

Service ID#: 647353111

Request #: 5306453

**INTERCONNECTION AND NET METERING SERVICE AGREEMENT FOR
NET METERING FACILITY LEVEL 1 INTERCONNECTION
25 KW NAMEPLATE CAPACITY OR SMALLER**

This Interconnection and Net Metering Service Agreement ("Agreement") is made and entered into this ____ day of _____, 20__ by and between Portland Water Bureau, an electric customer ("Customer-Generator"), and PacifiCorp, dba Pacific Power ("Pacific Power"), a Corporation organized and existing under the laws of the State of Oregon. Customer-Generator and Pacific Power each may be referred to as a "Party", or collectively as the "Parties".

Recitals:

1. **Whereas**, Customer-Generator owns or intends to install a Net Metering Facility qualifying for "Net Metering," Rate Schedule No. 135, as given in Pacific Power's currently effective tariff as filed with the Public Utility Commission of Oregon ("Commission"), on Customer-Generator's premises located at 1850 N. Interstate Ave., Oregon, ("Facility") for the purpose of generating electric energy; Portland
2. **Whereas**, Customer-Generator desires to interconnect the Net Metering Facility with Pacific Power's distribution system consistent with the Application completed by Customer-Generator as described in Appendix A ("Application") of this Agreement; and
3. **Whereas**, Customer-Generator, using its Net Metering Facility, intends to offset part or all of its electrical requirements supplied by Pacific Power.

Now, therefore, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

Article 1. Scope and Limitations of Agreement

1.1 Interconnection

The Agreement shall be used for all approved Level 1 Applications according to the procedures set forth in Oregon Administrative Rule ("OAR") 860, Division 039 ("Rule"). The Agreement establishes standard terms and conditions approved by the Commission under which a Level 1 Net Metering Facility as described in Appendix A ("Application") with an electric nameplate capacity of 25 kW or smaller will interconnect to, and operate in parallel with, Pacific Power's system.

1.2 Applicability

Customer-Generator shall be a customer with Net Metering facilities located on Customer-Generator's premises and shall consist of eligible generation facilities as defined in the most current version of Pacific Power & Light Company Oregon Schedule 135 with a nameplate capacity of not more than 25 kW.

1.3 Responsibilities of the Parties

- 1.3.1 The Parties shall perform all obligations of the Agreement in accordance with all applicable laws.
- 1.3.2 Customer-Generator will construct, operate, test, and maintain its Net Metering Facility in accordance with the Rule, and other applicable standards required by the Commission, as may be amended from time to time.
- 1.3.3 Each Party shall be responsible for the safe installation, maintenance, repair and condition of their respective lines and equipment on their respective sides of the point of interconnection. Each Party shall provide interconnection facilities that adequately protect the other Party's facilities, personnel and other persons from damage and injury. The allocation of responsibility for the design, installation, operation and maintenance of interconnection facilities is prescribed in the Rule.

1.4 Parallel Operation and Maintenance Obligations

Once the Net Metering Facility has been authorized to commence parallel operation by an approved application, execution of this Agreement, Customer-Generator will abide by all written provisions for operations and maintenance as required by the Rule and Pacific Power's tariffs.

1.5 Metering

Pacific Power shall install, own and maintain, at its sole expense, a kilowatt-hour meter(s) and associated equipment to measure the flow of energy in each direction, unless otherwise authorized by the Commission. Customer-Generator hereby consents to the installation and operation by Pacific Power and at Pacific Power's expense, of one or more additional meters to monitor the flow of electricity in each direction. Such meters shall be located on the premises of Customer-Generator.

1.6 Net Metering Facility Requirements, Installation, Operation

- 1.6.1 Customer-Generator's Net Metering Facility must meet the requirements set forth in the Rule and Pacific Power's Oregon Schedule 135 or its successor tariff(s).
- 1.6.2 Customer-Generator is responsible for all costs associated with its Net Metering Facility.

1.7 Anticipated Start Date

Customer-Generator must include an anticipated start date for operation of its Facility in the Application. The anticipated start date included in the Application will be for planning purposes only and shall not be construed as the anticipated

start date notice required in the Rule. After receiving notice that the Application has been approved, Customer-Generator must execute and return this Agreement with a copy of the approved electric inspection to Pacific Power. Upon satisfactory completion of all reviews and inspections of the Facility, Customer-Generator must notify Pacific Power at least five (5) business days prior to starting operation of the Facility, either through submission of an executed Agreement or through separate written notice. Customer-Generator shall not operate the Facility until Pacific Power executes this Agreement, installs the net meter and notifies Customer-Generator that the Facility is interconnected.

1.8 Net Metering Facility Testing and Maintenance

Customer-Generator shall conduct maintenance and testing on its Net Metering Facilities as set forth in the Rule.

1.9 Removal of Facility

Customer-Generator shall immediately notify Pacific Power if Customer-Generator removes or ceases to operate the Facility.

Article 2. Disconnect Switch, Signage, Testing, Authorization, and Right of Access

2.1 Disconnect Switch

Customer-Generator shall comply with the Rule regarding disconnect switches. The disconnect switch may be located more than 10 feet from the public utility meter if permanent instructions are posted at the meter indicating the precise location of the disconnect switch. The public utility must approve the location of the disconnect switch prior to the installation of the net metering facility.

2.2 Equipment Testing and Inspection

Customer-Generator will test and inspect its Net Metering Facility and interconnection facilities prior to interconnection in accordance with IEEE 1547 and 1547.1 Standards as set forth in the Rule. Customer-Generator shall not begin operation of the Net Metering Facility until satisfactory completion of the inspection.

2.3 Right of Access

As provided in the Rule, Pacific Power shall have access to any required disconnect switch at the Net Metering Facility at all times. Pacific Power will provide reasonable notice to Customer-Generator when possible prior to using the right of access. Additionally, as provided in Pacific Power & Light Company Oregon Rule 6, or its successor tariff, Pacific Power shall have access to the metering equipment.

Article 3. Effective Date, Term, Termination and Disconnection

3.1 Effective Date

The Agreement shall become effective upon execution by the Parties.

3.2 Term of Agreement

The Agreement will become effective on the Effective Date and will remain in effect unless terminated in accordance with provisions of this Agreement, or Order by the Commission.

3.3 Termination

No termination will become effective until the Parties have complied with all applicable laws and clauses of this Agreement applicable to such termination.

3.3.1 Customer-Generator may terminate this Agreement at any time by giving Pacific Power twenty (20) Business Days written notice.

3.3.2 Upon termination of this Agreement, the Net Metering Facility will be disconnected from Pacific Power's system at Customer-Generator's expense. The termination of this Agreement will not relieve either Party of its liabilities and obligations, owed or continuing at the time of termination.

3.3.3 The Commission may Order termination of this Agreement.

3.3.4 If Customer-Generator removes the Net Metering equipment at the Facility or ceases to operate its Facility at the premise listed in Recital I above, this Agreement will be terminated.

3.3.5 The provisions of this Article shall survive termination or expiration of this Agreement.

3.4 Temporary Disconnection

Pacific Power or Customer-Generator may temporarily disconnect the Net Metering Facility from Pacific Power's system for so long as reasonably necessary in the event one or more of the following conditions or events occurs:

3.4.1 Under emergency conditions, Pacific Power or Customer-Generator may immediately suspend interconnection service and temporarily disconnect the Net Metering Facility. Pacific Power shall notify Customer-Generator promptly when Pacific Power becomes aware of an emergency condition that may reasonably be expected to affect the Net Metering Facility operation. Customer-Generator shall notify Pacific Power promptly when Customer-Generator becomes aware of an emergency condition that may reasonably be expected to affect Pacific Power's system. To the extent the information is known, the notification shall describe the emergency condition, the extent of any damage or deficiency, the expected effect on the operation of both Parties' facilities and operations, the anticipated duration, and the necessary corrective action.

- 3.4.2 If the Net Metering Facility must be physically disconnected for any reason, Pacific Power may do so by disconnecting all service to the Customer-Generator and/or all service to the premises where the Net Metering Facility is located.
- 3.4.3 Customer-Generator shall make reasonable efforts to provide notice of interruption of Net Metering Facility operation for safety and/or reliability reasons prior to the interruption unless an emergency occurs. Emergency interruptions or temporary terminations are subject to 3.4.1 above.
- 3.4.4 Pacific Power shall use reasonable efforts to provide Customer-Generator with prior notice of forced outages to effect immediate repairs to Pacific Power's system. If prior notice is not given, Pacific Power, shall, upon request, provide Customer-Generator written documentation after the fact explaining the circumstances of the disconnection.
- 3.4.5 Customer-Generator must provide Pacific Power notice and obtain Pacific Power's written approval before Customer-Generator may modify its Net Metering Facility in order to increase the electric output of the Net Metering Facility. If Customer-Generator makes any material change without prior written authorization of Pacific Power, Pacific Power will have the right to temporarily disconnect the Net Metering Facility until Pacific Power has had an opportunity to review the change(s) made to determine whether they are acceptable. If system modifications or other equipment installations are deemed necessary by Pacific Power to accommodate the modified Net Metering Facility, Customer Generator shall submit the appropriate net metering application at that time.
- 3.4.6 The Parties shall cooperate with each other to restore the Net Metering Facility, interconnection facilities, and Pacific Power's system to its normal operating state as soon as reasonably practicable following any disconnection pursuant to Section 3.4.

Article 4.

Cost Responsibility

Customer-Generator shall bear the cost of any facilities, equipment, modifications and upgrades as required by the Rule. Customer-Generator shall also be responsible for all reasonable expenses, including overheads, associated with owning, operating, maintaining, repairing, and replacing its Net Metering Facility.

Article 5.

Billing

5.1 Monthly Billing

The Electric Service Charge shall be computed in accordance with the Monthly Billing in the applicable standard service tariff.

5.2 Special Conditions

5.2.1 Differences in Energy Supplied

The differences in energy supplied to the Customer-Generator will be calculated in accordance with the Rule and the applicable Pacific Power tariffs.

5.2.2 Aggregating Meters

Aggregating Meters is allowed if certain conditions are met under the Rule. Customer-Generator designates the following meters for aggregation: N/A. In the event that the Net Metering Facility supplies more electricity to Pacific Power than the Customer-Generator uses from Pacific Power, Pacific Power will apply any credits to the next monthly bill in accordance with the Rule. Customer-Generator shall designate the order in which to apply any credits in accordance with the Rule. <<If customer does not want to aggregate, insert "N/A" in the gray box.>>

Article 6. Assignment, Liability, Indemnity, Consequential Damages and Default

6.1 Assignment

This Agreement may be assigned by either Party with the consent of the other Party. A Party's consent to an assignment may not be unreasonably withheld. The assigning Party must give the non-assigning Party written notice of the assignment at least fifteen days (15) before the effective date of the assignment. The non-assigning Party must submit its objection to the assignment, if any, to the assigning Party in writing at least 5 business days before the effective date of the assignment. If a written objection is not received within that time period, the non-assigning party is deemed to consent to the assignment.

6.1.1 Exceptions to Consent Requirement

6.1.1.1 Either Party may assign the Agreement without the consent of the other Party to any affiliate (including a merger or acquisition of the Party with another entity) with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement.

6.1.1.2 Customer-Generator is entitled to assign the Agreement without the consent of Pacific Power for collateral security purposes to aid in obtaining financing for the Net Metering Facility.

6.1.1.3 For small generator systems that are integrated into a building facility, the sale of the building or property will result in the automatic assignment of this Agreement to the new owner who will be responsible for complying with the terms and conditions of this Agreement.

6.1.2 Any attempted assignment that violates this Article is void and ineffective. Assignment does not change or eliminate a Party's obligations under this Agreement. An assignee is responsible for meeting the same obligations as the assigning Party.

6.2 Limitation of Liability and Consequential Damages

Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, is limited to the amount of direct damage actually incurred. Neither Party is liable to the other Party for any indirect, special, consequential, or punitive damages.

6.3 Default

6.6.1 A Party is in default if the Party fails to perform an obligation required under this Agreement (other than the payment of money). A Party is not considered in default of this agreement if the failure to perform an obligation is caused by an act or omission of the other Party.

6.6.2 Upon a default, the non-defaulting Party must give written notice of the default to the defaulting party. The defaulting party has sixty (60) calendar days from the receipt of the written default notice to cure the default. If the default is not capable of cure within the 60-day period, the defaulting Party must begin to cure the default within twenty (20) calendar days after receipt of the written default notice, and must continuously and diligently complete the cure within six (6) months of the receipt of the notice.

6.6.3 If a default is not cured as provided in 6.6.2, then the non-defaulting Party is entitled to terminate the Agreement by written notice at any time until cure occurs. If the non-defaulting Party chooses to terminate this Agreement, the termination provisions in Article 3.3 apply. Alternately, the non-defaulting Party is entitled to seek dispute resolution with the Commission in lieu of termination.

Article 7. Insurance

General Liability Insurance is not required as a part of the Agreement if the Net Metering Facility is in compliance with ORS 757.300(4)(a) & (b) and the safety standards contained in the Rule.

Article 8. Dispute Resolution

- 8.1 Nothing in this Article shall restrict the rights of any Party to file a Complaint with the Commission under relevant provisions of the applicable state law.

Article 9. Miscellaneous**9.1 Governing Law, Regulatory Authority, and Rules**

The validity, interpretation, and enforcement of this Agreement is governed by the laws of the State of Oregon. If any provision of this Agreement conflicts with any applicable provision, as may be amended from time to time, of Oregon Revised Statutes ("ORS"), Oregon Administrative Rules ("OAR"), or Pacific Power's Tariffs ("Tariff"), then the applicable provision of the ORS, OAR, or Tariff controls. Pacific Power must provide copies of the applicable provisions of the ORS, OAR, and Tariff upon the Customer-Generator's request.

9.2 Amendment

The Parties may amend the Agreement by a written instrument duly executed by both Parties in accordance with the provisions of the Rule, applicable Commission Orders and provisions of the laws of the State of Oregon.

9.3 No Third Party Beneficiaries

The Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, or where permitted, their successors in interest and their assigns.

9.4 Waiver

9.4.1 The failure of a Party to the Agreement to insist, on any occasion, upon strict performance of any provision of the Agreement, will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

9.4.2 The Parties may also agree to mutually waive a Section of this Agreement without the Commission's approval where the Rule so provides.

9.4.3 Any waiver at any time by either Party of its rights with respect to the Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of the Agreement. Any request for waiver of the Agreement or any provisions thereof shall be provided in writing.

9.5 Severability

If any provision or portion of the Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other governmental authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of the Agreement shall remain in full force and effect.

9.6 Subcontractors

Nothing in the Agreement shall prevent a Party from using the services of any subcontractor, or designating a third party agent as the one responsible for a specific obligation or act required in the Agreement (collectively subcontractors), as it deems appropriate to perform its obligations under the Agreement; provided, however, that each Party will require its subcontractors to comply with all applicable terms and conditions of the Agreement in providing such services and each Party will remain primarily liable to the other Party for the performance of the subcontractor.

9.6.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under the Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made. Any applicable obligation imposed by the Agreement upon the hiring Party shall be equally binding upon, and will be construed as having application to, any subcontractor of such Party.

9.6.2 The obligations under this Article will not be limited in any way by any limitation of a subcontractor's insurance.

Article 10. Notices and Records

10.1 General

Unless otherwise provided in the Agreement, any written notice, demand, or request required or authorized in connection with the Agreement shall be deemed properly given if delivered in person, delivered by recognized national courier service, sent by first class mail, postage prepaid, or by electronic mail if an electronic mail address is provided below, to the person specified below:

If to Customer-Generator:

Customer-Generator: Portland Water Bureau
 Attention: Michael Ross
 Address: 1120 SW 5th - Suite 600
 City: Portland State: OR Zip: 97204
 Phone: (503) 823-7408 Fax: (503) 823-4500
 Email: michaelr@water.ci.portland.or.us

If to Pacific Power:

Attention: Net Metering Group
P.O. Box 400
Portland, Oregon 97207
Phone: (888) 221-7070

10.2 Changes to the Notice Information

Either Party may change this notice information by giving five (5) business days written notice prior to the effective date of the change.

10.3 Records

Pacific Power will maintain a record of the Net Metering Agreement and related Attachments, if any, for as long as the net metering arrangement is in place. Pacific Power will provide a copy of these records to Customer-Generator within 15 Business Days if a request is made in writing.

Article 11. Signatures

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

For the Customer-Generator:

By: David G. Shaff
Name: DAVID G. SHAFF
Title: ADMINISTRATOR
Date: 07.13.2009

APPROVED AS TO FORM

Inda Reng
CITY ATTORNEY

For Pacific Power:

By: _____
Name: _____
Title: _____
Date: _____

**APPENDIX A
NET METERING APPLICATION**

**LEVEL 1 REVIEW
INVERTER BASED SYSTEMS, 25 KW OR SMALLER**

Section 1: Applicant Contact Information

Customer-Generator Name: Portland Water Bureau
 Mailing Address: 1120 SW 5th Ave - Suite 600
 City, State, Zip: Portland, OR 97204
 Pacific Power Customer Account No: 647353111
 Request Number: 5306453
 Date Returned/Received Application from Customer- Generator: _____

Section 2: To Be Completed By Customer-Generator – Address of Generator where Net Metering Facility will be Interconnected

Street Address: 1850 N. Interstate Ave.
 Mailing Address: 1120 SW 5th Ave. - Suite 600
 City: Portland State: OR Zip Code: 97204
 Daytime Phone: (503) 823-7404 Fax: (503) 823-4500
 Email: michaelr@water.ci.portland.or.us

System Information

Manufacturer Name Plate AC Power Rating: 12.26 kW _____ kVA _____ AC Volts

System Type (circle one): (Solar) Wind Hydro Other (Specify): _____

Single phase or three phase: 3

Inverter Controlled (please circle): (Yes) / No

Inverter Manufacturer and Model Number: (3) PV Powered 4600

Meets IEEE standard 1547 and UL Subject 1741 requirements as specified in the Rule: Yes / No

Please note: A disconnect switch is not required for an inverter-based facility for services of 600 volts or less with a maximum rating as follows:

Service Type – Maximum Net Metering Facility Size (kW)
 240 Volts, Single-Phase, 3 Wire—7.2
 120/208 Volts, 3-Phase, 4 Wire—10.5
 120/240 Volts, 3-Phase 4 Wire—12.5
 277/480, 3-Phase 4 Wire—25.0

For other service types, the net metering facility must not impact the Customer-Generator's service conductors by more than 30 amperes. If a disconnect switch is installed, Customer-Generator to provide a simple one-line diagram that shows the location of the disconnect switch.

"Parallel Generation Onsite" signage posted as required by the latest edition of the National Electric Code Section 110.22 and 430.102 (please circle): Yes / No

Electrical inspection approval date (*attach copy or provide to utility when obtained*): _____

Anticipated Start Date (est. date for operation), for planning purposes only: _____

Customer-Generator may operate the Net Metering Facility temporarily for testing and obtaining inspection approval. Customer-Generator shall not operate the Net Metering Facility in continuous parallel without an executed Interconnection and Net Metering Service Agreement.

I hereby certify that the information provided in this Application is true. I will provide Pacific Power a copy of signed government electrical inspection approval documents when obtained.

Customer-Generator signature & date: _____

Section 3: To be completed by the System Installer

Installation Contractor Information/Hardware and Installation Compliance

Installation Contractor (Company Name): EC Company

Contractor's License No.: 26-45C / OR CCB 49737

Proposed Installation Date: May 4, 2009

Mailing Address: 2121 NW Thurman St.

City: Portland State: OR Zip Code: 97210

Daytime Phone: 503-220-3506 Fax: 503-248-6353 Email: laurieh@e-c-co.com

Section 4: To be completed by Pacific Power Meterman

Customer's account # and site ID #: _____

Served from facility point #: _____

New net meter number: _____ Date net meter installed: _____

Manual disconnect required: (please circle): Yes / No

If yes manual disconnect installed correctly: (please circle): Yes / No / N/A

Proper location & permanent signage in place: (please circle): Yes / No

Signature/Title: _____ Date: _____