2. Facility physical address (if available)

141 14th St., Lyons, OR 97358

3. Legal description of parcel (proof of site control to be attached)

See Exhibit C

4. Aerial Facility site boundary map

See Exhibit E

Biomass Facility Characteristics:

Note this information is considered representative design information which is to be updated at the time of project construction and is subject to design finalization

1. Generation	
a. Output simulation results detail, including but not limited to:	
i. Annual MWh (AC) for the first calendar year of commercial operation and any annual degradation factor	55,000,000- 0.05% annual degradation factor
ii. Average 24-hr profile of generation MWh (AC) for each month during the first calendar year	See Exhibit G
iii. Maximum annual output (monthly MWh detail)	See Exhibit G
b. Loss Diagram	
c. Design Capacity factor	10 mW
d. Expected Capacity factor	9.75 mW
e. Minimum turndown capacity	0.5 mW
f. Minimum run time	Boiler operates continuously.
g. Start time to full load	190 minutes
h. Ramp rate design (mw/min)	10 min after reaching 1,500 RPM on turbine
i. Ramp rate information	
i. Ramp rate up and down	7,000 kW/hour
ii. Cold start time to min capacity	100 minutes
iii. Cold start time to max capacity	190 minutes
iv. Hot start time to min capacity	20 minutes
v. Hot start time to max capacity	60 minutes
vi. Holding time after cycling	If already warm, no holding time. If cold start, 15 minutes on lower end
vii. Minimum run time	Boiler operates continuously.
2. Description of Generation facility including:	
a. Design life of the facility	30 years
b. Component description	
i. Turbine Manufacturer model and type	GE #178842
ii. Boiler Technology and Manufacturer	Biomass, Wellons
iii. Major process cycle component descriptions	Fuel System, Water Treatment, Furnace, Ash System
iv. Description of the process cycle	See attached
c. Generator Manufacturer model and type	GE #8384481, Air Cooled
ii. Design curves and technical specifications	See Exhibit D
d. Cooling Technology	
i. Type and manufacturer	De Laval Tube & Shell 2-pss. Midwest Counter Flow Cooling Tower
ii. Design curves and cooling medium consumption	Water
g. Water consumption gallons/day	150,000 gallons/day
h. Scheduled Maintenance (Weeks/Yr.)	3 weeks/year
i. Typical Maintenance Period (Month(s))	Quarterly maintenance, 3-4 days. Annual maintenance 5-6 days.
j. EPC period	The Facility achieved commercial operation in 2007 and has operated continuously since.
k. Facility AC rating	The manufacturer's nameplate rating of the turbine generator is 10,000kW.
3. Fuel supply details (type, terms, dependability, delivery structure and timing, fuel storage capability on site)	Biomass, Quarterly Purchase Orders, Dependable, Offsite supply delivered by truck & internal by conveyor, 1 week onsite storage
4. Description of Facility permitting restrictions and requirements (local, state, or federal) prior to and during operations	Title V- EPA
5. Description of transformers	
a. # of transformers	1
b. Model	Myers Serial #TSP149650
c. High Voltage Rating	72,000
d. Low Voltage Rating	13,800
e. MVA rating	15 FA- 18 FA/FA
f. High voltage connection	The main transformer high side voltage is 69 kVA
g. Low voltage connection	The main transformer low side voltage is 13.8 kVA
6. Description of metering, communications, and monitoring	2 meters, Fiber, PacifiCorp
7. Description of station service requirements	.375 mW
8. Description and timeline of interconnection and transmission plan	Currently interconnected with PacifiCorp Transmission.
9. Transaction Service Request Number, Interconnection Queue number, and System impact/interconnection study documentation	Pending

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1844

Portland General Electric

Exhibit B to Declaration of John Morton

August 10, 2017

May 11, 2017

Kyle Freres
Vice President, Freres Lumber Co., Inc
Manager, Evergreen BioPower LLC
P.O. Box 276
Lyons, OR 97358
kfreres@frereslumber.com

Dear Kyle:

On April 19, 2017, you informed PGE that your requested Point of Delivery (POD) for the Evergreen Biopower project is PACW.PGE. As we have discussed, the Available Transmission Capacity (ATC) at that POD is extremely limited. Yearly firm ATC at the PACW.PGE POD has ranged from 0-4 MW since August 1, 2015, and is currently 4MW. This information is available on PGE's OASIS website.

Given these circumstances, PGE is willing to provide and promptly execute a final PPA, consistent with the avoided cost prices in effect as of the date of this letter¹ and with your planned commercial operation date of January 1, 2018, if you make arrangements to deliver your project's output by either:

1. Revising your requested POD from PACW.PGE to one of the following Bonneville Power Administration "BPA" PODs, all of which have sufficient ATC:
 - BPAT.PGE
 - PGE Contiguous
 - Pearl 230 kV (Sherwood)
 - McLoughlin 230 kV
 - Keeler 230 kV (St. Marys)
 - Rivergate 230 kV
 - Bethel 230 kV
 - Troutdale 230 kV (Blue Lake); or
2. Agreeing to pay for upgrades required to add sufficient transmission capacity at the PACW.PGE POD to accommodate your project's output. Please advise PGE if you are interested in discussing a study to estimate the required upgrades and costs.

If you have any questions regarding these alternatives, PGE would be happy to schedule a meeting to discuss.

Regards,

Angeline D. Chong |
Portland General Electric |
121 SW Salmon St. 3WTC0306 | Portland, Oregon 97204 |
W: 503-464-7343 | F: 503-464-2605 |
E: angeline.chong@pgn.com

¹ Please note that the avoided cost prices filed with the Public Utility Commission on May 1, 2017, have not yet been approved.

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1844

Portland General Electric

Exhibit C to Declaration of John Morton

August 10, 2017

STANDARD RENEWABLE OFF-SYSTEM NON-VARIABLE POWER PURCHASE AGREEMENT

THIS AGREEMENT is between **Evergreen BioPower LLC** ("Seller") and Portland General Electric Company ("PGE") (hereinafter each a "Party" or collectively, "Parties") and is effective upon execution by both Parties ("Effective Date").

RECITALS

Seller intends to construct, own, operate and maintain a Biomass facility for the generation of electric power located in Linn County Latitude: 44.771, Longitude: 122.612, County, Oregon with a Nameplate Capacity Rating of 10,000 kilowatt ("kW"), as further described in Exhibit B ("Facility"); and

Seller intends to operate the Facility as a "Qualifying Facility," as such term is defined in Section 3.1.3, below.

Seller shall sell and PGE shall purchase the entire Net Output, as such term is defined in Section 1.19, below, from the Facility in accordance with the terms and conditions of this Agreement.

AGREEMENT

NOW, THEREFORE, the Parties mutually agree as follows:

SECTION 1: DEFINITIONS

When used in this Agreement, the following terms shall have the following meanings:

1.1. "As-built Supplement" means the supplement to Exhibit B provided by Seller in accordance with Section 4.4 following completion of construction of the Facility, describing the Facility as actually built.

1.2. "Billing Period" means from the start of the first day of each calendar month to the end of the last day of each calendar month.

1.3. "Cash Escrow" means an agreement by two parties to place money into the custody of a third party for delivery to a grantee only after the fulfillment of the conditions specified.

1.4. "Commercial Operation Date" means the date that the Facility is deemed by PGE to be fully operational and reliable. PGE may, at its discretion require, among other things, that all of the following events have occurred:

1.4.1. (facilities with nameplate under 500 kW exempt from following requirement) PGE has received a certificate addressed to PGE from a Licensed Professional Engineer ("LPE") acceptable to PGE in its reasonable judgment stating that the Facility is able to generate electric power reliably in amounts required by this

Schedule 201
Standard Renewable Off-System Non-Variable Power Purchase Agreement

Agreement and in accordance with all other terms and conditions of this Agreement (certifications required under this Section 1.4 can be provided by one or more LPEs);

1.4.2. Start-Up Testing of the Facility has been completed in accordance with Section 1.29;

1.4.3. (facilities with nameplate under 500 kW exempt from following requirement) After PGE has received notice of completion of Start-Up Testing, PGE has received a certificate addressed to PGE from an LPE stating that the Facility has operated for testing purposes under this Agreement uninterrupted for a Test Period at a rate in kW of at least 75 percent of average annual Net Output divided by 8,760 based upon any sixty (60) minute period for the entire testing period. The Facility must provide ten (10) working days written notice to PGE prior to the start of the initial testing period. If the operation of the Facility is interrupted during this initial testing period or any subsequent testing period, the Facility shall promptly start a new Test Period and provide PGE forty-eight (48) hours written notice prior to the start of such testing period;

1.4.4. (facilities with nameplate under 500 kW exempt from following requirement) PGE has received a certificate addressed to PGE from an LPE stating that all required interconnection facilities have been constructed and all required interconnection tests have been completed;

1.4.5. (facilities with nameplate under 500 kW exempt from following requirement) PGE has received a certificate addressed to PGE from an LPE stating that Seller has obtained all Required Facility Documents and, if requested by PGE in writing, has provided copies of any or all such requested Required Facility Documents;

1.4.6. PGE has received a copy of the executed Generation Interconnection and Transmission Agreements.

1.5. "Contract Price" means the applicable price, including on-peak and off-peak prices, as specified in the Schedule.

1.6. "Contract Year" means each twelve (12) month period commencing upon the Commercial Operation Date or its anniversary during the Term, except the final contract year will be the period from the last anniversary of the Commercial Operation Date during the Term until the end of the Term.

1.7. "Effective Date" has the meaning set forth in Section 2.1.

1.8. "Environmental Attributes" shall mean any and all claims, credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, resulting from the avoidance of the emission of any gas, chemical or other substance to the air, soil or water. Environmental Attributes include but are not limited to: (1) any avoided emissions of pollutants to the air, soil or water such as (subject to the foregoing) sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO), and other pollutants; and (2) any avoided emissions of carbon dioxide (CO₂), methane (CH₄), and other greenhouse gasses (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change to contribute to the actual or potential threat of altering the Earth's climate by trapping heat in the atmosphere.

Schedule 201
Standard Renewable Off-System Non-Variable Power Purchase Agreement

1.9. "Facility" has the meaning set forth in the Recitals.

1.10. "Forward Replacement Price" means the price at which PGE, acting in a commercially reasonable manner, purchases for delivery at the Point of Delivery a replacement for any Net Output that Seller is required to deliver under this Agreement plus (i) costs reasonably incurred by PGE in purchasing such replacement Net Output, and (ii) additional transmission charges, if any, reasonably incurred by PGE in causing replacement energy to be delivered to the Point of Delivery. If PGE elects not to make such a purchase, costs of purchasing replacement Net Output shall be Mid-C Index Price for such energy not delivered, plus any additional cost or expense incurred as a result of Seller's failure to deliver, as determined by PGE in a commercially reasonable manner (but not including any penalties, ratcheted demand or similar charges).

1.11. "Generation Interconnection Agreement" means an agreement governing the interconnection of the Facility with PacifiCorp electric system.

1.12. "Letter of Credit" means an engagement by a bank or other person made at the request of a customer that the issuer will honor drafts or other demands for payment upon compliance with the conditions specified in the letter of credit.

1.13. "Licensed Professional Engineer" or "LPE" means a person who is licensed to practice engineering in the state where the Facility is located, who has no economic relationship, association, or nexus with the Seller, and who is not a representative of a consulting engineer, contractor, designer or other individual involved in the development of the Facility, or of a manufacturer or supplier of any equipment installed in the Facility. Such Licensed Professional Engineer shall be licensed in an appropriate engineering discipline for the required certification being made and be acceptable to PGE in its reasonable judgment.

1.14. "Lost Energy Value" means for a Contract Year: zero plus any reasonable costs incurred by PGE to purchase replacement power and/or transmission to deliver the replacement power to the Point of Delivery, unless the Contract Year's Net Output is less than the Minimum Net Output and the Contract Year's time-weighted average of the Mid-C Index Price for On-Peak and Off-Peak Hours is greater than the time-weighted average of the Contract Price for On-Peak and Off-Peak Hours for that Contract Year, in which case Lost Energy Value equals: $(\text{Minimum Net Output} - \text{Net Output for the Contract Year}) \times (\text{the lower of: the time-weighted average of the Contract Price for On-Peak and Off-Peak Hours; or the time-weighted average of the Mid-C Index Price for On-Peak and Off-Peak Hours} - \text{the time-weighted average of the Contract Price for On-Peak and Off-Peak Hours})$ minus Transmission Curtailment Replacement Energy Cost, if any, for like period plus any reasonable costs incurred by PGE to purchase replacement power and/or transmission to deliver the replacement power to the Point of Delivery.

1.15. "Mid-C Index Price" means the Day Ahead Intercontinental Exchange ("ICE") index price for the bilateral OTC market for energy at the Mid-C Physical for Average On Peak Power and Average Off Peak Power found on the following website: <https://www.theice.com/products/OTC/Physical-Energy/Electricity>. In the event ICE no

Schedule 201
Standard Renewable Off-System Non-Variable Power Purchase Agreement

longer publishes this index, PGE and the Seller agree to select an alternative successor index representative of the Mid-C trading hub.

1.16. "Minimum Net Output" shall have the meaning provided in Section 4.2 of this Agreement.

1.17. "Nameplate Capacity Rating" means the maximum capacity of the Facility as stated by the manufacturer, expressed in kW, which shall not exceed 10,000 kW.

1.18. "Net Dependable Capacity" means the maximum capacity the Facility can sustain over a specified period modified for seasonal limitations, if any, and reduced by the capacity required for station service or auxiliaries.

1.19. "Net Output" means all energy expressed in kWhs produced by the Facility, less station and other onsite use and less transformation and transmission losses.

1.20. "Off-Peak Hours" has the meaning provided in the Schedule.

1.21. "On-Peak Hours" has the meaning provided in the Schedule.

1.22. "Point of Delivery" means the BPAT.PGE point on the PGE System.

1.23. "Prime Rate" means the publicly announced prime rate or reference rate for commercial loans to large businesses with the highest credit rating in the United States in effect from time to time quoted by Citibank, N.A. If a Citibank, N.A. prime rate is not available, the applicable Prime Rate shall 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 based on the prime rate is being paid.

1.24. "Prudent Electrical Practices" means those practices, methods, standards and acts engaged in or approved by a significant portion of the electric power industry in the Western Electricity Coordinating Council that at the relevant time period, in the exercise of reasonable judgment in light of the facts known or that should reasonably have been known at the time a decision was made, would have been expected to accomplish the desired result in a manner consistent with good business practices, reliability, economy, safety and expedition, and which practices, methods, standards and acts reflect due regard for operation and maintenance standards recommended by applicable equipment suppliers and manufacturers, operational limits, and all applicable laws and regulations. Prudent Electrical Practices are not intended to be limited to the optimum practice, method, standard or act to the exclusion of all others, but rather to those practices, methods and acts generally acceptable or approved by a significant portion of the electric power generation industry in the relevant region, during the relevant period, as described in the immediate preceding sentence.

1.25. "Required Facility Documents" means all licenses, permits, authorizations, and agreements necessary for construction, operation, interconnection, and maintenance of the Facility including without limitation those set forth in Exhibit C.

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1.26. "RPS Attributes" means all attributes related to the Net Output generated by the Facility that are required in order to provide PGE with "qualifying electricity," as that term is defined in Oregon's Renewable Portfolio Standard Act, Ore. Rev. Stat. 469A.010, in effect at the time of execution of this Agreement. RPS Attributes do not include Environmental Attributes that are greenhouse gas offsets from methane capture not associated with the generation of electricity and not needed to ensure that there are zero net emissions associated with the generation of electricity.

1.27. "Schedule" shall mean PGE Schedule 201 filed with the Oregon Public Utilities Commission ("Commission") in effect on the Effective Date of this Agreement and attached hereto as Exhibit E, the terms of which are hereby incorporated by reference.

1.28. "Senior Lien" means a prior lien which has precedence as to the property under the lien over another lien or encumbrance.

1.29. "Start-Up Testing" means the completion of applicable required factory and start-up tests as set forth in Exhibit D.

1.30. "Step-in Rights" means the right of one party to assume an intervening position to satisfy all terms of an agreement in the event the other party fails to perform its obligations under the agreement.

1.31. "Term" shall mean the period beginning on the Effective Date and ending on the Termination Date.

1.32. "Test Period" shall mean a period of sixty (60) days or a commercially reasonable period determined by the Seller.

1.33. "Transmission Agreement" means an agreement executed by the Seller and the Transmission Provider(s) for Transmission Services.

1.34. "Transmission Curtailment" means a limitation on Seller's ability to deliver any portion of the scheduled energy to PGE due to the unavailability of transmission to the Point of Delivery (for any reason other than Force Majeure).

1.35. "Transmission Curtailment Replacement Energy Cost" means the greater of zero or the difference between Dow Jones Mid C Index Price – Contract Price X curtailed energy for periods of Transmission Curtailment.

1.36. "Transmission Provider(s)" means the signatory (other than the Seller) to the Transmission Agreement.

1.37. "Transmission Services" means any and all services (including but not limited to ancillary services and control area services) required for the firm transmission and delivery of Energy from the Facility to the Point of Delivery for a term not less than the Term of this Agreement.

References to Recitals, Sections, and Exhibits are to be the recitals, sections and exhibits of this Agreement.

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SECTION 2: TERM; COMMERCIAL OPERATION DATE

2.1. This Agreement shall become effective upon execution by both Parties ("Effective Date").

2.2. Time is of the essence of this Agreement, and Seller's ability to meet certain requirements prior to the Commercial Operation Date and to complete all requirements to establish the Commercial Operation Date is critically important. Therefore,

2.2.1. By January 1, 2018 Seller shall begin initial deliveries of Net Output; and

2.2.2. By January 1, 2018 Seller shall have completed all requirements under Section 1.4 and shall have established the Commercial Operation Date.

2.2.3. Unless the Parties agree in writing that a later Commercial Operation Date is reasonable and necessary, the Commercial Operation Date shall be no more than three (3) years from the Effective Date. PGE will not unreasonably withhold agreement to a Commercial Operation Date that is more than three (3) years from the Effective date if the Seller has demonstrated that a later Commercial Operation Date is reasonable and necessary.

2.3. This Agreement shall terminate on May 31, 2032 or the date the Agreement is terminated in accordance with Section 8 or 11.2, whichever is earlier ("Termination Date").

SECTION 3: REPRESENTATIONS AND WARRANTIES

3.1. Seller and PGE represent, covenant, and warrant as follows:

3.1.1. Seller warrants it is a Limited Liability Company duly organized under the laws of Oregon.

3.1.2. Seller warrants that the execution and delivery of this Agreement does not contravene any provision of, or constitute a default under, any indenture, mortgage, or other material agreement binding on Seller or any valid order of any court, or any regulatory agency or other body having authority to which Seller is subject.

3.1.3. Seller warrants that the Facility is and shall for the Term of this Agreement continue to be a "Qualifying Facility" ("QF") as that term is defined in the version of 18 C.F.R. Part 292 in effect on the Effective Date. Seller has provided the appropriate QF certification, which may include a Federal Energy Regulatory Commission ("FERC") self-certification to PGE prior to PGE's execution of this Agreement. At any time during the Term of this Agreement, PGE may require Seller to provide PGE with evidence satisfactory to PGE in its reasonable discretion that the Facility continues to qualify as a QF under all applicable requirements.

3.1.4. Seller warrants that it has not within the past two (2) years been the debtor in any bankruptcy proceeding, and Seller is and will continue to be for the Term of this Agreement current on all of its financial obligations.

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3.1.5. Seller warrants that during the Term of this Agreement, all of Seller's right, title and interest in and to the Facility shall be free and clear of all liens and encumbrances other than liens and encumbrances arising from third-party financing of the Facility other than workers', mechanics', suppliers' or similar liens, or tax liens, in each case arising in the ordinary course of business that are either not yet due and payable or that have been released by means of a performance bond acceptable to PGE posted within eight (8) calendar days of the commencement of any proceeding to foreclose the lien.

3.1.6. Seller warrants that it will design and operate the Facility consistent with Prudent Electrical Practices.

3.1.7. Seller warrants that the Facility has a Nameplate Capacity Rating not greater than 10,000 kW.

3.1.8. Seller warrants that Net Dependable Capacity of the Facility is 3,000 kW.

3.1.9. Seller estimates that the average annual Net Output to be delivered by the Facility to PGE is 45,544,617 kilowatt-hours ("kWh"), which amount PGE will include in its resource planning.

3.1.10. Seller will schedule and deliver from the Facility to PGE at the Point of Delivery Net Output not to exceed a maximum of 60,000,000 kWh of Net Output during each Contract Year ("Maximum Net Output"). The cost of delivering energy from the Facility to PGE is the sole responsibility of the Seller.

3.1.11. By the Commercial Operation Date, Seller has entered into a Generation Interconnection Agreement for a term not less than the term of this Agreement.

3.1.12. PGE warrants that it has not within the past two (2) years been the debtor in any bankruptcy proceeding, and PGE is and will continue to be for the Term of this Agreement current on all of its financial obligations.

3.1.13. Seller warrants that the Facility satisfies the eligibility requirements specified in the Definition of a Small Cogeneration Facility or Small Power Production Facility Eligible to Receive the Standard Renewable Rates and Standard Renewable PPA in PGE's Schedule and Seller will not make any changes in its ownership, control or management during the term of this Agreement that would cause it to not be in compliance with the Definition of a Small Cogeneration Facility or Small Power Production Facility Eligible to Receive the Standard Renewable Rates and Standard Renewable PPA in PGE's Schedule. Seller will provide, upon request by PGE not more frequently than every 36 months, such documentation and information as may be reasonably required to establish Seller's continued compliance with such Definition. PGE agrees to take reasonable steps to maintain the confidentiality of any portion of the above described documentation and information that the Seller identifies as confidential except PGE will provide all such confidential information to the Commission upon the Commission's request.

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3.1.14. Seller warrants that it will comply with all requirements necessary for all Transferred RECs (as defined in Section 4.6) associated with Net Output to be issued, monitored, accounted for, and transferred by and through the Western Renewable Energy Generation System consistent with the provisions of OAR 330-160-0005 through OAR 330-160-0050. PGE warrants that it will reasonably cooperate in Seller's efforts to meet such requirements, including, for example serving as the qualified reporting entity for the Facility if the Facility is located in PGE's balancing authority.

SECTION 4: DELIVERY OF POWER, PRICE AND ENVIRONMENTAL ATTRIBUTES

4.1. Commencing on the Effective Date and continuing through the Term of this Agreement, Seller shall sell to PGE the entire Net Output from the Facility. Seller's Net Output shall be scheduled and delivered to PGE at the Point of Delivery in accordance with Section 4.5. PGE shall pay Seller the Contract Price for all scheduled and delivered Net Output.

4.2. Seller shall schedule and deliver to PGE from the Facility for each Contract Year Net Output equal to or greater than the Minimum Net Output (either (a) if Seller does not select the Alternative Minimum Amount as defined in Exhibit A of this Agreement, a minimum of seventy-five percent (75%) of its average annual Net Output or (b) if selected by Seller, the Alternative Minimum Amount), provided that such Minimum Net Output for the final Contract Year shall be reduced pro rata to reflect the Commercial Operation Date, and further provided that such Minimum Net Output shall be reduced on a pro-rata basis for any periods during a Contract Year that the Facility was prevented from generating electricity for reasons of Force Majeure.

4.3. Seller agrees that if Seller does not deliver the Minimum Net Output each Contract Year for reasons other than Transmission Curtailment, PGE will suffer losses equal to the Lost Energy Value. As damages for Seller's failure to deliver the Minimum Net Output (subject to adjustment for reasons of Force Majeure as provided in Section 4.2) in any Contract Year, notwithstanding any other provision of this Agreement the purchase price payable by PGE for future deliveries shall be reduced until Lost Energy Value is recovered. PGE and Seller shall work together in good faith to establish the period, in monthly amounts, of such reduction so as to avoid Seller's default on its commercial or financing agreements necessary for its continued operation of the Facility for QF Facilities sized at 100 kW or smaller, the provisions of this section shall not apply.

4.4. Upon completion of construction of the Facility, Seller shall provide PGE an As-built Supplement to specify the actual Facility as built. Seller shall not increase the Nameplate Capacity Rating above that specified in Exhibit B or increase the ability of the Facility to deliver Net Output in quantities in excess of the Net Dependable Capacity, or the Maximum Net Output as described in Section 3.1.10 above, through any means including, but not limited to, replacement, modification, or addition of existing equipment, except with prior written notice to PGE. In the event Seller increases the Nameplate Capacity Rating of the Facility to no more than 10,000 kW pursuant to this section, PGE shall pay the Contract Price for the additional delivered Net Output. In the

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event Seller increases the Nameplate Capacity Rating of the Facility to greater than 10,000 kW, then Seller shall be required to enter into a new power purchase agreement for all delivered Net Output proportionally related to the increase of Nameplate Capacity above 10,000 kW.

4.5. Seller shall provide preschedules for all deliveries of energy hereunder, including identification of receiving and generating control areas, by 9:00:00 PPT on the last business day prior to the scheduled date of delivery. All energy shall be scheduled according to the most current North America Energy Reliability Corporation (NERC) and Western Electricity Coordinating Council (WECC) scheduling rules and practices. The Parties' respective representatives shall maintain hourly real-time schedule coordination; provided, however, that in the absence of such coordination, the hourly schedule established by the exchange of preschedules shall be considered final. Seller and PGE shall maintain records of hourly energy schedules for accounting and operating purposes. The final E-Tag shall be the controlling evidence of the Parties' schedule. All energy shall be prescheduled according to customer WECC scheduling practices. Seller shall make commercially reasonable efforts to schedule in any hour an amount equal to its expected Net Output for such hour. Seller shall maintain a minimum of two years records of Net Output and shall agree to allow PGE to have access to such records and to imbalance information kept by the Transmission Provider.

4.6. From the start of the Renewable Resource Deficiency Period through the remainder of the Term of this Agreement, Seller shall provide and PGE shall acquire the RPS Attributes for the Contract Years as specified in the Schedule and Seller shall retain ownership of all other Environmental Attributes (if any). During the Renewable Resource Sufficiency Period, Seller shall retain all Environmental Attributes in accordance with the Schedule. The Contract Price includes full payment for the Net Output and any RPS Attributes transferred to PGE under this Agreement. With respect to Environmental Attributes not transferred to PGE under this Agreement ("Seller-Retained Environmental Attributes") Seller may report under §1605(b) of the Energy Policy Act of 1992 or under any applicable program as belonging to Seller any of the Seller-Retained Environmental Attributes, and PGE shall not report under such program that such Seller-Retained Environmental Attributes belong to it. With respect to RPS Attributes transferred to PGE under this Agreement ("Transferred RECs"), PGE may report under §1605(b) of the Energy Policy Act of 1992 or under any applicable program as belonging to it any of the Transferred RECs, and Seller shall not report under such program that such Transferred RECs belong to it.

SECTION 5: OPERATION AND CONTROL

5.1. Seller shall operate and maintain the Facility in a safe manner in accordance with the Generation Interconnection Agreement, and Prudent Electrical Practices. PGE shall have no obligation to purchase Net Output from the Facility to the extent the interconnection of the Facility or transmission to PGE's electric system is curtailed, disconnected, suspended or interrupted, in whole or in part. Seller is solely responsible for the operation and maintenance of the Facility. PGE shall not, by reason

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of its decision to inspect or not to inspect the Facility, or by any action or inaction taken with respect to any such inspection, assume or be held responsible for any liability or occurrence arising from the operation and maintenance by Seller of the Facility.

52. Seller agrees to provide sixty (60) days advance written notice of any scheduled maintenance that would require shut down of the Facility for any period of time.

53. If the Facility ceases operation for unscheduled maintenance, Seller immediately shall notify PGE of the necessity of such unscheduled maintenance that could affect the generation, scheduling or delivery of energy to PGE, the time when such maintenance has occurred or will occur, and the anticipated duration of such maintenance. Seller shall take all reasonable measures and exercise its best efforts to avoid unscheduled maintenance, to limit the duration of such unscheduled maintenance, and to perform unscheduled maintenance during Off-Peak hours.

SECTION 6: CREDITWORTHINESS

In the event Seller: a) is unable to represent or warrant as required by Section 3 that it has not been a debtor in any bankruptcy proceeding within the past two (2) years; b) becomes such a debtor during the Term; or c) is not or will not be current on all its financial obligations, Seller shall immediately notify PGE and shall promptly (and in no less than ten (10) days after notifying PGE) provide default security in an amount reasonably acceptable to PGE in one of the following forms: Senior Lien, Step in Rights, a Cash Escrow or Letter of Credit. The amount of such default security that shall be acceptable to PGE shall be equal to: (annual On Peak Hours) X (On Peak Price – Off Peak Price) X (Minimum Net Output / 8760). Notwithstanding the foregoing, in the event Seller is not current on construction related financial obligations, Seller shall notify PGE of such delinquency and PGE may, in its discretion, grant an exception to the requirements to provide default security if the QF has negotiated financial arrangements with the construction loan lender that mitigate Seller's financial risk to PGE.

SECTION 7: BILLINGS, COMPUTATIONS AND PAYMENTS

7.1. On or before the thirtieth (30th) day following the end of each Billing Period, PGE shall send to Seller payment for Seller's deliveries of Net Output to PGE, together with computations supporting such payment. PGE may offset any such payment to reflect amounts owing from Seller to PGE pursuant to this Agreement and any other agreement related to the Facility between the Parties or otherwise.

7.2. Any amounts owing after the due date thereof shall bear interest at the Prime Rate plus two percent (2%) from the date due until paid; provided, however, that the interest rate shall at no time exceed the maximum rate allowed by applicable law.

SECTION 8: DEFAULT, REMEDIES AND TERMINATION

8.1. In addition to any other event that may constitute a default under this Agreement, the following events shall constitute defaults under this Agreement:

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8.1.1. Breach by Seller or PGE of a representation or warranty, except for Section 3.1.4, set forth in this Agreement.

8.1.2. Seller's failure to provide default security, if required by Section 6, prior to delivery of any Net Output to PGE or within ten (10) days of notice.

8.1.3. Seller's failure to deliver the Minimum Net Output for two consecutive Contract Years.

8.1.4. If Seller is no longer a Qualifying Facility.

8.1.5. Failure of PGE to make any required payment pursuant to Section 7.1.

8.1.6. Seller's failure to meet the Commercial Operation Date.

8.2. In the event of a default under Section 8.1.6, PGE may provide Seller with written notice of default. Seller shall have one year in which to cure the default during which time the Seller shall pay PGE damages equal to the Lost Energy Value. If Seller is unable to cure the default, PGE may immediately terminate this Agreement as provided in Section 8.3. PGE's resource sufficiency/deficiency position shall have no bearing on PGE's right to terminate the Agreement under this Section 8.2

8.3. In the event of a default hereunder, the non-defaulting party may immediately terminate this Agreement at its sole discretion by delivering written notice to the other Party, and, except for damages related to a default pursuant to Section 8.1.3, by a QF sized at 100 kW or smaller, may pursue any and all legal or equitable remedies provided by law or pursuant to this Agreement including damages related to the need to procure replacement power. Such termination shall be effective upon the date of delivery of notice, as provided in Section 20.1. The rights provided in this Section 8 are cumulative such that the exercise of one or more rights shall not constitute a waiver of any other rights.

8.4. If this Agreement is terminated as provided in this Section 8, PGE shall make all payments, within thirty (30) days, that, pursuant to the terms of this Agreement, are owed to Seller as of the time of receipt of notice of default. PGE shall not be required to pay Seller for any Net Output delivered by Seller after such notice of default.

8.5. If this Agreement is terminated as a result of Seller's default, Seller shall pay PGE the positive difference, if any, obtained by subtracting the Contract Price from the sum of the Forward Replacement Price for the Minimum Net Output that Seller was otherwise obligated to provide for a period of twenty-four (24) months from the date of termination plus any cost incurred for transmission purchased by PGE to deliver the replacement power to the Point of Delivery and the estimated administrative cost to the utility to acquire replacement power. Accounts owed by Seller pursuant to this paragraph shall be due within five (5) business days after any invoice from PGE for the same.

8.6. In the event PGE terminates this Agreement pursuant to this Section 8, and Seller wishes to again sell Net Output to PGE following such termination, PGE in its sole discretion may require that Seller shall do so subject to the terms of this

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Agreement, including but not limited to the Contract Price until the Term of this Agreement (as set forth in Section 2.3) would have run in due course had the Agreement remained in effect. At such time Seller and PGE agree to execute a written document ratifying the terms of this Agreement.

8.7. Sections 8.1, 8.4, 8.5, 8.6, 10, and 19.2 shall survive termination of this Agreement.

SECTION 9: TRANSMISSION CURTAILMENTS

9.1. Seller shall give PGE notice as soon as reasonably practicable of any Transmission Curtailment that is likely to affect Seller's ability to deliver any portion of energy scheduled pursuant to Sections 4.5 of this Agreement.

9.2. If as the result of a Transmission Curtailment, Seller does not deliver any portion of energy (including real-time adjustments), scheduled pursuant to Section 4.5 of this Agreement, Seller shall pay PGE the Transmission Curtailment Replacement Energy Cost for the number of MWh of energy reasonably determined by PGE as the difference between (i) the scheduled energy that would have been delivered to PGE under this Agreement during the period of Transmission Curtailment and (ii) the actual energy, if any, that was delivered to PGE for the period.

SECTION 10: INDEMNIFICATION AND LIABILITY

10.1. Seller agrees to defend, indemnify and hold harmless PGE, its directors, officers, agents, and representatives against and from any and all loss, claims, actions or suits, including costs and attorney's fees, both at trial and on appeal, resulting from, or arising out of or in any way connected with Seller's delivery of electric power to PGE or with the facilities at or prior to the Point of Delivery, or otherwise arising out of this Agreement, including without limitation any loss, claim, action or suit, for or on account of injury, bodily or otherwise, to, or death of, persons, or for damage to, or destruction or economic loss of property belonging to PGE, Seller or others, excepting to the extent such loss, claim, action or suit may be caused by the negligence of PGE, its directors, officers, employees, agents or representatives.

10.2. PGE agrees to defend, indemnify and hold harmless Seller, its directors, officers, agents, and representatives against and from any and all loss, claims, actions or suits, including costs and attorney's fees, both at trial and on appeal, resulting from, or arising out of or in any way connected with PGE's receipt of electric power from Seller or with the facilities at or after the Point of Delivery, or otherwise arising out of this Agreement, including without limitation any loss, claim, action or suit, for or on account of injury, bodily or otherwise, to, or death of, persons, or for damage to, or destruction or economic loss of property belonging to PGE, Seller or others, excepting to the extent such loss, claim, action or suit may be caused by the negligence of Seller, its directors, officers, employees, agents or representatives.

10.3. Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to, or any liability to any person not a Party to this

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Agreement. No undertaking by one Party to the other under any provision of this Agreement shall constitute the dedication of that Party's system or any portion thereof to the other Party or to the public, nor affect the status of PGE as an independent public utility corporation or Seller as an independent individual or entity.

10.4. NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR SPECIAL, PUNITIVE, INDIRECT OR CONSEQUENTIAL DAMAGES, WHETHER ARISING FROM CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE.

SECTION 11: INSURANCE

11.1. Prior to the connection of the Facility to PGE's electric system, provided such Facility has a design capacity of 200 kW or more, Seller shall secure and continuously carry for the Term hereof, with an insurance company or companies rated not lower than "B+ " by the A. M. Best Company, insurance policies for bodily injury and property damage liability. Such insurance shall include provisions or endorsements naming PGE, its directors, officers and employees as additional insureds; provisions that such insurance is primary insurance with respect to the interest of PGE and that any insurance or self insurance maintained by PGE is excess and not contributory insurance with the insurance required hereunder; a cross-liability or severability of insurance interest clause; and provisions that such policies shall not be canceled or their limits of liability reduced without thirty (30) days' prior written notice to PGE. Initial limits of liability for all requirements under this section shall be \$1,000,000 million single limit, which limits may be required to be increased or decreased by PGE as PGE determines in its reasonable judgment economic conditions or claims experience may warrant.

11.2. Prior to the connection of the Facility to PGE's electric system, provided such facility has a design capacity of 200 kW or more, Seller shall secure and continuously carry for the Term hereof, in an insurance company or companies rated not lower than "B+" by the A. M. Best Company, insurance acceptable to PGE against property damage or destruction in an amount not less than the cost of replacement of the Facility. Seller promptly shall notify PGE of any loss or damage to the Facility. Unless the Parties agree otherwise, Seller shall repair or replace the damaged or destroyed Facility, or if the facility is destroyed or substantially destroyed, it may terminate this Agreement. Such termination shall be effective upon receipt by PGE of written notice from Seller. Seller shall waive its insurers' rights of subrogation against PGE regarding Facility property losses.

11.3. Prior to the connection of the Facility to PGE's electric system and at all other times such insurance policies are renewed or changed, Seller shall provide PGE with a copy of each insurance policy required under this Section, certified as a true copy by an authorized representative of the issuing insurance company or, at the discretion of PGE, in lieu thereof, a certificate in a form satisfactory to PGE certifying the issuance of such insurance. If Seller fails to provide PGE with copies of such currently effective insurance policies or certificates of insurance, PGE at its sole discretion and without limitation of other remedies, may upon ten (10) days advance written notice by certified

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or registered mail to Seller either withhold payments due Seller until PGE has received such documents, or purchase the satisfactory insurance and offset the cost of obtaining such insurance from subsequent power purchase payments under this Agreement.

SECTION 12: FORCE MAJEURE

12.1. As used in this Agreement, "Force Majeure" or "an event of Force Majeure" means any cause beyond the reasonable control of the Seller or of PGE which, despite the exercise of due diligence, such Party is unable to prevent or overcome. By way of example, Force Majeure may include but is not limited to acts of God, fire, flood, storms, wars, hostilities, civil strife, strikes, and other labor disturbances, earthquakes, fires, lightning, epidemics, sabotage, restraint by court order or other delay or failure in the performance as a result of any action or inaction on behalf of a public authority which by the exercise of reasonable foresight such Party could not reasonably have been expected to avoid and by the exercise of due diligence, it shall be unable to overcome, subject, in each case, to the requirements of the first sentence of this paragraph. Force Majeure, however, specifically excludes Transmission Curtailment, the cost or availability of resources to operate the Facility, changes in market conditions that affect the price of energy or transmission, wind or water droughts, and obligations for the payment of money when due.

12.2. If either Party is rendered wholly or in part unable to perform its obligation under this Agreement because of an event of Force Majeure, that Party shall be excused from whatever performance is affected by the event of Force Majeure to the extent and for the duration of the Force Majeure, after which such Party shall recommence performance of such obligation, provided that:

12.2.1. the non-performing Party, shall, promptly, but in any case within one (1) week after the occurrence of the Force Majeure, give the other Party written notice describing the particulars of the occurrence; and

12.2.2. the suspension of performance shall be of no greater scope and of no longer duration than is required by the Force Majeure; and

12.2.3. the non-performing Party uses its best efforts to remedy its inability to perform its obligations under this Agreement.

12.3. No obligations of either Party which arose before the Force Majeure causing the suspension of performance shall be excused as a result of the Force Majeure.

12.4. 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.

SECTION 13: SEVERAL OBLIGATIONS

Nothing contained in this Agreement shall ever be construed to create an association, trust, partnership or joint venture or to impose a trust or partnership duty,

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obligation or liability between the Parties. If Seller includes two or more parties, each such party shall be jointly and severally liable for Seller's obligations under this Agreement.

SECTION 14: 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 which may direct the application of the laws of another jurisdiction.

SECTION 15: PARTIAL INVALIDITY AND PURPA REPEAL

It is not the intention of the Parties to violate any laws governing the subject matter of this Agreement. If any of the terms of the 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 the Agreement shall remain in effect. If any terms are finally held or determined to be invalid, illegal or void, the Parties shall enter into negotiations concerning the terms affected by such decision for the purpose of achieving conformity with requirements of any applicable law and the intent of the Parties to this Agreement.

In the event the Public Utility Regulatory Policies Act (PURPA) is repealed, this Agreement shall not terminate prior to the Termination Date, unless such termination is mandated by state or federal law.

SECTION 16: 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 must be in writing, and such waiver shall not be deemed a waiver with respect to any subsequent default or other matter.

SECTION 17: GOVERNMENTAL JURISDICTION AND AUTHORIZATIONS

This Agreement is subject to the jurisdiction of those governmental agencies having control over either Party or this Agreement. Seller shall at all times maintain in effect all local, state and federal licenses, permits and other approvals as then may be required by law for the construction, operation and maintenance of the Facility, and shall provide upon request copies of the same to PGE.

SECTION 18: SUCCESSORS AND ASSIGNS

This Agreement and all of the terms hereof shall be binding upon and inure to the benefit of the respective successors and assigns of the Parties. No assignment hereof by either Party shall become effective without the written consent of the other Party being first obtained and such consent shall not be unreasonably withheld. Notwithstanding the foregoing, either Party may assign this Agreement without the other Party's consent as part of (a) a sale of all or substantially all of the assigning Party's assets, or (b) a merger, consolidation or other reorganization of the assigning Party.

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SECTION 19: ENTIRE AGREEMENT

19.1. This Agreement supersedes all prior agreements, proposals, representations, negotiations, discussions or letters, whether oral or in writing, regarding PGE's purchase of Net Output from the Facility. No modification of this Agreement shall be effective unless it is in writing and signed by both Parties.

19.2. By executing this Agreement, Seller releases PGE from any third party claims related to the Facility, known or unknown, which may have arisen prior to the Effective Date.

SECTION 20: NOTICES

20.1. All notices except as otherwise provided in this Agreement shall be in writing, shall be directed as follows and shall be considered delivered if delivered in person or when deposited in the U.S. Mail, postage prepaid by certified or registered mail and return receipt requested:

To Seller: PO Box 276
Lyons, Or 97358

With a copy to: 1785 Willamette Falls Dr., Suite 5
West Linn, OR 97068

To PGE: Contracts Manager
QF Contracts, 3WTC0306
PGE - 121 SW Salmon St.
Portland, Oregon 97204

20.2. The Parties may change the person to whom such notices are addressed, or their addresses, by providing written notices thereof in accordance with this Section 20.


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Standard Renewable Off-System Non-Variable Power Purchase Agreement

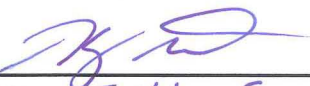
IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed in their respective names as of the Effective Date.

PGE

By: 
Name: Maria M. Pope
Title: SRVP Power Supply &
Date: Operations & Resource Strategy
5/31/2017

PGE Approved By:	
Business Terms	
Credit	
Legal	
Risk Mgt.	

Evergreen BioPower LLC
(Name Seller)

By: 
Name: T. Kyle Frevos
Title: Vice President, Frevos Lumber Co., Inc., Manager, Evergreen Bio Power LLC
Date: 5/16/17

Schedule 201
Standard Renewable Off-System Non-Variable Power Purchase Agreement

EXHIBIT A
MINIMUM NET OUTPUT

In this Exhibit, Seller may designate an alternative Minimum Net Output to seventy-five (75%) percent of annual average Net Output specified in Section 3.1.9 of the Agreement ("Alternative Minimum Amount"). Such Alternative Minimum Amount, if provided, shall exceed zero, and shall be established in accordance with Prudent Electrical Practices and documentation supporting such a determination shall be provided to PGE upon execution of the Agreement. Such documentation shall be commercially reasonable, and may include, but is not limited to, documents used in financing the project, and data on output of similar projects operated by seller, PGE or others.

Schedule 201
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EXHIBIT B
DESCRIPTION OF SELLER'S FACILITY

Monthly Output/Daily Profile of Generation

1. On and Off Peak Generation

<u>Year</u>	<u>On Peak (kwh)</u>	<u>Off peak (kwh)</u>	<u>Total (kwh)</u>	<u>% On-Peak</u>	<u>% Off-Peak</u>
2014	31,661,995	23,151,415	54,813,410	57.8%	42.2%
2015	32,646,773	23,772,069	56,418,842	57.9%	42.1%
2016 (Through Oct.)	25,278,568	18,280,954	43,559,522	58.0%	42.0%

*Generation summarized from PacifiCorp's EnergyProfiler system

2. Average generation by month

2014-2016 Average Generation By Month		9-Year Average 2008-2016	
<u>Month</u>	<u>Average (kWh/yr)</u>	<u>Month</u>	<u>Average (kWh/yr)</u>
January	3,698,343	January	3,049,801
February	3,110,444	February	2,840,222
March	4,043,566	March	3,212,670
April	4,662,441	April	3,648,291
May	4,801,296	May	3,950,034
June	5,377,056	June	3,842,659
July	5,491,307	July	4,176,764
August	5,492,641	August	4,920,474
September	4,995,740	September	4,448,830
October	4,795,049	October	4,656,571
November	3,918,440	November	3,478,285
December	3,547,777	December	3,320,016
Total	53,934,099	Total	45,544,617

Short Description of Equipment

Seller's Facility consists of one generator manufactured by General Electric. More specifically, generator at the Facility is described as:

Model: ATB-2

Number of Phases: 3

Rated Current (A): Stator: 1034 A; Rotor: 199A

Maximum kW Output: 10,000 kW (turbine limited)

Minimum kW output: 1500 kW

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Biomass Facility Characteristics		Note this information is considered representative design information which is to be updated at the time of project construction and is subject to design finalization
1. Generation		
a. Output simulation results detail, including but not limited to:		
i. Annual MWh (AC) for the first calendar year of commercial operation and any annual degradation factor	10 mWh	Provided previously
ii. Average 24-hr profile of generation MWh (AC) for each month during the first calendar year	9.75 mWh	Provided previously
iii. Maximum annual output (monthly MWh detail)	0.5 mWh	Provided previously
b. Loss Diagram		
c. Design Capacity factor	10 mWh	
d. Expected Capacity factor	9.75 mWh	
e. Minimum shutdown capacity	0.5 mWh	
f. Minimum run time	Boiler operates continuously.	
g. Start time to full load	195 minutes	
h. Ramp rate design (mwh/min)	10 min after reaching 1,500 RPM on turbine	
i. Ramp rate information		
ii. Ramp rate up and down	7,000 kW/hour	
iii. Cold start time to min capacity	100 minutes	
iv. Cold start time to max capacity	195 minutes	
v. Hot start time to min capacity	10 minutes	
vi. Hot start time to max capacity	60 minutes	
vii. Holding time after cycling	If a ready warm, no holding time. If cold start, 15 minutes on lower end.	
viii. Minimum run time	Boiler operates continuously.	
2. Description of Generation facility including:		
a. Design life of the facility	30 years	
b. Component description		
i. Turbine Manufacturer, model, and type	GE #178542	
ii. Boiler Technology and Manufacturer	Biomass, Wetlands	
iii. Major process cycle component descriptions	Fuel System, Water Treatment, Furnace, Ash System	
iv. Description of the process cycle	See attached	
v. Generator Manufacturer, model and type	GE #8364481, Air Cooled	
vi. Design curves or technical specifications	See IERC Form 556 for facility process diagram and operating parameters.	
d. Cooling Technology		
i. Type and manufacturer	De Laval Tube & Shell 2-pass, Midwest Counter Flow Cooling Tower	
ii. Design curves and cooling medium consumption	Water	
iii. Water consumption (gallons/day)	195,000 gallons/day	
iv. Scheduled Maintenance (Weeks/Year)	3 weeks/year	
v. Typical Maintenance Period (Months)	Quarterly maintenance, 3-4 days. Annual maintenance 6-8 days.	
vi. EPC period	The facility achieved commercial operation in 2007 and has operated continuously since.	
vii. Facility AC rating	The manufacturer's nameplate rating of the turbine generator is 10,000KW. Biomass, Quarterly Purchase Orders, Dependable, Offsite supply delivered by truck & internal by conveyor, 1 week onsite storage	
3. Fuel supply details (type, terms, dependability, delivery structure and timing, fuel storage capabilities)		
4. Description of Facility permitting restrictions and requirements (local, state, or federal) prior to and during operations		
Title V- EPA		
5. Description of transformers		
a. # of transformers		4
b. Model	Hitachi Serial #79F148690	
c. High Voltage Rating		72000
d. Low Voltage Rating		13800
e. MVA rating	15 FA- 1E FA/FA	
f. High voltage connection	The main transformer high side voltage is 69 kVA	
g. Low voltage connection	The main transformer low side voltage is 13.8 kVA	
6. Description of metering, communications, and monitoring		
2 meters Fiber, Pacifi-Corp		

Schedule 201
Standard Renewable Off-System Non-Variable Power Purchase Agreement

- 7. Description of station service requirements .375 mW
- 8. Description and timeline of interconnection and transmission plan Currently interconnected with PacifiCorp Transmission.
- 9. Transaction Service Request Number, Interconnection Queue number, and System impact/interconnection study documentation



Schedule 201
Standard Renewable Off-System Non-Variable Power Purchase Agreement

EXHIBIT C
REQUIRED FACILITY DOCUMENTS
Sellers Generation Interconnection Agreement

Firm Transmission Agreement between Seller and Transmission Provider

Air Contamination Discharge Permit

Engineering, Procurement and Construction Contract

conditional permits use as required

Access Permits if required

EXHIBIT D START-UP TESTING

Required factory testing includes such checks and tests necessary to determine that the equipment systems and subsystems have been properly manufactured and installed, function properly, and are in a condition to permit safe and efficient start-up of the Facility, which may include but are not limited to (as applicable):

1. Pressure tests of all steam system equipment;
2. Calibration of all pressure, level, flow, temperature and monitoring instruments;
3. Operating tests of all valves, operators, motor starters and motor;
4. Alarms, signals, and fail-safe or system shutdown control tests;
5. Insulation resistance and point-to-point continuity tests;
6. Bench tests of all protective devices;
7. Tests required by manufacturer of equipment; and
8. Complete pre-parallel checks with PGE.

Required start-up test are those checks and tests necessary to determine that all features and equipment, systems, and subsystems have been properly designed, manufactured, installed and adjusted, function properly, and are capable of operating simultaneously in such condition that the Facility is capable of continuous delivery into PGE's electrical system, which may include but are not limited to (as applicable):

1. Turbine/generator mechanical runs including shaft, vibration, and bearing temperature measurements;
2. Running tests to establish tolerances and inspections for final adjustment of bearings, shaft run-outs;
3. Brake tests;
4. Energization of transformers;
5. Synchronizing tests (manual and auto);
6. Stator windings dielectric test;
7. Armature and field windings resistance tests;
8. Load rejection tests in incremental stages from 5, 25, 50, 75 and 100 percent load;
9. Heat runs;
10. Tests required by manufacturer of equipment;
11. Excitation and voltage regulation operation tests;
12. Open circuit and short circuit; saturation tests;
13. Governor system steady state stability test;
14. Phase angle and magnitude of all PT and CT secondary voltages and currents to protective relays, indicating instruments and metering;
15. Auto stop/start sequence;
16. Level control system tests; and
17. Completion of all state and federal environmental testing requirements.

Schedule 201
Standard Renewable Off-System Non-Variable Power Purchase Agreement

EXHIBIT E
SCHEDULE

**SCHEDULE 201
QUALIFYING FACILITY 10 MW or LESS
AVOIDED COST POWER PURCHASE INFORMATION**

PURPOSE

To provide information about Standard Avoided Costs and Renewable Avoided Costs, Standard Power Purchase Agreements (PPA) and Negotiated PPAs, power purchase prices and price options for power delivered by a Qualifying Facility (QF) to the Company with nameplate capacity of 10,000 kW (10MW) or less.

AVAILABLE

To owners of QFs making sales of electricity to the Company in the State of Oregon (Seller).

APPLICABLE

For power purchased from small power production or cogeneration facilities that are QFs as defined in 18 Code of Federal Regulations (CFR) Section 292, that meet the eligibility requirements described herein and where the energy is delivered to the Company's system and made available for Company purchase pursuant to a Standard PPA.

ESTABLISHING CREDITWORTHINESS

The Seller must establish creditworthiness prior to service under this schedule. For a Standard PPA, a Seller may establish creditworthiness with a written acknowledgment that it is current on all existing debt obligations and that it was not a debtor in a bankruptcy proceeding within the preceding 24 months. If the Seller is not able to establish creditworthiness, the Seller must provide security deemed sufficient by the Company as set forth in the Standard PPA.

POWER PURCHASE INFORMATION

A Seller may call the Power Production Coordinator at (503) 464-8000 to obtain more information about being a Seller or how to apply for service under this schedule.

PPA

In accordance with terms set forth in this schedule and the Commission's Rules as applicable, the Company will purchase any Energy in excess of station service (power necessary to produce generation) and amounts attributable to conversion losses, which are made available from the Seller.

A Seller must execute a PPA with the Company prior to delivery of power to the Company. The agreement will have a term of up to 20 years as selected by the QF.

A QF with a nameplate capacity rating of 10 MW or less as defined herein may elect the option of a Standard PPA.

SCHEDULE 201 (Continued)

PPA (Continued)

Any Seller may elect to negotiate a PPA with the Company. Such negotiation will comply with the requirements of the Federal Energy Regulatory Commission (FERC), and the Commission including the guidelines in Order No. 07-360, and Schedule 202. Negotiations for power purchase pricing will be based on either the filed Standard Avoided Costs or Renewable Avoided Costs in effect at that time.

STANDARD PPA (Nameplate capacity of 10 MW or less)

A Seller choosing a Standard PPA will complete all informational and price option selection requirements in the applicable Standard PPA and submit the executed Agreement to the Company prior to service under this schedule. The Standard PPA is available at www.portlandgeneral.com. The available Standard PPAs are:

- Standard In-System Non-Variable Power Purchase Agreement
- Standard Off-System Non-Variable Power Purchase Agreement
- Standard In-System Variable Power Purchase Agreement
- Standard Off-System Variable Power Purchase Agreement
- Standard Renewable In-System Non-Variable Power Purchase Agreement
- Standard Renewable Off-System Non-Variable Power Purchase Agreement
- Standard Renewable In-System Variable Power Purchase Agreement
- Standard Renewable Off-System Variable Power Purchase Agreement

The Standard PPAs applicable to variable resources are available only to QFs utilizing wind, solar or run of river hydro as the primary motive force.

GUIDELINES FOR 10 MW OR LESS FACILITIES ELECTING STANDARD PPA

To execute the Standard PPA the Seller must complete all of the general project information requested in the applicable Standard PPA.

When all information required in the Standard PPA has been received in writing from the Seller, the Company will respond within 15 business days with a draft Standard PPA.

The Seller may request in writing that the Company prepare a final draft Standard PPA. The Company will respond to this request within 15 business days. In connection with such request, the QF must provide the Company with any additional or clarified project information that the Company reasonably determines to be necessary for the preparation of a final draft Standard PPA.

When both parties are in full agreement as to all terms and conditions of the draft Standard PPA, the Company will prepare and forward to the Seller a final executable version of the agreement within 15 business days. Following the Company's execution, an executed copy will be returned to the Seller. Prices and other terms and conditions in the PPA will not be final and binding until the Standard PPA has been executed by both parties.

SCHEDULE 201 (Continued)

OFF-SYSTEM PPA

A Seller with a facility that interconnects with an electric system other than the Company's electric system may enter into a PPA with the Company after following the applicable Standard or Negotiated PPA guidelines and making the arrangements necessary for transmission of power to the Company's system.

BASIS FOR POWER PURCHASE PRICE

AVOIDED COST SUMMARY

The power purchase prices are based on either the Company's Standard Avoided Costs or Renewable Avoided Costs in effect at the time the agreement is executed. Avoided Costs are defined in 18 CFR 292.101(6) as "the incremental costs to an electric utility of electric energy or capacity or both which, but for the purchase from the qualifying facility or qualifying facilities, such utility would generate itself or purchase from another source."

Monthly On-Peak prices are included in both the Standard Avoided Costs as listed in Tables 1a, 2a, and 3a and Renewable Avoided Costs as listed in Tables 4a, 5a, and 6a. Monthly Off-Peak prices are included in both the Standard Avoided Costs as listed in Tables 1b, 2b, and 3b and Renewable Avoided Costs as listed in Tables 4b, 5b, and 6b.

ON-PEAK PERIOD

The On-Peak period is 6:00 a.m. until 10:00 p.m., Monday through Saturday.

OFF-PEAK PERIOD

The Off-Peak period is 10:00 p.m. until 6:00 a.m., Monday through Saturday, and all day on Sunday.

Standard Avoided Costs are based on forward market price estimates through the Resource Sufficiency Period, the period of time during which the Company's Standard Avoided Costs are associated with incremental purchases of Energy and capacity from the market. For the Resource Deficiency Period, the Standard Avoided Costs reflect the fully allocated costs of a natural gas fueled combined cycle combustion turbine (CCCT) including fuel and capital costs. The CCCT Avoided Costs are based on the variable cost of Energy plus capitalized Energy costs at a 93% capacity factor based on a natural gas price forecast, with prices modified for shrinkage and transportation costs.

Renewable Avoided Costs are based on forward market price estimates through the Renewable Resource Sufficiency Period, the period of time during which the Company's Renewable Avoided Costs are associated with incremental purchases of energy and capacity from the market. For the Renewable Resource Deficiency Period, the Renewable Avoided Costs reflect the fully allocated costs of a wind plant including capital costs.

SCHEDULE 201 (Continued)

PRICING FOR STANDARD PPA

Pricing represents the purchase price per MWh the Company will pay for electricity delivered to a Point of Delivery (POD) within the Company's service territory pursuant to a Standard PPA up to the nameplate rating of the QF in any hour. Any Energy delivered in excess of the nameplate rating will be purchased at the applicable Off-Peak Prices for the selected pricing option.

The Standard PPA pricing will be based on either the Standard or Renewable Avoided Costs in effect at the time the agreement is executed.

The Company will pay the Seller either the Off-Peak Standard Avoided Cost pursuant to Tables 1b, 2b, or 3b or the Off-Peak Renewable Avoided Costs pursuant to Tables 4b, 5b, or 6b for: (a) all Net Output delivered prior to the Commercial Operation Date; (b) all Net Output deliveries greater than Maximum Net Output in any PPA year; (c) any generation subject to and as adjusted by the provisions of Section 4.3 of the Standard PPA; (d) Net Output delivered in the Off-Peak Period; and (e) deliveries above the nameplate capacity in any hour. The Company will pay the Seller either the On-Peak Standard Avoided Cost pursuant to Tables 1a, 2a, or 3a or the On-Peak Renewable Avoided Costs pursuant to Tables 4a, 5a, or 6a for all other Net Output. (See the PPA for defined terms.)

1) Standard Fixed Price Option

The Standard Fixed Price Option is based on Standard Avoided Costs including forecasted natural gas prices. It is available to all QFs.

This option is available for a maximum term of 15 years. Prices will be as established at the time the Standard PPA is executed and will be equal to the Standard Avoided Costs in Tables 1a and 1b, 2a and 2b, or 3a and 3c, depending on the type of QF, effective at execution. QFs using any resource type other than wind and solar are assumed to be Base Load QFs.

Prices paid to the Seller under the Standard Fixed Price Option include adjustments for the capacity contribution of the QF resource type relative to that of the avoided proxy resource. Both the Base Load QF resources (Tables 1a and 1b) and the avoided proxy resource, the basis used to determine Standard Avoided Costs for the Standard Fixed Price Option, are assumed to have a capacity contribution to peak of 100%. The capacity contribution for Wind QF resources (Tables 2a and 2b) is assumed to be 5%. The capacity contribution for Solar QF resources (Tables 3a and 3b) is assumed to be 5%.

Prices paid to the Seller under the Standard Fixed Price Option for Wind QFs (Tables 2a and 2b) include a reduction for the wind integration costs in Table 7. However, if the Wind QF is outside of PGE's Balancing Authority Area as contemplated in the Commission's Order No. 14-058, the Seller is paid the wind integration charges in Table 7, in addition to the prices listed in Tables 2a and 2b, for a net-zero effect.

SCHEDULE 201 (Continued)

PRICING OPTIONS FOR STANDARD PPA (Continued)
Standard Fixed Price Option (Continued)

Sellers with PPAs exceeding 15 years will receive pricing equal to the Mid-C Index Price for all years up to five in excess of the initial 15.

SCHEDULE 201 (Continued)

PRICING OPTIONS FOR STANDARD PPA (Continued)
 Standard Fixed Price Option (Continued)

TABLE 1a												
Avoided Costs												
Standard Fixed Price Option for Base Load QF												
On-Peak Forecast(\$/MWH)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	28.21	22.46	15.61	14.71	12.46	16.96	23.96	26.96	24.96	23.71	26.71	31.46
2017	29.96	28.21	24.71	20.96	19.46	20.46	27.96	30.96	29.46	27.71	28.71	33.71
2018	31.71	31.11	28.11	22.13	21.28	21.28	29.93	33.37	30.63	28.61	31.86	35.71
2019	33.94	31.95	27.97	23.70	22.00	23.13	31.67	35.08	33.37	31.38	32.52	38.21
2020	35.74	33.64	29.45	24.95	23.15	24.35	33.34	36.94	35.14	33.04	34.24	40.24
2021	67.43	67.34	65.41	64.69	64.41	64.50	64.61	64.73	64.84	65.48	68.60	68.72
2022	69.01	68.84	68.08	67.13	66.81	66.91	67.04	67.17	67.29	67.83	71.38	71.70
2023	71.95	71.76	70.39	69.19	69.07	69.18	69.31	69.45	69.58	70.12	73.56	73.70
2024	74.17	73.85	72.67	71.29	71.10	71.21	71.35	71.50	71.63	72.20	76.49	76.64
2025	77.19	77.30	75.84	74.88	75.02	75.14	75.30	75.47	75.62	75.80	82.57	82.89
2026	85.18	85.30	82.77	81.28	81.22	81.36	81.56	81.74	81.90	82.36	89.02	88.72
2027	86.85	86.76	85.14	83.12	82.89	83.03	83.00	83.32	83.46	83.97	91.39	91.15
2028	89.32	89.31	87.96	85.46	85.30	85.46	85.31	85.64	85.95	86.65	94.66	93.55
2029	94.06	93.99	91.23	88.74	87.97	88.15	87.71	88.06	88.61	89.34	98.37	98.11
2030	97.60	97.54	94.87	92.62	92.40	92.57	92.61	93.00	93.12	93.68	102.42	102.70
2031	99.56	99.50	96.78	94.48	94.26	94.43	94.47	94.87	94.99	95.56	104.47	104.76
2032	103.85	103.80	100.57	98.18	97.96	98.15	98.23	98.65	98.76	99.36	108.86	109.41
2033	106.56	106.51	103.17	100.72	100.50	100.69	100.78	101.21	101.32	101.93	111.67	112.26
2034	109.12	109.07	105.60	103.10	102.88	103.08	103.17	103.61	103.72	104.35	114.33	114.96
2035	111.55	111.51	107.91	105.35	105.12	105.33	105.43	105.89	105.99	106.63	116.87	117.54
2036	113.85	113.80	110.14	107.53	107.30	107.51	107.60	108.07	108.18	108.83	119.27	119.95
2037	116.50	116.45	112.72	110.06	109.82	110.04	110.14	110.61	110.73	111.39	122.03	122.73
2038	119.08	119.03	115.22	112.51	112.27	112.49	112.59	113.08	113.19	113.87	124.71	125.42
2039	121.47	121.42	117.54	114.77	114.53	114.75	114.85	115.35	115.47	116.15	127.21	127.93
2040	124.25	124.20	120.25	117.43	117.18	117.41	117.51	118.02	118.14	118.84	130.10	130.85
2041	126.72	126.67	122.64	119.76	119.51	119.74	119.85	120.36	120.49	121.20	132.68	133.44

Effective for service
 on and after October 12, 2016

SCHEDULE 201 (Continued)

PRICING OPTIONS FOR STANDARD PPA (Continued)
 Standard Fixed Price Option (Continued)

TABLE 1b												
Avoided Costs												
Standard Fixed Price Option for Base Load QF												
Off-Peak Forecast(\$/MWH)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	25.61	20.71	13.96	11.41	6.31	10.11	15.71	20.96	20.96	21.21	23.46	26.71
2017	25.71	24.21	22.21	15.71	13.71	12.71	19.71	25.21	25.46	24.71	25.71	27.96
2018	26.17	28.12	25.56	19.46	14.68	12.54	19.71	27.04	26.93	25.35	28.20	30.62
2019	29.84	28.09	25.75	18.15	15.81	14.64	22.83	29.26	29.55	28.67	29.84	32.47
2020	31.75	29.88	27.38	19.28	16.79	15.54	24.27	31.12	31.43	30.50	31.75	34.55
2021	28.88	28.79	26.86	26.15	25.87	25.95	26.07	26.19	26.30	26.94	30.06	30.18
2022	29.73	29.56	28.79	27.85	27.53	27.63	27.75	27.88	28.00	28.54	32.09	32.42
2023	31.78	31.59	30.21	29.01	28.90	29.00	29.14	29.27	29.40	29.95	33.38	33.52
2024	33.48	33.16	31.98	30.60	30.41	30.52	30.66	30.81	30.95	31.51	35.80	35.96
2025	35.58	35.69	34.24	33.27	33.42	33.53	33.70	33.86	34.01	34.19	40.97	41.28
2026	42.77	42.89	40.36	38.87	38.81	38.95	39.15	39.34	39.50	39.95	46.62	46.31
2027	43.63	43.54	41.91	39.89	39.66	39.80	39.77	40.09	40.24	40.74	48.16	47.92
2028	45.26	45.25	43.90	41.40	41.23	41.40	41.25	41.58	41.89	42.59	50.60	49.48
2029	49.15	49.08	46.32	43.83	43.06	43.24	42.80	43.15	43.70	44.43	53.46	53.20
2030	51.82	51.76	49.09	46.84	46.62	46.79	46.83	47.22	47.34	47.90	56.64	56.92
2031	52.90	52.84	50.11	47.82	47.59	47.77	47.81	48.21	48.33	48.90	57.81	58.10
2032	56.59	56.54	53.31	50.92	50.70	50.89	50.97	51.39	51.50	52.10	61.60	62.15
2033	58.08	58.03	54.69	52.24	52.02	52.21	52.30	52.73	52.84	53.45	63.19	63.78
2034	59.54	59.50	56.03	53.52	53.30	53.50	53.59	54.04	54.15	54.77	64.76	65.39
2035	61.18	61.14	57.54	54.98	54.75	54.96	55.06	55.52	55.62	56.26	66.50	67.17
2036	62.67	62.62	58.96	56.35	56.12	56.33	56.43	56.89	57.00	57.65	68.09	68.78
2037	64.17	64.12	60.39	57.73	57.49	57.71	57.80	58.28	58.39	59.06	69.69	70.39
2038	65.73	65.69	61.88	59.17	58.93	59.15	59.25	59.73	59.85	60.52	71.37	72.08
2039	67.09	67.04	63.16	60.40	60.15	60.38	60.48	60.98	61.09	61.78	72.83	73.56
2040	68.83	68.78	64.83	62.01	61.76	61.99	62.09	62.60	62.72	63.42	74.68	75.42
2041	70.23	70.17	66.14	63.27	63.02	63.25	63.36	63.87	63.99	64.71	76.19	76.95

Effective for service
 on and after October 12, 2016

SCHEDULE 201 (Continued)

PRICING OPTIONS FOR STANDARD PPA (Continued)
 Standard Fixed Price Option (Continued)

TABLE 2a												
Avoided Costs												
Standard Fixed Price Option for Wind QF												
On-Peak Forecast(\$/MWH)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	24.37	18.62	11.77	10.87	8.62	13.12	20.12	23.12	21.12	19.87	22.87	27.62
2017	26.05	24.30	20.80	17.05	15.55	16.55	24.05	27.05	25.55	23.80	24.80	29.80
2018	27.72	27.12	24.12	18.14	17.29	17.29	25.94	29.38	26.64	24.62	27.87	31.72
2019	29.87	27.88	23.90	19.63	17.93	19.06	27.60	31.01	29.30	27.31	28.45	34.14
2020	31.59	29.49	25.30	20.80	19.00	20.20	29.19	32.79	30.99	28.89	30.09	36.09
2021	30.68	30.59	28.66	27.94	27.66	27.75	27.87	27.99	28.10	28.74	31.86	31.98
2022	31.56	31.39	30.62	29.68	29.36	29.46	29.59	29.72	29.84	30.38	33.93	34.25
2023	33.67	33.48	32.11	30.91	30.79	30.90	31.03	31.17	31.30	31.84	35.28	35.42
2024	35.38	35.06	33.88	32.49	32.30	32.42	32.56	32.70	32.84	33.40	37.70	37.85
2025	37.53	37.64	36.18	35.22	35.36	35.48	35.64	35.81	35.96	36.14	42.91	43.23
2026	44.75	44.87	42.35	40.86	40.79	40.94	41.13	41.32	41.48	41.94	48.60	48.29
2027	45.65	45.56	43.93	41.91	41.68	41.82	41.79	42.12	42.26	42.76	50.18	49.94
2028	47.32	47.31	45.96	43.46	43.30	43.46	43.31	43.64	43.95	44.65	52.66	51.55
2029	51.25	51.18	48.43	45.94	45.16	45.34	44.90	45.25	45.80	46.53	55.57	55.30
2030	53.96	53.90	51.23	48.98	48.76	48.93	48.97	49.36	49.48	50.04	58.78	59.06
2031	55.08	55.02	52.29	50.00	49.77	49.95	49.99	50.38	50.51	51.08	59.99	60.28
2032	58.77	58.72	55.49	53.10	52.88	53.07	53.15	53.57	53.68	54.28	63.78	64.33
2033	60.35	60.30	56.96	54.51	54.29	54.49	54.57	55.00	55.11	55.72	65.46	66.05
2034	61.88	61.83	58.36	55.86	55.63	55.84	55.93	56.37	56.48	57.10	67.09	67.72
2035	63.54	63.49	59.90	57.34	57.11	57.32	57.42	57.87	57.98	58.62	68.86	69.53
2036	65.04	65.00	61.33	58.72	58.49	58.70	58.80	59.27	59.38	60.03	70.46	71.15
2037	66.61	66.57	62.83	60.17	59.93	60.15	60.25	60.73	60.84	61.50	72.14	72.84
2038	68.23	68.18	64.37	61.66	61.42	61.64	61.74	62.23	62.34	63.02	73.86	74.57
2039	69.64	69.59	65.71	62.94	62.70	62.92	63.03	63.52	63.64	64.33	75.38	76.11
2040	71.42	71.37	67.41	64.60	64.35	64.58	64.68	65.18	65.30	66.00	77.27	78.01
2041	72.87	72.82	68.79	65.92	65.66	65.90	66.00	66.52	66.64	67.35	78.84	79.59

Effective for service
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SCHEDULE 201 (Continued)

PRICING OPTIONS FOR STANDARD PPA (Continued)
 Standard Fixed Price Option (Continued)

TABLE 2b												
Avoided Costs												
Standard Fixed Price Option for Wind QF												
Off-Peak Forecast (\$/MWH)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	21.77	16.87	10.12	7.57	2.47	6.27	11.87	17.12	17.12	17.37	19.62	22.87
2017	21.80	20.30	18.30	11.80	9.80	8.80	15.80	21.30	21.55	20.80	21.80	24.05
2018	22.18	24.13	21.57	15.47	10.69	8.55	15.72	23.05	22.94	21.36	24.21	26.63
2019	25.77	24.02	21.68	14.08	11.74	10.57	18.76	25.19	25.48	24.60	25.77	28.40
2020	27.60	25.73	23.23	15.13	12.64	11.39	20.12	26.97	27.28	26.35	27.60	30.40
2021	24.65	24.56	22.63	21.92	21.64	21.72	21.84	21.96	22.07	22.71	25.83	25.95
2022	25.42	25.25	24.48	23.54	23.22	23.32	23.44	23.57	23.69	24.23	27.78	28.11
2023	27.39	27.20	25.82	24.62	24.51	24.61	24.75	24.88	25.01	25.56	28.99	29.13
2024	29.01	28.69	27.51	26.13	25.94	26.05	26.19	26.34	26.48	27.04	31.33	31.49
2025	31.02	31.13	29.68	28.71	28.86	28.97	29.14	29.30	29.45	29.63	36.41	36.72
2026	38.12	38.24	35.71	34.22	34.16	34.30	34.50	34.69	34.85	35.30	41.97	41.66
2027	38.89	38.80	37.17	35.15	34.92	35.06	35.03	35.35	35.50	36.00	43.42	43.18
2028	40.43	40.42	39.07	36.57	36.40	36.57	36.42	36.75	37.06	37.76	45.77	44.65
2029	44.23	44.16	41.40	38.91	38.14	38.32	37.88	38.23	38.78	39.51	48.54	48.28
2030	46.80	46.74	44.07	41.82	41.60	41.77	41.81	42.20	42.32	42.88	51.62	51.90
2031	47.78	47.72	44.99	42.70	42.47	42.65	42.69	43.09	43.21	43.78	52.69	52.98
2032	51.38	51.33	48.10	45.71	45.49	45.68	45.76	46.18	46.29	46.89	56.39	56.94
2033	52.77	52.72	49.38	46.93	46.71	46.90	46.99	47.42	47.53	48.14	57.88	58.47
2034	54.12	54.08	50.61	48.10	47.88	48.08	48.17	48.62	48.73	49.35	59.34	59.97
2035	55.66	55.62	52.02	49.46	49.23	49.44	49.54	50.00	50.10	50.74	60.98	61.65
2036	57.04	56.99	53.33	50.72	50.49	50.70	50.80	51.26	51.37	52.02	62.46	63.15
2037	58.43	58.38	54.65	51.99	51.75	51.97	52.06	52.54	52.65	53.32	63.95	64.65
2038	59.88	59.84	56.03	53.32	53.08	53.30	53.40	53.88	54.00	54.67	65.52	66.23
2039	61.13	61.08	57.20	54.44	54.19	54.42	54.52	55.02	55.13	55.82	66.87	67.60
2040	62.75	62.70	58.75	55.93	55.68	55.91	56.01	56.52	56.64	57.34	68.60	69.34
2041	64.04	63.98	59.95	57.08	56.83	57.06	57.17	57.68	57.80	58.52	70.00	70.76

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SCHEDULE 201 (Continued)

PRICING OPTIONS FOR STANDARD PPA (Continued)
 Standard Fixed Price Option (Continued)

TABLE 3a												
Avoided Costs												
Standard Fixed Price Option for Solar QF												
On-Peak Forecast(\$/MWH)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	28.21	22.46	15.61	14.71	12.46	16.96	23.96	26.96	24.96	23.71	26.71	31.46
2017	29.96	28.21	24.71	20.96	19.46	20.46	27.96	30.96	29.46	27.71	28.71	33.71
2018	31.71	31.11	28.11	22.13	21.28	21.28	29.93	33.37	30.63	28.61	31.86	35.71
2019	33.94	31.95	27.97	23.70	22.00	23.13	31.67	35.08	33.37	31.38	32.52	38.21
2020	35.74	33.64	29.45	24.95	23.15	24.35	33.34	36.94	35.14	33.04	34.24	40.24
2021	33.98	33.89	31.96	31.24	30.96	31.05	31.16	31.28	31.39	32.03	35.15	35.27
2022	34.92	34.75	33.98	33.04	32.72	32.82	32.94	33.08	33.20	33.74	37.28	37.61
2023	37.09	36.90	35.52	34.32	34.21	34.31	34.44	34.58	34.71	35.26	38.69	38.83
2024	38.86	38.54	37.36	35.98	35.79	35.90	36.04	36.19	36.32	36.88	41.18	41.33
2025	41.08	41.19	39.73	38.77	38.92	39.03	39.19	39.36	39.51	39.69	46.46	46.78
2026	48.37	48.49	45.97	44.48	44.42	44.56	44.75	44.94	45.10	45.56	52.22	51.91
2027	49.34	49.25	47.62	45.61	45.38	45.51	45.48	45.81	45.95	46.45	53.87	53.63
2028	51.08	51.07	49.72	47.22	47.06	47.22	47.07	47.40	47.72	48.41	56.42	55.31
2029	55.08	55.01	52.26	49.77	48.99	49.17	48.73	49.08	49.63	50.36	59.40	59.13
2030	57.87	57.81	55.14	52.89	52.67	52.84	52.88	53.27	53.39	53.95	62.69	62.97
2031	59.07	59.00	56.28	53.98	53.76	53.93	53.98	54.37	54.49	55.06	63.98	64.26
2032	62.83	62.78	59.56	57.16	56.94	57.13	57.21	57.64	57.75	58.34	67.85	68.39
2033	64.49	64.44	61.09	58.64	58.42	58.62	58.70	59.14	59.25	59.86	69.60	70.18
2034	66.10	66.05	62.58	60.08	59.85	60.05	60.14	60.59	60.70	61.32	71.31	71.94
2035	67.84	67.79	64.20	61.64	61.41	61.62	61.71	62.17	62.28	62.92	73.16	73.83
2036	69.43	69.38	65.72	63.11	62.88	63.09	63.19	63.66	63.77	64.42	74.85	75.54
2037	71.08	71.04	67.30	64.64	64.40	64.62	64.72	65.20	65.31	65.97	76.61	77.31
2038	72.78	72.73	68.93	66.22	65.98	66.20	66.30	66.78	66.90	67.57	78.42	79.13
2039	74.28	74.23	70.35	67.58	67.34	67.56	67.67	68.16	68.28	68.97	80.02	80.75
2040	76.15	76.10	72.15	69.33	69.08	69.31	69.42	69.92	70.04	70.74	82.01	82.75
2041	77.69	77.64	73.61	70.74	70.48	70.72	70.82	71.34	71.46	72.17	83.66	84.41

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SCHEDULE 201 (Continued)

PRICING OPTIONS FOR STANDARD PPA (Continued)
 Standard Fixed Price Option (Continued)

TABLE 3b												
Avoided Costs												
Standard Fixed Price Option for Solar QF												
Off-Peak Forecast (\$/MWH)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	25.61	20.71	13.96	11.41	6.31	10.11	15.71	20.96	20.96	21.21	23.46	26.71
2017	25.71	24.21	22.21	15.71	13.71	12.71	19.71	25.21	25.46	24.71	25.71	27.96
2018	26.17	28.12	25.56	19.46	14.68	12.54	19.71	27.04	26.93	25.35	28.20	30.62
2019	29.84	28.09	25.75	18.15	15.81	14.64	22.83	29.26	29.55	28.67	29.84	32.47
2020	31.75	29.88	27.38	19.28	16.79	15.54	24.27	31.12	31.43	30.50	31.75	34.55
2021	28.88	28.79	26.86	26.15	25.87	25.95	26.07	26.19	26.30	26.94	30.06	30.18
2022	29.73	29.56	28.79	27.85	27.53	27.63	27.75	27.88	28.00	28.54	32.09	32.42
2023	31.78	31.59	30.21	29.01	28.90	29.00	29.14	29.27	29.40	29.95	33.38	33.52
2024	33.48	33.16	31.98	30.60	30.41	30.52	30.66	30.81	30.95	31.51	35.80	35.96
2025	35.58	35.69	34.24	33.27	33.42	33.53	33.70	33.86	34.01	34.19	40.97	41.28
2026	42.77	42.89	40.36	38.87	38.81	38.95	39.15	39.34	39.50	39.95	46.62	46.31
2027	43.63	43.54	41.91	39.89	39.66	39.80	39.77	40.09	40.24	40.74	48.16	47.92
2028	45.26	45.25	43.90	41.40	41.23	41.40	41.25	41.58	41.89	42.59	50.60	49.48
2029	49.15	49.08	46.32	43.83	43.06	43.24	42.80	43.15	43.70	44.43	53.46	53.20
2030	51.82	51.76	49.09	46.84	46.62	46.79	46.83	47.22	47.34	47.90	56.64	56.92
2031	52.90	52.84	50.11	47.82	47.59	47.77	47.81	48.21	48.33	48.90	57.81	58.10
2032	56.59	56.54	53.31	50.92	50.70	50.89	50.97	51.39	51.50	52.10	61.60	62.15
2033	58.08	58.03	54.69	52.24	52.02	52.21	52.30	52.73	52.84	53.45	63.19	63.78
2034	59.54	59.50	56.03	53.52	53.30	53.50	53.59	54.04	54.15	54.77	64.76	65.39
2035	61.18	61.14	57.54	54.98	54.75	54.96	55.06	55.52	55.62	56.26	66.50	67.17
2036	62.67	62.62	58.96	56.35	56.12	56.33	56.43	56.89	57.00	57.65	68.09	68.78
2037	64.17	64.12	60.39	57.73	57.49	57.71	57.80	58.28	58.39	59.06	69.69	70.39
2038	65.73	65.69	61.88	59.17	58.93	59.15	59.25	59.73	59.85	60.52	71.37	72.08
2039	67.09	67.04	63.16	60.40	60.15	60.38	60.48	60.98	61.09	61.78	72.83	73.56
2040	68.83	68.78	64.83	62.01	61.76	61.99	62.09	62.60	62.72	63.42	74.68	75.42
2041	70.23	70.17	66.14	63.27	63.02	63.25	63.36	63.87	63.99	64.71	76.19	76.95

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SCHEDULE 201 (Continued)

PRICING OPTIONS FOR STANDARD PPA (Continued)

2) Renewable Fixed Price Option

The Renewable Fixed Price Option is based on Renewable Avoided Costs. It is available only to Renewable QFs that generate electricity from a renewable energy source that may be used by the Company to comply with the Oregon Renewable Portfolio Standard as set forth in ORS 469A.005 to 469A.210.

This option is available for a maximum term of 15 years. Prices will be as established at the time the Standard PPA is executed and will be equal to the Renewable Avoided Costs in Tables 4a and 4b, 5a and 5b, or 6a and 6b, depending on the type of QF, effective at execution. QFs using any resource type other than wind and solar are assumed to be Base Load QFs.

Sellers will retain all Environmental Attributes generated by the facility during the Renewable Resource Sufficiency Period. A Renewable QF choosing the Renewable Fixed Price Option must cede all RPS Attributes generated by the facility to the Company from the start of the Renewable Resource Deficiency Period through the remainder of the PPA term.

Prices paid to the Seller under the Renewable Fixed Price Option include adjustments for the capacity contribution of the QF resource type relative to that of the avoided proxy resource. Both Wind QF resources (Tables 5a and 5b) and the avoided proxy resource, the basis used to determine Renewable Avoided Costs for the Renewable Fixed Price Option, are assumed to have a capacity contribution to peak of 5%. The capacity contribution for Solar QF resources (Tables 6a and 6b) is assumed to be 5%. The capacity contribution for Base Load QF resources (Tables 4a and 4b) is assumed to be 100%.

The Renewable Avoided Costs during the Renewable Resource Deficiency Period reflect an increase for avoided wind integration costs, shown in Table 7.

Prices paid to the Seller under the Renewable Fixed Price Option for Wind QFs (Tables 5a and 5b) include a reduction for the wind integration costs in Table 7, which cancels out wind integration costs included in the Renewable Avoided Costs during the Renewable Resource Deficiency Period. However, if the Wind QF is outside of PGE's Balancing Authority Area as contemplated in the Commission's Order No. 14-058, the Seller is paid the wind integration charges in Table 7, in addition to the prices listed in Tables 5a and 5b.

Sellers with PPAs exceeding 15 years will receive pricing equal to the Mid-C Index Price for all years up to five in excess of the initial 15.

SCHEDULE 201 (Continued)

PRICING OPTIONS FOR STANDARD PPA (Continued)
 Renewable Fixed Price Option (Continued)

TABLE 4a												
Renewable Avoided Costs												
Renewable Fixed Price Option for Base Load QF												
On-Peak Forecast(\$/MWH)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	28.36	22.61	15.76	14.86	12.61	17.11	24.11	27.11	25.11	23.86	26.86	31.61
2017	30.11	28.36	24.86	21.11	19.61	20.61	28.11	31.11	29.61	27.86	28.86	33.86
2018	31.86	31.26	28.26	22.28	21.43	21.43	30.08	33.52	30.78	28.76	32.01	35.86
2019	34.10	32.11	28.13	23.86	22.16	23.29	31.83	35.24	33.53	31.54	32.68	38.37
2020	115.34	115.32	114.56	115.02	118.22	117.33	117.01	116.89	115.60	114.63	115.47	114.45
2021	117.94	118.18	116.67	117.75	120.59	119.83	119.26	119.77	118.26	117.25	118.55	117.22
2022	120.48	120.36	118.46	120.19	123.17	122.14	121.69	121.65	120.55	119.55	120.98	119.53
2023	123.26	122.83	120.85	122.92	125.37	124.64	124.29	123.92	123.08	121.92	123.63	122.53
2024	124.86	125.01	123.06	125.07	127.80	126.78	126.67	126.41	126.22	123.83	124.83	124.96
2025	127.73	128.05	125.86	128.21	131.66	130.48	129.53	129.66	128.84	126.59	127.76	127.41
2026	130.91	130.58	129.12	131.30	135.76	132.28	132.28	132.69	132.40	129.34	131.17	130.23
2027	133.47	133.03	131.38	133.50	139.48	134.88	134.51	135.95	134.79	131.96	133.26	132.78
2028	135.95	134.91	132.89	136.24	141.79	136.93	137.64	137.65	136.77	134.76	135.84	135.06
2029	138.81	138.57	135.91	139.29	149.30	140.74	140.82	140.82	140.86	137.50	138.32	138.21
2030	141.68	141.39	139.11	142.00	153.18	145.20	143.05	142.93	144.31	140.18	140.75	140.79
2031	144.29	143.79	142.17	145.52	156.10	149.27	145.71	146.65	146.86	143.04	144.15	143.71
2032	146.51	146.00	144.35	147.76	158.51	151.58	147.95	148.91	149.13	145.24	146.37	145.92
2033	149.91	149.40	147.71	151.19	162.18	155.09	151.39	152.37	152.59	148.62	149.77	149.31
2034	152.96	152.43	150.71	154.26	165.46	158.24	154.46	155.46	155.68	151.64	152.81	152.35
2035	155.76	155.22	153.46	157.08	168.50	161.14	157.29	158.31	158.54	154.41	155.60	155.13
2036	158.31	157.76	155.97	159.65	171.26	163.78	159.86	160.90	161.13	156.94	158.15	157.67
2037	161.83	161.27	159.44	163.20	175.07	167.42	163.42	164.48	164.71	160.43	161.67	161.18
2038	164.95	164.38	162.52	166.35	178.45	170.65	166.57	167.65	167.89	163.52	164.79	164.29
2039	168.13	167.55	165.66	169.56	181.89	173.94	169.79	170.89	171.13	166.68	167.97	167.46
2040	171.05	170.46	168.54	172.51	185.04	176.96	172.74	173.85	174.10	169.58	170.89	170.37
2041	174.69	174.08	172.11	176.17	188.98	180.72	176.40	177.55	177.80	173.18	174.52	173.99

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SCHEDULE 201 (Continued)

PRICING OPTIONS FOR STANDARD PPA (Continued)
 Renewable Fixed Price Option (Continued)

TABLE 4b												
Renewable Avoided Costs												
Renewable Fixed Price Option for Base Load QF												
Off-Peak Forecast (\$/MWH)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	25.76	20.86	14.11	11.56	6.46	10.26	15.86	21.11	21.11	21.36	23.61	26.86
2017	25.86	24.36	22.36	15.86	13.86	12.86	19.86	25.36	25.61	24.86	25.86	28.11
2018	26.32	28.27	25.71	19.61	14.83	12.69	19.86	27.19	27.08	25.50	28.35	30.77
2019	30.00	28.25	25.91	18.31	15.97	14.80	22.99	29.42	29.71	28.83	30.00	32.63
2020	62.76	63.02	64.56	63.31	59.92	60.16	60.45	61.61	62.52	63.74	63.55	63.99
2021	64.93	64.15	65.85	64.48	61.58	61.62	62.27	62.62	63.78	65.82	63.38	65.09
2022	65.85	65.52	67.77	65.49	62.45	62.82	64.33	63.35	65.00	67.04	64.42	66.29
2023	66.70	66.75	69.10	67.28	62.84	64.01	65.40	64.85	66.14	68.41	65.38	67.63
2024	67.25	67.31	70.47	67.09	63.18	65.92	64.75	65.12	66.62	68.68	67.42	68.05
2025	68.62	68.60	71.94	68.08	63.17	66.28	66.12	67.12	67.23	70.19	69.68	69.06
2026	68.95	69.85	72.28	68.56	63.85	67.22	67.05	67.75	67.05	71.12	69.85	69.89
2027	71.31	71.29	73.13	70.34	63.69	68.45	68.79	68.16	68.57	73.22	70.67	71.18
2028	72.28	72.90	75.41	72.10	63.09	69.98	70.15	68.82	70.20	73.79	71.48	73.41
2029	72.78	73.60	76.79	73.50	58.25	70.29	71.37	70.00	71.53	74.58	73.61	74.68
2030	73.91	74.82	78.36	73.64	58.00	70.89	72.02	72.19	72.00	75.99	75.36	76.23
2031	75.51	76.70	79.40	74.00	59.17	70.67	73.55	73.71	72.16	77.24	77.07	76.31
2032	76.76	77.97	80.71	75.23	60.15	71.83	74.76	74.93	73.35	78.52	78.34	77.57
2033	78.46	79.69	82.50	76.89	61.48	73.42	76.42	76.58	74.97	80.25	80.07	79.29
2034	79.97	81.23	84.09	78.37	62.66	74.84	77.89	78.06	76.42	81.80	81.62	80.82
2035	81.52	82.80	85.71	79.88	63.87	76.28	79.39	79.57	77.89	83.38	83.19	82.38
2036	82.86	84.17	87.13	81.20	64.93	77.54	80.70	80.88	79.18	84.76	84.57	83.74
2037	84.69	86.03	89.05	83.00	66.36	79.25	82.49	82.67	80.93	86.63	86.44	85.59
2038	86.33	87.69	90.77	84.60	67.64	80.78	84.08	84.26	82.49	88.30	88.11	87.24
2039	87.99	89.38	92.52	86.23	68.95	82.34	85.70	85.89	84.08	90.01	89.81	88.92
2040	89.45	90.85	94.05	87.66	70.09	83.70	87.12	87.31	85.47	91.49	91.29	90.39
2041	91.42	92.86	96.13	89.59	71.63	85.55	89.04	89.24	87.36	93.51	93.31	92.39

Effective for service
 on and after October 12, 2016

SCHEDULE 201 (Continued)

PRICING OPTIONS FOR STANDARD PPA (Continued)
 Renewable Fixed Price Option (Continued)

TABLE 5a												
Renewable Avoided Costs												
Renewable Fixed Price Option for Wind QF												
On-Peak Forecast(\$/MWH)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	24.52	18.77	11.92	11.02	8.77	13.27	20.27	23.27	21.27	20.02	23.02	27.77
2017	26.20	24.45	20.95	17.20	15.70	16.70	24.20	27.20	25.70	23.95	24.95	29.95
2018	27.87	27.27	24.27	18.29	17.44	17.44	26.09	29.53	26.79	24.77	28.02	31.87
2019	30.03	28.04	24.06	19.79	18.09	19.22	27.76	31.17	29.46	27.47	28.61	34.30
2020	75.38	75.37	74.61	75.06	78.26	77.37	77.05	76.93	75.64	74.67	75.51	74.49
2021	77.10	77.33	75.83	76.90	79.75	78.99	78.41	78.92	77.41	76.40	77.70	76.38
2022	78.85	78.72	76.82	78.56	81.53	80.51	80.05	80.02	78.92	77.92	79.34	77.90
2023	80.71	80.27	78.29	80.37	82.82	82.08	81.73	81.37	80.53	79.36	81.08	79.97
2024	81.74	81.89	79.93	81.95	84.68	83.66	83.55	83.28	83.10	80.71	81.71	81.84
2025	83.64	83.97	81.78	84.13	87.57	86.40	85.44	85.57	84.75	82.51	83.68	83.32
2026	85.97	85.64	84.18	86.37	90.82	87.34	87.34	87.75	87.46	84.40	86.23	85.29
2027	87.67	87.23	85.57	87.69	93.67	89.07	88.71	90.15	88.99	86.16	87.45	86.98
2028	89.26	88.22	86.20	89.55	95.10	90.24	90.95	90.96	90.08	88.07	89.15	88.37
2029	91.22	90.98	88.32	91.70	101.72	93.16	93.23	93.23	93.28	89.92	90.73	90.62
2030	93.17	92.88	90.60	93.49	104.67	96.69	94.54	94.42	95.80	91.67	92.24	92.28
2031	94.84	94.34	92.72	96.07	106.65	99.82	96.26	97.20	97.42	93.59	94.70	94.26
2032	96.40	95.90	94.24	97.65	108.40	101.47	97.85	98.80	99.02	95.13	96.26	95.82
2033	98.55	98.03	96.34	99.82	110.81	103.72	100.02	101.00	101.22	97.25	98.40	97.95
2034	100.44	99.91	98.19	101.74	112.94	105.72	101.94	102.94	103.17	99.12	100.29	99.83
2035	102.38	101.85	100.09	103.71	115.13	107.76	103.92	104.93	105.16	101.04	102.23	101.76
2036	104.06	103.51	101.72	105.40	117.01	109.53	105.61	106.65	106.88	102.69	103.90	103.42
2037	106.37	105.81	103.99	107.74	119.61	111.96	107.96	109.02	109.26	104.97	106.21	105.72
2038	108.42	107.86	105.99	109.82	121.92	114.12	110.05	111.12	111.37	107.00	108.26	107.76
2039	110.52	109.94	108.04	111.95	124.27	116.33	112.17	113.27	113.52	109.07	110.36	109.85
2040	112.32	111.73	109.81	113.77	126.31	118.23	114.00	115.12	115.37	110.85	112.16	111.64
2041	114.83	114.23	112.26	116.31	129.12	120.86	116.55	117.69	117.95	113.32	114.66	114.13

Effective for service
 on and after October 12, 2016

SCHEDULE 201 (Continued)

PRICING OPTIONS FOR STANDARD PPA (Continued)
 Renewable Fixed Price Option (Continued)

TABLE 5b												
Renewable Avoided Costs												
Renewable Fixed Price Option for Wind QF												
Off-Peak Forecast(\$/MWH)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	21.92	17.02	10.27	7.72	2.62	6.42	12.02	17.27	17.27	17.52	19.77	23.02
2017	21.95	20.45	18.45	11.95	9.95	8.95	15.95	21.45	21.70	20.95	21.95	24.20
2018	22.33	24.28	21.72	15.62	10.84	8.70	15.87	23.20	23.09	21.51	24.36	26.78
2019	25.93	24.18	21.84	14.24	11.90	10.73	18.92	25.35	25.64	24.76	25.93	28.56
2020	58.61	58.87	60.41	59.16	55.77	56.01	56.30	57.46	58.37	59.59	59.40	59.84
2021	60.70	59.92	61.62	60.25	57.35	57.39	58.04	58.39	59.55	61.59	59.15	60.86
2022	61.54	61.21	63.46	61.18	58.14	58.51	60.02	59.04	60.69	62.73	60.11	61.98
2023	62.31	62.36	64.71	62.89	58.45	59.62	61.01	60.46	61.75	64.02	60.99	63.24
2024	62.78	62.84	66.00	62.62	58.71	61.45	60.28	60.65	62.15	64.21	62.95	63.58
2025	64.06	64.04	67.38	63.52	58.61	61.72	61.56	62.56	62.67	65.63	65.12	64.50
2026	64.30	65.20	67.63	63.91	59.20	62.57	62.40	63.10	62.40	66.47	65.20	65.24
2027	66.57	66.55	68.39	65.60	58.95	63.71	64.05	63.42	63.83	68.48	65.93	66.44
2028	67.45	68.07	70.58	67.27	58.26	65.15	65.32	63.99	65.37	68.96	66.65	68.58
2029	67.86	68.68	71.87	68.58	53.33	65.37	66.45	65.08	66.61	69.66	68.69	69.76
2030	68.89	69.80	73.34	68.62	52.98	65.87	67.00	67.17	66.98	70.97	70.34	71.21
2031	70.39	71.58	74.28	68.88	54.05	65.55	68.43	68.59	67.04	72.12	71.95	71.19
2032	71.55	72.76	75.50	70.02	54.94	66.62	69.55	69.72	68.14	73.31	73.13	72.36
2033	73.15	74.38	77.19	71.58	56.17	68.11	71.11	71.27	69.66	74.94	74.76	73.98
2034	74.55	75.81	78.67	72.95	57.24	69.42	72.47	72.64	71.00	76.38	76.20	75.40
2035	76.00	77.28	80.19	74.36	58.35	70.76	73.87	74.05	72.37	77.86	77.67	76.86
2036	77.23	78.54	81.50	75.57	59.30	71.91	75.07	75.25	73.55	79.13	78.94	78.11
2037	78.95	80.29	83.31	77.26	60.62	73.51	76.75	76.93	75.19	80.89	80.70	79.85
2038	80.48	81.84	84.92	78.75	61.79	74.93	78.23	78.41	76.64	82.45	82.26	81.39
2039	82.03	83.42	86.56	80.27	62.99	76.38	79.74	79.93	78.12	84.05	83.85	82.96
2040	83.37	84.77	87.97	81.58	64.01	77.62	81.04	81.23	79.39	85.41	85.21	84.31
2041	85.23	86.67	89.94	83.40	65.44	79.36	82.85	83.05	81.17	87.32	87.12	86.20

Effective for service
 on and after October 12, 2016

SCHEDULE 201 (Continued)

PRICING OPTIONS FOR STANDARD PPA (Continued)
 Renewable Fixed Price Option (Continued)

TABLE 6a												
Renewable Avoided Costs												
Renewable Fixed Price Option for Solar QF												
On-Peak Forecast(\$/MWH)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	28.36	22.61	15.76	14.86	12.61	17.11	24.11	27.11	25.11	23.86	26.86	31.61
2017	30.11	28.36	24.86	21.11	19.61	20.61	28.11	31.11	29.61	27.86	28.86	33.86
2018	31.86	31.26	28.26	22.28	21.43	21.43	30.08	33.52	30.78	28.76	32.01	35.86
2019	34.10	32.11	28.13	23.86	22.16	23.29	31.83	35.24	33.53	31.54	32.68	38.37
2020	78.62	78.60	77.84	78.30	81.50	80.60	80.29	80.17	78.88	77.91	78.74	77.73
2021	80.39	80.63	79.12	80.20	83.04	82.28	81.71	82.22	80.71	79.70	81.00	79.67
2022	82.21	82.08	80.18	81.92	84.89	83.87	83.41	83.38	82.27	81.27	82.70	81.25
2023	84.12	83.69	81.71	83.78	86.23	85.50	85.15	84.78	83.94	82.78	84.50	83.39
2024	85.22	85.37	83.41	85.43	88.16	87.14	87.03	86.76	86.58	84.19	85.19	85.32
2025	87.19	87.52	85.33	87.68	91.12	89.95	88.99	89.12	88.30	86.06	87.23	86.87
2026	89.59	89.26	87.80	89.99	94.44	90.96	90.96	91.37	91.08	88.02	89.85	88.91
2027	91.36	90.92	89.26	91.39	97.36	92.76	92.40	93.84	92.68	89.85	91.14	90.67
2028	93.02	91.98	89.96	93.31	98.86	94.00	94.71	94.72	93.84	91.84	92.91	92.13
2029	95.05	94.81	92.15	95.53	105.55	96.99	97.06	97.06	97.11	93.75	94.56	94.45
2030	97.08	96.79	94.51	97.40	108.58	100.60	98.45	98.33	99.71	95.58	96.15	96.19
2031	98.83	98.33	96.70	100.05	110.63	103.81	100.25	101.19	101.40	97.58	98.69	98.25
2032	100.47	99.96	98.30	101.71	112.47	105.53	101.91	102.87	103.08	99.20	100.32	99.88
2033	102.68	102.16	100.47	103.95	114.95	107.86	104.16	105.14	105.36	101.38	102.53	102.08
2034	104.66	104.13	102.41	105.96	117.16	109.94	106.16	107.16	107.38	103.34	104.51	104.05
2035	106.68	106.15	104.39	108.01	119.43	112.06	108.21	109.23	109.46	105.34	106.53	106.06
2036	108.44	107.90	106.11	109.79	121.40	113.91	110.00	111.04	111.27	107.08	108.29	107.81
2037	110.84	110.28	108.46	112.21	124.08	116.43	112.43	113.49	113.73	109.44	110.68	110.19
2038	112.98	112.41	110.55	114.38	126.47	118.68	114.60	115.68	115.92	111.55	112.82	112.32
2039	115.16	114.58	112.68	116.59	128.92	120.97	116.81	117.91	118.16	113.71	115.00	114.49
2040	117.06	116.47	114.54	118.51	131.04	122.96	118.74	119.86	120.11	115.58	116.89	116.37
2041	119.65	119.05	117.07	121.13	133.94	125.68	121.37	122.51	122.76	118.14	119.48	118.95

Effective for service
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SCHEDULE 201 (Continued)

PRICING OPTIONS FOR STANDARD PPA (Continued)
 Renewable Fixed Price Option (Continued)

TABLE 6b												
Renewable Avoided Costs												
Renewable Fixed Price Option for Solar QF												
Off-Peak Forecast(\$/MWH)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	25.76	20.86	14.11	11.56	6.46	10.26	15.86	21.11	21.11	21.36	23.61	26.86
2017	25.86	24.36	22.36	15.86	13.86	12.86	19.86	25.36	25.61	24.86	25.86	28.11
2018	26.32	28.27	25.71	19.61	14.83	12.69	19.86	27.19	27.08	25.50	28.35	30.77
2019	30.00	28.25	25.91	18.31	15.97	14.80	22.99	29.42	29.71	28.83	30.00	32.63
2020	62.76	63.02	64.56	63.31	59.92	60.16	60.45	61.61	62.52	63.74	63.55	63.99
2021	64.93	64.15	65.85	64.48	61.58	61.62	62.27	62.62	63.78	65.82	63.38	65.09
2022	65.85	65.52	67.77	65.49	62.45	62.82	64.33	63.35	65.00	67.04	64.42	66.29
2023	66.70	66.75	69.10	67.28	62.84	64.01	65.40	64.85	66.14	68.41	65.38	67.63
2024	67.25	67.31	70.47	67.09	63.18	65.92	64.75	65.12	66.62	68.68	67.42	68.05
2025	68.62	68.60	71.94	68.08	63.17	66.28	66.12	67.12	67.23	70.19	69.68	69.06
2026	68.95	69.85	72.28	68.56	63.85	67.22	67.05	67.75	67.05	71.12	69.85	69.89
2027	71.31	71.29	73.13	70.34	63.69	68.45	68.79	68.16	68.57	73.22	70.67	71.18
2028	72.28	72.90	75.41	72.10	63.09	69.98	70.15	68.82	70.20	73.79	71.48	73.41
2029	72.78	73.60	76.79	73.50	58.25	70.29	71.37	70.00	71.53	74.58	73.61	74.68
2030	73.91	74.82	78.36	73.64	58.00	70.89	72.02	72.19	72.00	75.99	75.36	76.23
2031	75.51	76.70	79.40	74.00	59.17	70.67	73.55	73.71	72.16	77.24	77.07	76.31
2032	76.76	77.97	80.71	75.23	60.15	71.83	74.76	74.93	73.35	78.52	78.34	77.57
2033	78.46	79.69	82.50	76.89	61.48	73.42	76.42	76.58	74.97	80.25	80.07	79.29
2034	79.97	81.23	84.09	78.37	62.66	74.84	77.89	78.06	76.42	81.80	81.62	80.82
2035	81.52	82.80	85.71	79.88	63.87	76.28	79.39	79.57	77.89	83.38	83.19	82.38
2036	82.86	84.17	87.13	81.20	64.93	77.54	80.70	80.88	79.18	84.76	84.57	83.74
2037	84.69	86.03	89.05	83.00	66.36	79.25	82.49	82.67	80.93	86.63	86.44	85.59
2038	86.33	87.69	90.77	84.60	67.64	80.78	84.08	84.26	82.49	88.30	88.11	87.24
2039	87.99	89.38	92.52	86.23	68.95	82.34	85.70	85.89	84.08	90.01	89.81	88.92
2040	89.45	90.85	94.05	87.66	70.09	83.70	87.12	87.31	85.47	91.49	91.29	90.39
2041	91.42	92.86	96.13	89.59	71.63	85.55	89.04	89.24	87.36	93.51	93.31	92.39

Effective for service
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SCHEDULE 201 (Continued)

WIND INTEGRATION

TABLE 7	
Wind Integration	
Year	Cost
2015	3.77
2016	3.84
2017	3.91
2018	3.99
2019	4.07
2020	4.15
2021	4.23
2022	4.31
2023	4.39
2024	4.47
2025	4.56
2026	4.65
2027	4.74
2028	4.83
2029	4.92
2030	5.02
2031	5.12
2032	5.21
2033	5.31
2034	5.42
2035	5.52
2036	5.63
2037	5.74
2038	5.85
2039	5.96
2040	6.08

SCHEDULE 201 (Continued)

MONTHLY SERVICE CHARGE

Each separately metered QF not associated with a retail Customer account will be charged \$10.00 per month.

INSURANCE REQUIREMENTS

The following insurance requirements are applicable to Sellers with a Standard PPA:

- 1) QFs with nameplate capacity ratings greater than 200 kW are required to secure and maintain a prudent amount of general liability insurance. The Seller must certify to the Company that it is maintaining general liability insurance coverage for each QF at prudent amounts. A prudent amount will be deemed to mean liability insurance coverage for both bodily injury and property damage liability in the amount of not less than \$1,000,000 each occurrence combined single limit, which limits may be required to be increased or decreased by the Company as the Company determines in its reasonable judgment, that economic conditions or claims experience may warrant.
- 2) Such insurance will include an endorsement naming the Company as an additional insured insofar as liability arising out of operations under this schedule and a provision that such liability policies will not be canceled or their limits reduced without 30 days' written notice to the Company. The Seller will furnish the Company with certificates of insurance together with the endorsements required herein. The Company will have the right to inspect the original policies of such insurance.
- 3) QFs with a design capacity of 200 kW or less are encouraged to pursue liability insurance on their own. The Oregon Public Utility Commission in Order No. 05-584 determined that it is inappropriate to require QFs that have a design capacity of 200 kW or less to obtain general liability insurance.

TRANSMISSION AGREEMENTS

If the QF is located outside the Company's service territory, the Seller is responsible for the transmission of power at its cost to the Company's service territory.

INTERCONNECTION REQUIREMENTS

Except as otherwise provided in a generation Interconnection Agreement between the Company and Seller, if the QF is located within the Company's service territory, switching equipment capable of isolating the QF from the Company's system will be accessible to the Company at all times. At the Company's option, the Company may operate the switching equipment described above if, in the sole opinion of the Company, continued operation of the QF in connection with the utility's system may create or contribute to a system emergency.

SCHEDULE 201 (Continued)

INTERCONNECTION REQUIREMENTS (Continued)

The QF owner interconnecting with the Company's distribution system must comply with all requirements for interconnection as established pursuant to Commission rule, in the Company's Rules and Regulations (Rule C) or the Company's Interconnection Procedures contained in its FERC Open Access Transmission Tariff (OATT), as applicable. The Seller will bear full responsibility for the installation and safe operation of the interconnection facilities.

DEFINITION OF A SMALL COGENERATION FACILITY OR SMALL POWER PRODUCTION FACILITY ELIGIBLE TO RECEIVE PRICING UNDER THE STANDARD PPA

A QF will be eligible to receive pricing under the Standard PPA if the nameplate capacity of the QF, together with any other electric generating facility using the same motive force, owned or controlled by the Same Person(s) or Affiliated Person(s), and located at the Same Site, does not exceed 10 MW. A Community-Based or Family-Owned QF is exempt from these restrictions.

Definition of Community-Based

- a. A community project (or a community sponsored project) must have a recognized and established organization located within the county of the project or within 50 miles of the project that has a genuine role in helping the project be developed and must have some not insignificant continuing role with or interest in the project after it is completed and placed in service.
- b. After excluding the passive investor whose ownership interests are primarily related to green tag values and tax benefits as the primary ownership benefit, the equity (ownership) interests in a community sponsored project must be owned in substantial percentage (80 percent or more) by the following persons (individuals and entities): (i) the sponsoring organization, or its controlled affiliates; (ii) members of the sponsoring organization (if it is a membership organization) or owners of the sponsorship organization (if it is privately owned); (iii) persons who live in the county in which the project is located or who live a county adjoining the county in which the project is located; or (iv) units of local government, charities, or other established nonprofit organizations active either in the county in which the project is located or active in a county adjoining the county in which the project is located.

Definition of Family-Owned

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

SCHEDULE 201 (Continued)

DEFINITION OF A SMALL COGENERATION FACILITY OR SMALL POWER PRODUCTION FACILITY ELIGIBLE TO RECEIVE PRICING UNDER THE STANDARD PPA (Continued)

Definition of Person(s) or Affiliated Person(s)

As used above, the term "Same Person(s)" or "Affiliated Person(s)" means a natural person or persons or any legal entity or entities sharing common ownership, management or acting jointly or in concert with or exercising influence over the policies or actions of another person or entity. However, two facilities will not be held to be owned or controlled by the Same Person(s) or Affiliated Person(s) solely because they are developed by a single entity.

Furthermore, two facilities will not be held to be owned or controlled by the Same Person(s) or Affiliated Person(s) if such common person or persons is a "passive investor" whose ownership interest in the QF is primarily related to utilizing production tax credits, green tag values and MACRS depreciation as the primary ownership benefit and the facilities at issue are independent family-owned or community-based projects. A unit of Oregon local government may also be a "passive investor" in a community-based project if the local governmental unit demonstrates that it will not have an equity ownership interest in or exercise any control over the management of the QF and that its only interest is a share of the cash flow from the QF, which share will not exceed 20%. The 20% cash flow share limit may only be exceeded for good cause shown and only with the prior approval of the Commission.

Definition of Same Site

For purposes of the foregoing, generating facilities are considered to be located at the same site as the QF for which qualification for pricing under the Standard PPA is sought if they are located within a five-mile radius of any generating facilities or equipment providing fuel or motive force associated with the QF for which qualification for pricing under the Standard PPA is sought.

Definition of Shared Interconnection and Infrastructure

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

OTHER DEFINITIONS

Mid-C Index Price

As used in this schedule, the daily Mid-C Index Price shall be the Day Ahead Intercontinental Exchange ("ICE") for the bilateral OTC market for energy at the Mid-C Physical for Average

SCHEDULE 201 (Continued)

OTHER DEFINITIONS (Continued)

On-Peak Power and Average Off-Peak Power found on the following website: <https://www.theice.com/products/OTC/Physical-Energy/Electricity>. In the event ICE no longer publishes this index, PGE and the Seller agree to select an alternative successor index representative of the Mid-C trading hub.

Definition of RPS Attributes

As used in this schedule, RPS Attributes means all attributes related to the Net Output generated by the Facility that are required in order to provide PGE with "qualifying electricity," as that term is defined in Oregon's Renewable Portfolio Standard Act, Ore. Rev. Stat. 469A.010, in effect at the time of execution of this Agreement. RPS Attributes do not include Environmental Attributes that are greenhouse gas offsets from methane capture not associated with the generation of electricity and not needed to ensure that there are zero net emissions associated with the generation of electricity.

Definition of Environmental Attributes

As used in this schedule, Environmental Attributes shall mean any and all claims, credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, resulting from the avoidance of the emission of any gas, chemical, or other substance to the air, soil or water. Environmental Attributes include but are not limited to: (1) any avoided emissions of pollutants to the air, soil, or water such as (subject to the foregoing) sulfur oxides (SO_x), nitrogen oxides (NO_x), carbon monoxide (CO), and other pollutants; and (2) any avoided emissions of carbon dioxide (CO₂), methane (CH₄), and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change to contribute to the actual or potential threat of altering the Earth's climate by trapping heat in the atmosphere.

Definition of Resource Sufficiency Period

This is the period from the current year through 2020.

Definition of Resource Deficiency Period

This is the period from 2021 through 2034.

Definition of Renewable Resource Sufficiency Period

This is the period from the current year through 2019.

Definition of Renewable Resource Deficiency Period

This is the period from 2020 through 2034.

SCHEDULE 201 (Concluded)

DISPUTE RESOLUTION

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

The QF may present disputes to the Commission for resolution using the following process:

The QF may file a complaint asking the Commission to adjudicate disputes regarding the formation of the standard contract. The QF may not file such a complaint during any 15-day period in which the utility has the obligation to respond, but must wait until the 15-day period has passed.

The utility may respond to the complaint within ten days of service.

The Commission will limit its review to the issues identified in the complaint and response, and utilize a process similar to the arbitration process adopted to facilitate the execution of interconnection agreements among telecommunications carriers. See OAR 860, Division 016. The administrative law judge will not act as an arbitrator.

SPECIAL CONDITIONS

1. Delivery of energy by Seller will be at a voltage, phase, frequency, and power factor as specified by the Company.
2. If the Seller also receives retail Electricity Service from the Company at the same location, any payments under this schedule will be credited to the Seller's retail Electricity Service bill. At the option of the Customer, any net credit over \$10.00 will be paid by check to the Customer.
3. Unless required by state or federal law, if the 1978 Public Utility Regulatory Policies Act (PURPA) is repealed, PPAs entered into pursuant to this schedule will not terminate prior to the Standard or Negotiated PPA's termination date.

TERM OF AGREEMENT

Not less than one year and not to exceed 20 years.

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1844

Portland General Electric

Exhibit D to Declaration of John Morton

August 10, 2017

Kyle Freres

From: FERC Office of the Secretary [efiling@ferc.gov]
Sent: Thursday, May 11, 2006 6:32 AM
To: kfreres@frereslumber.com
Cc: efiling@ferc.gov
Subject: FERC Acceptance for Filing in QF06-222-000

Acceptance for Filing

=====

The FERC Office of the Secretary has accepted the following electronic submission for filing (Acceptance for filing does not constitute approval of any application or self-certifying notice):

-Accession No.: 200605105070
-Docket(s) No.: QF06-222-000
-Filed By:
 Evergreen BioPower, LLC.

-Signed By:
 Theodore Freres

-Filing Type: Qualifying Facility Application
-Filing Desc: Notice of Self-Certification of a Qualifying Cogeneration Facility located in Lyons, Oregon of Evergreen BioPower, LLC under QF06-222 -Submission Date/Time: 05/10/2006 06:37:00 PM -Filed Date: 05/11/2006 08:30:00 AM

Your submission is now part of the record for the above Docket(s) and available in FERC's eLibrary system at:

<http://FERCONLINE.FERC.GOV/FOL/efile/efAccessionRpt.aspx?Accession=200605105070>

If you would like to receive e-mail notification when additional documents are added to the above docket(s), you can eSubscribe by docket at:

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Available: Public

Document Date: 5/10/2006

Filed Date: 5/11/2006

Posted Date: 5/11/2006 9:34:52 AM

First Received Date: 5/10/2006

Official: Yes

E-filing: Yes

Non-decisional: No

Description:

Notice of Self-Certification of a Qualifying Cogeneration Facility located in Lyons, Oregon of Evergreen BioPower, LLC under QF06-222

Category:

Submittal

Library:

Electric

Document Type:

Class:

Application/Petition/Request

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Qualifying Facility Application

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Correspondent:

Type	Last Name	FI	MI	Affiliation
AUTHOR	FRERES	T	K	EVERGREEN BIOPOWER, LLC.
RECIPIENT	SALAS	M	R	OFFICE OF THE SECRETARY, FERC
AGENT	FRERES	T	K	INDIVIDUAL

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UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Evergreen BioPower, LLC.

Docket No. QF-

FERC Form No. 556

18 C.F.R. § 131.80

CERTIFICATION OF QUALIFYING FACILITY STATUS FOR A PROPOSED
COGENERATION FACILITY

REGULATIONS

All regulation sections referenced below are to Title 18 of the Code of Federal Regulations.

PART A: GENERAL INFORMATION

1a. Full name of applicant:

Evergreen BioPower, LLC.

Docket Number assigned to the immediately preceding submittal filed with the Commission in connection with the instant facility, if any:

None.

Purpose of instant filing (self-certification or self-recertification [Section 292.207(a)(1)], or application for Commission certification or recertification [Sections 292.207(b) and (d)(2)]):

Application for Self-Certification.

1b. Full address of applicant:

**Evergreen BioPower, LLC.
PO Box 276
141 14th St.
Lyons, OR 97358**

1c. Indicate the owner(s) of the facility (including the percentage of ownership held by any electric utility or electric utility holding company, or by any persons owned by either) and the operator of the facility. Additionally, state whether or not any of the non-

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electric utility owners or their upstream owners are engaged in the generation or sale of electric power, or have any ownership or operating interest in any electric facilities other than qualifying facilities. In order to facilitate review of the application, the applicant may also provide an ownership chart identifying the upstream ownership of the facility. Such chart should indicate ownership percentages where appropriate.

The facility is wholly owned and operated by the Evergreen BioPower, LLC. Evergreen BioPower, LLC is not currently engaged in the generation or sale of electricity nor does it have any ownership or operating interest in any electric facilities other than Qualifying Facilities.

Please see Schedule A for list of members and ownership percentages.

None of the Evergreen Biopower, LLC owners is currently engaged in the generation or sale of electricity nor do they currently have any ownership or operating interest in any electric facilities other than Qualifying Facilities.

1d. Signature of authorized individual evidencing accuracy and authenticity of information provided by applicant:

T. Kyle Freres

**T. Kyle Freres, Member
Evergreen BioPower, LLC**

2. Person to whom communications regarding the filed information may be addressed:

Name: **T. Kyle Freres**
Title: **Member, Evergreen BioPower, LLC**
Telephone number: **(503) 859-2121**
Mailing address: **PO Box 276, Lyons, OR 97358**

3a. Location of facility to be certified:

State: **Oregon**
County: **Linn**
City or town: **Lyons**
Street address (if known): **141 14th St.**

3b. Indicate the electric utilities that are contemplated to transact with the qualifying facility (if known) and describe the services those electric utilities are expected to

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provide:

The proposed facility will be located at the plant site of Freres Lumber Co., Inc. PacifiCorp currently provides, and will continue to provide, the electrical power for mill operation at 12.5KV. PacifiCorp will be the purchaser of the electric power output of the facility and will interconnect the facility at the local transmission voltage (approx. 69 KV).

Indicate utilities interconnecting with the facility and/or providing wheeling service [Section 292.303(c) and (d)]:

The facility will interconnect with PacifiCorp.

Indicate utilities purchasing the useful electric power output [Sections 292.101(b)(2), 292.202(g) and 292.303(a)]:

PacifiCorp will purchase the useful electric power output from the facility.

Indicate utilities providing supplementary power, backup power, maintenance power, and/or interruptible power service [Sections 292.101(b) (3) and (8), 292.303(b) and 292.305(b)]:

None.

4a. Describe the principal components of the facility including boilers, prime movers and electric generators, and explain their operation. Include transmission lines, transformers and switchyard equipment, if included as part of the facility.

The wood-fired boiler will be a Wellons 100,000 lb/hr steam generation system with steam conditions of 850 psig, 875 degrees F. The biomass will be combusted in two Wellons stoker fed cells with rotating grates. Emissions from the boiler will be controlled by a Wellons multiclone, followed by a Wellons electrostatic precipitator.

The power island will consist of a steam turbine-generator system with an extraction-condensing steam turbine generator unit, with a nominal rating of 10,000 KW. Three-hundred psig extraction steam from the turbine-generator unit will provide heating steam to the veneer drying process and 65 psig extraction steam from the turbine will provide steam to the log vat heating processes of the existing veneer plant. The generator output will be connected to the local electric utility network through a main generator breaker and switchgear, a 15 MVA step-up transformer (13.8 KV to 69 KV) and a transformer high-side disconnect.

The condensing portion of the turbine-generator system will be supplied with

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cooling water by a forced circulation system where heat absorbed from the condensing system will be transferred to the air via a counter-flow wet mechanical draft cooling tower.

4b. Indicate the maximum gross and maximum net electric power production capacity of the facility at the point(s) of delivery and show the derivation.

Gross output: **10,500 KW**

Net output: **10,000 KW**

Derivation:

Power generation auxiliary load is expected to be 500 Kw. Net output is equal to gross output less auxiliary load.

4c. Indicate the actual or expected installation and operation dates of the facility, or the actual or expected date of completion of the reported modification to the facility:

Installation period	8/1/06-11/1/07
Expected startup date	11/1/07

4d. Describe the primary energy input (e.g., hydro, coal, oil [Section 292.202(l)], natural gas [Section 292.202(k)], solar, geothermal, wind, waste, biomass [Section 292.202(a)], or other). For a waste energy input that does not fall within one of the categories on the Commission's list of previously approved wastes, demonstrate that such energy input has little or no current commercial value and that it exists in the absence of the qualifying facility industry [Section 292.202(b)].

The primary energy input is biomass, from a combination of mill residuals, forest residuals, and other wood waste.

5. Provide the average annual hourly energy input in terms of Btu for the following fossil fuel energy inputs, and provide the related percentage of the total average annual hourly energy input to the facility [Section 292.202(j)]. For any oil or natural gas fuel, use lower heating value [Section 292.202(m)]:

There are no fossil fuel inputs to the facility.

Natural gas: N/A

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Oil: N/A

Coal (applicable only to a small power production facility): N/A

6. Discuss any particular characteristic of the facility which the cogenerator or small power producer believes might bear on its qualifying status.

N/A

PART B: DESCRIPTION OF THE SMALL POWER PRODUCTION FACILITY

N/A

PART C: DESCRIPTION OF THE COGENERATION FACILITY

9. Describe the cogeneration system [Sections 292.202(c) and 292.203(b)], and state whether the facility is a topping-cycle [Section 292.202(d)] or bottoming-cycle [Section 292.202(e)] cogeneration facility.

The co-generation system is a "Topping-Cycle" facility, where high pressure-high temperature steam (850 psig & 875 degrees F.) is delivered to a steam turbine-generator. Steam passes through the turbine, with a portion extracted at a reduced pressure (300 psig) for wood veneer drying processes, after converting a portion of its energy to electrical power. The remaining steam continues to pass through the turbine unit, with another portion extracted at a lower pressure (65 psig) for water heating used to condition logs prior to veneer processing. The final remaining steam flows to the turbine exhaust and condenser system.

10. To demonstrate the sequentiality of the cogeneration process [Section 292.202(s)] and to support compliance with other requirements such as the operating and efficiency standards (item 11 below), provide a mass and heat balance (cycle) diagram depicting average annual hourly operating conditions. Also, provide:

Please see attached diagram.

Using lower heating value [Section 292.202(m)], all fuel flow inputs in Btu/hr., separately indicating fossil fuel inputs for any supplementary firing in Btu/hr. [Section 292.202(f)]:

The sole fuel input to the system is wood fuel in the hourly quantity of 31,820 lbs of as delivered fuel with an as delivered heating value of 5,250 Btu/lb. This is an

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hourly fuel input of 167.1 million Btu/hr, or 1,403,262 million Btu annually (8,400 hr)

Average net electric output (kW or MW) [Section 292.202(g)]:

The facility is projected to operate on a 7-day per week, 24-hour per day schedule for 50 weeks per year. On a 5 day/wk basis, the plant is producing and drying veneer, but the production operation does not operate on weekends. Consequently, the facility will have a thermal load and 6,800 KW gross output for 6,000 hours per year, and no thermal load and a 10,500 KW gross output for 2,400 hours per year.

Average net mechanical output in horsepower [Section 292.202(g)]:

The facility supplies no mechanical output, only electrical and thermal outputs.

Number of hours of operation used to determine the average annual hourly facility inputs and outputs:

Please see "Average net electric output" above.

Working fluid (e.g., steam) flow conditions at input and output of prime mover(s) and at delivery to and return from each useful thermal application, including flow rates (lbs./hr.), temperature (deg. F), pressure (psia), and enthalpy (Btu/lb.):

Please see attached diagram.

11. Compute the operating value [applicable to a topping-cycle facility under Section 292.205(a)(1)] and the efficiency value [Sections 292.205(a)(2) and Section 292.205(b)], based on the information provided in and corresponding to item 10, as follows:

Pt = Average annual hourly useful thermal energy output

Pe = Average annual hourly electrical output

Pm = Average annual hourly mechanical output

Pi = Average annual hourly energy input (natural gas or oil)

Ps = Average annual hourly energy input for supplementary firing (natural gas or oil)

Operating standard = 5% or more

Operating value = $Pt / (Pt + Pe + Pm)$

Weekday Operation
6,000 hours/yr

$$\begin{aligned} \text{Pt(Hourly)} &= 34,000 \text{ lb/hr (1380-398.6 Btu/lb)} + 6,000 \text{ lb/hr (1380 -} \\ &\quad \text{180Btu/lb)} + 12,000 \text{ lb/hr (1293-180 Btu/lb)} \\ &= 53.93 \text{ million Btu/hr} \\ \text{Pe(Hourly)} &= 6,800 \text{ KW gross} - 450 \text{ KW aux. load} \\ &= 6,350 \text{ KW net output} \\ \text{Pm (Hourly)} &= 0 \end{aligned}$$

Weekend Operation

2,400 hours/yr

$$\begin{aligned} \text{Pt} &= 0 \\ \text{Pe(Hourly)} &= 10,500 \text{ KW gross} - 500 \text{ KW aux. load} \\ &= 10,000 \text{ KW net output} \\ \text{Pm} &= 0 \end{aligned}$$

Pt and Pe Average Values

$$\text{Pt (Hourly Average)} = (53.93 \times 6000 + 0 \times 2400) / 8,400 \text{ hours/yr}$$

$$\text{Pt (Hourly Average)} = 38.52 \text{ million btu/hr}$$

$$\text{Pe (Hourly Average)} = (6,350 \times 6000 + 10,000 \times 2400) / 8,400 \text{ hours/yr}$$

$$\text{Pe (Hourly Average)} = 7,393 \text{ KW}$$

$$\text{Pe (Thermal Equivalent)} = 7,393 \text{ KW} \times 3,413 \text{ Btu/KWH}$$

$$\text{Pe (Thermal Equivalent)} = 25.23 \text{ million btu/hr}$$

$$\text{Operating Value} = \text{Pt} / (\text{Pt} + \text{Pe} + \text{Pm})$$

$$\text{Operating Value} = 38.52 / (38.52 + 25.23 + 0)$$

$$\text{Operating Value} = 60.4 \%$$

$$\text{Efficiency Value} = \text{N/A for biomass plants}$$

$$\begin{aligned} \text{Operating Value} &= \text{Pt}/(\text{Pt} + \text{Pe} + \text{Pm}) \\ &= 323,580/(323,580 + 211,947 + 0) \text{ million Btu/yr} \\ &= 60.4 \% \end{aligned}$$

Efficiency standard applicable to natural gas and oil fuel used in a topping-cycle facility:

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= 45% or more when operating value is less than 15%, or 42.5% or more when operating value is equal to or greater than 15%.

$$\text{Efficiency value} = (Pe + Pm + 0.5Pt) / (Pi + Ps)$$

N/A

Efficiency standard applicable to natural gas and oil fuel used for supplementary firing component of a bottoming-cycle facility:

= 45% or more

$$\text{Efficiency value} = (Pe + Pm) / Ps$$

N/A

FOR TOPPING-CYCLE COGENERATION FACILITIES

12. Identify the entity (i.e., thermal host) which will purchase the useful thermal energy output from the facility [Section 292.202(h)]. Indicate whether the entity uses such output for the purpose of space and water heating, space cooling, and/or process use.

Freres Lumber Co., Inc. will utilize the useful thermal energy output from the facility for use in plant processes.

13. In connection with the requirement that the thermal energy output be useful [Section 292.202(h)]:

For process uses by commercial or industrial host(s), describe each process (or group of similar processes using the same quality of steam) and provide the average annual hourly thermal energy made available to the process, less process return. For a complex system, where the primary steam header at the host-side is divided into various sub-uses, each having different pressure and temperature characteristics, describe the processes associated with each sub-use and provide the average annual hourly thermal energy delivered to each sub-use, less process return from such sub-use. Provide a diagram showing the main steam header and the sub-uses with other relevant information such as the average header pressure (psia), the temperature (deg.F), the enthalpy (Btu/lb.), and the flow (lb./hr.), both in and out of each sub-use. For space and water heating, describe the type of heating involved (e.g., office space heating, domestic water heating) and provide the average annual hourly thermal energy delivered and used for such purpose. For space cooling, describe the type of cooling involved (e.g., office space cooling) and provide the average annual hourly thermal energy used by the chiller.

Freres Lumber Co., Inc. will utilize the useful thermal energy extracted from the turbine for the purpose of log conditioning and veneer drying. The log conditioning

process consists of heating water that is then sprayed over blocked logs in order to heat them to a core temperature of 120 degrees F prior to the veneer peeling process. The veneer drying process will utilize steam coils in longitudinal veneer dryers to heat air circulated through the dryer in order to dry veneer sheets to a moisture content of approximately 2-6%. The thermal characteristics for the steam used for veneer processing are included in part 11 above as well as in the attached process flow diagram.

FOR BOTTOMING-CYCLE FACILITIES

14. Provide a description of the commercial or industrial process or other thermal application to which the energy input to the system is first applied and from which the reject heat is then used for electric power production.

N/A

FOR NEW COGENERATION FACILITIES

15. For any cogeneration facility that was either not certified as a qualifying cogeneration facility on or before August 8, 2005, or that had not filed a notice of self-certification, self-recertification or an application for Commission certification under § 292.207 of this chapter prior to February 2, 2006, also show:

(i) The thermal energy output of the cogeneration facility is used in a productive and beneficial manner; and

(ii) The electrical, thermal, chemical and mechanical output of the cogeneration facility is used fundamentally for industrial, commercial, residential or institutional purposes and is not intended fundamentally for sale to an electric utility, taking into account technological, efficiency, economic, and variable thermal energy requirements, as well as state laws applicable to sales of electric energy from a qualifying facility to its host facility.

(i) **Please see section 13 for uses of thermal energy output in a productive and beneficial manner.**

(ii) **The proposed wood-fired cogeneration facility will offset current veneer drying process natural gas usage of approximately two million therms annually. High-pressure, high-temperature steam from the boiler allows for the production of electricity while concurrently extracting steam for plant process at the required plant process pressures of 300 psig for veneer drying and 65 psig for blocked log conditioning. Additionally, the boiler was sized to accommodate exhaust air from**

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the veneer drying process as combustion air in the fuel cell. This use of exhaust air from the veneer dryers results in the elimination of two sources of emissions from process devices, the combustion of potentially harmful air pollutants in the fuel cell, and the utilization of a dry Electrostatic Precipitator for a single emission point for both boiler and dryer processes. During periods when steam is not required for log conditioning or veneer drying operations, fuel supplies generated from onsite operations (augmented by open market wood waste purchases) may be used to generate electricity for the benefit of PacifiCorp customers.

SCHEDULE A

MEMBERSHIP AND OWNERSHIP PERCENTAGES

Member Name	Membership Interest
Robert T. Freres, TOD to the Trustee of the Robert T. Freres Living	31.6506471
Theodore F. Freres, TOD to the Trustees of the Theodore F. Freres Living Trust dated February 20, 2002, and any amendments thereto	21.7815787
Maryann F. Meredith, TOD to the Trustee of the Maryann Meredith Living Trust dated March 15, 2006, and any amendments thereto	2.9667751
Robert T. Freres, Trustee for Julie K. Freres Moran Trust dated 12/30/87	3.0954363
Julie K. Freres Moran	3.1030046
Robert T. Freres, Jr.	9.9750246
Robert T. Freres, Trustee for Leslie Ann Freres Trust dated 12/30/88	1.7482782
Robert T. Freres, Trustee for the Leslie Ann Freres Revocable Trust dated November 30, 2005	1.7558465
T. Cameron Freres	6.3876485
T. Kyle Freres, TOD to the Trustee of the T. Kyle Freres Living Trust dated December 20, 2004, and any amendments thereto	8.1889049
T. Kyle Freres, Trustee for the T. Hap Freres Irrevocable Trust dated January 1, 2006	.0151366
T. Tyler Freres, TOD to the Trustee of the T. Tyler Freres Living Trust dated October 4, 2004, and any amendments thereto	8.1889049

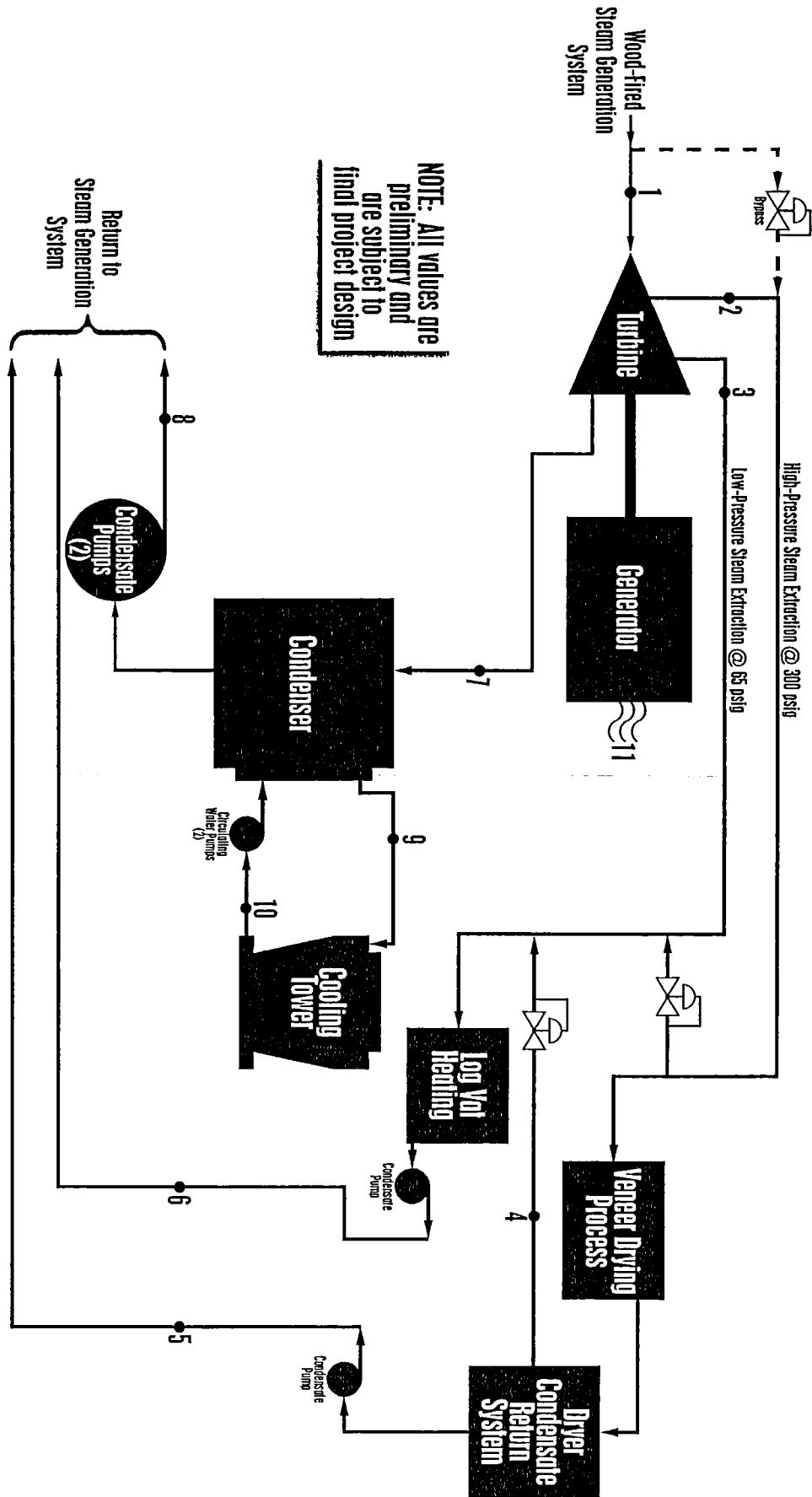
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Kerry A. Moran	.3859835
Kelly M. Moran	.3859835
Eric Ortiz	.1967759
Ann Frances Ortiz	.0756830
Alberto Theodore Ortiz	.0832513
Aimee Ortiz	.0151366



NOTE: All values are preliminary and are subject to final project design

1	Boiler System	High-Pressure Steam	Low-Pressure Steam	Dryer Flash Steam	Dryer Condensate	Vats Condensate	Turbine Exhaust Steam	Turbine Condensate	Cooling Water	Cooling Water	KW
100,000	40,000	12,000	6,000	34,000	18,000	48,000	48,000	19,000 GPM	19,000 GPM	6800	
850	300	65	65								
875											
1,439.3	1,390	1,293	1,183	398.6	180	943.8	89	54	44		

Preliminary Flow Diagram - Evergreen Biopower, LLC



UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Evergreen BioPower, LLC.

Docket No. QF -

Notice of Filing of Notice of Self-Certification of Qualifying Status
of a Small Power Production/Cogeneration Facility

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Take notice that on 5/4/06, Evergreen BioPower, LLC., PO Box 276, Lyons, Oregon 97358 filed with the Federal Energy Regulatory Commission a notice of self-certification of a facility as a qualifying cogeneration facility pursuant to 18 C.F.R § 292.207(a) of the Commission's regulations.

The facility will be a cogeneration facility located in Lyons, Oregon. The primary energy source will be biomass from a combination of mill residuals, forest residuals and other wood waste. The wood-fired boiler will be a 100,000 lb/hr steam generation system with steam conditions of 850 psig, 875 degrees F.

The power island will consist of a steam turbine-generator system with an extraction-condensing steam turbine generator unit, with a nominal rating of 10,000 KW. Three-hundred psig extraction steam from the turbine-generator unit will provide heating steam to a veneer drying process and 65 psig extraction steam from the turbine will provide steam to the log vat heating processes of a existing veneer plant.

The facility is expected to interconnect with the local PacifiCorp transmission system. It is expected that PacifiCorp will purchase the useful energy output of the facility.

A notice of self-certification does not institute a proceeding regarding qualifying facility status; a notice of self-certification provides notice that the entity making filing has determined the Facility meets the applicable criteria to be a qualifying facility. Any person seeking to challenge such qualifying facility status may do so by filing a motion pursuant to 18 C.F.R. § 292.207(d)(iii).

This filing is accessible on-line at <http://www.ferc.gov>, using the "eLibrary" link and is available for review in the Commission's Public Reference Room in Washington, D.C. There is an "eSubscription" link on the web site that enables subscribers to receive email notification when a document is added to a subscribed docket(s). For assistance with any FERC Online service, please email FERCOnlineSupport@ferc.gov, or call (866) 208-3676 (toll free). For TTY, call (202) 502-8659.

Magalie R. Salas

Secretary

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1844

Portland General Electric

Exhibit E to Declaration of John Morton

August 10, 2017

POWER PURCHASE AGREEMENT

THIS POWER PURCHASE AGREEMENT, entered into this 2 day of January, 2007, is between **Evergreen BioPower, LLC**, "Seller" and PacifiCorp, an Oregon corporation acting in its regulated utility capacity, "**PacifiCorp**." (Seller and PacifiCorp are referred to individually as a "**Party**" or collectively as the "**Parties**").

RECITALS

- A. Seller intends to construct, own, operate and maintain a biomass facility for the generation of electric power, including interconnection facilities, located in Lyons, Linn County, Oregon with a Facility Capacity Rating of 10,000-kilowatts (kW) as further described in **Exhibit A** and **Exhibit B** ("**Facility**"); and
- B. Seller intends to commence delivery of Net Output under this Agreement, for the purpose of Start-up Testing, on November 15th, 2007 ("**Scheduled Initial Delivery Date**"); and
- C. Seller intends to operate the Facility as a Qualifying Facility, commencing commercial operations on December 1st, 2007 ("**Scheduled Commercial Operation Date**"); and
- D. Seller estimates that the average annual Net Energy to be delivered by the Facility to PacifiCorp is 62,556,600 kilowatt-hours (kWh), which amount of energy PacifiCorp will include in its resource planning; and
- E. Seller shall sell and PacifiCorp shall purchase all Net Output from the Facility in accordance with the terms and conditions of this Agreement; and
- F. This Agreement is a "New QF Contract" under the PacifiCorp Inter-Jurisdictional Cost Allocation Revised Protocol.

AGREEMENT

NOW, THEREFORE, the Parties mutually agree as follows:

SECTION 1: DEFINITIONS

When used in this Agreement, the following terms shall have the following meanings:

1.1 **"As-built Supplement"** shall be a supplement to **Exhibit A**, provided by Seller following completion of construction of the Facility, describing the Facility as actually built.

1.2 **"Average Annual Generation"** shall have the meaning set forth in Section 4.2.

1.3 **"Billing Period"** means the time period between PacifiCorp's consecutive readings of its power purchase billing meter at the Facility in the normal course of PacifiCorp's business. Such periods typically range between twenty-seven (27) and thirty-four (34) days and may not coincide with calendar months.

1.4 **"Commercial Operation Date"** means the date that the Facility is deemed by PacifiCorp to be fully operational and reliable, which shall require, among other things, that all of the following events have occurred:

1.4.1 PacifiCorp has received a certificate addressed to PacifiCorp from a Licensed Professional Engineer stating (a) the Facility Capacity Rating of the Facility at the anticipated Commercial Operation Date; and (b) that the Facility is able to generate electric power reliably in amounts required by this Agreement and in accordance with all other terms and conditions of this Agreement;

1.4.2 The Facility has completed Start-Up Testing;

1.4.3 PacifiCorp has received a certificate addressed to PacifiCorp from a Licensed Professional Engineer stating that, (a), in accordance with the Generation Interconnection Agreement, all required interconnection facilities have been constructed, all required interconnection tests have been completed and the Facility is physically interconnected with PacifiCorp's electric system;

1.4.4 PacifiCorp has received a certificate addressed to PacifiCorp from an attorney in good standing in the State of Oregon stating that Seller has obtained all Required Facility Documents and if requested by PacifiCorp, in writing, has provided copies of any or all such requested Required Facility Documents. (Facilities over 200 kW only).

1.4.5 Seller has complied with the security requirements of Section 10.

1.5 **"Commission"** means the Oregon Public Utilities Commission.

1.6 “**Contract Price**” means the applicable price for capacity or energy, or both capacity and energy, stated in Sections 5.1 and 5.2.

1.7 “**Contract Year**” means a twelve (12) month period commencing at 00:00 hours Pacific Prevailing Time (“PPT”) on January 1 and ending on 24:00 hours PPT on December 31; *provided, however*, that the first Contract Year shall commence on the Commercial Operation Date and end on the next succeeding December 31, and the last Contract Year shall end on the Termination Date.

1.8 “**Credit Requirements**” means a long-term credit rating (corporate or long-term senior unsecured debt) of (1) “Baa3” or greater by Moody’s, or (2) “BBB-” or greater by S&P, or such other indicia of creditworthiness acceptable to PacifiCorp in its reasonable judgment.

1.9 “**Default Security**”, unless otherwise agreed to by the Parties in writing, means the amount of either a Letter of Credit or cash placed in an escrow account sufficient to replacetwelve (12) average months of replacement power costs over the term of this Agreement, and shall be calculated by taking the average, over the term of this Agreement, of the positive difference between (a) the monthly forward power prices at the Mid-Columbia market index as published by Dow Jones (determined by PacifiCorp in good faith using information from a commercially reasonable independent source), multiplied by 110%, minus (b) the average of the Fixed Avoided Cost Prices specified in Schedule 37, and multiplying such difference by (c) the Minimum Annual Delivery; provided, however, the amount of Default Security shall in no event be less than the amount equal to the payments PacifiCorp would make for three (3) average months based on Seller’s average monthly volume over the term of this Agreement and utilizing the average Fixed Avoided Cost Prices specified in Schedule 37. Such amount shall be fixed at the Effective Date of this Agreement.

1.10 “**Effective Date**” shall have the meaning set forth in Section 2.1.

1.11 “**Energy Delivery Schedule**” shall have the meaning set forth in Section 4.5.

1.12 “**Excess Output**” shall mean any increment of Net Output delivered at a rate, on an hourly basis, exceeding the Facility Capacity Rating.

1.13 “**Facility**” shall have the meaning set forth in Recital A.

1.14 “**Facility Capacity Rating**” means the sum of the Nameplate Capacity Ratings for all generators comprising the Facility.

1.15 “**FERC**” means the Federal Energy Regulatory Commission, or its successor.

1.16 “**Generation Interconnection Agreement**” means the generation interconnection agreement to be entered into separately between Seller and PacifiCorp’s transmission or distribution department, as applicable, providing for the construction, operation, and maintenance of PacifiCorp’s interconnection facilities required to accommodate deliveries of Seller’s Net Output if the Facility is to be interconnected directly with PacifiCorp rather than another electric utility.

1.17 **"Letter of Credit"** means an irrevocable standby letter of credit, from an institution that has a long-term senior unsecured debt rating of "A" or greater from S&P or "A2" or greater from Moody's, in a form reasonably acceptable to PacifiCorp, naming PacifiCorp as the party entitled to demand payment and present draw requests thereunder.

1.18 **"Licensed Professional Engineer"** means a person acceptable to PacifiCorp in its reasonable judgment who is licensed to practice engineering in the state of Oregon who has no economic relationship, association, or nexus with the Seller, and who is not a representative of a consulting engineer, contractor, designer or other individual involved in the development of the Facility, or of a manufacturer or supplier of any equipment installed in the Facility. Such Licensed Professional Engineer shall be licensed in an appropriate engineering discipline for the required certification being made.

1.19 **"Material Adverse Change"** means 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 as provided in this Agreement

1.20 **"Maximum Annual Delivery"** shall have the meaning set forth in Section 4.3.

1.21 **"Minimum Annual Delivery"** shall have the meaning set forth in Section 4.3.

1.22 **"Nameplate Capacity Rating"** means the maximum generating capacity, as provided by the manufacturer, in kW, of any qualifying small power or cogeneration unit supplying all or part of the Facility's Net Output. Voluntary curtailment by Seller of a generating unit cannot reduce the Nameplate Capacity Rating of that unit.

1.23 **"Net Energy"** means the energy component, in kWh, of Net Output.

1.24 **"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 shall be the amount of energy flowing through the Point of Delivery.

1.25 **"Net Replacement Power Costs"** shall have the meaning set forth in Section 11.4.1.

1.26 **"Off-Peak Hours"** means all hours of the week that are not On-Peak Hours.

1.27 **"On-Peak Hours"** means the hours between 6 a.m. Pacific Prevailing Time ("PPT") and 10 p.m. PPT, Mondays through Saturdays, excluding all hours occurring on holidays as provided in Schedule 37.

1.28 **"Point of Delivery"** means the high side of the Seller's step-up transformer(s) located at the point of interconnection between the Facility and PacifiCorp's distribution/transmission system, as specified in the Generation Interconnection Agreement, or, if the Facility is not interconnected directly with PacifiCorp, the point at which another utility will deliver the Net Output to PacifiCorp as specified in **Exhibit B**.

1.29 **"Prime Rate"** means the publicly announced prime rate for commercial loans to large businesses with the highest credit rating in the United States in effect from time to time quoted by Citibank, N.A. If a Citibank, N.A. prime rate is not available, the applicable Prime Rate shall be the announced prime 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, New York, selected by the Party to whom interest based on the Prime Rate is being paid.

1.30 **"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.

1.31 **"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.

1.32 **"Replacement Price"** means the price at which PacifiCorp, acting in a commercially reasonable manner, purchases for delivery at the Point of Delivery a replacement for any Net Output that Seller is required to deliver under this Agreement plus (i) costs reasonably incurred by PacifiCorp in purchasing such replacement Net Output, and (ii) additional transmission charges, if any, reasonably incurred by PacifiCorp in causing replacement energy to be delivered to the Point of Delivery. If PacifiCorp elects not to make such a purchase, the Replacement Price shall be the market price at the Mid-Columbia trading hub for such energy not delivered, plus any additional cost or expense incurred as a result of Seller's failure to deliver, as determined by PacifiCorp in a commercially reasonable manner (but not including any penalties, ratcheted demand or similar charges).

1.33 **"Required Facility Documents"** means all licenses, permits, authorizations, and agreements, including a Generation Interconnection Agreement or equivalent, necessary for construction, operation, and maintenance of the Facility consistent with the terms of this Agreement, including without limitation those set forth in **Exhibit C**.

1.34 **"Schedule 37"** means the Schedule 37 of Pacific Power & Light Company's Commission-approved tariffs, providing pricing options for Qualifying Facilities of 10,000 kW or less, which is in effect on the Effective Date of this Agreement. A copy of that Schedule 37 is attached as **Exhibit F**.

1.35 **"Scheduled Commercial Operation Date"** shall have the meaning set forth in Recital C.

1.36 **"Scheduled Initial Delivery Date"** shall have the meaning set forth in Recital B.

1.37 **"Start-Up Testing"** means the completion of required factory and start-up tests as set forth in **Exhibit E** hereto.

1.38 **"Termination Date"** shall have the meaning set forth in Section 2.4.

SECTION 2: TERM; COMMERCIAL OPERATION DATE

2.1 This Agreement shall become effective after execution by both Parties (“**Effective Date**”).

2.2 **Time is of the essence for this Agreement**, and Seller's ability to meet certain requirements prior to the Commercial Operation Date and to deliver Net Output by the Scheduled Commercial Operation Date is critically important. Therefore,

2.2.1 By January 1st, 2007, Seller shall provide PacifiCorp with a copy of an executed Generation Interconnection Agreement, or wheeling agreement, as applicable, which shall be consistent with all material terms and requirements of this Agreement.

2.2.2 Upon completion of construction, Seller, in accordance with Section 6.1, shall provide PacifiCorp with an As-built Supplement acceptable to PacifiCorp;

2.2.3 By the date thirty (30) days after the Effective Date, Seller shall provide Default Security required under Sections 10.1 or 10.2, as applicable.

2.3 Seller shall cause the Facility to achieve Commercial Operation on or before the Scheduled Commercial Operation Date. If Commercial Operation occurs after the Scheduled Commercial Operation Date, Seller shall be in default, and liable for delay damages specified in Section 11.

2.4 Except as otherwise provided herein, this Agreement shall terminate on December 31, 2017 (“**Termination Date**”).

SECTION 3: REPRESENTATIONS AND WARRANTIES

3.1 PacifiCorp represents, covenants, and warrants to Seller that:

3.1.1 PacifiCorp is duly organized and validly existing under the laws of the State of Oregon.

3.1.2 PacifiCorp has the requisite corporate power and authority to enter into this Agreement and to perform according to the terms of this Agreement.

3.1.3 PacifiCorp 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 hereby.

3.1.4 The execution and delivery of this Agreement does not contravene any provision of, or constitute a default under, any indenture, mortgage, or other material agreement binding on PacifiCorp or any valid order of any

court, or any regulatory agency or other body having authority to which PacifiCorp is subject.

3.1.5 This Agreement is a valid and legally binding obligation of PacifiCorp, enforceable against PacifiCorp in accordance with its terms (except as the enforceability of this Agreement may be limited by bankruptcy, insolvency, bank moratorium or similar laws affecting creditors' rights generally and laws restricting the availability of equitable remedies and except as the enforceability of this Agreement may be subject to general principles of equity, whether or not such enforceability is considered in a proceeding at equity or in law).

3.2 Seller represents, covenants, and warrants to PacifiCorp that:

3.2.1 Seller is a limited liability company duly organized and validly existing under the laws of Oregon.

3.2.2 Seller has the requisite power and authority to enter into this Agreement and to perform according to the terms hereof, including all required regulatory authority to make wholesale sales from the Facility.

3.2.3 Seller has taken all actions required to authorize the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby.

3.2.4 The execution and delivery of this Agreement does not contravene any provision of, or constitute a default under, any indenture, mortgage, or other material agreement binding on Seller or any valid order of any court, or any regulatory agency or other body having authority to which Seller is subject.

3.2.5 This Agreement is a valid and legally binding obligation of Seller, enforceable against Seller in accordance with its terms (except as the enforceability of this Agreement may be limited by bankruptcy, insolvency, bank moratorium or similar laws affecting creditors' rights generally and laws restricting the availability of equitable remedies and except as the enforceability of this Agreement may be subject to general principles of equity, whether or not such enforceability is considered in a proceeding at equity or in law).

3.2.6 The Facility is and shall for the term of this Agreement continue to be a QF, and Seller will operate the Facility in a manner consistent with its FERC QF certification. Seller has provided to PacifiCorp the appropriate QF certification (which may include a FERC self-certification) prior to PacifiCorp's execution of this Agreement. At any time during the term of this Agreement, 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 and,

if PacifiCorp is not satisfied that the Facility qualifies for such status, a written legal opinion from an attorney who is (a) in good standing in the state of Oregon, and (b) who has no economic relationship, association or nexus with the Seller or the Facility, stating that the Facility is a QF and providing sufficient proof (including copies of all documents and data as PacifiCorp may request) demonstrating that Seller has maintained and will continue to maintain the Facility as a QF.

3.2.7 Additional Seller Creditworthiness Warranties. Seller need not post security under Section 10 for PacifiCorp's benefit in the event of Seller default, provided that Seller warrants all of the following:

- (a) Neither the Seller nor any of its principal equity owners is or has within the past two (2) years been the debtor in any bankruptcy proceeding, is unable to pay its bills in the ordinary course of its business, or is the subject of any legal or regulatory action, the result of which could reasonably be expected to impair Seller's ability to own and operate the Facility in accordance with the terms of this Agreement.
- (b) Seller has not at any time defaulted in any of its payment obligations for electricity purchased from PacifiCorp.
- (c) Seller is not in default under any of its other agreements and is current on all of its financial obligations.
- (d) Seller owns, and will continue to own for the term of this Agreement, all right, title and interest in and to the Facility, free and clear of all liens and encumbrances other than liens and encumbrances related to third-party financing of the Facility.
- (e) **[Applicable only to Seller's with a Facility having a Facility Capacity Rating greater than 3 MW]** Seller meets the Credit Requirements.

Seller hereby declares (Seller initial one only):

_____ Seller affirms and adopts all warranties of this Section 3.2.7, and therefore is not required to post security under Section 10; or

___TKF___ Seller does not affirm and adopt all warranties of this Section 3.2.7, and therefore Seller elects to post the security specified in Section 10 .

3.3 Notice. If at any time during this Agreement, any Party obtains actual knowledge of any event or information which would have caused any of the representations and warranties

in this Section 3 to have been materially untrue or misleading when made, such Party shall 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 pursuant to this Section shall be given as soon as practicable after the occurrence of each such event.

SECTION 4: DELIVERY OF POWER

4.1 Commencing on the Commercial Operation Date, unless otherwise provided herein, Seller will sell and PacifiCorp will purchase all Net Output from the Facility.

4.2 Average Annual Generation. Seller estimates that the Facility will generate, on average, 62,556,600 kWh per Contract Year (“**Average Annual Generation**”). Seller may, upon at least six months prior written notice, modify the Average Annual Generation every other Contract Year.

4.3 Minimum and Maximum Delivery. Seller shall make available from the Facility a minimum of 38,763,570 kWh of Net Output during each Contract Year, provided that such minimum for the first Contract Year shall be reduced pro rata to reflect the Commercial Operation Date, and further provided that such minimum Net Output shall be reduced on a pro-rata basis for any periods during a Contract Year that the Facility was prevented from generating electricity for reasons of Force Majeure (“**Minimum Annual Delivery**”). Seller estimates, for informational purposes, that it will make available from the Facility a maximum of 80,044,800 kWh of Net Output during each Contract Year (“**Maximum Annual Delivery**”). Seller’s basis for determining the Minimum and Maximum Annual Delivery amounts is set forth in **Exhibit D**.

4.4 Deliveries in Deficit of Delivery Obligation. Seller’s failure to deliver the Minimum Annual Delivery in any Contract Year (prorated if necessary) shall be a default, and Seller shall be liable for damages in accordance with Section 11.

4.5 Energy Delivery Schedule Seller has provided a monthly schedule of Net Energy expected to be delivered by the Facility (“**Energy Delivery Schedule**”), incorporated into **Exhibit D**.

SECTION 5: PURCHASE PRICES

5.1 Seller shall have the option to select one of three pricing options: Fixed Avoided Cost Prices (“Fixed Price”), Gas Market Indexed Avoided Cost Prices (“Gas Market”), or Banded Gas Market Indexed Avoided Cost Prices (“Banded Gas Market”), as published in Schedule 37. Once an option is selected the option will remain in effect for the duration of the Facility’s contract. Seller has selected the following (Seller to initial one):

<u> TKF </u>	Fixed Price
<u> </u>	Gas Market
<u> </u>	Banded Gas Market

A copy of Schedule 37, and a table summarizing the purchase prices under the pricing option selected by Seller, is attached as **Exhibit F**.

5.2 (Fixed Price Sellers Only). In the event Seller elects the Fixed Price payment method, PacifiCorp shall pay Seller the applicable On-Peak and Off-Peak rates specified in **Schedule 37** during the first fifteen (15) years after the Scheduled Initial Delivery Date. Thereafter, PacifiCorp shall pay Seller market-based rates, using the following pricing option (Seller to initial one):

<u> N/A </u>	Gas Market
<u> N/A </u>	Banded Gas Market

- 5.3 If the Seller elects a gas market indexed price option, the index shall be the Opal Gas Market Index as provided in Schedule 37. In the event that Platt ceases to publish the Opal Gas Market Index, the Company shall replace the index with a similar gas index.
- 5.4 PacifiCorp shall pay Seller the Off-peak Price for all Excess Output and for all Net Output delivered prior to the Commercial Operation Date. Such payment will be accomplished by adjustments pursuant to Section 9.2.

SECTION 6: OPERATION AND CONTROL

6.1 As-Built Supplement. Upon completion of construction of the Facility, Seller shall provide PacifiCorp an As-built Supplement to specify the actual Facility as built. The As-built Supplement must be reviewed and approved by PacifiCorp, which approval shall not unreasonably be withheld, conditioned or delayed. Seller shall not increase the Facility Capacity Rating above that specified in **Exhibit A** or increase the ability of the Facility to deliver Net Output in quantities in excess of the Facility Capacity Rating through any means including, but not limited to, replacement of, modification of, or addition of existing equipment, except with the written consent of PacifiCorp.

6.2 Seller shall operate and maintain the Facility in a safe manner in accordance with the Generation Interconnection Agreement (if applicable), Prudent Electrical Practices and in accordance with the requirements of all applicable federal, state and local laws and the National Electric Safety Code as such laws and code may be amended from time to time. PacifiCorp shall have no obligation to purchase Net Output from the Facility to the extent the interconnection between the Facility and PacifiCorp's electric system is disconnected, suspended or interrupted, in whole or in part, pursuant to the Generation Interconnection Agreement, or to the extent generation curtailment is required as a result of Seller's non-compliance with the Generation Interconnection Agreement. PacifiCorp shall have the right to inspect the Facility to confirm that Seller is operating the Facility in accordance with the provisions of this Section 6.2 upon reasonable notice to Seller. Seller is solely responsible for the operation and maintenance of the Facility. PacifiCorp shall not, by reason of its decision to inspect or not to inspect the Facility, or by any action or inaction taken with respect to any such inspection, assume or be held responsible for any liability or occurrence arising from the operation and maintenance by Seller of the Facility.

6.3 Scheduled Outages. Seller may cease operation of the entire Facility or individual units, if applicable, for maintenance or other purposes. Seller shall exercise its best efforts to notify PacifiCorp of planned outages at least ninety (90) days prior, and shall reasonably accommodate PacifiCorp's request, if any, to reschedule such planned outage in order to accommodate PacifiCorp's need for Facility operation.

6.4 Unplanned Outages. In the event of an unscheduled outage or curtailment exceeding twenty-five (25) percent of the daily scheduled delivery (other than curtailments due to lack of motive force), Seller immediately shall notify PacifiCorp of the necessity of such unscheduled outage or curtailment, the time when such has occurred or will occur and the anticipated duration. Seller shall take all reasonable measures and exercise its best efforts to avoid unscheduled outage or curtailment, to limit the duration of such, and to perform unscheduled maintenance during Off-Peak hours.

SECTION 7: FUEL/MOTIVE FORCE

Prior to the Effective Date of this Agreement, Seller provided to PacifiCorp a fuel or motive force plan acceptable to PacifiCorp in its reasonable discretion and attached hereto as **Exhibit D-1**, together with a certification from a Licensed Professional Engineer to PacifiCorp attached hereto as **Exhibit D-2**, certifying that the implementation of the fuel or motive force plan can reasonably be expected to provide fuel or motive force to the Facility for the duration of this Agreement adequate to generate power and energy in quantities necessary to deliver the Minimum Annual Delivery set forth by Seller in Section 4.

SECTION 8: METERING

8.1 PacifiCorp shall design, furnish, install, own, inspect, test, maintain and replace all metering equipment required pursuant to the Generation Interconnection Agreement, if applicable.

8.2 Metering shall be performed at the location and in a manner consistent with this Agreement and as specified in the Generation Interconnection Agreement. All quantities of energy purchased hereunder shall be adjusted to account for electrical losses, if any between the point of metering and the Point of Delivery, so that the purchased amount reflects the net amount of energy flowing into PacifiCorp's system at the Point of Delivery.

8.3 PacifiCorp shall periodically inspect, test, repair and replace the metering equipment as provided in the Generation Interconnection Agreement, if applicable. If any of the inspections or tests disclose an error exceeding two percent (2%), either fast or slow, proper correction, based upon the inaccuracy found, shall 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 cannot be ascertained, the proper correction shall be made to the measurements taken during the time the metering equipment was in service since last tested, but not exceeding three (3) Billing Periods, in the amount the metering equipment shall have been shown to be in error by such test. Any correction in billings or payments resulting from a correction in the meter records shall be made in the next monthly billing or payment rendered following the repair of the meter.

SECTION 9: BILLINGS, COMPUTATIONS, AND PAYMENTS

9.1 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. PacifiCorp may offset any such payment to reflect amounts owing from Seller to PacifiCorp pursuant to this Agreement, the Generation Interconnection Agreement, or any other agreement between the Parties.

9.2 Corrections. PacifiCorp shall have up to eighteen months to adjust any payment made pursuant to Section 9.1. In the event PacifiCorp determines it has overpaid Seller (for Excess Output or otherwise), PacifiCorp may adjust Seller's future payment accordingly in order to recapture any overpayment in a reasonable time.

9.3 Any amounts owing after the due date thereof shall bear interest at the Prime Rate plus two percent (2%) from the date due until paid; *provided, however*, that the interest rate shall at no time exceed the maximum rate allowed by applicable law.

SECTION 10: SECURITY

Unless Seller has adopted the creditworthiness warranties contained in Section 3.2.7, Seller must provide security (if requested by PacifiCorp) in the form of a cash escrow, letter of credit, senior lien, or step-in rights. Seller hereby elects to provide, in accordance with the applicable terms of this Section 10, the following security (Seller to initial one selection only):

- Cash Escrow
- Letter of Credit
- TKF Senior Lien
- Step-in Rights
- Seller has adopted the Creditworthiness Warranties of Section 3.2.7.

[SKIP THIS SECTION 10.1 UNLESS SELLER SELECTED CASH ESCROW ALTERNATIVE]

10.1 Cash Escrow Security. Seller shall deposit in an escrow account established by PacifiCorp in a banking institution acceptable to both Parties, the Default Security. Such sum shall earn interest at the rate applicable to money market deposits at such banking institution from time to time. To the extent PacifiCorp receives payment from the Default Security, Seller shall, within fifteen (15) days, restore the Default Security as if no such deduction had occurred.

[SKIP THIS SECTION 10.2 UNLESS SELLER SELECTED LETTER OF CREDIT ALTERNATIVE]

10.2 Letter of Credit Security. Seller shall post and maintain in an amount equal to the Default Security: (a) a guaranty from a party that satisfies the Credit Requirements, in a form acceptable to PacifiCorp in its discretion, or (b) a Letter of Credit in favor of PacifiCorp. To the

extent PacifiCorp receives payment from the Default Security, Seller shall, within fifteen (15) days, restore the Default Security as if no such deduction had occurred.

[SKIP THIS SECTION 10.3 UNLESS SELLER SELECTED SENIOR LIEN ALTERNATIVE]

10.3 Senior Lien. Before the Scheduled Commercial Operation Date, Seller shall grant PacifiCorp a senior, unsubordinated lien on the Facility and its assets as security for performance of this Agreement by executing, acknowledging and delivering a security agreement and a deed of trust or a mortgage, in a recordable form (each in a form satisfactory to PacifiCorp in the reasonable exercise of its discretion). Pending delivery of the senior lien to PacifiCorp, Seller shall not cause or permit the Facility or its assets to be burdened by liens or other encumbrances that would be superior to PacifiCorp's, other than workers', mechanics', suppliers' or similar liens, or tax liens, in each case arising in the ordinary course of business that are either not yet due and payable or that have been released by means of a performance bond posted within eight (8) calendar days of the commencement of any proceeding to foreclose the lien.

[SKIP THIS SECTION 10.4 UNLESS SELLER SELECTED STEP-IN RIGHTS ALTERNATIVE]

10.4 Step-in Rights (Operation by PacifiCorp Following Event of Default of Seller).

10.4.1 Prior to any termination of this Agreement due to an Event of Default of Seller, as identified in Section 11, PacifiCorp shall have the right, but not the obligation, to possess, assume control of, and operate the Facility as agent for Seller (in accordance with Seller's rights, obligations, and interest under this Agreement) during the period provided for herein. Seller shall not grant any person, other than the lending institution providing financing to the Seller for construction of the Facility ("Facility Lender"), a right to possess, assume control of, and operate the Facility that is equal to or superior to PacifiCorp's right under this Section 10.4.

10.4.2 PacifiCorp shall give Seller ten (10) calendar days notice in advance of the contemplated exercise of PacifiCorp's rights under this Section 10.4. Upon such notice, Seller shall collect and have available at a convenient, central location at the Facility all documents, contracts, books, manuals, reports, and records required to construct, operate, and maintain the Facility in accordance with Prudent Electrical Practices. Upon such notice, PacifiCorp, its employees, contractors, or designated third parties shall have the unrestricted right to enter the Facility for the purpose of constructing and/or operating the Facility. Seller hereby irrevocably appoints PacifiCorp as Seller's attorney-in-fact for the exclusive purpose of executing such documents and taking such other actions as PacifiCorp may reasonably deem necessary or appropriate to exercise PacifiCorp's step-in rights under this Section 10.4.

10.4.3 During any period that PacifiCorp is in possession of and constructing and/or operating the Facility, no proceeds or other monies attributed to operation of the Facility shall be remitted to or otherwise provided to the account of Seller until all Events of Default of Seller have been cured.

10.4.4 During any period that PacifiCorp is in possession of and operating the Facility, Seller shall retain legal title to and ownership of the Facility and PacifiCorp shall assume possession, operation, and control solely as agent for Seller.

(a) In the event PacifiCorp is in possession and control of the Facility for an interim period, Seller shall resume operation and PacifiCorp shall relinquish its right to operate when Seller demonstrates to PacifiCorp's reasonable satisfaction that it will remove those grounds that originally gave rise to PacifiCorp's right to operate the Facility, as provided above, in that Seller (i) will resume operation of the Facility in accordance with the provisions of this Agreement, and (ii) has cured any Events of Default of Seller which allowed PacifiCorp to exercise its rights under this Section 10.4.

(b) In the event that PacifiCorp is in possession and control of the Facility for an interim period, the Facility Lender, or any nominee or transferee thereof, may foreclose and take possession of and operate the Facility and PacifiCorp shall relinquish its right to operate when the Facility Lender or any nominee or transferee thereof, requests such relinquishment.

10.4.5 PacifiCorp's exercise of its rights hereunder to possess and operate the Facility shall not be deemed an assumption by PacifiCorp of any liability attributable to Seller. If at any time after exercising its rights to take possession of and operate the Facility PacifiCorp elects to return such possession and operation to Seller, PacifiCorp shall provide Seller with at least fifteen (15) calendar days advance notice of the date PacifiCorp intends to return such possession and operation, and upon receipt of such notice Seller shall take all measures necessary to resume possession and operation of the Facility on such date.

10.5 As a condition to providing a Senior Lien or Step-in Rights, Seller shall, before the Scheduled Commercial Operation Date, post and maintain, in an amount reasonably determined by PacifiCorp, a Letter of Credit in favor of PacifiCorp, which PacifiCorp, during the term of this Agreement, can draw upon to satisfy amounts PacifiCorp might reasonably incur in order to satisfy environmental remediation requirements.

SECTION 11: DEFAULTS AND REMEDIES

11.1 Events of Default. The following events shall constitute defaults under this Agreement:

11.1.1 Breach of Material Term. Failure of a Party to perform any material obligation imposed upon that Party by this Agreement (including but not limited to failure by Seller to meet any deadline set forth in Section 2) or breach by a Party of a representation or warranty set forth in this Agreement.

11.1.2 Default on Other Agreements. Seller's failure to cure any default under any commercial or financing agreements or instrument (including the Generation Interconnection Agreement) within the time allowed for a cure under such agreement or instrument.

11.1.3 Insolvency. A Party (a) makes an assignment for the benefit of its creditors; (b) 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; (c) becomes insolvent; or (d) is unable to pay its debts when due.

11.1.4 Material Adverse Change. A Material Adverse Change has occurred with respect to Seller and Seller fails to provide such performance assurances as are reasonably requested by PacifiCorp, including without limitation the posting of additional Default Security, within thirty (30) days from the date of such request;

11.1.5 Delayed Commercial Operations. Seller's failure to achieve the Commercial Operation Date by the Scheduled Commercial Operation Date.

11.1.6 Underdelivery. Seller's failure to satisfy the minimum delivery obligation of Section 4.3.

11.2 Notice; Opportunity to Cure.

11.2.1 Notice. In the event of any default hereunder, the non-defaulting Party must notify the defaulting Party in writing of the circumstances indicating the default and outlining the requirements to cure the default.

11.2.2 Opportunity to Cure. A Party defaulting under Section 11.1.1 or 11.1.5 shall have thirty (30) days to cure after receipt of proper notice from the non-defaulting Party. This thirty (30) day period shall be extended by an additional ninety (90) days if (a) the failure cannot reasonably be cured within the thirty (30) day period despite diligent efforts, (b) the default is

capable of being cured within the additional ninety (90) day period, and (c) the defaulting Party commences the cure within the original thirty (30) day period and is at all times thereafter diligently and continuously proceeding to cure the failure.

- 11.2.3 Seller Default Under Other Agreements. Seller shall cause any notices of default under any of its commercial or financing agreements or instruments to be sent by the other party to such agreements or instruments, or immediately forwarded, to PacifiCorp as a notice in accordance with Section 23.

11.3 Termination.

- 11.3.1 Notice of Termination. If a default described herein has not been cured within the prescribed time, above, the non-defaulting Party may terminate this Agreement at its sole discretion by delivering written notice to the other Party and may pursue any and all legal or equitable remedies provided by law or pursuant to this Agreement; provided, however that PacifiCorp shall not terminate for a default under Section 11.1.6 unless such default is material. The rights provided in Section 10 and this Section 11 are cumulative such that the exercise of one or more rights shall not constitute a waiver of any other rights. Further, the Parties may by mutual written agreement amend this Agreement in lieu of a Party's exercise of its right to terminate.
- 11.3.2 In the event this Agreement is terminated because of Seller's default and Seller wishes to again sell Net Output to PacifiCorp following such termination, PacifiCorp in its sole discretion may require that Seller shall do so subject to the terms of this Agreement, including but not limited to the Contract Price, until the Termination Date (as set forth in Section 2.4). At such time Seller and PacifiCorp agree to execute a written document ratifying the terms of this Agreement.
- 11.3.3 Damages. If this Agreement is terminated as a result of Seller's default, Seller shall pay PacifiCorp the positive difference, if any, obtained by subtracting the Contract Price from the sum of the Replacement Price for the Minimum Annual Delivery that Seller was otherwise obligated to provide for a period of twenty-four (24) months from the date of termination plus any cost incurred for transmission purchased to deliver the replacement power to the Point of Delivery, and the estimated administrative cost to the utility to acquire replacement power. Amounts owed by Seller pursuant to this paragraph shall be due within five (5) business days after any invoice from PacifiCorp for the same.

11.3.4 If this Agreement is terminated because of Seller's default, PacifiCorp may foreclose upon any security provided pursuant to Section 10 to satisfy any amounts that Seller owes PacifiCorp arising from such default.

11.4 Damages.

11.4.1 Failure to Deliver Net Output. In the event of Seller default under Subsection 11.1.5 or Subsection 11.1.6, then Seller shall pay PacifiCorp the positive difference, if any, obtained by subtracting the Contract Price from the Replacement Price for any energy and capacity that Seller was otherwise obligated to provide during the period of default ("**Net Replacement Power Costs**").

11.4.2 Recoupment of Damages.

- (a) Default Security Available. If Seller has posted Default Security, PacifiCorp may draw upon that security to satisfy any damages, above.
- (b) Default Security Unavailable. If Seller has not posted Default Security, or if PacifiCorp has exhausted the Default Security, PacifiCorp may collect any remaining amount owing by partially withholding future payments to Seller over a reasonable period of time, which period shall not be less than the period over which the default occurred. PacifiCorp and Seller shall work together in good faith to establish the period, and monthly amounts, of such withholding so as to avoid Seller's default on its commercial or financing agreements necessary for its continued operation of the Facility.

SECTION 12: INDEMNIFICATION AND LIABILITY

12.1 Indemnities.

12.1.1 Indemnity by Seller. Seller shall release, indemnify and hold harmless PacifiCorp, its directors, officers, agents, and representatives against and from any and all loss, fines, penalties, claims, actions or suits, including costs and attorney's fees, both at trial and on appeal, resulting from, or arising out of or in any way connected with (a) the energy delivered by Seller under this Agreement to and at the Point of Delivery, (b) any facilities on Seller's side of the Point of Delivery, (c) Seller's operation and/or maintenance of the Facility, or (d) arising from this Agreement, including without limitation any loss, claim, action or suit, for or on account of injury, bodily or otherwise, to, or death of, persons, or for damage to, or destruction or economic loss of property belonging to PacifiCorp, Seller or others, excepting only such loss, claim, action or suit

as may be caused solely by the fault or gross negligence of PacifiCorp, its directors, officers, employees, agents or representatives.

12.1.2 Indemnity by PacifiCorp. PacifiCorp shall release, indemnify and hold harmless Seller, its directors, officers, agents, Lenders and representatives against and from any and all loss, fines, penalties, claims, actions or suits, including costs and attorney's fees, both at trial and on appeal, resulting from, or arising out of or in any way connected with the energy delivered by Seller under this Agreement after the Point of Delivery, including without limitation any loss, claim, action or suit, for or on account of injury, bodily or otherwise, to, or death of, persons, or for damage to, or destruction or economic loss of property, excepting only such loss, claim, action or suit as may be caused solely by the fault or gross negligence of Seller, its directors, officers, employees, agents, Lenders or representatives.

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

12.3 No Consequential Damages. EXCEPT TO THE EXTENT SUCH DAMAGES ARE INCLUDED IN THE LIQUIDATED DAMAGES, DELAY DAMAGES, COST TO COVER DAMAGES OR OTHER SPECIFIED MEASURE OF DAMAGES EXPRESSLY PROVIDED FOR IN THIS AGREEMENT, NEITHER PARTY SHALL 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.

SECTION 13: INSURANCE (FACILITIES OVER 200KW ONLY)

13.1 Certificates. Prior to connection of the Facility to PacifiCorp's electric system Seller shall secure and continuously carry insurance in compliance with the requirements of this Section. Seller shall provide PacifiCorp insurance certificate(s) (of "ACORD Form" or the equivalent) certifying Seller's compliance with the insurance requirements hereunder. Commercial General Liability coverage written on a "claims-made" basis, if any, shall be specifically identified on the certificate. If requested by PacifiCorp, a copy of each insurance policy, certified as a true copy by an authorized representative of the issuing insurance company, shall be furnished to PacifiCorp.

13.2 Required Policies and Coverages. Without limiting any liabilities or any other obligations of Seller under this Agreement, Seller shall 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:

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

13.2.2 All Risk Property insurance providing coverage in an amount at least equal to the full replacement value of the Facility against "all risks" of physical loss or damage, including coverage for earth movement, flood, and boiler and machinery. The Risk policy may contain separate sub-limits and deductibles subject to insurance company underwriting guidelines. The Risk Policy will be maintained in accordance with terms available in the insurance market for similar facilities.

13.3 The Commercial General Liability policy required herein shall include i) provisions or endorsements naming PacifiCorp, its Board of Directors, Officers and employees as additional insureds, and ii) cross liability coverage so that the insurance applies separately to each insured against whom claim is made or suit is brought, even in instances where one insured claims against or sues another insured.

13.4 All liability policies required by this Agreement shall 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 hereunder, and provisions that such policies shall not be canceled or their limits of liability reduced without 1) ten (10) days prior written notice to PacifiCorp if canceled for nonpayment of premium, or 2) thirty (30) days prior written notice to PacifiCorp if canceled for any other reason.

13.5 Insurance coverage provided on a "claims-made" basis shall 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.

SECTION 14: FORCE MAJEURE

14.1 As used in this Agreement, "**Force Majeure**" or "**an event of Force Majeure**" means any cause beyond the reasonable control of the Seller or of PacifiCorp which, despite the exercise of due diligence, such Party is unable to prevent or overcome. By way of example, Force Majeure may include but is not limited to acts of God, fire, flood, storms, wars, hostilities, civil strife, strikes, and other labor disturbances, earthquakes, fires, lightning, epidemics, sabotage, restraint by court order or other delay or failure in the performance as a result of any action or inaction on behalf of a public authority which by the exercise of reasonable foresight such Party could not reasonably have been expected to avoid and by the exercise of due diligence, it shall be unable to overcome, subject, in each case, to the requirements of the first sentence of this paragraph. Force Majeure, however, specifically excludes the cost or availability of fuel or motive force resources to operate the Facility or changes in market conditions that affect the price of energy or transmission. If either Party is rendered wholly or in part unable to perform its obligation under this Agreement because of an event of Force Majeure, that Party shall be excused from whatever performance is affected by the event of Force Majeure to the

extent and for the duration of the event of Force Majeure, after which such Party shall recommence performance of such obligation, provided that:

- 14.1.1 the non-performing Party, shall, within two (2) weeks after the occurrence of the Force Majeure, give the other Party written notice describing the particulars of the occurrence; and
- 14.1.2 the suspension of performance shall be of no greater scope and of no longer duration than is required by the event of Force Majeure; and
- 14.1.3 the non-performing Party uses its best efforts to remedy its inability to perform.

14.2 No obligations of either Party which arose before the Force Majeure causing the suspension of performance shall be excused as a result of the event of Force Majeure.

14.3 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.

14.4 PacifiCorp may terminate the Agreement if Seller fails to remedy Seller's inability to perform, due to an event of Force Majeure, within six months after the occurrence of the event.

SECTION 15: SEVERAL OBLIGATIONS

Nothing contained in this Agreement shall ever be construed to create an association, trust, partnership or joint venture or to impose a trust or partnership duty, obligation or liability between the Parties. If Seller includes two or more parties, each such party shall be jointly and severally liable for Seller's obligations under this Agreement.

SECTION 16: 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 which may direct the application of the laws of another jurisdiction.

SECTION 17: PARTIAL INVALIDITY

It is not the intention of the Parties to violate any laws governing the subject matter of this Agreement. If any of the terms of the 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 the Agreement shall remain in effect. If any terms are finally held or determined to be invalid, illegal or void, the Parties shall enter into negotiations concerning the terms affected by such decision for the purpose of achieving conformity with requirements of any applicable law and the intent of the Parties to this Agreement.

SECTION 18: 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 must be in writing, and such waiver shall not be deemed a waiver with respect to any subsequent default or other matter.

SECTION 19: GOVERNMENTAL JURISDICTIONS AND AUTHORIZATIONS

This Agreement is subject to the jurisdiction of those governmental agencies having control over either Party or this Agreement. Seller shall at all times maintain in effect all local, state and federal licenses, permits and other approvals as then may be required by law for the construction, operation and maintenance of the Facility, and shall provide upon request copies of the same to PacifiCorp.

SECTION 20: REPEAL OF PURPA

This Agreement shall not terminate upon the repeal of the PURPA, unless such termination is mandated by federal or state law.

SECTION 21: SUCCESSORS AND ASSIGNS

This Agreement and all of the terms hereof shall be binding upon and inure to the benefit of the respective successors and assigns of the Parties. No assignment hereof by either Party shall become effective without the written consent of the other Party being first obtained and such consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, either Party may assign this Agreement without the other Party's consent to a lender as part of a financing transaction or as part of (a) a sale of all or substantially all of the assigning Party's assets, or (b) a merger, consolidation or other reorganization of the assigning Party.

SECTION 22: ENTIRE AGREEMENT

22.1 This Agreement supersedes all prior agreements, proposals, representations, negotiations, discussions or letters, whether oral or in writing, regarding PacifiCorp's purchase of Net Output from the Facility. No modification of this Agreement shall be effective unless it is in writing and signed by both Parties.

22.2 By executing this Agreement, Seller releases PacifiCorp from any claims, known or unknown, that may have arisen prior to the Effective Date.

SECTION 23: NOTICES

23.1 All notices except as otherwise provided in this Agreement shall be in writing, shall be directed as follows and shall be considered delivered if delivered in person or when deposited in the U.S. Mail, postage prepaid by certified or registered mail and return receipt requested.

Notices	PacifiCorp	Seller
All Notices	PacifiCorp 825 NE Multnomah Street Portland, OR 97232 Attn: Contract Administration, Suite 600 Phone: (503) 813 - 5952 Facsimile: (503) 813 - 6291 Duns: 00-790-9013 Federal Tax ID Number: 93-0246090	Evergreen BioPower LLC PO Box 276 Lyons, OR 97358 Attn: T. Kyle Freres Phone: (503) 859-2121 Facsimile: Duns: Federal Tax ID Number: 20-4808737
All Invoices:	(same as street address above) Attn: Back Office, Suite 600 Phone: (503) 813 - 5585 Facsimile: (503) 813 - 5580	(same as address above) Attn: Accounts Payable Phone: (503) 859-2121 Fax: (503) 859-2112
Scheduling:	(same as street address above) Attn: Resource Planning, Suite 600 Phone: (503) 813 - 6090 Facsimile: (503) 813 - 6265	(same as address and phone above) Attn: Kyle Freres
Payments:	(same as street address above) Attn: Back Office, Suite 600 Phone: (503) 813 - 5585 Facsimile: (503) 813 - 5580	(same as address and phone above) Attn: Accounts Receivable
Wire Transfer:	Bank One N.A. ABA: ACCT: NAME: PacifiCorp Wholesale	
Credit and Collections:	(same as street address above) Attn: Credit Manager, Suite 1800 Phone: (503) 813 - 5684 Facsimile: (503) 813 - 5609	
With Additional Notices of an Event of Default or Potential Event of Default to:	(same as street address above) Attn: General Counsel. and Legal Counsel Phone: (503) 813-6266 and (801) 220-4568 Facsimile: (503) 813-7262 and (801) 220-3299	

23.2 The Parties may change the person to whom such notices are addressed, or their addresses, by providing written notices thereof in accordance with this Section 23.

SECTION 24: COMMISSION INVESTIGATION

The Seller and PacifiCorp acknowledge that the rates, terms and conditions specified in this Agreement and the related tariffs are being investigated by the Oregon Public Utility Commission. Upon a decision by the Oregon Public Utility Commission in the investigation, PacifiCorp will notify the Seller within ten calendar days. The Seller shall have thirty calendar days from the effective date of the revised standard contract and tariffs complying with the Commission's order to amend this Agreement if the Seller so chooses to adopt the revised standard contract and/or the revised rates, terms and conditions in the tariff approved by the Oregon Public Utility Commission as a result of the investigation.

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

PacifiCorp

Seller

By: 

By: 

Name: William J Fehrm

Name: Kyle Frews

Title: President

Title: Vice President, Frews Lumber,
Manager, Evergreen Bopine

EXHIBIT A
DESCRIPTION OF SELLER'S FACILITY
[Seller to Complete]

Seller's Facility consists of one generators manufactured by General Electric. More specifically, each generator at the Facility is described as:

Type (synchronous or inductive):

Model: ATB-2

Number of Phases: 3

Rated Output (kW): Please see below. **Rated Output (kVA):** Please see below.

Rated Voltage (line to line): 13,800V

Rated Current (A): Stator: 1034 A; Rotor: 199 A

Maximum kW Output: 10,000 kW **Maximum kVA Output:** 12,500 @ .8 PFkVA

Minimum kW Output: 1500 kW

Manufacturer's Guaranteed Cut-in Wind Speed [if applicable]: N/A

Facility Capacity Rating: 10,000 kW at full steam generation and full steam condensing (zero process load)

Identify the maximum output of the generator(s) and describe any differences between that output and the Nameplate Capacity Rating:

Station service requirements (station use as described in Section 1.24), and other loads served by the Facility, if any, are described as follows: Station service requirements for power generation equipment are approximately 575 kW, consisting of two cooling tower fans, two condensate pumps, two circulating water pumps, one component circulating water pump, seals collection tank pump, voltage regulator, and station lighting.

Location of the Facility: The Facility is to be constructed in the vicinity of Lyons in Linn County, Oregon. The location is more particularly described as follows:

Approximately 0.586 acres leased from Freres Lumber Co., Inc. Property owned by Freres Lumber Co., Inc. described as follows:

Beginning on the Southerly line of the Southern Pacific Railroad right of way and on the East line of the Northeast Quarter of the Southwest Quarter of Section 19 in Township 9 south, Range 2 East, of the Willamette Meridian at a point which is 325.45 feet South 0° 19' West from the Northeast corner thereof; thence North 73° 03' West along the Southerly line of said Railroad right of way 1272.35 feet to the intersection of right of ways of State Highway 226 and said Railroad; thence South 17° 07' West along the Easterly right of way line of said State Highway, 292.38 feet; thence South 29° 23' West 25.01 feet to the West line of the Northeast Quarter of the Southwest Quarter of said Section; thence South 0° 22' West along said West line 74.12 feet to a point which is 330.00 feet South 0° 22' West from the Northwest Corner of the Northeast Quarter of the Southwest Quarter of said Section; thence West 41.18 feet to the Easterly line of the said State Highway; thence South 29°23' West along the Easterly line of said State Highway 264.79 feet; thence East 169.55 feet to the West line of the Northeast Quarter of the Southwest Quarter of

said Section; thence South 0° 22' West along said West line 80.59 feet to a point which is 676.56 feet North 0° 22' East from the Southwest Corner of the Northeast Quarter of the Southwest Quarter of said Section; thence South 50° 29' East 848.69 feet to a point on the East line of the West half of the Northeast Quarter of the Southwest Quarter of said Section, which point is 1056.00 feet South 0° 20' 30" West from the Southerly line of said Railroad right of way; thence South 67° 51' East 357.32 feet to a point which is 990.00 feet North 89° 53' East from the Southwest corner of the Northeast Quarter of the Southwest Quarter of said Section; thence South 65° 57' East 356.60 feet to a point on the East line of the West half of said Section, which point is 145.99 feet South 0° 19' West from the Southeast Corner of the Northeast Quarter of the Southwest Quarter of said Section; thence South 623.63 feet along the East line of the West half of said Section to a point that is 543.84 feet Northerly of the Southwest Corner of the Southeast Quarter of said Section; thence Easterly 800.58 feet parallel to the South line of said section; thence Southerly 543.84 feet parallel with the West line of the East Half of said section; thence Easterly on the South line of said section 1139.16 feet to a point 689.70 feet West of the Southeast Corner of Section 19; thence Northerly parallel to the East line of said section 494.60 feet to the Southeast corner of a certain tract conveyed to Freres-Frank Lumber Company by deed recorded May 17, 1957 in Book 254, Page 365, Linn County Deed Records; thence West 120.00 feet; thence North 150.00 feet; thence East 120.00 feet to the Northeast Corner of said Freres – Frank tract; thence Northerly 1071.40 feet parallel to the East line of said section to the South line of the right of way of the Southern Pacific Railway Company; thence North 73° 49' West along said right of way 531.96 feet to an iron pipe; thence North 73° 49' West along said right of way 654.72 feet to an iron bar; thence North 73° 49' West along said right of way 848.10 feet to the point of beginning.

Property leased from Freres Lumber Co., Inc. by Evergreen BioPower, LLC bounded by the following coordinates:

Switchyard	Area: .213 acres @ 85' x 100'		
Northeast Corner	Latitude	44° 46' 20.478"N	
	Longitude	122° 36' 55.759"W	
Northwest Corner	Latitude	44° 46' 20.760"N	
	Longitude	122° 36' 57.294"W	
Southwest Corner	Latitude	44° 46' 20.046"N	
	Longitude	122° 36' 57.541"W	
Southeast Corner	Latitude	44° 46' 19.701"N	
	Longitude	122° 36' 56.199"W	
Co-gen Building	Area: .373 acres @ 144' x 127'		
Northwest Corner	Latitude	44° 46' 14.528"N	
	Longitude	122° 36' 44.068"W	
Southwest Corner	Latitude	44° 46' 13.482"N	
	Longitude	122° 36' 44.545"W	
Southeast Corner	Latitude	44° 46' 13.098"N	
	Longitude	122° 36' 42.617"W	
Northeast Corner	Latitude	44° 46' 14.339"N	
	Longitude	122° 36' 42.288"W	

Power factor requirements:

Rated Power Factor (PF) or reactive load (kVAR):

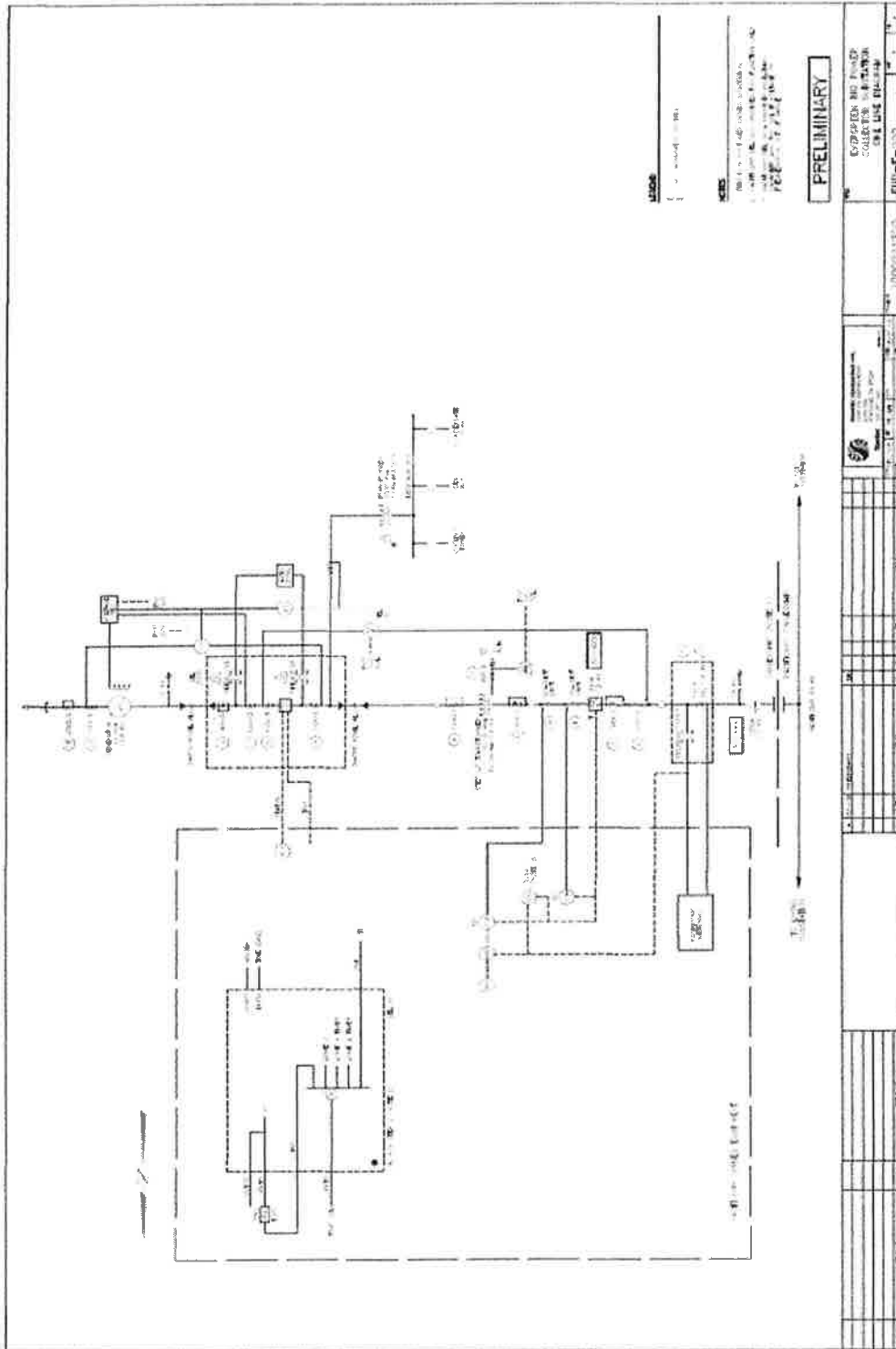
EXHIBIT B
INTERCONNECTION FACILITIES

POINT OF DELIVERY / SELLER'S INTERCONNECTION FACILITIES

Point of Delivery to be in the vicinity of existing PacifiCorp Lyons substation on PacifiCorp's existing Santiam- Hazelwood 69 kV line located in Lyons, Oregon. The Point of Metering is to be determined by PacifiCorp Transmission department.

Please see the single line drawing of facility for description of equipment and configuration on the following page.

EXHIBIT B
 INTERCONNECTION FACILITIES – SINGLE LINE DRAWING



PRELIMINARY

EXPANDED INTERCONNECTION FACILITIES PROJECT NO. 011-0-010	
SHEET NO. 1	TOTAL SHEETS 1
DATE: 11/11/03	DRAWN BY: J.M.
CHECKED BY: J.M.	SCALE: AS SHOWN
PROJECT NO. 011-0-010	SHEET NO. 1
DATE: 11/11/03	DRAWN BY: J.M.
CHECKED BY: J.M.	SCALE: AS SHOWN

EXHIBIT C
REQUIRED FACILITY DOCUMENTS

Interconnection Agreement, Wheeling Agreement [if applicable], and [others to be identified]

FERC QF Number: QF06-222-000

Evergreen BioPower, LLC QF Small Generator Interconnection Agreement dated October 19, 2006 has been provided by Seller on December 19, 2006. A copy of the SGIA is retained in PacifiCorp's records.

POWER PURCHASE AGREEMENT

BETWEEN

Evergreen BioPower, LLC
[a Qualifying Facility with 10MW Design Capacity, or Less]

AND

PACIFICORP

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SMALL GENERATOR INTERCONNECTION AGREEMENT
for a
QUALIFYING FACILITY
(QFSGIA)
between
PACIFICORP
and
EVERGREEN BIOPOWER LLC

**(For Generating Facilities No Larger Than 20 MW Certified as Qualifying Facilities Under
PURPA)**

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Attachment 5 – Additional Operating Requirements for the Transmission Provider's Transmission System and/or Distribution System and Affected Systems Needed to Support the Interconnection Customer's Needs

Attachment 6 – Transmission Provider's Description of its Upgrades and Best Estimate of Upgrade Costs


Attachment 7 – Scope of Work

Attachment 8 – Interconnection and Operating Requirements

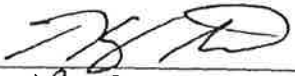
Article 14. Signatures

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives.

For the Transmission Provider:

Name: 
Title: Director, Transmission
Date: 10/19/06

For the Interconnection Customer:

Name: 
Title: UP, Forres Lumber Co., Inc,
Manager, Evergreen BioPowerLL
Date: 10/18/06

**EXHIBIT D-1
 SELLER’S MOTIVE FORCE PLAN**

A. MONTHLY DELIVERY SCHEDULES AND SCHEDULED MAINTENANCE

Month	Average Energy (kWh)
January	5,507,400
February	4,965,600
March	5,507,400
April	5,349,600
May	4,197,600
June	5,349,600
July	5,575,800
August	5,439,000
September	5,418,000
October	5,439,000
November	5,349,600
December	4,334,400

Facility operating hours were calculated assuming that the turbine would be operational 24 hours per day for each day out of the year except for one week of scheduled maintenance downtime in May and one week in December.

Two different operating scenarios were assumed in calculations:

Normal Operation:

Steam extracted for veneer dryers and log conditioning tunnels.
 Anticipated generator output- 7,150 kW

Weekend Operating:

Steam extracted for log conditioning tunnels. Veneer dryers not operational.
 Anticipated generator output- 10,000 kW

Freres Lumber Co., Inc.’s veneer drying operations currently operate on a Monday through Friday schedule 24 hours per day. Log conditioning operations prior to veneer processing operate seven days per week 24 hours per day. Normal Operations are expected to pertain to a “normal” weekday schedule, operating only log conditioning tunnels during weekend hours.

Estimated parasitic load of generator equipment will be approximately 575 kW, which was subtracted from the estimated generator output shown in the operating scenarios above.

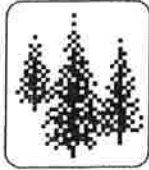
B. MINIMUM ANNUAL DELIVERY CALCULATION

Minimum annual delivery was calculated assuming that Freres Lumber Co., Inc. requires its veneer drying facility to operate seven days per week, twenty-four hours per day year round. The “Normal Operation” generator output above was then used for each day of the year that the generation facility is in operation., An eighty-five percent (85%) capacity factor was assumed for in the Minimum Annual Delivery calculation. A catastrophic failure of two months production downtime was then included to account for unexpected equipment failure.

C. MAXIMUM ANNUAL DELIVERY CALCULATION

Maximum annual delivery was calculated assuming that Freres Lumber Co., Inc. discontinues veneer drying operations at its facility. All extraction for veneer drying would cease leaving only extraction for log conditioning processes. The “Weekend Operation” generator output was therefore used for each day of the year that the generation facility is in operation.

**EXHIBIT D-2
ENGINEER'S CERTIFICATION OF
MOTIVE FORCE PLAN**



EVERGREEN ENGINEERING INC.

P.O. Box 21530 • Eugene, Oregon 97402-0409
(541) 484-4771 • FAX (541) 484-6759

November 29, 2006

#1910.0

Kyle Freres
Freres Lumber Company, Inc.
141 14th Street
PO Box 276
Lyons, OR 97358

Subject: Evergreen Biopower LLC
Motive Force Plan Certification

Dear Kyle,

I have completed a review of the Motive Force Plan (MFP) for your new 10MW cogeneration facility, and I have confirmed the logic of the plan and the fuel requirement calculations for the facility. Also, based on the fuel availability study that was done earlier, I certify that there is an adequate supply of fuel available to satisfy the Pacficorp contractual requirements.

Very truly yours,

Richard H. Larsen P.E.
Principal

Oregon PE # 9501



EVERGREEN BIOPOWER, LLC
10,000 kw Biomass Power Facility
Motive Force Plan

Objective

This Motive Force Plan (MFP) will determine if Evergreen Biopower, LLC (Evergreen) has under its control, or can reasonably obtain, sufficient fuel to operate the facility such as to meet the average, maximum and minimum Net Output requirements in its power purchase agreement with PacifiCorp.

In the most recent draft of the contract, the Net Output requirements are as follows:

Average Annual Net Output	-	62,556,600 Kwh
Maximum Annual Net Output	-	80,044,800 Kwh
Minimum Annual Net Output	-	38,763,570 Kwh

The Evergreen facility is a combined heat and power plant, supplying medium pressure turbine extraction steam to veneer dryers and low pressure steam to log vats from the 10,000 Kw turbine-Generator (T-G). Most of the variation in annual T-G output described in the contract is a result of different veneer plant operating scenarios. It is the intent of Evergreen to base load the 100,000 lb/hr, 850 psig, 875° F Wellons boiler for up to 8,400 hours/yr, maximizing both process steam and T-G output in the process. This analysis will determine if sufficient fuel can be obtained to maintain this operating scenario for the 10 year term of the contract.

As a worst case scenario, this analysis will assume that the veneer plant is closed for an entire contract year and it will be determined if sufficient fuel can be obtained to meet the minimum Net Output requirements in the contract.

Facility

The Evergreen facility consists of a 100,000 lb/hr Wellons 4 cell rotary grate biomass boiler with steam conditions of 850 psig and 875° F. The Turbine-Generator is a General Electric machine with a turbine rated at 10,000 kw as modified and a generator rated at 24,705 Kva at a voltage of 13.8 Kv. With typical weekday process steam loads the T-G will produce 7,150 Kw of gross output, with 575 Kw of power generation auxiliary load, for a net output of 6,575 kw. On weekends, the low extraction flows will allow a T-G gross output of 10,000 Kw, with 575 Kw of auxiliaries, for a net of 9,425 kw.

The boiler is capable of combusting various biomass fuels. The boiler will receive 230°F feedwater from a deaerator. With the mix of fuels expected, both from internal (hogged fuel, ply trim, shavings) and external sources and an average fuel moisture content of 45%, a boiler efficiency of 73% is projected. The throttle steam will have an enthalpy of 1439.0 Btu/lb while the incoming feedwater has an enthalpy of 198.2 Btu/lb, a difference of 1240.8 Btu/lb. With the 73% boiler efficiency described above, the boiler will require a heat input from biomass fuel of 1700 Btu/lb steam. With a fuel heating value of 8,750 Btu/dry lb (see below), this is a full load fuel requirement of 9.71 bone dry tons (Bdt) per hour of operation. Wellons estimated the fuel burn rate at 31,816 lb/hour of 40% moisture fuel, or 9.54 Bdt/hr. When the adjustment is made for the moisture content difference the two numbers are compatible and so the 9.71 Bdt/hr (full load) will be used.

Fuel Supply

The primary fuel supply for the facility will be the mill residues produced by the veneer plant and from a sister plywood plant located approximately 5 miles away. Depending on relative economic value of the various residuals, outside mill residuals will be purchased from one or more of 7 potential fuel suppliers within a 50 mile radius of the facility.

The facility uses a species mix of raw logs of about 75% Douglas fir and 25% hemlock. Heating values of different tree species varies considerably. Using published analyses, Douglas fir wood averages about 8,900 Btu/dry lb while the bark averages 9,850 Btu/dry lb. Hemlock wood averages 8,370 Btu/dry lb while the bark averages 9,350 Btu/dry lb.

In the specification for the boiler, Wellons assumed an aggregate heating value of 8,750 Btu/dry lb and an average moisture content of 40%. The choice of an aggregate 8,750 Btu/lb heating value appears very conservative given the above published figures, but will also be used in this analysis. Given the fuel supply quantities and moistures in the table below, it would appear that a 40% moisture content may be slightly low, in the aggregate. This analysis uses a 45% average moisture content in establishing boiler efficiency and thus fuel requirements.

The 2005 figures for wood residue production from the two Freres mills are shown in the table below:

2005 Production

<u>Type</u>	<u>Quantity</u>	<u>Est. Moisture Content</u>
Hogged Fuel	39,951 Bdt	50%
Chips	62,929	50%
Shavings	2,390	15%
Ply Trim	10,000 (est.)	15%
Total	115,270 Bdt	

A survey of 7 potential wood residual suppliers (mills, processing yards) within a 50 mile radius of the facility was conducted by Freres. Without counting any higher valued paper chips, the findings are as follows:

<u>Source</u>	<u>Annual Quantity</u>
Mill Residuals	29,250 Bdt
Processing Yards	42,250
Total	71,500 Bdt

A final source of biomass fuel is material backhauled from outside the 50 mile radius on trucks hauling Freres chips to pulp and paper facilities, and returning to the facility empty. These sources, which assume the chips are not burned for economic reasons, could provide the following quantities of residual fuel:

<u>Source</u>	<u>Annual Quantity</u>
Mill Residuals	32,500 Bdt

An MFP For Freres

Average Generation MFP

The first MFP assumes that Freres operates the veneer plant 5 days per week as currently, and runs the boiler at full load 8,400 hours/yr. This results in the production by Evergreen of the average annual Net Output of 62,556,600 Kwh. The fuel requirement for this scenario is 81,560 Bdt/yr (9.71 Bdt/hr x 8,400 hours/yr). This motive force requirement can be met by the following fuel sources:

<u>Source</u>	<u>Annual Amount</u>
Freres Hogged Fuel	39,951 Bdt/yr
Freres Shavings	2,390
Freres Ply Trim	10,000
Outside Mill Residuals	<u>29,219</u>
Total	81,560 Bdt/yr

This MFP assumes that none of Freres 62,929 Bdt/yr of chips are used as fuel, as typically the chip economic value is much greater than any replacement delivered fuel price. In the event that the economic relationship did not hold true, Evergreen could simply burn approximately ½ of the Freres chips in order to satisfy the fuel requirement without having to leave the compound for fuel. This is a solid MFP for this operating scenario as the proposed mill operating scenario was the same as that followed in 2005, and would thus produce an equivalent amount of fuel.

Maximum Generation MFP

The MFP for the maximum generation of 80,044,800 Kwh/yr is identical to that for the average generation case described above. The boiler still operates at full load for 8,400 hours/yr, but the high pressure extraction is not used as Freres is selling green veneer instead of its normal dry veneer. The quantity of fuel produced internally at the veneer plant remains the same. The ply trim produced at the nearby Freres plywood mill may stay the same or decrease, and would be replaced by additional residual purchases or by combusting a larger fraction (62%) of the residual chips. In this scenario, the boiler can be fueled completely with available residuals from Freres, though this is most likely not the most economic scenario.

Minimum Generation MFP

There are two scenarios that result in the minimum Net Output of 38,763,570 Kwh/yr, and the MFP for the two is quite different. In the first scenario, the veneer plant goes to a 7 day/wk operation, thus lowering weekend generation due to extraction steam needs. In this case, the amount of internal fuel available is increased by 40% (7 days vs. 5 days), with the following approximate fuel volumes available:

<u>Type</u>	<u>Quantity</u>
Hogged Fuel	55,931 Bdt/yr
Chips	88,100
Shavings	3,346
Ply Trim	<u>14,000</u>
Total	161,377 Bdt/yr

In this scenario, the boiler fuel requirement remains the same at 81,560 Bdt/yr as the boiler continues to run at 100,000 lb/hr for 8,400 hours/yr. The result is that outside fuel purchases, without burning chips, drops from 29,219 Bdt/yr to 8,283 Bdt/yr. If economics dictate that all fuel be internal, the last increment of fuel can be satisfied by burning less than 10% of the chips.

An entirely different minimum generation scenario occurs with a complete shutdown of the Freres veneer and plywood plants for an entire contract year, and Evergreen meets the minimum Net Output of 38,763,570 entirely with purchased fuel in order to avoid default under the contract.

On an 8,400 hour/yr basis, the T-G would now be producing 4,615 kw net output, or about 5,000 kw gross output (385 kw power generation equipment auxiliaries). A turbine heat balance, with 3,000 lb/hr of low pressure extraction for the deaerator, would require an inlet steam flow of 44,000 lb/hr. Assuming that boiler efficiency drops to 70% in this low flow condition with slightly higher moisture purchased fuel, the fuel flow to the boiler will be 4.45 Bdt/hr. On a 8,400 hr/yr basis, this is a total fuel requirement of 37,380 Bdt/yr of purchased fuel.

With the loss of backhauls from chip transport, due to mill shutdown, it is logical to purchase all 37,380 Bdt/yr from mills/processors within the 50 mile radius. These purchases would represent 52% of the available fuel. While this is not a good situation to contemplate for Evergreen, it is also not an undue stress on the local fuel market, and could sustain the power plant during market shutdowns.

Conclusion

A total of four scenarios were evaluated, ranging from minimum to maximum annual generation. In three of the four scenarios, the MFP fuel requirements could be satisfied internally to the Freres mills by burning low valued mill residuals plus 10-62% of the available paper chips. In most markets, it would be economically preferable to tap the 104,000 Bdt/yr of locally available or backhaul fuel for the required chip quantity, leaving the paper chips available for sale.

In the fourth scenario, a complete shutdown of the Freres mills for a complete contract year, the goal is to generate only the minimum required Net Output, entirely from outside purchased fuels. In this case, approximately 52% of the available residual fuels (not including chips) within a 50 mile radius would be required. This could be accomplished by Evergreen without undue pressure on the existing residual fuel markets.

Since the power contract is for only a 10 year period, the chances of a complete mill shutdown due to log supply or mill obsolescence is low. Freres Lumber has been in business for 80 years, and has been operating at this location for 50 years, and the current production schedule is one that has been followed for more than the last five years. Under all reasonable scenarios, Evergreen will be able to supply the motive force necessary to meet the contractual requirements of the 10 year PacifiCorp power purchase agreement.

EXHIBIT E

START-UP TESTING

Required factory testing includes such checks and tests necessary to determine that the equipment systems and subsystems have been properly manufactured and installed, function properly, and are in a condition to permit safe and efficient start-up of the Facility, which may include but are not limited to (as applicable): **[Seller identify appropriate tests]**

1. Pressure tests of all steam system equipment;
2. Calibration of all pressure, level, flow, temperature and monitoring instruments;
3. Operating tests of all valves, operators, motor starters and motor;
4. Alarms, signals, and fail-safe or system shutdown control tests;
5. Insulation resistance and point-to-point continuity tests;
6. Bench tests of all protective devices;
7. Tests required by manufacturer of equipment; and
8. Complete pre-parallel checks with PacifiCorp.

Required start-up tests are those checks and tests necessary to determine that all features and equipment, systems, and subsystems have been properly designed, manufactured, installed and adjusted, function properly, and are capable of operating simultaneously in such condition that the Facility is capable of continuous delivery into PacifiCorp's electrical system, which may include but are not limited to (as applicable):

1. Turbine/generator mechanical runs including shaft, vibration, and bearing temperature measurements;
2. Running tests to establish tolerances and inspections for final adjustment of bearings, shaft run-outs;
3. Brake tests;
4. Energization of transformers;
5. Synchronizing tests (manual and auto);
6. Stator windings dielectric test;
7. Armature and field windings resistance tests;
8. Load rejection tests in incremental stages from 5, 25, 50, 75 and 100 percent load;
9. Heat runs;
10. Tests required by manufacturer of equipment;
11. Excitation and voltage regulation operation tests;
12. Open circuit and short circuit; saturation tests;
13. Governor system steady state stability test;
14. Phase angle and magnitude of all PT and CT secondary voltages and currents to protective relays, indicating instruments and metering;
15. Auto stop/start sequence;
16. Level control system tests; and
17. Completion of all state and federal environmental testing requirements.

EXHIBIT F

SCHEDULE 37 and PRICING SUMMARY TABLE

PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

OREGON
SCHEDULE 37
Page 1

Available

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

Applicable

For power purchased from Qualifying Facilities with a nameplate capacity of 10,000 kW or less. Owners of these Qualifying Facilities will be required to enter into a written power sales contract with the Company.

Definitions

Cogeneration Facility

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

Qualifying Facilities

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

Small Power Production Facility

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

On-Peak Hours or Peak Hours

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

Holidays include only New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. When a holiday falls on a Saturday or Sunday, the Friday before the holiday (if the holiday falls on a Saturday) or the Monday following the holiday (if the holiday falls on a Sunday) will be the holiday and will be Off-peak.

Off-Peak Hours

All hours other than On-Peak.

Opal Gas Market Index

The monthly indexed gas price shall be from Platts "Gas Daily Price Guide" for gas deliveries to Northwest Pipeline Corp at the Rocky Mountains.

Excess Output

Excess output shall mean any increment of Net Output delivered at a rate, on an hourly basis, exceeding the Facility Nameplate Capacity. PacifiCorp shall pay Seller the Off-peak Price for all Excess Output.

(Continued)

Issued:	July 12, 2005	P.U.C. OR No. 35
Effective:	With service rendered on and after August 11, 2005	Original Sheet No. 37-1

Issued By

D. Douglas Larson, Vice President, Regulation

TF1 37-1.E

Advice No. 05-006

EXHIBIT F

SCHEDULE 37 and PRICING SUMMARY TABLE (continued)

PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

OREGON
SCHEDULE 37
Page 2

Pricing Options

1 Fixed Avoided Cost Prices

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

2 Gas Market Indexed Avoided Cost Prices

Fixed prices apply during the resource sufficiency period (2005 through 2009), thereafter a portion of avoided cost prices are indexed to actual Opal monthly gas market index prices. The remaining portion of avoided cost prices will be fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. Prices are available for a term of up to 20 years.

3 Banded Gas Market Indexed Avoided Cost Prices

Fixed prices apply during the resource sufficiency period (2005 through 2009), thereafter a portion of avoided cost prices are indexed to actual Opal monthly gas market index prices. The remaining portion of avoided cost prices will be fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. The gas indexed portion of the avoided cost prices are banded to limit the amount that prices can vary with changes in gas prices. Prices are available for a term of up to 20 years.

Monthly Payments

A Qualifying Facility shall select the option of payment at the time of signing the contract under one of three Pricing Options as specified above. Once an option is selected the option will remain in effect for the duration of the Facility's contract.

Fixed Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at the fixed prices as provided in this tariff. The definition of On-Peak and Off-Peak is as defined in the definitions section of this tariff.

Gas Market Indexed Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at On-Peak and Off-Peak prices calculated each month.

To calculate the Off-Peak price, multiply the Opal Gas Market Index price in \$/MBtu by 0.76 to get actual gas price in cents/kWh. The Off-Peak Energy Adder is added to the actual gas price to get the Off-Peak Price.

The On-Peak price is the Off-Peak price plus the On-Peak Capacity Adder.

(Continued)

Issued:	July 12, 2005	P.U.C. OR No. 35
Effective:	With service rendered on and after August 11, 2005	Original Sheet No. 37-2

TF1 37-2.E

Issued By
D. Douglas Larson, Vice President, Regulation

Advice No. 05-006

EXHIBIT F

SCHEDULE 37 and PRICING SUMMARY TABLE (continued)

PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

OREGON
SCHEDULE 37
 Page 3

Monthly Payments (Continued)

Banded Gas Indexed Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at On-Peak and Off-Peak prices calculated each month.

To calculate the Off-Peak price, multiply the Opal Gas Market Index price in \$/MMBtu by 0.76 to get actual gas price in cents/kWh. This price is banded such that the actual gas price shall be no lower than the Gas Market Index Floor nor greater than the Gas Market Index Ceiling as listed in the price section of this tariff. The Off-Peak Energy Adder is added to the actual gas price to get the Off-Peak Price.

The On-Peak price is the Off-Peak price plus the On-Peak Capacity Adder.

Avoided Cost Prices

Pricing Option 1-Fixed Avoided cost Prices c/kWh

Deliveries During Calendar Year	On-Peak Energy Price	Off-Peak Energy Price
(a)	(b)	
2005	7.13	5.98
2006	6.36	5.27
2007	5.96	4.87
2008	5.58	4.63
2009	5.26	4.33
2010	6.21	4.30
2011	6.54	4.57
2012	7.13	5.11
2013	7.43	5.35
2014	7.52	5.37
2015	7.66	5.45
2016	7.86	5.59
2017	8.07	5.73
2018	8.27	5.86
2019	8.50	6.02
2020	8.72	6.17
2021	8.97	6.33
2022	9.23	6.49
2023	9.49	6.66
2024	9.75	6.82
2025	10.03	7.00
2026	10.31	7.18
2027	10.60	7.36
2028	10.90	7.55

(Continued)

Issued:	July 12, 2005	P.U.C. OR No. 35
Effective:	With service rendered on and after August 11, 2005	Original Sheet No. 37-3

Issued By
 D. Douglas Larson, Vice President, Regulation

TF1 37-3.E

Advice No. 05-006

EXHIBIT F

SCHEDULE 37 and PRICING SUMMARY TABLE (continued)

PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

OREGON
SCHEDULE 37
 Page 4

Avoided Cost Prices (Continued)

Pricing Option 2 Gas Market Indexed Avoided Cost Prices \$/kWh

Deliveries During Calendar Year	Real Prices		Gas Market Index		Forecast	Estimated Prices (3)	
	On-Peak Energy Price	Off-Peak Energy Price	On-Peak Capacity Index (1)	Off-Peak Energy Index	Opt Gas Index Price (2)	On-Peak Energy Price	Off-Peak Energy Price
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
			Indexed Capacity Cost / (0.876 24.2987%)	Indexed Energy Cost - ((e) * 0.76)		(g) * (c)	((e) * 0.76) * (d)
2005	7.13	5.98					
2006	6.36	5.27	Market Indexed Prices				
2007	5.96	4.87	2005 through 2009				
2008	5.58	4.63					
2009	5.26	4.33					
2010			1.91	0.38	\$.16	6.21	4.30
2011			1.97	0.40	\$.49	6.54	4.57
2012			2.02	0.42	\$.17	7.13	5.11
2013			2.08	0.42	\$.48	7.43	5.35
2014			2.14	0.42	\$.51	7.52	5.37
2015			2.21	0.44	\$.60	7.66	5.45
2016			2.27	0.45	\$.77	7.86	5.59
2017			2.34	0.45	\$.95	8.07	5.73
2018			2.41	0.45	\$.12	8.27	5.86
2019			2.48	0.46	\$.31	8.50	6.02
2020			2.55	0.47	\$.50	8.72	6.17
2021			2.64	0.48	\$.70	8.97	6.33
2022			2.73	0.49	\$.90	9.23	6.49
2023			2.83	0.50	\$.10	9.49	6.66
2024			2.93	0.51	\$.31	9.75	6.82
2025			3.03	0.52	\$.53	10.03	7.00
2026			3.13	0.53	\$.75	10.31	7.18
2027			3.24	0.54	\$.98	10.60	7.36
2028			3.35	0.55	\$.21	10.90	7.55

- (1) Indexed Capacity Cost are equal to final cost for SCRs identified in the Company's 2004 R
- (2) Actual 60.76 is used to adjust gas prices from \$/MWh
- (3) Estimated avoided cost prices based upon forecast Opt Gas Market Index prices. Actual prices will be calculated each year using actual Opt Gas Market Index prices.

(Continued)

Issued: July 12, 2005 P.U.C. OR No. 35
 Effective: With service rendered on and after August 11, 2005 Original Sheet No. 37-4

Issued By
 D. Douglas Larson, Vice President, Regulation

TF1 37-4.E

Advice No. 05-006

EXHIBIT F

SCHEDULE 37 and PRICING SUMMARY TABLE (continued)

PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

OREGON
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Avoided Cost Prices (Continued)
Pricing Option 3 - Indexed Gas Market Indexed Avoided Cost Prices \$/kWh

Deliveries During Calendar Year	Bid Prices		Indexed Gas Market Index				Forecast		Estimated Prices (3)	
	On-Peak Energy Price	Off-Peak Energy Price	On-Peak Capacity Index (1)	Off-Peak Energy Index	Gas Market Index		On-Peak Energy Price (2)	Off-Peak Energy Price	On-Peak Energy Price	Off-Peak Energy Price
	(a)	(b)	(c)	(d)	90% (e)	110% (f)	(g)	(h)	(i)	(j)
			Avoided Firm Capacity Cost \$(0.876) * 84.2% (7) %	Avoided Energy Cost - ((e) * 0.76)	(g) * 0.76 * 90%	(g) * 0.76 * 110%			(i) * (c)	(j) * (b) * 0.76) * (e) * (f) * (d)
2005	7.13	5.98								
2006	6.36	5.27								
2007	5.96	4.87								
2008	5.58	4.63								
2009	5.26	4.33								
2010			1.91	0.38	3.53	4.31	\$ 1.6	6.21	4.30	
2011			1.97	0.40	3.75	4.59	\$ 4.9	6.54	4.57	
2012			2.02	0.42	4.22	5.16	\$ 1.7	7.13	5.11	
2013			2.08	0.42	4.43	5.42	\$ 4.8	7.43	5.35	
2014			2.14	0.42	4.45	5.44	\$ 5.1	7.52	5.37	
2015			2.21	0.44	4.51	5.51	\$ 6.0	7.66	5.45	
2016			2.27	0.45	4.63	5.66	\$ 7.7	7.86	5.59	
2017			2.34	0.45	4.75	5.81	\$ 9.5	8.07	5.73	
2018			2.41	0.45	4.87	5.96	\$ 1.2	8.27	5.86	
2019			2.48	0.46	5.00	6.11	\$ 3.1	8.50	6.02	
2020			2.55	0.47	5.13	6.27	\$ 5.0	8.72	6.17	
2021			2.64	0.48	5.27	6.44	\$ 7.0	8.97	6.33	
2022			2.73	0.49	5.40	6.60	\$ 9.0	9.23	6.49	
2023			2.83	0.50	5.54	6.77	\$ 1.0	9.49	6.66	
2024			2.93	0.51	5.69	6.95	\$ 3.1	9.75	6.82	
2025			3.03	0.52	5.83	7.13	\$ 5.3	10.03	7.00	
2026			3.13	0.53	5.99	7.32	\$ 7.5	10.31	7.18	
2027			3.24	0.54	6.14	7.51	\$ 9.8	10.60	7.36	
2028			3.35	0.55	6.30	7.70	\$ 2.1	10.90	7.55	

- (1) Avoided Firm Capacity Costs are equal to the firm cost at the SCRs identified in the Company's 2004 R.
- (2) Index 60.76 is used to adjust gas prices from 2004 to 2009.
- (3) Estimated avoided cost prices based upon the forecasted Opt Gas Market Index prices. Actual prices will be calculated each month using actual Opt Gas Market Index prices.

(Continued)

Issued: July 12, 2005
 Effective: With service rendered on and after August 11, 2005
 P.U.C. OR No. 35
 Original Sheet No. 37-5

Issued By
 D. Douglas Larson, Vice President, Regulation

TF1 37-5.E

Advice No. 05-006

EXHIBIT F

SCHEDULE 37 and PRICING SUMMARY TABLE (continued)

PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

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Example of Pricing Options available to the Qualifying Facility

An example of the three pricing options using different assumed gas prices is available at the Company web site.

Qualifying Facilities Contracting Procedure

Qualifying Facilities up to 10kW

APPLICATION: To owners of existing or proposed QFs with a design capacity less than or equal to 10,000 kW who desire to make sales to the Company in the state of Oregon. Such owners will be required to enter into a written power purchase agreement with the Company pursuant to the procedures set forth below.

I. Process for Completing a Power Purchase Agreement

A. Communications

Unless otherwise directed by the Company, all communications to the Company regarding QF power purchase agreements should be directed in writing as follows:

Pacific Power & Light Company
Manager-QF Contracts
825 NE Multnomah St, Suite 600
Portland, Oregon 97232

The Company will respond to all such communications in a timely manner. If the Company is unable to respond on the basis of incomplete or missing information from the QF owner, the Company shall indicate what additional information is required. Thereafter, the Company will respond in a timely manner following receipt of all required information.

B. Procedures

1. The Company's approved generic or standard form power purchase agreements may be obtained from the Company's website at www.pacificorp.com, or if the owner is unable to obtain it from the website, the Company will send a copy within seven days of a written request.
2. In order to obtain a project specific draft power purchase agreement the owner must provide in writing to the Company, general project information required for the completion of a power purchase agreement, including, but not limited to:
 - a) demonstration of ability to obtain QF status;

(Continued)

Issued:	July 12, 2005	P.U.C. OR No. 35
Effective:	With service rendered on and after August 11, 2005	Original Sheet No. 37-6

TF1 37-6.E
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D. Douglas Larson, Vice President, Regulation

Advice No. 05-006

EXHIBIT F

SCHEDULE 37 and PRICING SUMMARY TABLE (continued)

PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

OREGON
SCHEDULE 37
Page 7

B Procedures Continued)

- b) design capacity (MW), station service requirements, and net amount of power to be delivered to the Company's electric system;
 - c) generation technology and other related technology applicable to the site;
 - d) proposed site location;
 - e) schedule of monthly power deliveries;
 - f) calculation or determination of minimum and maximum annual deliveries;
 - g) motive force or fuel plan;
 - h) proposed on-line date and other significant dates required to complete the milestones;
 - i) proposed contract term and pricing provisions (i.e., fixed, deadband, gas indexed);
 - j) status of interconnection or transmission arrangements;
 - k) point of delivery or interconnection;
3. The Company shall provide a draft power purchase agreement when all information described in Paragraph 2 above has been received in writing from the QF owner. Within 15 business days following receipt of all information required in Paragraph 2, the Company will provide the owner with a draft power purchase agreement including current standard avoided cost prices and/or other optional pricing mechanisms as approved by the Oregon Public Utilities Commission in this Schedule 37.
4. If the owner desires to proceed with the power purchase agreement after reviewing the Company's draft power purchase agreement, it may request in writing that the Company prepare a final draft power purchase agreement. In connection with such request, the owner must provide the Company with any additional or clarified project information that the Company reasonably determines to be necessary for the preparation of a final draft power purchase agreement.
5. After reviewing the final draft power purchase agreement, the owner may either prepare another set of written comments and proposals or approve the final draft power purchase agreement. If the owner prepares written comments and proposals the Company will respond in 14 days to those comments and proposals.
6. When both parties are in full agreement as to all terms and conditions of the draft power purchase agreement, the Company will prepare and forward to the owner a final executable version of the agreement. Following the Company's execution a completely executed copy will be returned to the owner. Prices and other terms and conditions in the power purchase agreement will not be final and binding until the power purchase agreement has been executed by both parties.

Issued:	July 12, 2005	P.U.C. OR No. 35
Effective:	With service rendered on and after August 11, 2005	Original Sheet No. 37-7

Issued By
D. Douglas Larson, Vice President, Regulation

TF1 37-7.E

Advice No. 05-006



825 NE Multnomah, Suite 600
Portland, Oregon 97232

June 28, 2007

Evergreen BioPower LLC
P.O. Box 276
Lyons, OR 97358

Attn: T. Kyle Freres

Re: **AMENDMENT TO POWER PURCHASE AGREEMENT**

Dear Mr. Freres,

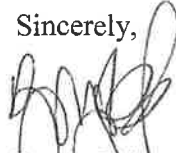
This letter amends the *Power Purchase Agreement Between Evergreen BioPower, LLC and PacifiCorp*, which was entered into on January 2, 2007 (January 2, 2007 Agreement). PacifiCorp and Evergreen BioPower, LLC (Evergreen) desire to incorporate certain changes to PacifiCorp's standard Oregon QF Power Purchase Agreement approved by Oregon Public Utilities Commission Order 07-120, including: (1) modify the definition for "As-built Supplement" (Section 1.1); (2) waive any claim by PacifiCorp to Environmental Attributes from the Facility (Sections 1.12 and 5.5); (3) add new Section 3.2.7 regarding the Facility's continued status as a Qualifying Facility; (4) explicitly include construction related financial obligations in Section 3.2.8(c) (formerly 3.2.7(c)); (5) specify that Section 6.1, regarding As-Built Supplement, refers to initial and any subsequent construction; (6) provide pricing methodology for incremental utility upgrades in new Section 6.2; (7) permit Evergreen to request that PacifiCorp excuse Evergreen from an obligation to post default security arising solely from delinquent performance of construction-related obligations in Section 10; (8) delete Section 10.5; (9) modify the meaning of "underdelivery" in Section 11.1.6; (10) add Evergreen's required notice in the event it becomes delinquent under construction financing related to the Facility (Section 11.2.4); (11) modify PacifiCorp's ability to terminate this Agreement for default due to delayed commercial operation in Section 11.3.1; (12) cap Net Replacement Power Costs in Section 11.4.1; (13) change the minimum A.M. Best Company rating for Evergreen's insurance carrier from "A:-VII" to "B+" in Section 13.2; (14) update PacifiCorp's notice information in Section 23; and (15) delete Section 24. This amendment otherwise makes no substantive changes to the January 2, 2007 Agreement.

Order 07-120 from the Oregon Public Utilities Commission (April 2, 2007) invoked Section 24. The attached amendment exercises and extinguishes Evergreen's right under Section 24 to revise the January 2, 2007 Agreement.

The attached *Amended Power Purchase Agreement Between Evergreen BioPower, LLC and PacifiCorp* supercedes the January 2, 2007 Agreement.

Please indicate your approval of the foregoing by signing below, initialing next to the changes in the attached amended Agreement, and returning both to the above address. Thank you for your assistance in this matter.

Sincerely,



Bruce Griswold
Manager, Origination
Commercial & Trading

EVERGREEN BIOPOWER, LLC


By

Kyle Freres
Name
Vice President, Freres Lumber
Manager, Evergreen BioPower LLC
Title

8/3/07
Date

Attachment: *Amended Power Purchase Agreement Between Evergreen BioPower, LLC
and PacifiCorp*

AMENDED POWER PURCHASE AGREEMENT

<1>* TKF

BETWEEN

Evergreen BioPower, LLC
[a Qualifying Facility with 10MW Design Capacity, or Less]

AND

PACIFICORP

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*Changes noted in "<1>" in the margin were agreed to by letter agreement dated June 28, 2007 between PacificCorp and Evergreen BioPower, LLC ("First Amendment").

**These Sections contain changes agreed to in the First Amendment.

<1>* TKF

POWER PURCHASE AGREEMENT

THIS POWER PURCHASE AGREEMENT, entered into this 2 day of January, 2007, is between **Evergreen BioPower, LLC**, "Seller" and PacifiCorp, an Oregon corporation acting in its regulated utility capacity, "**PacifiCorp.**" (Seller and PacifiCorp are referred to individually as a "**Party**" or collectively as the "**Parties**").

RECITALS

A. Seller intends to construct, own, operate and maintain a biomass facility for the generation of electric power, including interconnection facilities, located in Lyons, Linn County, Oregon with a Facility Capacity Rating of 10,000-kilowatts (kW) as further described in **Exhibit A** and **Exhibit B ("Facility")**; and

B. Seller intends to commence delivery of Net Output under this Agreement, for the purpose of Start-up Testing, on November 15th, 2007 ("**Scheduled Initial Delivery Date**"); and

C. Seller intends to operate the Facility as a Qualifying Facility, commencing commercial operations on December 1st, 2007 ("**Scheduled Commercial Operation Date**"); and

D. Seller estimates that the average annual Net Energy to be delivered by the Facility to PacifiCorp is 62,556,600 kilowatt-hours (kWh), which amount of energy PacifiCorp will include in its resource planning; and

E. Seller shall sell and PacifiCorp shall purchase all Net Output from the Facility in accordance with the terms and conditions of this Agreement; and

F. This Agreement is a "New QF Contract" under the PacifiCorp Inter-Jurisdictional Cost Allocation Revised Protocol.

AGREEMENT

NOW, THEREFORE, the Parties mutually agree as follows:

SECTION 1: DEFINITIONS

When used in this Agreement, the following terms shall have the following meanings:

1.1 **"As-built Supplement"** shall be a supplement to **Exhibit A and Exhibit B**,^{<1>} provided by Seller following completion of construction of the Facility, describing the Facility as actually built.

1.2 **"Average Annual Generation"** shall have the meaning set forth in Section 4.2.

1.3 **"Billing Period"** means the time period between PacifiCorp's consecutive readings of its power purchase billing meter at the Facility in the normal course of PacifiCorp's business. Such periods typically range between twenty-seven (27) and thirty-four (34) days and may not coincide with calendar months.

1.4 **"Commercial Operation Date"** means the date that the Facility is deemed by PacifiCorp to be fully operational and reliable, which shall require, among other things, that all of the following events have occurred:

1.4.1 PacifiCorp has received a certificate addressed to PacifiCorp from a Licensed Professional Engineer stating (a) the Facility Capacity Rating of the Facility at the anticipated Commercial Operation Date; and (b) that the Facility is able to generate electric power reliably in amounts required by this Agreement and in accordance with all other terms and conditions of this Agreement;

1.4.2 The Facility has completed Start-Up Testing;

1.4.3 PacifiCorp has received a certificate addressed to PacifiCorp from a Licensed Professional Engineer stating that, (a), in accordance with the Generation Interconnection Agreement, all required interconnection facilities have been constructed, all required interconnection tests have been completed and the Facility is physically interconnected with PacifiCorp's electric system;

1.4.4 PacifiCorp has received a certificate addressed to PacifiCorp from an attorney in good standing in the State of Oregon stating that Seller has obtained all Required Facility Documents and if requested by PacifiCorp, in writing, has provided copies of any or all such requested Required Facility Documents. (Facilities over 200 kW only).

1.4.5 Seller has complied with the security requirements of Section 10.

1.5 **"Commission"** means the Oregon Public Utilities Commission.

1.6 **"Contract Price"** means the applicable price for capacity or energy, or both capacity and energy, stated in Sections 5.1 and 5.2.

1.7 **"Contract Year"** means a twelve (12) month period commencing at 00:00 hours Pacific Prevailing Time ("PPT") on January 1 and ending on 24:00 hours PPT on December 31; *provided, however*, that the first Contract Year shall commence on the Commercial Operation Date and end on the next succeeding December 31, and the last Contract Year shall end on the Termination Date.

1.8 **"Credit Requirements"** means a long-term credit rating (corporate or long-term senior unsecured debt) of (1) "Baa3" or greater by Moody's, or (2) "BBB-" or greater by S&P, or such other indicia of creditworthiness acceptable to PacifiCorp in its reasonable judgment.

1.9 **"Default Security"**, unless otherwise agreed to by the Parties in writing, means the amount of either a Letter of Credit or cash placed in an escrow account sufficient to replacetwelve (12) average months of replacement power costs over the term of this Agreement, and shall be calculated by taking the average, over the term of this Agreement, of the positive difference between (a) the monthly forward power prices at the Mid-Columbia market index as published by Dow Jones (determined by PacifiCorp in good faith using information from a commercially reasonable independent source), multiplied by 110%, minus (b) the average of the Fixed Avoided Cost Prices specified in Schedule 37, and multiplying such difference by (c) the Minimum Annual Delivery; provided, however, the amount of Default Security shall in no event be less than the amount equal to the payments PacifiCorp would make for three (3) average months based on Seller's average monthly volume over the term of this Agreement and utilizing the average Fixed Avoided Cost Prices specified in Schedule 37. Such amount shall be fixed at the Effective Date of this Agreement.

1.10 **"Effective Date"** shall have the meaning set forth in Section 2.1.

1.11 **"Energy Delivery Schedule"** shall have the meaning set forth in Section 4.5.

1.12 **"Environmental Attributes"** shall have the meaning set forth in Section 5.5.

TKF

~~1.13~~ **"Excess Output"** shall mean any increment of Net Output delivered at a rate, on an hourly basis, exceeding the Facility Capacity Rating.

~~1.14~~ **"Facility"** shall have the meaning set forth in Recital A.

~~1.15~~ **"Facility Capacity Rating"** means the sum of the Nameplate Capacity Ratings for all generators comprising the Facility.

~~1.16~~ **"FERC"** means the Federal Energy Regulatory Commission, or its successor.

~~1.17~~ **"Generation Interconnection Agreement"** means the generation interconnection agreement to be entered into separately between Seller and PacifiCorp's transmission or distribution department, as applicable, providing for the construction, operation, and maintenance of PacifiCorp's interconnection facilities required to accommodate deliveries of Seller's Net Output if the Facility is to be interconnected directly with PacifiCorp rather than another electric utility.

1.171.18 **"Letter of Credit"** means an irrevocable standby letter of credit, from an institution that has a long-term senior unsecured debt rating of "A" or greater from S&P or "A2" or greater from Moody's, in a form reasonably acceptable to PacifiCorp, naming PacifiCorp as the party entitled to demand payment and present draw requests thereunder.

1.181.19 **"Licensed Professional Engineer"** means a person acceptable to PacifiCorp in its reasonable judgment who is licensed to practice engineering in the state of Oregon who has no economic relationship, association, or nexus with the Seller, and who is not a representative of a consulting engineer, contractor, designer or other individual involved in the development of the Facility, or of a manufacturer or supplier of any equipment installed in the Facility. Such Licensed Professional Engineer shall be licensed in an appropriate engineering discipline for the required certification being made.

1.191.20 **"Material Adverse Change"** means 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 as provided in this Agreement

1.201.21 **"Maximum Annual Delivery"** shall have the meaning set forth in Section 4.3.

1.211.22 **"Minimum Annual Delivery"** shall have the meaning set forth in Section 4.3.

1.221.23 **"Nameplate Capacity Rating"** means the maximum generating capacity, as provided by the manufacturer, in kW, of any qualifying small power or cogeneration unit supplying all or part of the Facility's Net Output. Voluntary curtailment by Seller of a generating unit cannot reduce the Nameplate Capacity Rating of that unit.

1.231.24 **"Net Energy"** means the energy component, in kWh, of Net Output.

1.241.25 **"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 shall be the amount of energy flowing through the Point of Delivery.

1.251.26 **"Net Replacement Power Costs"** shall have the meaning set forth in Section 11.4.1.

1.261.27 **"Off-Peak Hours"** means all hours of the week that are not On-Peak Hours.

1.271.28 **"On-Peak Hours"** means the hours between 6 a.m. Pacific Prevailing Time ("PPT") and 10 p.m. PPT, Mondays through Saturdays, excluding all hours occurring on holidays as provided in Schedule 37.

1.281.29 **"Point of Delivery"** means the high side of the Seller's step-up transformer(s) located at the point of interconnection between the Facility and PacifiCorp's

distribution/ transmission system, as specified in the Generation Interconnection Agreement, or, if the Facility is not interconnected directly with PacifiCorp, the point at which another utility will deliver the Net Output to PacifiCorp as specified in **Exhibit B**.

1.291.30 **"Prime Rate"** means the publicly announced prime rate for commercial loans to large businesses with the highest credit rating in the United States in effect from time to time quoted by Citibank, N.A. If a Citibank, N.A. prime rate is not available, the applicable Prime Rate shall be the announced prime 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, New York, selected by the Party to whom interest based on the Prime Rate is being paid.

1.301.31 **"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.

1.341.32 **"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.

1.321.33 **"Replacement Price"** means the price at which PacifiCorp, acting in a commercially reasonable manner, purchases for delivery at the Point of Delivery a replacement for any Net Output that Seller is required to deliver under this Agreement plus (i) costs reasonably incurred by PacifiCorp in purchasing such replacement Net Output, and (ii) additional transmission charges, if any, reasonably incurred by PacifiCorp in causing replacement energy to be delivered to the Point of Delivery. If PacifiCorp elects not to make such a purchase, the Replacement Price shall be the market price at the Mid-Columbia trading hub for such energy not delivered, plus any additional cost or expense incurred as a result of Seller's failure to deliver, as determined by PacifiCorp in a commercially reasonable manner (but not including any penalties, ratcheted demand or similar charges).

1.331.34 **"Required Facility Documents"** means all licenses, permits, authorizations, and agreements, including a Generation Interconnection Agreement or equivalent, necessary for construction, operation, and maintenance of the Facility consistent with the terms of this Agreement, including without limitation those set forth in **Exhibit C**.

1.341.35 **"Schedule 37"** means the Schedule 37 of Pacific Power & Light Company's Commission-approved tariffs, providing pricing options for Qualifying Facilities of 10,000 kW or less, which is in effect on the Effective Date of this Agreement. A copy of that Schedule 37 is attached as **Exhibit F**.

1.351.36 **"Scheduled Commercial Operation Date"** shall have the meaning set forth in Recital C.

1.361.37 **"Scheduled Initial Delivery Date"** shall have the meaning set forth in Recital B.

~~1.371.38~~ "Start-Up Testing" means the completion of required factory and start-up tests as set forth in Exhibit E hereto.

~~1.381.39~~ "Termination Date" shall have the meaning set forth in Section 2.4.

SECTION 2: TERM; COMMERCIAL OPERATION DATE

2.1 This Agreement shall become effective after execution by both Parties ("**Effective Date**").

2.2 **Time is of the essence for this Agreement**, and Seller's ability to meet certain requirements prior to the Commercial Operation Date and to deliver Net Output by the Scheduled Commercial Operation Date is critically important. Therefore,

2.2.1 By January 1st, 2007, Seller shall provide PacifiCorp with a copy of an executed Generation Interconnection Agreement, or wheeling agreement, as applicable, which shall be consistent with all material terms and requirements of this Agreement.

2.2.2 Upon completion of construction, Seller, in accordance with Section 6.1, shall provide PacifiCorp with an As-built Supplement acceptable to PacifiCorp;

2.2.3 By the date thirty (30) days after the Effective Date, Seller shall provide Default Security required under Sections 10.1 or 10.2, as applicable.

2.3 Seller shall cause the Facility to achieve Commercial Operation on or before the Scheduled Commercial Operation Date. If Commercial Operation occurs after the Scheduled Commercial Operation Date, Seller shall be in default, and liable for delay damages specified in Section 11.

2.4 Except as otherwise provided herein, this Agreement shall terminate on December 31, 2017 ("**Termination Date**").

SECTION 3: REPRESENTATIONS AND WARRANTIES

3.1 PacifiCorp represents, covenants, and warrants to Seller that:

3.1.1 PacifiCorp is duly organized and validly existing under the laws of the State of Oregon.

3.1.2 PacifiCorp has the requisite corporate power and authority to enter into this Agreement and to perform according to the terms of this Agreement.

3.1.3 PacifiCorp 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 hereby.

- 3.1.4 The execution and delivery of this Agreement does not contravene any provision of, or constitute a default under, any indenture, mortgage, or other material agreement binding on PacifiCorp or any valid order of any court, or any regulatory agency or other body having authority to which PacifiCorp is subject.
 - 3.1.5 This Agreement is a valid and legally binding obligation of PacifiCorp, enforceable against PacifiCorp in accordance with its terms (except as the enforceability of this Agreement may be limited by bankruptcy, insolvency, bank moratorium or similar laws affecting creditors' rights generally and laws restricting the availability of equitable remedies and except as the enforceability of this Agreement may be subject to general principles of equity, whether or not such enforceability is considered in a proceeding at equity or in law).
- 3.2 Seller represents, covenants, and warrants to PacifiCorp that:
- 3.2.1 Seller is a limited liability company duly organized and validly existing under the laws of Oregon.
 - 3.2.2 Seller has the requisite power and authority to enter into this Agreement and to perform according to the terms hereof, including all required regulatory authority to make wholesale sales from the Facility.
 - 3.2.3 Seller has taken all actions required to authorize the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby.
 - 3.2.4 The execution and delivery of this Agreement does not contravene any provision of, or constitute a default under, any indenture, mortgage, or other material agreement binding on Seller or any valid order of any court, or any regulatory agency or other body having authority to which Seller is subject.
 - 3.2.5 This Agreement is a valid and legally binding obligation of Seller, enforceable against Seller in accordance with its terms (except as the enforceability of this Agreement may be limited by bankruptcy, insolvency, bank moratorium or similar laws affecting creditors' rights generally and laws restricting the availability of equitable remedies and except as the enforceability of this Agreement may be subject to general principles of equity, whether or not such enforceability is considered in a proceeding at equity or in law).
 - 3.2.6 The Facility is and shall for the term of this Agreement continue to be a QF, and Seller will operate the Facility in a manner consistent with its FERC QF certification. Seller has provided to PacifiCorp the appropriate QF certification (which may include a FERC self-certification) prior to PacifiCorp's execution of this Agreement. At any time during the term of this Agreement, 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 and, if PacifiCorp is not satisfied that the Facility qualifies for such status, a written legal opinion from an attorney who is (a) in good standing in the state of Oregon, and (b) who has no economic relationship, association or nexus with the Seller or the Facility, stating that the Facility is a QF and providing sufficient proof (including copies of all documents and data as PacifiCorp may request) demonstrating that Seller has maintained and will continue to maintain the Facility as a QF.

3.2.7 Compliance with Partial Stipulation in Commission Proceeding No. UM-1

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1129. Seller will not make any changes in its ownership, control, or management during the term of this Agreement that would cause it to not be in compliance with the definition of a Small Cogeneration Facility or Small Power Production Facility provided in PacifiCorp's Schedule 37 tariff approved by the Commission at the time this Agreement is executed. Seller will provide, upon request by PacifiCorp not more frequently than every 36 months, such documentation and information as reasonably may be required to establish Seller's continued compliance with such Definition. PacifiCorp agrees to take reasonable steps to maintain the confidentiality of any portion of the above-described documentation and information that the Seller identifies as confidential except PacifiCorp will provide all such confidential information to the Public Utility Commission of Oregon upon the Commission's request.

3.2.73.2.8 Additional Seller Creditworthiness Warranties. Seller need not post security under Section 10 for PacifiCorp's benefit in the event of Seller default, provided that Seller warrants all of the following:

- (a) Neither the Seller nor any of its principal equity owners is or has within the past two (2) years been the debtor in any bankruptcy proceeding, is unable to pay its bills in the ordinary course of its business, or is the subject of any legal or regulatory action, the result of which could reasonably be expected to impair Seller's ability to own and operate the Facility in accordance with the terms of this Agreement.
- (b) Seller has not at any time defaulted in any of its payment obligations for electricity purchased from PacifiCorp.
- (c) Seller is not in default under any of its other agreements and is current on all of its financial obligations, including construction related financial obligations.
- (d) Seller owns, and will continue to own for the term of this Agreement, all right, title and interest in and to the Facility, free and clear of all liens and encumbrances other than liens and encumbrances related to third-party financing of the Facility.

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- (e) **[Applicable only to Seller's with a Facility having a Facility Capacity Rating greater than 3 MW]** Seller meets the Credit Requirements.

Seller hereby declares (Seller initial one only):

_____ Seller affirms and adopts all warranties of this Section 3.2.78, and therefore is not required to post security under Section 10; or

___TKF___ Seller does not affirm and adopt all warranties of this Section 3.2.78, and therefore Seller elects to post the security specified in Section 10 .

3.3 **Notice.** If at any time during this Agreement, any Party obtains actual knowledge of any event or information which would have caused any of the representations and warranties in this Section 3 to have been materially untrue or misleading when made, such Party shall 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 pursuant to this Section shall be given as soon as practicable after the occurrence of each such event.

SECTION 4: DELIVERY OF POWER

4.1 Commencing on the Commercial Operation Date, unless otherwise provided herein, Seller will sell and PacifiCorp will purchase all Net Output from the Facility.

4.2 **Average Annual Generation.** Seller estimates that the Facility will generate, on average, 62,556,600 kWh per Contract Year ("**Average Annual Generation**"). Seller may, upon at least six months prior written notice, modify the Average Annual Generation every other Contract Year.

4.3 **Minimum and Maximum Delivery.** Seller shall make available from the Facility a minimum of 38,763,570 kWh of Net Output during each Contract Year, provided that such minimum for the first Contract Year shall be reduced pro rata to reflect the Commercial Operation Date, and further provided that such minimum Net Output shall be reduced on a pro-rata basis for any periods during a Contract Year that the Facility was prevented from generating electricity for reasons of Force Majeure ("**Minimum Annual Delivery**"). Seller estimates, for informational purposes, that it will make available from the Facility a maximum of 80,044,800 kWh of Net Output during each Contract Year ("**Maximum Annual Delivery**"). Seller's basis for determining the Minimum and Maximum Annual Delivery amounts is set forth in **Exhibit D**.

4.4 **Deliveries in Deficit of Delivery Obligation.** Seller's failure to deliver the Minimum Annual Delivery in any Contract Year (prorated if necessary) shall be a default, and Seller shall be liable for damages in accordance with Section 11.

4.5 Energy Delivery Schedule. Seller has provided a monthly schedule of Net Energy expected to be delivered by the Facility (“**Energy Delivery Schedule**”), incorporated into **Exhibit D.**

SECTION 5: PURCHASE PRICES

5.1 Seller shall have the option to select one of three pricing options: Fixed Avoided Cost Prices (“Fixed Price”), Gas Market Indexed Avoided Cost Prices (“Gas Market”), or Banded Gas Market Indexed Avoided Cost Prices (“Banded Gas Market”), as published in Schedule 37. Once an option is selected the option will remain in effect for the duration of the Facility’s contract. Seller has selected the following (Seller to initial one):

TKF Fixed Price
_____ Gas Market
_____ Banded Gas Market

A copy of Schedule 37, and a table summarizing the purchase prices under the pricing option selected by Seller, is attached as **Exhibit F.**

5.2 (Fixed Price Sellers Only). In the event Seller elects the Fixed Price payment method, PacifiCorp shall pay Seller the applicable On-Peak and Off-Peak rates specified in **Schedule 37** during the first fifteen (15) years after the Scheduled Initial Delivery Date. Thereafter, PacifiCorp shall pay Seller market-based rates, using the following pricing option (Seller to initial one):

N/A Gas Market
N/A Banded Gas Market

5.3 If the Seller elects a gas market indexed price option, the index shall be the Opal Gas Market Index as provided in Schedule 37. In the event that Platt ceases to publish the Opal Gas Market Index, the Company shall replace the index with a similar gas index.

5.4 PacifiCorp shall pay Seller the Off-peak Price for all Excess Output and for all Net Output delivered prior to the Commercial Operation Date. Such payment will be accomplished by adjustments pursuant to Section 9.2.

5.5 Environmental Attributes. PacifiCorp waives any claim to Seller’s ownership of Environmental Attributes under this Agreement. Environmental Attributes include, but are not limited to, Green Tags, Green Certificates, Renewable Energy Credits (RECs) and Tradable Renewable Certificates (TRCs) (as those terms are commonly used in the regional electric industry) directly associated with the production of energy from the Seller’s Facility.

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SECTION 6: OPERATION AND CONTROL

6.1 As-Built Supplement. Upon completion of initial (or any subsequent) construction of the Facility, Seller shall provide PacifiCorp an As-built Supplement to specify the actual Facility as built. The As-built Supplement must be reviewed and approved by PacifiCorp, which approval shall not unreasonably be withheld, conditioned or delayed. Seller shall not increase the Facility Capacity Rating above that specified in **Exhibit A** or increase the ability of the

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Facility to deliver Net Output in quantities in excess of the Facility Capacity Rating through any means including, but not limited to, replacement of, modification of, or addition of existing equipment, except with the written consent of PacifiCorp.

6.2 Incremental Utility Upgrades. At start-up (and at any other time upon at least six ^{<1>} month's prior written notice), Seller may increase Net Output, if such increase is due to normal variances in estimated versus actual performance, changed Facility operations, or improvements in Facility efficiency. Seller may not increase Net Output under this Agreement by installing additional generating units. In the case of substantial upgrades, PacifiCorp may require Seller to comply with Section 3.2.8(e) (in the event that the Facility upgrade causes the Facility Capacity Rating to exceed 3,000 kW) and increase its Minimum Annual Delivery obligation in Section 4.3 (if appropriate). PacifiCorp may also update Seller's security obligation (if applicable). So long as the Facility Capacity Rating after the upgrade is 10,000 kW or less, Seller will continue to receive the Contract Price for the Net Output, as set forth in Section 5.1 and 5.2 of this Agreement. If Seller increases the Facility Capacity Rating above 10,000 kW, then (on a going forward basis) PacifiCorp shall pay Seller the Contract price for the fraction of total Net Output equal to 10,000 kW divided by the Facility Capacity Rating of the upgraded Facility. For the remaining fraction of Net Output, PacifiCorp and Seller shall agree to a new negotiated rate. Seller shall be responsible for ensuring that any planned increase in the Facility Capacity Rating or the maximum instantaneous capacity of the Facility complies with Seller's Generation Interconnection Agreement and any other agreements with PacifiCorp. TKF

6.26.3 Seller shall operate and maintain the Facility in a safe manner in accordance with the Generation Interconnection Agreement (if applicable), Prudent Electrical Practices and in accordance with the requirements of all applicable federal, state and local laws and the National Electric Safety Code as such laws and code may be amended from time to time. PacifiCorp shall have no obligation to purchase Net Output from the Facility to the extent the interconnection between the Facility and PacifiCorp's electric system is disconnected, suspended or interrupted, in whole or in part, pursuant to the Generation Interconnection Agreement, or to the extent generation curtailment is required as a result of Seller's non-compliance with the Generation Interconnection Agreement. PacifiCorp shall have the right to inspect the Facility to confirm that Seller is operating the Facility in accordance with the provisions of this Section 6.23 upon reasonable notice to Seller. Seller is solely responsible for the operation and maintenance of the Facility. PacifiCorp shall not, by reason of its decision to inspect or not to inspect the Facility, or by any action or inaction taken with respect to any such inspection, assume or be held responsible for any liability or occurrence arising from the operation and maintenance by Seller of the Facility.

6.36.4 Scheduled Outages. Seller may cease operation of the entire Facility or individual units, if applicable, for maintenance or other purposes. Seller shall exercise its best efforts to notify PacifiCorp of planned outages at least ninety (90) days prior, and shall reasonably accommodate PacifiCorp's request, if any, to reschedule such planned outage in order to accommodate PacifiCorp's need for Facility operation.

6.46.5 Unplanned Outages. In the event of an unscheduled outage or curtailment exceeding twenty-five (25) percent of the daily scheduled delivery (other than curtailments due to lack of motive force), Seller immediately shall notify PacifiCorp of the necessity of such unscheduled outage or curtailment, the time when such has occurred or will occur and the anticipated duration. Seller shall take all reasonable measures and exercise its best efforts to

avoid unscheduled outage or curtailment, to limit the duration of such, and to perform unscheduled maintenance during Off-Peak hours.

SECTION 7: FUEL/MOTIVE FORCE

Prior to the Effective Date of this Agreement, Seller provided to PacifiCorp a fuel or motive force plan acceptable to PacifiCorp in its reasonable discretion and attached hereto as **Exhibit D-1**, together with a certification from a Licensed Professional Engineer to PacifiCorp attached hereto as **Exhibit D-2**, certifying that the implementation of the fuel or motive force plan can reasonably be expected to provide fuel or motive force to the Facility for the duration of this Agreement adequate to generate power and energy in quantities necessary to deliver the Minimum Annual Delivery set forth by Seller in Section 4.

SECTION 8: METERING

8.1 PacifiCorp shall design, furnish, install, own, inspect, test, maintain and replace all metering equipment required pursuant to the Generation Interconnection Agreement, if applicable.

8.2 Metering shall be performed at the location and in a manner consistent with this Agreement and as specified in the Generation Interconnection Agreement. All quantities of energy purchased hereunder shall be adjusted to account for electrical losses, if any between the point of metering and the Point of Delivery, so that the purchased amount reflects the net amount of energy flowing into PacifiCorp's system at the Point of Delivery.

8.3 PacifiCorp shall periodically inspect, test, repair and replace the metering equipment as provided in the Generation Interconnection Agreement, if applicable. If any of the inspections or tests ~~disclosed~~discloses an error exceeding two percent (2%), either fast or slow, proper correction, based upon the inaccuracy found, shall 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 cannot be ascertained, the proper correction shall be made to the measurements taken during the time the metering equipment was in service since last tested, but not exceeding three (3) Billing Periods, in the amount the metering equipment shall have been shown to be in error by such test. Any correction in billings or payments resulting from a correction in the meter records shall be made in the next monthly billing or payment rendered following the repair of the meter.

SECTION 9: BILLINGS, COMPUTATIONS, AND PAYMENTS

9.1 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. PacifiCorp may offset any such payment to reflect amounts owing from Seller to PacifiCorp pursuant to this Agreement, the Generation Interconnection Agreement, or any other agreement between the Parties.

9.2 Corrections. PacifiCorp shall have up to eighteen months to adjust any payment made pursuant to Section 9.1. In the event PacifiCorp determines it has overpaid Seller (for Excess Output or otherwise), PacifiCorp may adjust Seller's future payment accordingly in order to recapture any overpayment in a reasonable time.

9.3 Any amounts owing after the due date thereof shall bear interest at the Prime Rate plus two percent (2%) from the date due until paid; *provided, however*, that the interest rate shall at no time exceed the maximum rate allowed by applicable law.

SECTION 10: SECURITY

Unless Seller has adopted the creditworthiness warranties contained in Section 3.2.78, Seller must provide security (if requested by PacifiCorp) in the form of a cash escrow, letter of credit, senior lien, or step-in rights. Seller hereby elects to provide, in accordance with the applicable terms of this Section 10, the following security (Seller to initial one selection only):

- Cash Escrow
- Letter of Credit
- TKF Senior Lien
- Step-in Rights
- Seller has adopted the Creditworthiness Warranties of Section 3.2.78.

In the event Seller's obligation to post default security (under Section 10 or Section 11.1.4) arises solely from Seller's delinquent performance of construction-related financial obligations, upon Seller's request, PacifiCorp will excuse Seller from such obligation in the event Seller has negotiated financial arrangements with its construction lenders that mitigate Seller's financial risks to PacifiCorp's reasonable satisfaction.

[SKIP THIS SECTION 10.1 UNLESS SELLER SELECTED CASH ESCROW ALTERNATIVE]

10.1 Cash Escrow Security. Seller shall deposit in an escrow account established by PacifiCorp in a banking institution acceptable to both Parties, the Default Security. Such sum shall earn interest at the rate applicable to money market deposits at such banking institution from time to time. To the extent PacifiCorp receives payment from the Default Security, Seller shall, within fifteen (15) days, restore the Default Security as if no such deduction had occurred.

[SKIP THIS SECTION 10.2 UNLESS SELLER SELECTED LETTER OF CREDIT ALTERNATIVE]

10.2 Letter of Credit Security. Seller shall post and maintain in an amount equal to the Default Security: (a) a guaranty from a party that satisfies the Credit Requirements, in a form acceptable to PacifiCorp in its discretion, or (b) a Letter of Credit in favor of PacifiCorp. To the extent PacifiCorp receives payment from the Default Security, Seller shall, within fifteen (15) days, restore the Default Security as if no such deduction had occurred.

[SKIP THIS SECTION 10.3 UNLESS SELLER SELECTED SENIOR LIEN ALTERNATIVE]

10.3 Senior Lien. Before the Scheduled Commercial Operation Date, Seller shall grant PacifiCorp a senior, unsubordinated lien on the Facility and its assets as security for performance of this Agreement by executing, acknowledging and delivering a security agreement and a deed

of trust or a mortgage, in a recordable form (each in a form satisfactory to PacifiCorp in the reasonable exercise of its discretion). Pending delivery of the senior lien to PacifiCorp, Seller shall not cause or permit the Facility or its assets to be burdened by liens or other encumbrances that would be superior to PacifiCorp's, other than workers', mechanics', suppliers' or similar liens, or tax liens, in each case arising in the ordinary course of business that are either not yet due and payable or that have been released by means of a performance bond posted within eight (8) calendar days of the commencement of any proceeding to foreclose the lien.

[SKIP THIS SECTION 10.4 UNLESS SELLER SELECTED STEP-IN RIGHTS ALTERNATIVE]

10.4 Step-in Rights (Operation by PacifiCorp Following Event of Default of Seller).

10.4.1 Prior to any termination of this Agreement due to an Event of Default of Seller, as identified in Section 11, PacifiCorp shall have the right, but not the obligation, to possess, assume control of, and operate the Facility as agent for Seller (in accordance with Seller's rights, obligations, and interest under this Agreement) during the period provided for herein. Seller shall not grant any person, other than the lending institution providing financing to the Seller for construction of the Facility ("Facility Lender"), a right to possess, assume control of, and operate the Facility that is equal to or superior to PacifiCorp's right under this Section 10.4.

10.4.2 PacifiCorp shall give Seller ten (10) calendar days notice in advance of the contemplated exercise of PacifiCorp's rights under this Section 10.4. Upon such notice, Seller shall collect and have available at a convenient, central location at the Facility all documents, contracts, books, manuals, reports, and records required to construct, operate, and maintain the Facility in accordance with Prudent Electrical Practices. Upon such notice, PacifiCorp, its employees, contractors, or designated third parties shall have the unrestricted right to enter the Facility for the purpose of constructing and/or operating the Facility. Seller hereby irrevocably appoints PacifiCorp as Seller's attorney-in-fact for the exclusive purpose of executing such documents and taking such other actions as PacifiCorp may reasonably deem necessary or appropriate to exercise PacifiCorp's step-in rights under this Section 10.4.

10.4.3 During any period that PacifiCorp is in possession of and constructing and/or operating the Facility, no proceeds or other monies attributed to operation of the Facility shall be remitted to or otherwise provided to the account of Seller until all Events of Default of Seller have been cured.

10.4.4 During any period that PacifiCorp is in possession of and operating the Facility, Seller shall retain legal title to and ownership of the Facility and PacifiCorp shall assume possession, operation, and control solely as agent for Seller.

- (a) In the event PacifiCorp is in possession and control of the Facility for an interim period, Seller shall resume operation and PacifiCorp shall relinquish its right to operate when Seller demonstrates to PacifiCorp's reasonable satisfaction that it will remove those grounds that originally gave rise to PacifiCorp's right to operate the Facility, as provided above, in that Seller (i) will resume operation of the Facility in accordance with the provisions of this Agreement, and (ii) has cured any Events of Default of Seller which allowed PacifiCorp to exercise its rights under this Section 10.4.
- (b) In the event that PacifiCorp is in possession and control of the Facility for an interim period, the Facility Lender, or any nominee or transferee thereof, may foreclose and take possession of and operate the Facility and PacifiCorp shall relinquish its right to operate when the Facility Lender or any nominee or transferee thereof, requests such relinquishment.

10.4.5 PacifiCorp's exercise of its rights hereunder to possess and operate the Facility shall not be deemed an assumption by PacifiCorp of any liability attributable to Seller. If at any time after exercising its rights to take possession of and operate the Facility PacifiCorp elects to return such possession and operation to Seller, PacifiCorp shall provide Seller with at least fifteen (15) calendar days advance notice of the date PacifiCorp intends to return such possession and operation, and upon receipt of such notice Seller shall take all measures necessary to resume possession and operation of the Facility on such date.

~~10.5 As a condition to providing a Senior Lien or Step-in Rights, Seller shall, before the Scheduled Commercial Operation Date, post and maintain, in an amount reasonably determined by PacifiCorp, a Letter of Credit in favor of PacifiCorp, which PacifiCorp, during the term of this Agreement, can draw upon to satisfy amounts PacifiCorp might reasonably incur in order to satisfy environmental remediation requirements.~~

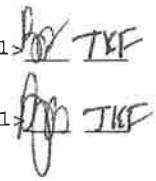
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SECTION 11: DEFAULTS AND REMEDIES

11.1 Events of Default. The following events shall constitute defaults under this Agreement:

- 11.1.1 Breach of Material Term. Failure of a Party to perform any material obligation imposed upon that Party by this Agreement (including but not limited to failure by Seller to meet any deadline set forth in Section 2) or breach by a Party of a representation or warranty set forth in this Agreement.
- 11.1.2 Default on Other Agreements. Seller's failure to cure any default under any commercial or financing agreements or instrument (including the

Generation Interconnection Agreement) within the time allowed for a cure under such agreement or instrument.

- 11.1.3 Insolvency. A Party (a) makes an assignment for the benefit of its creditors; (b) 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; (c) becomes insolvent; or (d) is unable to pay its debts when due.
- 11.1.4 Material Adverse Change. A Material Adverse Change has occurred with respect to Seller and Seller fails to provide such performance assurances as are reasonably requested by PacifiCorp, including without limitation the posting of additional Default Security, within thirty (30) days from the date of such request;
- 11.1.5 Delayed Commercial Operations. Seller's failure to achieve the Commercial Operation Date by the Scheduled Commercial Operation Date.
- 11.1.6 Underdelivery. If Seller's Facility has a Facility Capacity Rating of 100 kW or less, Seller's failure to satisfy the minimum delivery obligation of Section 4.3 for two (2) consecutive years; else Seller's failure to satisfy the minimum delivery obligation of Section 4.3 for one year. ^{<1>} 

11.2 Notice; Opportunity to Cure.

- 11.2.1 Notice. In the event of any default hereunder, the non-defaulting Party must notify the defaulting Party in writing of the circumstances indicating the default and outlining the requirements to cure the default.
- 11.2.2 Opportunity to Cure. A Party defaulting under Section 11.1.1 or 11.1.5 shall have thirty (30) days to cure after receipt of proper notice from the non-defaulting Party. This thirty (30) day period shall be extended by an additional ninety (90) days if (a) the failure cannot reasonably be cured within the thirty (30) day period despite diligent efforts, (b) the default is capable of being cured within the additional ninety (90) day period, and (c) the defaulting Party commences the cure within the original thirty (30) day period and is at all times thereafter diligently and continuously proceeding to cure the failure.
- 11.2.3 Seller Default Under Other Agreements. Seller shall cause any notices of default under any of its commercial or financing agreements or instruments to be sent by the other party to such agreements or instruments, or immediately forwarded, to PacifiCorp as a notice in accordance with Section 23.

11.2.4 Seller Delinquent on Construction-related Financial Obligations. Seller^{<1>} promptly shall notify PacifiCorp (or cause PacifiCorp to be notified) anytime it becomes delinquent under any construction related financing agreement or instrument related to the Facility. Such delinquency may constitute a Material Adverse Change, subject to Section 11.1.4.

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11.3 Termination.

11.3.1 Notice of Termination. If a default described herein has not been cured within the prescribed time, above, the non-defaulting Party may terminate this Agreement at its sole discretion by delivering written notice to the other Party and may pursue any and all legal or equitable remedies provided by law or pursuant to this Agreement; *provided, however* that PacifiCorp shall not terminate: (a) for a default under Section 11.1.5 unless PacifiCorp is in a resource deficient state during the period Commercial Operation is delayed; or (b) for a default under Section 11.1.6, unless such default is material. The rights provided in Section 10 and this Section 11 are cumulative such that the exercise of one or more rights shall not constitute a waiver of any other rights. Further, the Parties may by mutual written agreement amend this Agreement in lieu of a Party's exercise of its right to terminate.

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11.3.2 In the event this Agreement is terminated because of Seller's default and Seller wishes to again sell Net Output to PacifiCorp following such termination, PacifiCorp in its sole discretion may require that Seller shall do so subject to the terms of this Agreement, including but not limited to the Contract Price, until the Termination Date (as set forth in Section 2.4). At such time Seller and PacifiCorp agree to execute a written document ratifying the terms of this Agreement.

11.3.3 Damages. If this Agreement is terminated as a result of Seller's default, Seller shall pay PacifiCorp the positive difference, if any, obtained by subtracting the Contract Price from the sum of the Replacement Price for the Minimum Annual Delivery that Seller was otherwise obligated to provide for a period of twenty-four (24) months from the date of termination plus any cost incurred for transmission purchased to deliver the replacement power to the Point of Delivery, and the estimated administrative cost to the utility to acquire replacement power. Amounts owed by Seller pursuant to this paragraph shall be due within five (5) business days after any invoice from PacifiCorp for the same.

11.3.4 If this Agreement is terminated because of Seller's default, PacifiCorp may foreclose upon any security provided pursuant to Section 10 to satisfy any amounts that Seller owes PacifiCorp arising from such default.

11.4 Damages.

11.4.1 Failure to Deliver Net Output. In the event of Seller default under Subsection 11.1.5 or Subsection 11.1.6, then Seller shall pay PacifiCorp

the positive difference, if any, obtained by subtracting the Contract Price from the Replacement Price for any energy and capacity that Seller was otherwise obligated (under Section 4.3) to provide during the period of default (“Net Replacement Power Costs”); provided, however, that the positive difference obtained by subtracting the Contract Price from the Replacement Price shall not exceed the Contract Price, and the period of default under this Section 11.4.1 shall not exceed one Contract Year.



11.4.2 Recoupment of Damages.

- (a) Default Security Available. If Seller has posted Default Security, PacifiCorp may draw upon that security to satisfy any damages, above.
- (b) Default Security Unavailable. If Seller has not posted Default Security, or if PacifiCorp has exhausted the Default Security, PacifiCorp may collect any remaining amount owing by partially withholding future payments to Seller over a reasonable period of time, which period shall not be less than the period over which the default occurred. PacifiCorp and Seller shall work together in good faith to establish the period, and monthly amounts, of such withholding so as to avoid Seller’s default on its commercial or financing agreements necessary for its continued operation of the Facility.

SECTION 12: INDEMNIFICATION AND LIABILITY

12.1 Indemnities.

12.1.1 Indemnity by Seller. Seller shall release, indemnify and hold harmless PacifiCorp, its directors, officers, agents, and representatives against and from any and all loss, fines, penalties, claims, actions or suits, including costs and attorney’s fees, both at trial and on appeal, resulting from, or arising out of or in any way connected with (a) the energy delivered by Seller under this Agreement to and at the Point of Delivery, (b) any facilities on Seller’s side of the Point of Delivery, (c) Seller’s operation and/or maintenance of the Facility, or (d) arising from this Agreement, including without limitation any loss, claim, action or suit, for or on account of injury, bodily or otherwise, to, or death of, persons, or for damage to, or destruction or economic loss of property belonging to PacifiCorp, Seller or others, excepting only such loss, claim, action or suit as may be caused solely by the fault or gross negligence of PacifiCorp, its directors, officers, employees, agents or representatives.

12.1.2 Indemnity by PacifiCorp. PacifiCorp shall release, indemnify and hold harmless Seller, its directors, officers, agents, Lenders and representatives against and from any and all loss, fines, penalties, claims, actions or suits,

including costs and attorney's fees, both at trial and on appeal, resulting from, or arising out of or in any way connected with the energy delivered by Seller under this Agreement after the Point of Delivery, including without limitation any loss, claim, action or suit, for or on account of injury, bodily or otherwise, to, or death of, persons, or for damage to, or destruction or economic loss of property, excepting only such loss, claim, action or suit as may be caused solely by the fault or gross negligence of Seller, its directors, officers, employees, agents, Lenders or representatives.

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

12.3 No Consequential Damages. EXCEPT TO THE EXTENT SUCH DAMAGES ARE INCLUDED IN THE LIQUIDATED DAMAGES, DELAY DAMAGES, COST TO COVER DAMAGES OR OTHER SPECIFIED MEASURE OF DAMAGES EXPRESSLY PROVIDED FOR IN THIS AGREEMENT, NEITHER PARTY SHALL 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.

SECTION 13: INSURANCE (FACILITIES OVER 200KW ONLY)

13.1 Certificates. Prior to connection of the Facility to PacifiCorp's electric system Seller shall secure and continuously carry insurance in compliance with the requirements of this Section. Seller shall provide PacifiCorp insurance certificate(s) (of "ACORD Form" or the equivalent) certifying Seller's compliance with the insurance requirements hereunder. Commercial General Liability coverage written on a "claims-made" basis, if any, shall be specifically identified on the certificate. If requested by PacifiCorp, a copy of each insurance policy, certified as a true copy by an authorized representative of the issuing insurance company, shall be furnished to PacifiCorp.

13.2 Required Policies and Coverages. Without limiting any liabilities or any other obligations of Seller under this Agreement, Seller shall secure and continuously carry with an insurance company or companies rated not lower than "~~A-:VHB+~~" by the A.M. Best Company^{<1>} the insurance coverage specified below:

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

13.2.2 All Risk Property insurance providing coverage in an amount at least equal to the full replacement value of the Facility against "all risks" of

physical loss or damage, including coverage for earth movement, flood, and boiler and machinery. The Risk policy may contain separate sub-limits and deductibles subject to insurance company underwriting guidelines. The Risk Policy will be maintained in accordance with terms available in the insurance market for similar facilities.

13.3 The Commercial General Liability policy required herein shall include i) provisions or endorsements naming PacifiCorp, its Board of Directors, Officers and employees as additional insureds, and ii) cross liability coverage so that the insurance applies separately to each insured against whom claim is made or suit is brought, even in instances where one insured claims against or sues another insured.

13.4 All liability policies required by this Agreement shall 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 hereunder, and provisions that such policies shall not be canceled or their limits of liability reduced without 1) ten (10) days prior written notice to PacifiCorp if canceled for nonpayment of premium, or 2) thirty (30) days prior written notice to PacifiCorp if canceled for any other reason.

13.5 Insurance coverage provided on a "claims-made" basis shall 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.

SECTION 14: FORCE MAJEURE

14.1 As used in this Agreement, "**Force Majeure**" or "**an event of Force Majeure**" means any cause beyond the reasonable control of the Seller or of PacifiCorp which, despite the exercise of due diligence, such Party is unable to prevent or overcome. By way of example, Force Majeure may include but is not limited to acts of God, fire, flood, storms, wars, hostilities, civil strife, strikes, and other labor disturbances, earthquakes, fires, lightning, epidemics, sabotage, restraint by court order or other delay or failure in the performance as a result of any action or inaction on behalf of a public authority which by the exercise of reasonable foresight such Party could not reasonably have been expected to avoid and by the exercise of due diligence, it shall be unable to overcome, subject, in each case, to the requirements of the first sentence of this paragraph. Force Majeure, however, specifically excludes the cost or availability of fuel or motive force resources to operate the Facility or changes in market conditions that affect the price of energy or transmission. If either Party is rendered wholly or in part unable to perform its obligation under this Agreement because of an event of Force Majeure, that Party shall be excused from whatever performance is affected by the event of Force Majeure to the extent and for the duration of the event of Force Majeure, after which such Party shall recommence performance of such obligation, provided that:

14.1.1 the non-performing Party, shall, within two (2) weeks after the occurrence of the Force Majeure, give the other Party written notice describing the particulars of the occurrence; and

14.1.2 the suspension of performance shall be of no greater scope and of no longer duration than is required by the event of Force Majeure; and

14.1.3 the non-performing Party uses its best efforts to remedy its inability to perform.

14.2 No obligations of either Party which arose before the Force Majeure causing the suspension of performance shall be excused as a result of the event of Force Majeure.

14.3 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.

14.4 PacifiCorp may terminate the Agreement if Seller fails to remedy Seller's inability to perform, due to an event of Force Majeure, within six months after the occurrence of the event.

SECTION 15: SEVERAL OBLIGATIONS

Nothing contained in this Agreement shall ever be construed to create an association, trust, partnership or joint venture or to impose a trust or partnership duty, obligation or liability between the Parties. If Seller includes two or more parties, each such party shall be jointly and severally liable for Seller's obligations under this Agreement.

SECTION 16: 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 which may direct the application of the laws of another jurisdiction.

SECTION 17: PARTIAL INVALIDITY

It is not the intention of the Parties to violate any laws governing the subject matter of this Agreement. If any of the terms of the 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 the Agreement shall remain in effect. If any terms are finally held or determined to be invalid, illegal or void, the Parties shall enter into negotiations concerning the terms affected by such decision for the purpose of achieving conformity with requirements of any applicable law and the intent of the Parties to this Agreement.

SECTION 18: 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 must be in writing, and such waiver shall not be deemed a waiver with respect to any subsequent default or other matter.

SECTION 19: GOVERNMENTAL JURISDICTIONS AND AUTHORIZATIONS

This Agreement is subject to the jurisdiction of those governmental agencies having control over either Party or this Agreement. Seller shall at all times maintain in effect all local, state and federal licenses, permits and other approvals as then may be required by law for the construction, operation and maintenance of the Facility, and shall provide upon request copies of the same to PacifiCorp.

SECTION 20: REPEAL OF PURPA

This Agreement shall not terminate upon the repeal of the PURPA, unless such termination is mandated by federal or state law.

SECTION 21: SUCCESSORS AND ASSIGNS

This Agreement and all of the terms hereof shall be binding upon and inure to the benefit of the respective successors and assigns of the Parties. No assignment hereof by either Party shall become effective without the written consent of the other Party being first obtained and such consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, either Party may assign this Agreement without the other Party's consent to a lender as part of a financing transaction or as part of (a) a sale of all or substantially all of the assigning Party's assets, or (b) a merger, consolidation or other reorganization of the assigning Party.

SECTION 22: ENTIRE AGREEMENT

22.1 This Agreement supersedes all prior agreements, proposals, representations, negotiations, discussions or letters, whether oral or in writing, regarding PacifiCorp's purchase of Net Output from the Facility. No modification of this Agreement shall be effective unless it is in writing and signed by both Parties.


22.2 By executing this Agreement, Seller releases PacifiCorp from any claims, known or unknown, that may have arisen prior to the Effective Date.

SECTION 23: NOTICES

23.1 All notices except as otherwise provided in this Agreement shall be in writing, shall be directed as follows and shall be considered delivered if delivered in person or when deposited in the U.S. Mail, postage prepaid by certified or registered mail and return receipt requested.

Notices	PacifiCorp	Seller
All Notices	PacifiCorp 825 NE Multnomah Street Portland, OR 97232 Attn: Contract Administration, Suite 600 Phone: (503) 813 - 5952 Facsimile: (503) 813 - 6291	Evergreen BioPower LLC PO Box 276 Lyons, OR 97358 Attn: T. Kyle Freres Phone: (503) 859-2121

Notices	PacifiCorp	Seller
	Duns: 00-790-9013 Federal Tax ID Number: 93-0246090	Facsimile: Duns: Federal Tax ID Number: 20-4808737
All Invoices:	(same as street address above) Attn: Back Office, Suite 600 700 Phone: (503) 813 - 5585 Facsimile: (503) 813 - 5580	(same as address above) Attn: Accounts Payable Phone: (503) 859-2121 Fax: (503) 859-2112
Scheduling:	(same as street address above) Attn: Resource Planning, Suite 600 Phone: (503) 813 - 6090 Facsimile: (503) 813 - 6265	(same as address and phone above) Attn: Kyle Freres
Payments:	(same as street address above) Attn: Back Office, Suite 600 700 Phone: (503) 813 - 5585 Facsimile: (503) 813 - 5580	(same as address and phone above) Attn: Accounts Receivable
Wire Transfer:	Bank One N.A. ABA: ACCT: NAME: PacifiCorp Wholesale	
Credit and Collections:	(same as street address above) Attn: Credit Manager, Suite 1800 1900 Phone: (503) 813 - 5684 Facsimile: (503) 813 - 5609	
With Additional Notices of an Event of Default or Potential Event of Default to:	(same as street address above) Attn: <u>PacifiCorp</u> General Counsel- and Legal Counsel Phone: (503) 813- 6266 and (801) 220-45685029 Facsimile: (503) 813- 7262 and (801) 220-32997252	

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23.2 The Parties may change the person to whom such notices are addressed, or their addresses, by providing written notices thereof in accordance with this Section 23.

SECTION 24: COMMISSION INVESTIGATION

<1
by JKE

~~The Seller and PacifiCorp acknowledge that the rates, terms and conditions specified in this Agreement and the related tariffs are being investigated by the Oregon Public Utility Commission. Upon a decision by the Oregon Public Utility Commission in the investigation, PacifiCorp will notify the Seller within ten calendar days. The Seller shall have thirty calendar days from the effective date of the revised standard contract and tariffs complying with the Commission's order to amend this Agreement if the Seller so chooses to adopt the revised standard contract and/or the revised rates, terms and conditions in the tariff approved by the Oregon Public Utility Commission as a result of the investigation.~~

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

PacifiCorp

Seller

By: [Signature]

By: [Signature]

Name: William J Fehrm

Name: Kyle Frews, Vice President, Everes Lumber

Title: President

Title: Manager, Everes Bopower LLC

EXHIBIT A
DESCRIPTION OF SELLER'S FACILITY
[Seller to Complete]

Seller's Facility consists of one generators manufactured by General Electric. More specifically, each generator at the Facility is described as:

Type (synchronous or inductive):

Model: ATB-2

Number of Phases: 3

Rated Output (kW): Please see below.**Rated Output (kVA):**Please see below.

Rated Voltage (line to line): 13,800V

Rated Current (A): Stator: 1034 A; Rotor: 199 A

Maximum kW Output: 10,000 kW Maximum kVA Output: 12,500 @ .8 PFkVA

Minimum kW Output: 1500 kW

Manufacturer's Guaranteed Cut-in Wind Speed [if applicable]: N/A

Facility Capacity Rating: 10,000 kW at full steam generation and full steam condensing (zero process load)

Identify the maximum output of the generator(s) and describe any differences between that output and the Nameplate Capacity Rating:

Station service requirements (station use as described in Section 1.24), and other loads served by the Facility, if any, are described as follows: _Station service requirements for power generation equipment are approximately 575 kW, consisting of two cooling tower fans, two condensate pumps, two circulating water pumps, one component circulating water pump, seals collection tank pump, voltage regulator, and station lighting.

Location of the Facility: The Facility is to be constructed in the vicinity of Lyons in Linn County, Oregon. The location is more particularly described as follows:

Approximately 0.586 acres leased from Freres Lumber Co., Inc. Property owned by Freres Lumber Co., Inc. described as follows:

Beginning on the Southerly line of the Southern Pacific Railroad right of way and on the East line of the Northeast Quarter of the Southwest Quarter of Section 19 in Township 9 south, Range 2 East, of the Willamette Meridian at a point which is 325.45 feet South 0° 19' West from the Northeast corner thereof; thence North 73° 03' West along the Southerly line of said Railroad right of way 1272.35 feet to the intersection of right of ways of State Highway 226 and said Railroad; thence South 17° 07' West along the Easterly right of way line of said State Highway, 292.38 feet; thence South 29° 23' West 25.01 feet to the West line of the Northeast Quarter of the Southwest Quarter of said Section; thence South 0° 22' West along said West line 74.12 feet to a point which is 330.00 feet South 0° 22' West from the Northwest Corner of the Northeast Quarter of the Southwest Quarter of said Section; thence West 41.18 feet to the Easterly line of the said State Highway; thence South 29°23' West along the Easterly line of said State Highway 264.79 feet; thence East 169.55 feet to the West line of the Northeast Quarter of the Southwest Quarter of

said Section; thence South 0° 22' West along said West line 80.59 feet to a point which is 676.56 feet North 0° 22' East from the Southwest Corner of the Northeast Quarter of the Southwest Quarter of said Section; thence South 50° 29' East 848.69 feet to a point on the East line of the West half of the Northeast Quarter of the Southwest Quarter of said Section, which point is 1056.00 feet South 0° 20' 30" West from the Southerly line of said Railroad right of way; thence South 67° 51' East 357.32 feet to a point which is 990.00 feet North 89° 53' East from the Southwest corner of the Northeast Quarter of the Southwest Quarter of said Section; thence South 65° 57' East 356.60 feet to a point on the East line of the West half of said Section, which point is 145.99 feet South 0° 19' West from the Southeast Corner of the Northeast Quarter of the Southwest Quarter of said Section; thence South 623.63 feet along the East line of the West half of said Section to a point that is 543.84 feet Northerly of the Southwest Corner of the Southeast Quarter of said Section; thence Easterly 800.58 feet parallel to the South line of said section; thence Southerly 543.84 feet parallel with the West line of the East Half of said section; thence Easterly on the South line of said section 1139.16 feet to a point 689.70 feet West of the Southeast Corner of Section 19; thence Northerly parallel to the East line of said section 494.60 feet to the Southeast corner of a certain tract conveyed to Freres-Frank Lumber Company by deed recorded May 17, 1957 in Book 254, Page 365, Linn County Deed Records; thence West 120.00 feet; thence North 150.00 feet; thence East 120.00 feet to the Northeast Corner of said Freres – Frank tract; thence Northerly 1071.40 feet parallel to the East line of said section to the South line of the right of way of the Southern Pacific Railway Company; thence North 73° 49' West along said right of way 531.96 feet to an iron pipe; thence North 73° 49' West along said right of way 654.72 feet to an iron bar; thence North 73° 49' West along said right of way 848.10 feet to the point of beginning.

Property leased from Freres Lumber Co., Inc. by Evergreen BioPower, LLC bounded by the following coordinates:

Switchyard	Area: .213 acres @ 85' x 100'		
Northeast Corner	Latitude	44° 46'20.478"N	
	Longitude	122° 36'55.759"W	
Northwest Corner	Latitude	44° 46'20.760"N	
	Longitude	122° 36'57.294"W	
Southwest Corner	Latitude	44° 46'20.046"N	
	Longitude	122° 36'57.541"W	
Southeast Corner	Latitude	44° 46'19.701"N	
	Longitude	122° 36'56.199"W	
Co-gen Building	Area: .373 acres @ 144' x 127'		
Northwest Corner	Latitude	44° 46'14.528"N	
	Longitude	122° 36'44.068"W	
Southwest Corner	Latitude	44° 46'13.482"N	
	Longitude	122° 36'44.545"W	
Southeast Corner	Latitude	44° 46'13.098"N	
	Longitude	122° 36'42.617"W	
Northeast Corner	Latitude	44° 46'14.339"N	
	Longitude	122° 36'42.288"W	

Power factor requirements:

Rated Power Factor (PF) or reactive load (kVAR):

EXHIBIT B
INTERCONNECTION FACILITIES

POINT OF DELIVERY / SELLER'S INTERCONNECTION FACILITIES

Point of Delivery to be in the vicinity of existing PacifiCorp Lyons substation on PacifiCorp's existing Santiam- Hazelwood 69 kV line located in Lyons, Oregon. The Point of Metering is to be determined by PacifiCorp Transmission department.

Please see the single line drawing of facility for description of equipment and configuration on the following page.

EXHIBIT B
INTERCONNECTION FACILITIES – SINGLE LINE DRAWING

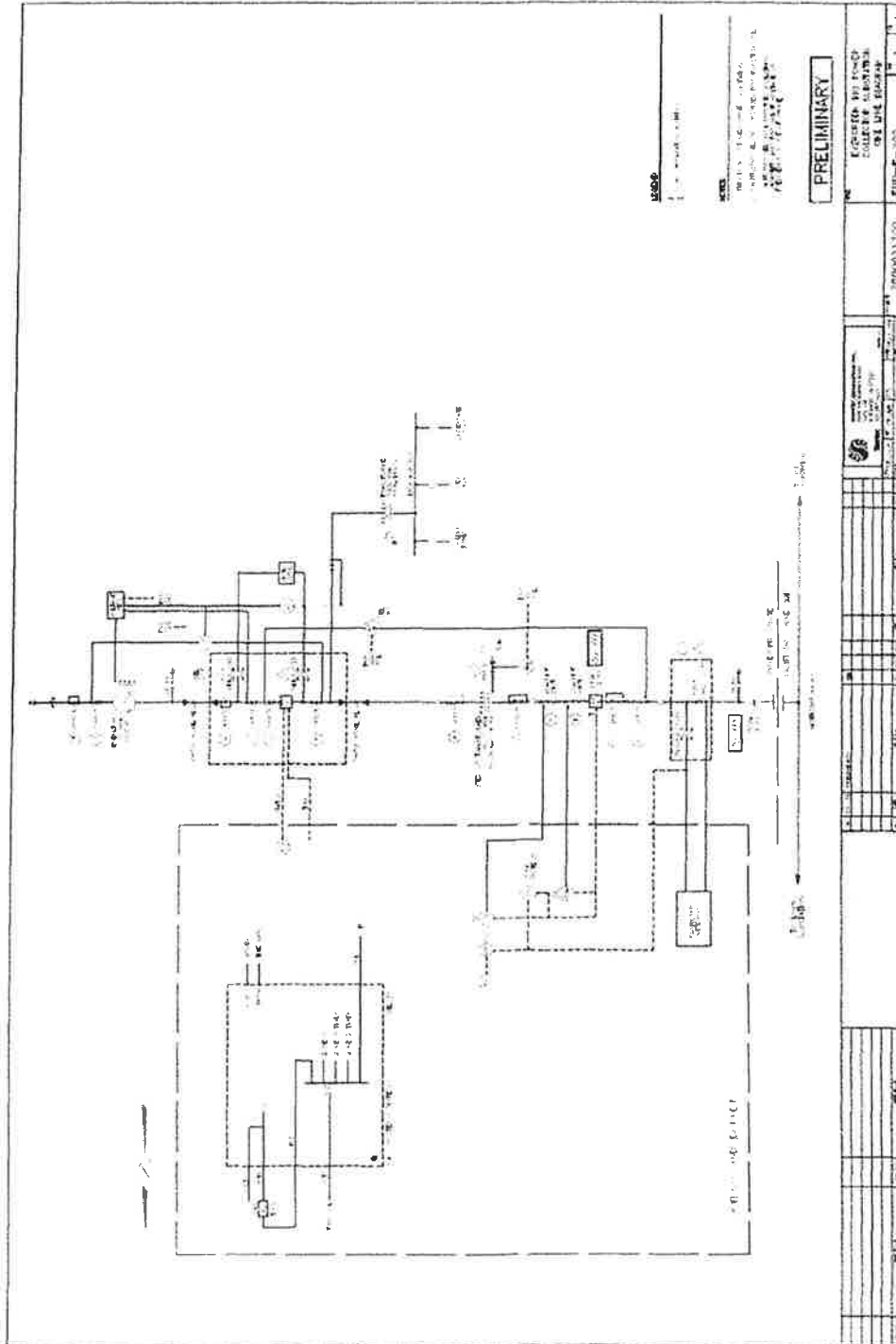


EXHIBIT C
REQUIRED FACILITY DOCUMENTS

Interconnection Agreement, Wheeling Agreement [if applicable], and [others to be identified]

FERC QF Number: QF06-222-000

Evergreen BioPower, LLC QF Small Generator Interconnection Agreement dated October 19, 2006 has been provided by Seller on December 19, 2006. A copy of the SGIA is retained in PacifiCorp's records.

SMALL GENERATOR INTERCONNECTION AGREEMENT
for a
QUALIFYING FACILITY
(QFSGIA)
between
PACIFICORP
and
EVERGREEN BIOPOWER LLC

**(For Generating Facilities No Larger Than 20 MW Certified as Qualifying Facilities Under
PURPA)**

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Attachment 1 – Glossary of Terms

Attachment 2 – Description and Costs of the Small Qualifying Facility, Interconnection Facilities, and Metering Equipment

Attachment 3 – One-line Diagram Depicting the Small Qualifying Facility, Interconnection Facilities, Metering Equipment, and Upgrades

Attachment 4 – Milestones

Attachment 5 – Additional Operating Requirements for the Transmission Provider's Transmission System and/or Distribution System and Affected Systems Needed to Support the Interconnection Customer's Needs

Attachment 6 – Transmission Provider's Description of its Upgrades and Best Estimate of Upgrade Costs

Attachment 7 – Scope of Work

Attachment 8 – Interconnection and Operating Requirements

Article 14. Signatures

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives.

For the Transmission Provider:

Name: K. Howson
Title: Director, Transmission
Date: 10/19/06

For the Interconnection Customer:

Name: J.P. [Signature]
Title: VP, Forests Lumber Co., Inc.,
Manager, Evergreen BioPower
Date: 10/18/06

**EXHIBIT D-1
SELLER'S MOTIVE FORCE PLAN**

A. MONTHLY DELIVERY SCHEDULES AND SCHEDULED MAINTENANCE

Month	Average Energy (kWh)
January	5,507,400
February	4,965,600
March	5,507,400
April	5,349,600
May	4,197,600
June	5,349,600
July	5,575,800
August	5,439,000
September	5,418,000
October	5,439,000
November	5,349,600
December	4,334,400

Facility operating hours were calculated assuming that the turbine would be operational 24 hours per day for each day out of the year except for one week of scheduled maintenance downtime in May and one week in December.

Two different operating scenarios were assumed in calculations:

Normal Operation:

Steam extracted for veneer dryers and log conditioning tunnels.
Anticipated generator output- 7,150 kW

Weekend Operating:

Steam extracted for log conditioning tunnels. Veneer dryers not operational.
Anticipated generator output- 10,000 kW

Freres Lumber Co., Inc.'s veneer drying operations currently operate on a Monday through Friday schedule 24 hours per day. Log conditioning operations prior to veneer processing operate seven days per week 24 hours per day. Normal Operations are expected to pertain to a "normal" weekday schedule, operating only log conditioning tunnels during weekend hours.

Estimated parasitic load of generator equipment will be approximately 575 kW, which was subtracted from the estimated generator output shown in the operating scenarios above.

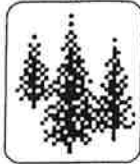
B. MINIMUM ANNUAL DELIVERY CALCULATION

Minimum annual delivery was calculated assuming that Freres Lumber Co., Inc. requires its veneer drying facility to operate seven days per week, twenty-four hours per day year round. The "Normal Operation" generator output above was then used for each day of the year that the generation facility is in operation., An eighty-five percent (85%) capacity factor was assumed for in the Minimum Annual Delivery calculation. A catastrophic failure of two months production downtime was then included to account for unexpected equipment failure.

C. MAXIMUM ANNUAL DELIVERY CALCULATION

Maximum annual delivery was calculated assuming that Freres Lumber Co., Inc. discontinues veneer drying operations at its facility. All extraction for veneer drying would cease leaving only extraction for log conditioning processes. The "Weekend Operation" generator output was therefore used for each day of the year that the generation facility is in operation.

**EXHIBIT D-2
ENGINEER'S CERTIFICATION OF
MOTIVE FORCE PLAN**



EVERGREEN ENGINEERING INC.

P.O. Box 21530 • Eugene, Oregon 97402-0409
(541) 484-4771 • FAX (541) 484-6759

November 29, 2006

#1910.0

Kyle Freres
Freres Lumber Company, Inc.
141 14th Street
PO Box 276
Lyons, OR 97358

Subject: Evergreen Biopower LLC
Motive Force Plan Certification

Dear Kyle,

I have completed a review of the Motive Force Plan (MFP) for your new 10MW cogeneration facility, and I have confirmed the logic of the plan and the fuel requirement calculations for the facility. Also, based on the fuel availability study that was done earlier, I certify that there is an adequate supply of fuel available to satisfy the Pacificorp contractual requirements.

Very truly yours,

Richard H. Larsen P.E.
Principal

Oregon PE # 9501



EVERGREEN BIOPOWER, LLC
10,000 kw Biomass Power Facility
Motive Force Plan

Objective

This Motive Force Plan (MFP) will determine if Evergreen Biopower, LLC (Evergreen) has under its control, or can reasonably obtain, sufficient fuel to operate the facility such as to meet the average, maximum and minimum Net Output requirements in its power purchase agreement with PacifiCorp.

In the most recent draft of the contract, the Net Output requirements are as follows:

Average Annual Net Output	=	62,556,600 Kwh
Maximum Annual Net Output	=	80,044,800 Kwh
Minimum Annual Net Output	=	38,763,570 Kwh

The Evergreen facility is a combined heat and power plant, supplying medium pressure turbine extraction steam to veneer dryers and low pressure steam to log vats from the 10,000 Kw turbine-Generator (T-G). Most of the variation in annual T-G output described in the contract is a result of different veneer plant operating scenarios. It is the intent of Evergreen to base load the 100,000 lb/hr, 850 psig, 875° F Wellons boiler for up to 8,400 hours/yr, maximizing both process steam and T-G output in the process. This analysis will determine if sufficient fuel can be obtained to maintain this operating scenario for the 10 year term of the contract.

As a worst case scenario, this analysis will assume that the veneer plant is closed for an entire contract year and it will be determined if sufficient fuel can be obtained to meet the minimum Net Output requirements in the contract.

Facility

The Evergreen facility consists of a 100,000 lb/hr Wellons 4 cell rotary grate biomass boiler with steam conditions of 850 psig and 875° F. The Turbine-Generator is a General Electric machine with a turbine rated at 10,000 kw as modified and a generator rated at 24,705 Kva at a voltage of 13.8 Kv. With typical weekday process steam loads the T-G will produce 7,150 Kw of gross output, with 575 Kw of power generation auxiliary load, for a net output of 6,575 kw. On weekends, the low extraction flows will allow a T-G gross output of 10,000 Kw, with 575 Kw of auxiliaries, for a net of 9,425 kw.

The boiler is capable of combusting various biomass fuels. The boiler will receive 230°F feedwater from a deaerator. With the mix of fuels expected, both from internal (hogged fuel, ply trim, shavings) and external sources and an average fuel moisture content of 45%, a boiler efficiency of 73% is projected. The throttle steam will have an enthalpy of 1439.0 Btu/lb while the incoming feedwater has an enthalpy of 198.2 Btu/lb, a difference of 1240.8 Btu/lb. With the 73% boiler efficiency described above, the boiler will require a heat input from biomass fuel of 1700 Btu/lb steam. With a fuel heating value of 8,750 Btu/dry lb (see below), this is a full load fuel requirement of 9.71 bone dry tons (Bdt) per hour of operation. Wellons estimated the fuel burn rate at 31,816 lb/hour of 40% moisture fuel, or 9.54 Bdt/hr. When the adjustment is made for the moisture content difference the two numbers are compatible and so the 9.71 Bdt/hr (full load) will be used.

Fuel Supply

The primary fuel supply for the facility will be the mill residues produced by the veneer plant and from a sister plywood plant located approximately 5 miles away. Depending on relative economic value of the various residuals, outside mill residuals will be purchased from one or more of 7 potential fuel suppliers within a 50 mile radius of the facility.

The facility uses a species mix of raw logs of about 75% Douglas fir and 25% hemlock. Heating values of different tree species varies considerably. Using published analyses, Douglas fir wood averages about 8,900 Btu/dry lb while the bark averages 9,850 Btu/dry lb. Hemlock wood averages 8,370 Btu/dry lb while the bark averages 9,350 Btu/dry lb.

In the specification for the boiler, Wellons assumed an aggregate heating value of 8,750 Btu/dry lb and an average moisture content of 40%. The choice of an aggregate 8,750 Btu/lb heating value appears very conservative given the above published figures, but will also be used in this analysis. Given the fuel supply quantities and moistures in the table below, it would appear that a 40% moisture content may be slightly low, in the aggregate. This analysis uses a 45% average moisture content in establishing boiler efficiency and thus fuel requirements.

The 2005 figures for wood residue production from the two Freres mills are shown in the table below:

2005 Production

<u>Type</u>	<u>Quantity</u>	<u>Est. Moisture Content</u>
Hogged Fuel	39,951 Bdt	50%
Chips	62,929	50%
Shavings	2,390	15%
Ply Trim	<u>10,000</u> (est.)	15%
Total	115,270 Bdt	

A survey of 7 potential wood residual suppliers (mills, processing yards) within a 50 mile radius of the facility was conducted by Freres. Without counting any higher valued paper chips, the findings are as follows:

<u>Source</u>	<u>Annual Quantity</u>
Mill Residuals	29,250 Bdt
Processing Yards	<u>42,250</u>
Total	71,500 Bdt

A final source of biomass fuel is material backhauled from outside the 50 mile radius on trucks hauling Freres chips to pulp and paper facilities, and returning to the facility empty. These sources, which assume the chips are not burned for economic reasons, could provide the following quantities of residual fuel:

<u>Source</u>	<u>Annual Quantity</u>
Mill Residuals	32,500 Bdt

An MFP For Freres

Average Generation MFP

The first MFP assumes that Freres operates the veneer plant 5 days per week as currently, and runs the boiler at full load 8,400 hours/yr. This results in the production by Evergreen of the average annual Net Output of 62,556,600 Kwh. The fuel requirement for this scenario is 81,560 Bdt/yr (9.71 Bdt/hr x 8,400 hours/yr). This motive force requirement can be met by the following fuel sources:

<u>Source</u>	<u>Annual Amount</u>
Freres Hogged Fuel	39,951 Bdt/yr
Freres Shavings	2,390
Freres Ply Trim	10,000
Outside Mill Residuals	<u>29,219</u>
Total	81,560 Bdt/yr

This MFP assumes that none of Freres 62,929 Bdt/yr of chips are used as fuel, as typically the chip economic value is much greater than any replacement delivered fuel price. In the event that the economic relationship did not hold true, Evergreen could simply burn approximately ½ of the Freres chips in order to satisfy the fuel requirement without having to leave the compound for fuel. This is a solid MFP for this operating scenario as the proposed mill operating scenario was the same as that followed in 2005, and would thus produce an equivalent amount of fuel.

Maximum Generation MFP

The MFP for the maximum generation of 80,044,800 Kwh/yr is identical to that for the average generation case described above. The boiler still operates at full load for 8,400 hours/yr, but the high pressure extraction is not used as Freres is selling green veneer instead of its normal dry veneer. The quantity of fuel produced internally at the veneer plant remains the same. The ply trim produced at the nearby Freres plywood mill may stay the same or decrease, and would be replaced by additional residual purchases or by combusting a larger fraction (62%) of the residual chips. In this scenario, the boiler can be fueled completely with available residuals from Freres, though this is most likely not the most economic scenario.

Minimum Generation MFP

There are two scenarios that result in the minimum Net Output of 38,763,570 Kwh/yr, and the MFP for the two is quite different. In the first scenario, the veneer plant goes to a 7 day/wk operation, thus lowering weekend generation due to extraction steam needs. In this case, the amount of internal fuel available is increased by 40% (7 days vs. 5 days), with the following approximate fuel volumes available:

<u>Type</u>	<u>Quantity</u>
Hogged Fuel	55,931 Bdt/yr
Chips	88,100
Shavings	3,346
Ply Trim	<u>14,000</u>
Total	161,377 Bdt/yr

In this scenario, the boiler fuel requirement remains the same at 81,560 Bdt/yr as the boiler continues to run at 100,000 lb/hr for 8,400 hours/yr. The result is that outside fuel purchases, without burning chips, drops from 29,219 Bdt/yr to 8,283 Bdt/yr. If economics dictate that all fuel be internal, the last increment of fuel can be satisfied by burning less than 10% of the chips.

An entirely different minimum generation scenario occurs with a complete shutdown of the Freres veneer and plywood plants for an entire contract year, and Evergreen meets the minimum Net Output of 38,763,570 entirely with purchased fuel in order to avoid default under the contract.

On an 8,400 hour/yr basis, the T-G would now be producing 4,615 kw net output, or about 5,000 kw gross output (385 kw power generation equipment auxiliaries). A turbine heat balance, with 3,000 lb/hr of low pressure extraction for the deaerator, would require an inlet steam flow of 44,000 lb/hr. Assuming that boiler efficiency drops to 70% in this low flow condition with slightly higher moisture purchased fuel, the fuel flow to the boiler will be 4.45 Bdt/hr. On a 8,400 hr/yr basis, this is a total fuel requirement of 37,380 Bdt/yr of purchased fuel.

With the loss of backhauls from chip transport, due to mill shutdown, it is logical to purchase all 37,380 Bdt/yr from mills/processors within the 50 mile radius. These purchases would represent 52% of the available fuel. While this is not a good situation to contemplate for Evergreen, it is also not an undue stress on the local fuel market, and could sustain the power plant during market shutdowns.

Conclusion

A total of four scenarios were evaluated, ranging from minimum to maximum annual generation. In three of the four scenarios, the MFP fuel requirements could be satisfied internally to the Freres mills by burning low valued mill residuals plus 10-62% of the available paper chips. In most markets, it would be economically preferable to tap the 104,000 Bdt/yr of locally available or backhaul fuel for the required chip quantity, leaving the paper chips available for sale.

In the fourth scenario, a complete shutdown of the Freres mills for a complete contract year, the goal is to generate only the minimum required Net Output, entirely from outside purchased fuels. In this case, approximately 52% of the available residual fuels (not including chips) within a 50 mile radius would be required. This could be accomplished by Evergreen without undue pressure on the existing residual fuel markets.

Since the power contract is for only a 10 year period, the chances of a complete mill shutdown due to log supply or mill obsolescence is low. Freres Lumber has been in business for 80 years, and has been operating at this location for 50 years, and the current production schedule is one that has been followed for more than the last five years. Under all reasonable scenarios, Evergreen will be able to supply the motive force necessary to meet the contractual requirements of the 10 year PacifiCorp power purchase agreement.

EXHIBIT E

START-UP TESTING

Required factory testing includes such checks and tests necessary to determine that the equipment systems and subsystems have been properly manufactured and installed, function properly, and are in a condition to permit safe and efficient start-up of the Facility, which may include but are not limited to (as applicable): **[Seller identify appropriate tests]**

1. Pressure tests of all steam system equipment;
2. Calibration of all pressure, level, flow, temperature and monitoring instruments;
3. Operating tests of all valves, operators, motor starters and motor;
4. Alarms, signals, and fail-safe or system shutdown control tests;
5. Insulation resistance and point-to-point continuity tests;
6. Bench tests of all protective devices;
7. Tests required by manufacturer of equipment; and
8. Complete pre-parallel checks with PacifiCorp.

Required start-up tests are those checks and tests necessary to determine that all features and equipment, systems, and subsystems have been properly designed, manufactured, installed and adjusted, function properly, and are capable of operating simultaneously in such condition that the Facility is capable of continuous delivery into PacifiCorp's electrical system, which may include but are not limited to (as applicable):

1. Turbine/generator mechanical runs including shaft, vibration, and bearing temperature measurements;
2. Running tests to establish tolerances and inspections for final adjustment of bearings, shaft run-outs;
3. Brake tests;
4. Energization of transformers;
5. Synchronizing tests (manual and auto);
6. Stator windings dielectric test;
7. Armature and field windings resistance tests;
8. Load rejection tests in incremental stages from 5, 25, 50, 75 and 100 percent load;
9. Heat runs;
10. Tests required by manufacturer of equipment;
11. Excitation and voltage regulation operation tests;
12. Open circuit and short circuit; saturation tests;
13. Governor system steady state stability test;
14. Phase angle and magnitude of all PT and CT secondary voltages and currents to protective relays, indicating instruments and metering;
15. Auto stop/start sequence;
16. Level control system tests; and
17. Completion of all state and federal environmental testing requirements.

EXHIBIT F

SCHEDULE 37 and PRICING SUMMARY TABLE

**PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS**

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Page 1**

Available

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

Applicable

For power purchased from Qualifying Facilities with a nameplate capacity of 10,000 kW or less. Owners of these Qualifying Facilities will be required to enter into a written power sales contract with the Company.

Definitions

Cogeneration Facility

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

Qualifying Facilities

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

Small Power Production Facility

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

On-Peak Hours or Peak Hours

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

Holidays include only New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. When a holiday falls on a Saturday or Sunday, the Friday before the holiday (if the holiday falls on a Saturday) or the Monday following the holiday (if the holiday falls on a Sunday) will be the holiday and will be Off-peak.

Off-Peak Hours

All hours other than On-Peak.

Opal Gas Market Index

The monthly indexed gas price shall be from Platts "Gas Daily Price Guide" for gas deliveries to Northwest Pipeline Corp at the Rocky Mountains.

Excess Output

Excess output shall mean any increment of Net Output delivered at a rate, on an hourly basis, exceeding the Facility Nameplate Capacity. PacifiCorp shall pay Seller the Off-peak Price for all Excess Output.

(Continued)

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Effective:	With service rendered on and after August 11, 2005	Original Sheet No. 37-1

Issued By
D. Douglas Larson, Vice President, Regulation

TF1 37-1.E

Advice No. 05-006

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SCHEDULE 37 and PRICING SUMMARY TABLE (continued)

PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

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Pricing Options

1 Fixed Avoided Cost Prices

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

2 Gas Market Indexed Avoided Cost Prices

Fixed prices apply during the resource sufficiency period (2005 through 2009), thereafter a portion of avoided cost prices are indexed to actual Opal monthly gas market index prices. The remaining portion of avoided cost prices will be fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. Prices are available for a term of up to 20 years.

3 Banded Gas Market Indexed Avoided Cost Prices

Fixed prices apply during the resource sufficiency period (2005 through 2009), thereafter a portion of avoided cost prices are indexed to actual Opal monthly gas market index prices. The remaining portion of avoided cost prices will be fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. The gas indexed portion of the avoided cost prices are banded to limit the amount that prices can vary with changes in gas prices. Prices are available for a term of up to 20 years.

Monthly Payments

A Qualifying Facility shall select the option of payment at the time of signing the contract under one of three Pricing Options as specified above. Once an option is selected the option will remain in effect for the duration of the Facility's contract.

Fixed Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at the fixed prices as provided in this tariff. The definition of On-Peak and Off-Peak is as defined in the definitions section of this tariff.

Gas Market Indexed Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at On-Peak and Off-Peak prices calculated each month.

To calculate the Off-Peak price, multiply the Opal Gas Market Index price in \$/MBtu by 0.76 to get actual gas price in cents/kWh. The Off-Peak Energy Adder is added to the actual gas price to get the Off-Peak Price.

The On-Peak price is the Off-Peak price plus the On-Peak Capacity Adder.

(Continued)

Issued:	July 12, 2005	P.U.C. OR No. 35
Effective:	With service rendered on and after August 11, 2005	Original Sheet No. 37-2

Issued By

D. Douglas Larson, Vice President, Regulation

TF1 37-2.E

Advice No. 05-006

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SCHEDULE 37 and PRICING SUMMARY TABLE (continued)

PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

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Monthly Payments (Continued)

Banded Gas Indexed Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at On-Peak and Off-Peak prices calculated each month.

To calculate the Off-Peak price, multiply the Opal Gas Market Index price in \$/MMBtu by 0.76 to get actual gas price in cents/kWh. This price is banded such that the actual gas price shall be no lower than the Gas Market Index Floor nor greater than the Gas Market Index Ceiling as listed in the price section of this tariff. The Off-Peak Energy Adder is added to the actual gas price to get the Off-Peak Price.

The On-Peak price is the Off-Peak price plus the On-Peak Capacity Adder.

Avoided Cost Prices

Pricing Option 1 Fixed Avoided cost Prices c/kWh

Deliveries During Calendar Year	On-Peak Energy Price	Off-Peak Energy Price
	(a)	(b)
2005	7.13	5.98
2006	6.36	5.27
2007	5.96	4.87
2008	5.58	4.63
2009	5.26	4.33
2010	6.21	4.30
2011	6.54	4.57
2012	7.13	5.11
2013	7.43	5.35
2014	7.52	5.37
2015	7.66	5.45
2016	7.86	5.59
2017	8.07	5.73
2018	8.27	5.86
2019	8.50	6.02
2020	8.72	6.17
2021	8.97	6.33
2022	9.23	6.49
2023	9.49	6.66
2024	9.75	6.82
2025	10.03	7.00
2026	10.31	7.18
2027	10.60	7.36
2028	10.90	7.55

(Continued)

Issued:	July 12, 2005	P.U.C. OR No. 35
Effective:	With service rendered on and after August 11, 2005	Original Sheet No. 37-3

Issued By
 D. Douglas Larson, Vice President, Regulation

TF1 37-3.E

Advice No. 05-006

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SCHEDULE 37 and PRICING SUMMARY TABLE (continued)

PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
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Avoided Cost Prices (Continued)

Pricing Option 2 Gas Market Indexed Avoided Cost Prices c/kWh

Deliveries During Calendar Year	Fixed Prices		Gas Market Index		Forecast		Estimated Prices (3)	
	On-Peak Energy Price	Off-Peak Energy Price	On-Peak Capacity Index (1)	Off-Peak Energy Index (1)	On-Peak Energy Price (2)	Off-Peak Energy Price (2)	On-Peak Energy Price (2)	Off-Peak Energy Price (2)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
			Avoided Fixed Capacity Cost (0.876 \$4.29573)		Estimated Energy Cost - ((e) 0.76)		(g) (c)	((e) 0.76) (d)
2005	7.13	5.98						
2006	6.36	5.27	Market Index					
2007	5.96	4.87	2005 high 2009					
2008	5.58	4.63						
2009	5.26	4.33						
2010			1.91	0.38	\$1.16	6.21	4.30	
2011			1.97	0.40	\$1.49	6.54	4.57	
2012			2.02	0.42	\$1.17	7.13	5.11	
2013			2.08	0.42	\$1.48	7.43	5.35	
2014			2.14	0.42	\$1.51	7.52	5.37	
2015			2.21	0.44	\$1.60	7.66	5.45	
2016			2.27	0.45	\$1.77	7.86	5.59	
2017			2.34	0.45	\$1.95	8.07	5.73	
2018			2.41	0.45	\$1.12	8.27	5.86	
2019			2.48	0.46	\$1.31	8.50	6.02	
2020			2.55	0.47	\$1.50	8.72	6.17	
2021			2.64	0.48	\$1.70	8.97	6.33	
2022			2.73	0.49	\$1.90	9.23	6.49	
2023			2.83	0.50	\$1.10	9.49	6.66	
2024			2.93	0.51	\$1.31	9.75	6.82	
2025			3.03	0.52	\$1.53	10.03	7.00	
2026			3.13	0.53	\$1.75	10.31	7.18	
2027			3.24	0.54	\$1.98	10.60	7.36	
2028			3.35	0.55	\$1.21	10.90	7.55	

- (1) Avoided fixed capacity cost are equal to fixed cost for 50% of the capacity identified in the 2004 R.
- (2) Formula 60.76 is used to adjust gas prices from \$/MWh to \$/kWh.
- (3) Estimated avoided capacity prices based up to forecasted capacity prices using actual Opl Gas Market Index prices.

(Continued)

Issued: July 12, 2005 P.U.C. OR No. 35
 Effective: With service rendered on and after August 11, 2005 Original Sheet No. 37-4

Issued By
 D. Douglas Larson, Vice President, Regulation

TF1 37-4.E

Advice No. 05-006

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SCHEDULE 37 and PRICING SUMMARY TABLE (continued)

PACIFIC POWER & LIGHT COMPANY
 AVOIDED COST PURCHASES FROM QUALIFYING
 FACILITIES OF 10,000 KW OR LESS

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Avoided Cost Prices (Continued)

Pricing Option 3 - Indexed Gas Market Indexed Avoided Cost Prices c/kWh

Deliveries During Calendar Year	Fixed Prices		Indexed Gas Market Indexed				Recast		Estimated Prices (3)	
	On-Peak Energy Price	Off-Peak Energy Price	On-Peak Capacity Cost (1)	Off-Peak Energy Cost	Indexed Market Prices		On-Peak Energy Price	Off-Peak Energy Price	Off-Peak Energy	
	(a)	(b)	(c)	(d)	90% (e)	110% (f)	(g)	(h)	(i)	
			Avoided Firm Capacity Cost = (0.876 * 84.2% * 57%)	0 Avoided Energy Cost = (1e) * 0.76	(g) * 0.76 * 90%	(g) * 0.76 * 110%			(i) * (e) * 0.76 * (e) * (f) = (d)	
2005	7.13	5.98								
2006	6.36	5.27								
2007	5.96	4.87								
2008	5.58	4.65								
2009	5.26	4.33								
2010			1.91	0.38	3.53	4.31	\$ 1.6	6.21	4.30	
2011			1.97	0.40	3.75	4.59	\$ 4.9	6.54	4.57	
2012			2.02	0.42	4.22	5.16	\$ 6.17	7.13	5.11	
2013			2.08	0.42	4.43	5.42	\$ 4.8	7.45	5.35	
2014			2.14	0.42	4.45	5.44	\$ 5.1	7.52	5.37	
2015			2.21	0.44	4.51	5.51	\$ 6.0	7.66	5.45	
2016			2.27	0.45	4.63	5.66	\$ 7.7	7.86	5.59	
2017			2.34	0.45	4.75	5.81	\$ 9.5	8.07	5.73	
2018			2.41	0.45	4.87	5.96	\$ 1.2	8.27	5.86	
2019			2.48	0.46	5.00	6.11	\$ 3.1	8.50	6.02	
2020			2.55	0.47	5.13	6.27	\$ 5.0	8.72	6.17	
2021			2.64	0.48	5.27	6.44	\$ 7.0	8.97	6.33	
2022			2.73	0.49	5.40	6.60	\$ 9.0	9.23	6.49	
2023			2.83	0.50	5.54	6.77	\$ 1.0	9.49	6.66	
2024			2.93	0.51	5.69	6.95	\$ 3.1	9.75	6.82	
2025			3.03	0.52	5.83	7.13	\$ 5.3	10.03	7.00	
2026			3.13	0.53	5.99	7.32	\$ 7.5	10.31	7.18	
2027			3.24	0.54	6.14	7.51	\$ 9.8	10.60	7.36	
2028			3.35	0.55	6.30	7.70	\$ 2.1	10.90	7.55	

- (1) Avoided Firm Capacity Costs are equal to fixed costs as for GCs identified in the Company's 2004 R.
- (2) Average 0.76 is used to adjust gas prices from \$/MWh to \$/kWh.
- (3) Estimated avoided capacities based up for recast Opt & Market Index prices. Actual prices will be calculated each month using actual Opt & Market Index prices.

(Continued)

Issued: July 12, 2005 P.U.C. OR No. 35
 Effective: With service rendered on and after August 11, 2005 Original Sheet No. 37-5

Issued By
 D. Douglas Larson, Vice President, Regulation

TF1 37-5.E

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SCHEDULE 37 and PRICING SUMMARY TABLE (continued)

PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

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Example of Pricing Options available to the Qualifying Facility

An example of the three pricing options using different assumed gas prices is available at the Company web site.

Qualifying Facilities Contracting Procedure

1 Qualifying Facilities up to 10,000 kW

APPLICATION: To owners of existing or proposed QFs with a design capacity less than or equal to 10,000 kW who desire to make sales to the Company in the state of Oregon. Such owners will be required to enter into a written power purchase agreement with the Company pursuant to the procedures set forth below.

I. Process for Completing a Power Purchase Agreement

A. Communications

Unless otherwise directed by the Company, all communications to the Company regarding QF power purchase agreements should be directed in writing as follows:

Pacific Power & Light Company
Manager-QF Contracts
825 NE Multnomah St, Suite 600
Portland, Oregon 97232

The Company will respond to all such communications in a timely manner. If the Company is unable to respond on the basis of incomplete or missing information from the QF owner, the Company shall indicate what additional information is required. Thereafter, the Company will respond in a timely manner following receipt of all required information.

B. Procedures

1. The Company's approved generic or standard form power purchase agreements may be obtained from the Company's website at www.pacificorp.com, or if the owner is unable to obtain it from the website, the Company will send a copy within seven days of a written request.
2. In order to obtain a project specific draft power purchase agreement the owner must provide in writing to the Company, general project information required for the completion of a power purchase agreement, including, but not limited to:
 - a) demonstration of ability to obtain QF status;

(Continued)

Issued:	July 12, 2005	P.U.C. OR No. 35
Effective:	With service rendered on and after August 11, 2005	Original Sheet No. 37-6

Issued By
D. Douglas Larson, Vice President, Regulation

TF1 37-6.E

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SCHEDULE 37 and PRICING SUMMARY TABLE (continued)

**PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS**

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SCHEDULE 37
Page 7**

B Procedures (Continued)

- b) design capacity (MW), station service requirements, and net amount of power to be delivered to the Company's electric system;
 - c) generation technology and other related technology applicable to the site;
 - d) proposed site location;
 - e) schedule of monthly power deliveries;
 - f) calculation or determination of minimum and maximum annual deliveries;
 - g) motive force or fuel plan;
 - h) proposed on-line date and other significant dates required to complete the milestones;
 - i) proposed contract term and pricing provisions (i.e., fixed, deadband, gas indexed);
 - j) status of interconnection or transmission arrangements;
 - k) point of delivery or interconnection;
3. The Company shall provide a draft power purchase agreement when all information described in Paragraph 2 above has been received in writing from the QF owner. Within 15 business days following receipt of all information required in Paragraph 2, the Company will provide the owner with a draft power purchase agreement including current standard avoided cost prices and/or other optional pricing mechanisms as approved by the Oregon Public Utilities Commission in this Schedule 37.
4. If the owner desires to proceed with the power purchase agreement after reviewing the Company's draft power purchase agreement, it may request in writing that the Company prepare a final draft power purchase agreement. In connection with such request, the owner must provide the Company with any additional or clarified project information that the Company reasonably determines to be necessary for the preparation of a final draft power purchase agreement.
5. After reviewing the final draft power purchase agreement, the owner may either prepare another set of written comments and proposals or approve the final draft power purchase agreement. If the owner prepares written comments and proposals the Company will respond in 14 days to those comments and proposals.
6. When both parties are in full agreement as to all terms and conditions of the draft power purchase agreement, the Company will prepare and forward to the owner a final executable version of the agreement. Following the Company's execution a completely executed copy will be returned to the owner. Prices and other terms and conditions in the power purchase agreement will not be final and binding until the power purchase agreement has been executed by both parties.

Issued:	July 12, 2005	P.U.C. OR No. 35
Effective:	With service rendered on and after August 11, 2005	Original Sheet No. 37-7

Issued By
D. Douglas Larson, Vice President, Regulation

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Advice No. 05-006



Bruce Griswold
Director, Short-Term Origination
Commercial & Trading
825 NE Multnomah, Suite 600
Portland, Oregon 97232

April 25, 2013

Kyle Freres
Evergreen BioPower LLC
P.O. Box 276
Lyons, Oregon 97358

VIA CERTIFIED MAIL AND ELECTRONIC MAIL

Re: Evergreen BioPower LLC Power Purchase Agreement Amendment

Dear Kyle:

The purpose of this letter is to amend that certain power purchase agreement between Evergreen BioPower, LLC and PacificCorp, as amend, dated January 2, 2007 (the "PPA"). The PPA shall be amended as follows, effective the date this letter agreement is executed by both Parties (the "Effective Date").

Section 4.3 of the PPA shall be amended as follows from the Effective Date until December 31, 2013:

Seller shall make available from the Facility a minimum of 25,000,000 kWh of Net Output during each Contract Year, provided that such minimum for the first Contract Year, shall be reduced pro rata to reflect the Commercial Operation Date, and further provided that such minimum Net Output shall be reduced on a pro rata basis for any periods during the Contract Year that the Facility was prevented from generating electricity for reasons of Force Majeure ("**Minimum Annual Delivery**"). Seller estimates for informational purposes that it will make available from the Facility a maximum of 80,044,800 kWh of Net Output during each Contract Year ("**Maximum Annual Delivery**"). Seller's basis for determining the Minimum and Maximum Annual Delivery amounts is set forth on **Exhibit D**.

Section 4.3 of the PPA shall be amended as follows from January 1, 2014 to the Termination Date:

Seller shall make available from the Facility a minimum of 30,000,000 kWh of Net Output during each Contract Year, provided that such minimum for the first Contract Year, shall be reduced pro rata to reflect the Commercial Operation Date, and further provided that such minimum Net Output shall be reduced on a pro rata basis for any periods during the Contract Year that the Facility was prevented from generating electricity for reasons of Force Majeure ("**Minimum Annual Delivery**"). Seller estimates for informational purposes that it will make available from the Facility a maximum of 80,044,800 kWh of Net Output during each Contract Year ("**Maximum Annual Delivery**"). Seller's basis for determining the Minimum and Maximum Annual Delivery amounts is set forth on **Exhibit D**.



In enforcing any provisions relating to this letter agreement the Parties agree as follows:

EACH PARTY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND IRREVOCABLY WAIVES THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON THIS LETTER AGREEMENT, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS LETTER AGREEMENT. EACH PARTY HEREBY WAIVES ANY RIGHT TO CONSOLIDATE ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN CONNECTION WITH THIS LETTER AGREEMENT OR ANY OTHER LETTER AGREEMENT EXECUTED OR CONTEMPLATED TO BE EXECUTED IN CONJUNCTION WITH THIS LETTER AGREEMENT, OR ANY MATTER ARISING HEREUNDER OR THEREUNDER, WITH ANY PROCEEDING IN WHICH A JURY TRIAL HAS NOT OR CANNOT BE WAIVED.

Any term not defined herein, shall have the meaning ascribed to such term in the PPA. Except as expressly amended herein, all other terms and provisions of the PPA shall remain in full force and effect.

Sincerely,

pc Bruce Griswold
Director, Short-Term Origination
PacifiCorp Energy Commercial & Trading

Agreed to by Evergreen BioPower, LLC this 25th day of April, 2013

Name: Vice President, Evergreen BioPower LLC
Its: Manager, Evergreen BioPower LLC

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1844

Portland General Electric

Exhibit F to Declaration of John Morton

August 10, 2017

Oregon Renewable Portfolio Standard (RPS) - Approved Facilities

(Current as of March 13, 2017)

Key Terms

- 1.) Western Renewable Energy Generation Information System (WREGIS) - is an independent renewable energy tracking system for the region covered by the Western Electricity Coordinating Council (WECC). WREGIS tracks and uploads electric generation information for all registered facilities and creates Renewable Energy Certificates (RECs) for this generation. To be eligible for the Oregon RPS a facility must be registered in WREGIS.
- 2.) Approved - a facility that has been registered in the WREGIS tracking system and has been certified by the Oregon Department of Energy as meeting all eligibility requirements for the Oregon RPS. RECs produced from approved facilities are eligible to be used by Oregon utilities to demonstrate compliance with the Oregon RPS.
- 3.) First Eligible Vintage Date - the first date from which power generated at a facility can be considered eligible for the Oregon RPS. RECs sourced from these facilities have an eligible vintage date in WREGIS of 08/2012. However, generation from these facilities is eligible for the Oregon RPS beginning 01/2007. ² RECs sourced from these facilities have an eligible vintage date in WREGIS of 12/2012. However, generation from these facilities is eligible for the Oregon RPS beginning 01/2007.
- 4.) Eligible Thru - date which Oregon eligibility expires unless otherwise renewed. In order to maintain the integrity of the RPS the Oregon Department of Energy requires periodic facility reviews to ensure a facility still meets all Oregon RPS requirements.
- 5.) Date of Certification - date which the Oregon Department of Energy approves a facility as eligible for the RPS. Generation that is registered in WREGIS and has a vintage date prior to Department approval may be used to demonstrate compliance with the Oregon RPS.

WREGIS ID	Oregon RPS ID	Eligible Thru	First Eligible Vintage Date	Month Oregon Certified	Generator Plant Name	Account Holder	State/ Province	Commercial Operation Date	Name Plate Capacity (MW)	Hydroelectric Efficiency Increment	Fuel Type	Statutory Authority
W183	08wnd021wa		01/2007	01/2011	Wild Horse	Puget Sound Energy	WA	12/22/2006	228.6		Wind	ORS 469A.025(1)(a)
W184	08wnd022wa		01/2007	01/2011	Hopkins Ridge	Puget Sound Energy	WA	11/27/2005	150		Wind	ORS 469A.025(1)(a)
W248	08wnd025wa		01/2007	01/2011	Slateline (WA)	JPMorgan Ventures Energy Corporation	WA	12/14/2001	176.9		Wind	ORS 469A.025(1)(a)
W249	08wnd026or		01/2007	01/2011	Slateline (OR)	JPMorgan Ventures Energy Corporation	OR	12/14/2001	122.8		Wind	ORS 469A.025(1)(a)
W584	08wnd028wa		01/2007	01/2011	Nine Canyon Wind Project	Energy Northwest	WA	9/12/2002	63.7		Wind	ORS 469A.025(1)(a)
W833	08wnd030or		01/2007	01/2011	Condon Phase II	Bonneville Power Administration	OR	6/7/2002	25.2		Wind	ORS 469A.025(1)(a)
W231	08wnd010ca		01/2007	01/2011	Shiloh	Iberdrola Renewables, Inc	CA	5/12/2006	150		Wind	ORS 469A.025(1)(a)
W234	08wnd011ca		01/2007	01/2011	Mountain Yew III	Iberdrola Renewables, Inc	CA	12/15/2003	22.4		Wind	ORS 469A.025(1)(a)
W236	08wnd013wy		01/2007	01/2011	Pleasant Valley	Iberdrola Renewables, Inc	WY	12/19/2003	144		Wind	ORS 469A.025(1)(a)
W224	08sur001ca		09/2007	01/2011	Kawneer PV (Salcom-500 kW)	Constellation Energy Projects & Services Group	CA	8/17/2007	0.529		Solar	ORS 469A.025(1)(b)
W251	08bms001or		09/2007	01/2011	Evergreen BioPower	Evergreen BioPower, LLC	OR	9/30/2007	21		Biomass	ORS 469A.025(2)
W228	08geo001id		11/2007	01/2011	Raft River Energy I	U.S. Geothermal Inc.	ID	10/18/2007	18		Geothermal Energy	ORS 469A.025(1)(d)

**BEFORE THE PUBLIC UTILITY COMMISSION
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City	Solutions (RES)	Facility Name	Application	SIC4	NAICS	Op Year	Prime Mover	Capacity (KW)	Digester Fuel Class-Primary Fuel
White City	D R Johnson Lumber Co	Burrill Resources	Wood Products	2421	321113	2008	B/ST	1,500	WOOD - Wood Waste
Boardman	Waste Connections Inc, Finley Bioenergy	Finley Buttes Regional Landfill	Solid Waste Facilities	4953	562212	2007	ERENG	4,800	BIOMASS - LFG
Lyons	Evergreen Biopower LLC	Freres Lumber	Wood Products	2421	321113	2007	B/ST	10,500	WOOD - Wood Waste
Medford (near)	Rogue Disposal & Recycling	Dry Creek Landfill	Solid Waste Facilities	4953	562212	2007	ERENG	2,490	BIOMASS - LFG
Toledo	Georgia-Pacific	Toledo Mill	Pulp and Paper	2631	32213	2007	B/ST	18,800	WAST - Black Liquor
Portland	Oregon Health and Science University	Center for Health and Healing Central Plant 	Colleges / Univ.	8221	61131	2006	MT	300	NG - NG

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1844

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August 10, 2017



Freres Lumber

10.5 MW Woody Biomass CHP System

Site Description

Freres Lumber, located in Lyons, Oregon is a family-owned mill founded more than 85 years ago. The company owns and operates two veneer plants, a veneer drying facility, one plywood plant on 200 acres at two plant sites, and a smaller lumber facility. Total production exceeds 550 million surface feet of plywood and veneer, and 10 million board feet per year of lumber (studs).

In 2007, Freres installed a 10.5 MW CHP plant to save on natural gas costs to dry their veneer producing enough power to light 6000 homes. Wood waste residuals from sites at two different milling operations partially feed their steam boilers.

Reasons for CHP

- High natural gas cost in 2007
- The Oregon Public Utilities Commission made improvements to PURPA* implementation to enable CHP;
 - Standby rates'
 - Terms and conditions for utility purchases;
 - Return on Investments and;
 - Treatment of distributed generation in Integrated Resource Planning (IRP)
- State and federal incentives created additional cost offsets

Although natural gas prices have dropped since Freres Lumber installed its boiler system, the company doesn't regret switching to wood waste as a fuel. They feel this will position them well into the future as fossil fuel prices increase.

* PURPA - Public Utility Regulatory Policies Act. A law passed in 1978 by the U.S. Congress as part of the National Energy Act.

Quick Facts

- LOCATION:** Lyons, Oregon
- MARKET SECTOR:** Forest products
- CHP SYSTEM SIZE:** 10.5 MW
- FACILITY PEAK LOAD:** 9.25 MW
- EQUIPMENT:** GE condensing turbine generator
- FUEL:** Wood by-products and wood waste material
- USE OF THERMAL ENERGY:** Steam for veneer dryers and log conditioning tunnels
- ENVIRONMENTAL BENEFITS:** Use of wood waste eliminates fossil fuel consumption
- CHP TOTAL EFFICIENCY:** 75%
- TOTAL PROJECT COST:** \$24 million
- YEARLY ENERGY SAVINGS:** \$500,000
- PAYBACK:** 7 years realized in 2014
- CHP IN OPERATION SINCE:** 2007



Freres Lumber Mill – aerial view

CHP Equipment & Operation

Main components of the CHP Biomass Plant

- Steam turbine: GE 10.5 MW double-extraction condensing; 100,000 PPH @ 850 psig and 875°F; 0.87 psia
- Generator: GE synchronous, direct-drive @ 3600 rpm; 22,500 KVa, 13.8 Kv
- Steam boiler: Wellons, 4-cell rotating grate, natural circulation; 100,000 PPH at 850 psi (875°F).

Use of thermal energy

Steam enters the turbine at 875°F and is extracted at 300 psig and 65 psig:

- 300 psig for drying the veneer (30,000 – 40,000 PPH)
- 65 psig for log conditioning (20,000 PPH)

The CHP plant is operational 24/7 and powers veneer production on weekdays. During veneer production, 30 percent of the energy produced is used on-site; the remainder is sent to the power grid. On weekends, 100 percent of the power produced goes to the grid.

The 100,000 PPH wood boiler generates steam for two veneer dryers, 23 log-conditioning tunnels, and power generation. Steam is used to heat water, which softens the logs before peeling for veneer manufacturing. Heat needed to dry the veneer is also derived from steam. Flash steam from the dryers is used to augment steam supply to the tunnels. Veneer dryer exhaust is captured and rerouted to the boiler to be used as combustion air. The boiler runs at 20 – 30 percent capacity. Veneer driers typically use about 30 – 40 percent of the boilers' capacity and the remaining steam is used to generate power.



GE 10 MW Turbine Generator



Wellons Steam Boiler

"We never quit updating our plants. We plan to continue to invest in them."

*- Rob Freres
Exec. Vice President*

The plant consumes 360 tons (131,400 tons/year) of woody biomass each day, half of which comes from their own milling operations from two sites.

Project Benefits

- Creation of approximately 30 temporary construction jobs and 9 permanent full-time jobs, in addition to jobs created from harvesting, processing, and transport of the biomass.
- Energy savings – average of \$500,000 annually

"The CHP system gives us more control over our own destiny."

*- Rob Freres,
Exec. Vice President*

Economics

Fuel costs

The main incentive initially for installing the CHP plant was escalating natural gas prices used to fuel veneer drying equipment. Prior to 2008 Freres consumed on average 2 million therms per year of natural gas (\$1.5 million/yr). The cost to Freres increased to nearly \$2.5 million in 2008. Although natural gas prices continue to drop, they still sit 'breakeven' with biomass pricing when supplemental purchases are needed. The total costs for biomass that Freres' has to purchase from outside suppliers remains stable at around \$1,000,000/yr

Economics Cont'd

TOTAL PROJECT COST: \$24 million

Initial Projected Payback period: 5 to 7 years; realized in 7 years (2014). The main variability in the initial projected payback period was the result of instability in the pricing of supplemental biomass and decreases in natural gas pricing.

Incentives

- \$11,965,075 - Oregon Department of Energy BETC (Business Energy Tax Credit)
- \$30,000 (approx.) - Energy Trust of Oregon Production Efficiency Incentive for fuel storage buildings (\$.12/kWh)
- \$400,000/year - Federal Production Tax Credit (\$.012/kWh)
- Additionally, because their CHP plant is located in an Enterprise Zone* in Oregon, they received property tax relief for three years after project completion (2007 – 2010).

Energy savings

- \$500,000/year - \$1.5 million in natural gas costs replaced with \$1 million of biomass costs
- Offset of two million therms of natural gas with 131,400 tons/year of biomass

Power Purchase Agreement

- Pacific Power – 10 years
 - Evergreen BioPower LLC, a partner of Freres Lumber, was created to sell the power to Pacific Power; they purchase excess steam from Freres to generate power and the power is sold to Pacific Power.

Revenue streams (other than lumber)

- Power sales to Pacific Power - \$2.5 million/year (Based on generation of 40,000 MWh/yr)
- RECs - \$100,000/year (Based on sales of 40,000/yr @ \$2.50 each)

* In exchange for locating or expanding in an enterprise zone, businesses receive exemption from local property taxes on new plant and equipment for at least three years (but up to five years) in the standard program. For more information go to: <http://www.oregon4biz.com/Oregon-Business/Tax-Incentives/Enterprise-Zones/>

Lessons to Share

- Utility Transmission Interconnection Agreements can be a lengthy process with deposits that you may not get back should the project not come to full fruition, be prepared for the costs to be written off as losses if this occurs.
- If your facility is a Qualified Facility (under PURPA based on system size) you may be eligible to receive a standard contract; these are often more closely regulated by state utility commissions which can help dictate more positive PPA's and streamline the contract processing side of the project.
- Additional local regulatory agency permitting may be required: Conditional Use, Building Permits, Air Discharge, Water Discharge, and Water Supply, etc. Research and work with all permitting entities as the project is in the planning stages.

For More Information

U.S. DOE NORTHWEST CHP Technical Assistance Partnership

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More CHP Project Profiles

www.northwestchptap.org

Date Produced 2012 Rev. 2015

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CERTIFICATE OF SERVICE

I hereby certify that I served a true and correct copy of the foregoing document in UM 1844 on the following named person(s) on the date indicated below by email and U.S. 1st Class mail addressed to said person(s) at his or her last-known address(es) indicated below.

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Dated: August 10, 2017



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