

SCHEDULE 88  
SOLAR PHOTOVOLTAIC PILOT PROGRAM

PURPOSE

The purpose of this pilot program is to demonstrate the use and effectiveness of volumetric incentive rates and payments for electricity delivered from qualifying solar photovoltaic energy systems. This schedule establishes a Solar Photovoltaic Pilot Program as required by HB 3039, HB 3690, and OAR 860-084-0100. The Solar Photovoltaic Pilot Program provides payments to Customers for electricity generated by permanently installed solar photovoltaic energy systems.

AVAILABILITY

Service under this schedule is available to Customers with Eligible Systems located at the Customers' facilities throughout the Company's service territory within the State of Oregon.

APPLICABILITY

Service under this schedule is applicable to Customers that have a new Eligible System not purchased with state or Company incentives, with installed nameplate generating capacity of 10 kW DC or less whose output is not offsetting load or paid for pursuant to another tariff schedule, that meet the eligibility requirements in OAR 860-084-0120.

DEFINITIONS

Average Monthly Retail Rate is the Customer's total monthly energy charges divided by the Customer's Eligible Energy (T)

Contracted System means an Eligible System under contract in the Solar Photovoltaic Pilot Program.

Eligible Energy or Eligible Generation means the kilowatt-hours that may be paid at the Volumetric Incentive Rate. For the net metering option of the pilot program, Eligible Energy is equal to the usage of the Customer in the year that the energy is generated by the Eligible System. In a given month, this Eligible Energy is equal to the actual usage of the Customer for that month.

Eligible Participant or Participant means a Customer who has signed a contract with the Company and is participating in the pilot program. A regulated utility is not an Eligible Participant in pilot programs.

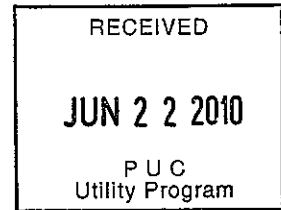
Eligible System means a system that meets the requirements of OAR 860-084-0120 with a Nameplate Capacity of 10 kW DC or less.

Excess Energy or Excess Generation means the kilowatt-hours generated in excess of actual annual usage under the net metering option of Solar Photovoltaic Pilot Program. In a given month, Excess Energy means kilowatt-hours generated in excess of monthly usage.

Nameplate Capacity means the maximum rated output of a solar photovoltaic system, measured at an irradiance level of 1000 W/m<sup>2</sup>, with reference air mass 1.5 solar spectral irradiance distribution and cell or module junction temperature of 25°C.

On-Line means that the photovoltaic system is installed and providing power to the Company's electrical system or to serve the load of the Customer.

Payable Generation is the Eligible Generation for each month plus accrued Excess Generation, up to the actual monthly usage. Excess Generation accrues monthly.



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DEFINITIONS (Continued)

Qualifying Assignee or Assignee means a person to whom a Customer may assign Volumetric Incentive Payments under the Oregon Solar Photovoltaic Pilot Program Energy Sales Agreement. The Company or its affiliate or any other regulated utility is not a Qualifying Assignee. Qualifying Assignees include, but are not limited to:

1. A lender providing up front financing to a Customer,
2. A company or individual who enters into a financial agreement with a Customer to own and operate a solar photovoltaic energy system on behalf of the Customer in return for compensation,
3. A company or individual who contracts with the Customer to locate a solar photovoltaic system on property owned by the Customer, or
4. Any party identified by the Customer to receive payments that the Company is obligated to pay to the Customer.

Reservation Start Date means the date the Customer is notified of securing capacity through a capacity reservation process and of the start and expiration dates for that capacity reservation. The Reservation Start Date initiates the Time To Complete Interconnection.

Time To Complete Interconnection means the time between the Reservation Start Date and the date an Eligible Participant completes interconnection.

Volumetric Incentive Payments or Payments means the monthly amount that the Company pays to an Eligible Participant or Assignee in the Solar Photovoltaic Pilot Program for payable energy generated by a Contracted System.

Volumetric Incentive Rate means the rate per kilowatt-hour paid by the Company to a Customer or Assignee for Payable Generation.

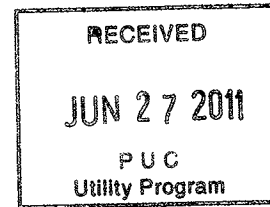
INTERCONNECTION PROCESS

Solar photovoltaic projects physically interconnecting to the Company's electrical system must meet all criteria under OAR Division 084 – Solar Photovoltaic Programs and successfully complete the Interconnection Process prior to the project delivering energy to the Company. A complete description of the application procedures for the Solar Photovoltaic Pilot Program, including all required applications and Company contact information, is maintained on the Idaho Power Web site at [www.idahopower.com/oregonsolar](http://www.idahopower.com/oregonsolar), or the Customer may contact the Company at 1-208-388-5933 for further information.

Capacity Reservation

A capacity reservation starts when an application meeting the requirements of OAR 860-084-0230 (2) is received by the Company on-line as part of the Solar Photovoltaic Pilot Program procedures. This on-line application will secure a pending capacity reservation for the project.

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INTERCONNECTION PROCESS (Continued)

Capacity Reservation (Continued)

To finalize the capacity reservation, Customers must submit the following documentation to the Company:

1. A signed copy of the Idaho Power Company email confirmation acknowledging receipt of the Capacity Reservation Application.
2. A capacity reservation deposit of \$20 per kW DC of the proposed system capacity
3. The completed Oregon Solar Photovoltaic (SPV) Pilot Program Interconnection Application – Part A.

A capacity reservation expires (1) one year from the Reservation Start Date if the system has not been installed; or, (2) if the interconnection process is not executed, two months from the Reservation Start Date. Once the capacity reservation expires, the Customer must newly apply for a capacity reservation and will not be given preferential treatment. See OAR's 860-084-0195 through 860-084-0230 for a complete description of capacity reservation rules.

The capacity reservation deposit will be refunded if the capacity reservation is not accepted by the Company or when the Customer's solar photovoltaic energy system comes On-Line. The capacity reservation deposit will not be refunded if the Customer's capacity reservation expires before their solar photovoltaic energy system comes On-Line.

Capacity Reservation Limits

The Company will enter into solar photovoltaic interconnection agreements from new Eligible Systems, up to the periodic available capacity of 200 kW AC until the cumulative generation capacity participating in the Program is 400 kW AC. Capacity is reserved on a first come, first served basis. The first capacity reservation allotment of 200 kW AC will be offered beginning 8:00 A.M. Mountain Daylight Time on July 1, 2010 and a subsequent allotment of 200 kW AC will be offered beginning 8:00 A.M. Mountain Daylight Time on October 3, 2011. Any capacity allotment that is not awarded during the first period will be made available during the second allotment period.

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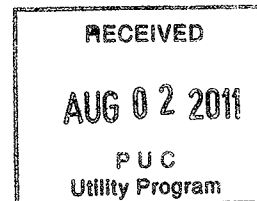
Interconnection Procedure

The Reservation Start Date will be assigned when a capacity reservation is secured, after which the Customer is required to complete the Oregon Solar Photovoltaic (SPV) Pilot Program Interconnection Application – Part B. The Time To Complete Interconnection is the period of time from the Reservation Start Date to the date an Eligible Participant completes interconnection. The Customer will be required to sign an Oregon Solar Photovoltaic Pilot Program Energy Sales Agreement no later than 30 days prior to the Eligible System coming On-Line.

METERING REQUIREMENTS

Customers served on this schedule must have a second, Company owned, meter that measures only the Eligible System's net solar photovoltaic generation. The meter must be placed at a location designated by the Company on the Customer load side of the retail meter and on the AC side of the inverter. The second meter does not alter or affect the Customer's Point of Delivery

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VOLUMETRIC INCENTIVE RATE

As established by Commission order, the Volumetric Incentive Rate is \$0.317/kWh. The rate in place at the time of the capacity Reservation Start Date applies to the entire 15 year life of the agreement. (D)

Rate-Adjustment Mechanism

The Rate-Adjustment mechanism is applied to the Volumetric Incentive Rate annually. If less than 100 kW AC of the 200 kW AC allotment is reserved before February 28, 2011, then the Volumetric Incentive Rate will increase by 10 percent beginning October 3, 2011. If 100 kW AC or more but less than 150 kW AC of the 200 kW AC allotment is reserved before February 28, 2011, then the Volumetric Incentive Rate will increase by 5 percent beginning October 3, 2011. If 150 kW AC or more but less than 200 kW AC of the 200 kW AC allotment is reserved before February 28, 2011, then the Volumetric Incentive Rate will not change.

If all 200 kW AC is reserved before February 28, 2011, the Volumetric Incentive Rate will decrease beginning October 3, 2011 depending on how quickly the full subscription level was achieved. If full subscription was received before November 15, 2010, the Volumetric Incentive Rate will decrease by 10 percent. If full subscription was received between November 15, 2010 and February 28, 2011, the Volumetric Incentive Rate will decrease 5 percent. No Volumetric Incentive Rate adjustment would occur if the 200 kW allotment was fully subscribed during the month of March, 2011.

VOLUMETRIC INCENTIVE PAYMENT

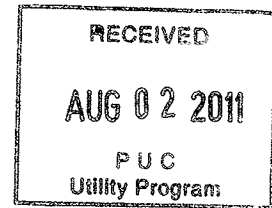
The Volumetric Incentive Payment applies to the Eligible System's generation up to the monthly retail kWh use. Excess Generation will be carried forward to the next month. At the end of the last monthly billing period ending on or before March 31 of each year, any Excess Generation will be transferred to the Company's low income assistance programs at the Average Monthly Retail Rate in effect at the time of the transfer, or, if the Customer has the required market rate authority from the Federal Energy Regulatory Commission, sold to the Company at market rates. The Customer's Excess Generation is set to zero for the beginning of the subsequent annual billing cycle.

Volumetric Incentive Payments under this pilot will be made no later than 45 days from the last day of the Customer's billing period. The Customer may choose among three payment options for the Volumetric Incentive Payment: (1) receive a direct payment, (2) have payments netted against the Customer's retail bill, or (3) assign 100% of the payment each month to a single Assignee. A one-time assignment fee of \$25 applies for each payment assignment or reassignment. A Customer may request to change their payment option once every 12 consecutive Billing Periods. The new payment option will become effective on the Customer's next regularly scheduled billing cycle.

MONTHLY RATE

The monthly rate is the net of the Meter Charge and the Volumetric Incentive Payment. Notwithstanding the Volumetric Incentive Payment, the Customer is responsible for the minimum monthly charge and the Power Supply Adjustment related to the retail electricity rate schedule and, where applicable, charges set forth in Schedule 55 (Annual Power Cost Update), Schedule 56 (Power Cost Adjustment Mechanism), Schedule 91 (Energy Efficiency Rider), Schedule 93 (Solar Photovoltaic Pilot Program Rider), Schedule 95 (Adjustment for Municipal Exactions), and Schedule 98 (Residential and Small Farm Energy Credit). Volumetric charges related to retail electricity rate schedules are calculated using the actual usage of the Customer for that month.

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MONTHLY RATE (Continued)Meter Charge

Meter Charge, \$10 00 per month for each separately metered Residential Qualifying System.

Volumetric Incentive Payment

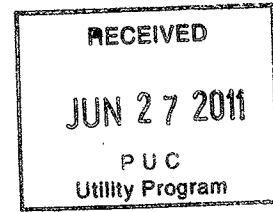
Volumetric Incentive Rate Payment \$0.317/kWh multiplied by the Payable Generation, up to the monthly retail kWh use. (D)

Solar Retail Credit: Payable Generation multiplied by the Average Monthly Retail Rate

TERMS AND CONDITIONS

Division 084 of the Oregon Administrative Rules (OAR) contains additional details that apply to this pilot. The terms and conditions listed below shall apply to all solar photovoltaic systems under this schedule:

- 1 Each Solar Photovoltaic Interconnection agreement shall have a term of 15 years at the applicable Volumetric Incentive Rate.
- 2 The Solar Photovoltaic Pilot Program will close to new enrollments the earlier of March 15, 2015 or when the cumulative capacity of Contracted Systems in the pilot reaches 25 MW AC statewide per OAR 860-084-0150
- 3 Qualifying systems must be installed on the customer side of the service meter.
4. Qualifying Systems must be constructed from new components and be first operational and On-Line no sooner than July 1, 2010
- 5 The Customer is responsible for obtaining all necessary government approvals relating to its Eligible System and must meet all applicable building codes and standards including standards specified in OAR 860-084-0260
- 6 The Customer is responsible for all costs associated with its Eligible System, including interconnection costs incurred by the Company, and is also responsible for all costs related to any modifications to the facility that may be required by the Company resulting from the reviews as provided for in OAR 860-084-0310
- 7 As provided in OAR 860-084-0340 where applicable, a manual disconnect switch capable of isolating the Eligible System facility from the Company's system must be provided by the Customer and will be accessible to the Company at all times.
- 8 The capacity of the qualifying systems must not exceed 90 percent of the three-year (or less) rolling average of the usage at the premises at which the qualifying system will be installed, consistent with OAR 860-084-0100. If less than one year of usage history is available, three years usage of a similarly situated Customer may be used. The Customer is responsible to determine the appropriate size of the qualifying system
- 9 For each separately metered account, a Customer is not eligible for service under both this schedule and Schedule 84, Customer Energy Production for Net Metering



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TERMS AND CONDITIONS (Continued)

- 10. A Customer who has a Contracted System under this schedule is not eligible to interconnect additional solar photovoltaic systems for service under this schedule.
- 11. All Renewable Energy Credits (RECs) or other benefits or allowances for which the Solar Photovoltaic Pilot Program project qualifies under current or future law relating to the renewable energy are property of the Company
- 12. The Company maintains the right to inspect the facilities with reasonable prior notice and at a reasonable time of day.
- 13. The Company maintains the right to disconnect, without liability, the Customer's Eligible System for issues relating to safety and reliability.
- 14. The Customer shall secure and continuously carry Comprehensive General Liability Insurance for both bodily injury and property damage with limits equal to \$1,000,000, each occurrence, combined single limit. The insurance coverage shall be placed with an insurance company with an A.M Best Company rating of A- or better and shall include a provision stating that such policy shall not be cancelled or the limits of the liability reduced without sixty days prior written notice to Idaho Power (D)  
(D)