

**SCHEDULE 77  
FIRM LOAD REDUCTION PILOT PROGRAM**

**PURPOSE**

This schedule is an optional supplemental service that provides participating Large Nonresidential Customers incentives for reducing a committed amount of load at the request of the Company. Under this tariff, the Customer will provide a Firm Load Reduction commitment that the Company can call at any time according to the conditions listed below.

**AVAILABLE**

In all territory served by the Company.

**APPLICABLE**

To qualifying Large Nonresidential Customers served under Schedules 75, and 89, who at the notification by the Company, during a Firm Load Reduction Event, are able to commit to load reduction of at least 1 Megawatt (MW) of Demand at a single Point of Delivery (PODID). Participating Customers must have an executed Schedule 77 Agreement in effect to participate in this program.

**ENROLLMENT**

Enrollment is limited to a Firm Load Commitment of 20 MW total capacity on first-come, first-served basis. The enrollment will be effective for the calendar year beginning January 1<sup>st</sup>, following the enrollment window. PGE reserves the right to limit the amount of capacity by any one customer to facilitate a greater number of participants. (C)  
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The enrollment period for qualified Customers occurs annually from October 1<sup>st</sup> to October 15<sup>th</sup> (or the following business day if the 1<sup>st</sup> or the 15<sup>th</sup> falls on a weekend or holiday). Within five days of enrollment, the Company will confirm receipt of the PODID(s) the Customer intends to enroll under this schedule and will send a signed agreement to the Customer's representative. The Customer must complete the agreement with the Company no later than the last business day in the month of October.

**FIRM LOAD REDUCTION OPTION AND ELECTION**

The Customer must select at the time of enrollment the applicable Firm Load Reduction Option to be in effect for the duration of the contract term. The Company will call a load reduction event on weekdays only, excluding holidays\* with typically four hours advance notice.

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\*Holidays are New Year's Day (January 1), President's Day (February), Memorial Day (last Monday in May), Independence Day (July 4), Labor Day (first Monday in September), Thanksgiving Day (fourth Thursday in November), and Christmas Day (December 25). If a holiday falls on Saturday, Friday is designated a holiday. If a holiday falls on Sunday, the following Monday is designated a holiday.

**SCHEDULE 77 (Continued)**

FIRM LOAD REDUCTION OPTION AND ELECTION (Continued)

The Firm Load Reduction Options and terms are:

Firm Load Reduction Option	Advance Notification Hours	Event Duration Consecutive Hours per Day
A	4	4
B	24	4

**PAYMENTS**

The Customer will receive a Reservation Credit and a Firm Energy Reduction Payment.

Subject to the terms of this Schedule, the Company will pay the Customer:

1. Reservation Credit

For the calendar year of 2012, a Reservation Credit, for the duration of the agreement term, equal to the Firm Load Reduction Commitment (per kW) multiplied by the applicable Reservation Credit (per \$/kW) based on the Option selected by the Customer. The Reservation Credit will be credited in January, February, March, August, September, and October whether or not a Firm Load Reduction Event had been called in the previous month. If any reductions are called during the applicable month, a Customer must fulfill all reductions prior to receiving the Reservation Credit. (C) (T)

Firm Load Reduction Option	Reservation Credit for 2012 per kW
A	\$6.00
B	\$3.00

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2. Firm Energy Reduction Payment

The Firm Energy Reduction Payment for each Megawatt-Hour (MWh) reduced during the Firm Load Reduction Event (up to 120% of the Firm Energy Reduction Commitment), will be equal to the Firm Energy Reduction Amount times the lesser of the hourly Mid-Columbia Electricity Index (Mid-C) as reported by the Dow Jones or fuel cost per MWh for a Simple Cycle Combustion Turbine (SCCT) during the Load Reduction Event as shown below, adjusted for losses based on the Customer's delivery voltage.

### SCHEDULE 77 (Continued)

#### PAYMENTS (Continued)

For the calendar year of 2012, the reference fuel costs per MWh for an SCCT are:

Jan 2012	Feb 2012	Jul 2012	Aug 2012	Sep 2012	Dec 2012
\$35.22	\$34.39	\$33.06	\$33.30	\$33.31	\$38.91

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The Firm Energy Reduction Payment rates will be updated annually by December 1<sup>st</sup> for the next calendar year. Evaluation and settlement of the Firm Energy Reduction Payment will occur within 60 days of the Firm Load Reduction Event.

#### FIRM LOAD REDUCTION

Firm Load Reduction will be measured as a reduction of Demand, as specified in the Firm Load Reduction Agreement, from a Customer Baseline Load calculation during each hour of the Load Reduction Event. Although the Firm Load Reduction Agreement shall specify the Customer Baseline Load calculation methodology to be used, it is common for PGE to use the following baseline methodology:

##### Baseline Demand Profile

The Baseline Load Profile will be based upon:

The average load of the 5 highest load days in the last 10 Typical Operational Days for the event period using interval data to better estimate an extreme event day load, and

An adjustment to the amounts above to reflect the operational characteristics leading up to the event. This adjustment is the difference between the event day load and the average load of the 5 highest days used in the load profile above during the 2-hour period 4 hours prior to the event.

##### Typical Operational Days

Typical Operational Days exclude days that a Customer has participated in a Firm Load Reduction Event. Typical Operational Days for the baseline calculation are defined as the 10 applicable days closest to the Load Reduction Event. Typical Operational Days may exclude Saturdays, Sundays and WECC holidays.

If the Customer's energy usage is highly variable, the Company may decline the Customer's enrollment application.

#### FIRM ENERGY REDUCTION

The Firm Energy Reduction amount is the difference between the Customer's Baseline Energy profile and the Customer's measured hourly energy usage during the Load Reduction Event.

### SCHEDULE 77 (Continued)

#### LOAD REDUCTION EVENT

The Company at its discretion may initiate a Load Reduction Event by providing the participating Customer with the appropriate notification consistent with the Customer's selected Firm Load Reduction Option. The Customer will reduce its Demand served by the Company, for each hour of the Load Reduction Event by not less than the Firm Demand Reduction Commitment made at the time of the enrollment.

The Company may initiate Load Reduction Events during January, February, July, August, September and December of the agreement year. Load Reduction Events can be called for a maximum of two consecutive days, with only one event per day. A minimum of one event will be called per agreement year. Subject to notification requirements of this schedule, the Firm Load Reduction Event may start between 6 am and 8 pm on the event day. An event ending at midnight does not preclude an event to be called the following day. The Company may call up to forty-eight hours of Load Reduction Events during the agreement year.

#### Event Notification

The Company will notify the participating Customer of a Load Reduction Event via telephone, with a confirming email notice to the Customer's Representative specified by the Customer at the time of enrollment. The Company's notification will include a time and date by which the Customer must reduce the committed Demand for each period of the Load Reduction Event.

Other methods of notification may be used at the discretion of the Company and with prior Customer agreement. The Customer is responsible to notify the Company if the Customer's contact information specified at the time of the enrollment changes as soon as such change occurs.

#### FAILURE TO COMPLY WITH THE LOAD REDUCTION EVENT

If the Customer does not meet on average 90% of the Load Reduction for each hour of the Firm Load Reduction Event, the following will apply.

The first such failure will result in the forfeit of the full Energy Reduction Payment for that Event and the Customer will not be paid the Reservation Credit for that month. If subsequent Load Reduction Events are called in the same month, and the Customer complies, the corresponding Energy Reduction Payments will be paid.

The second such failure within the agreement year will result in an immediate disqualification from the Firm Load Reduction Program for a period of two years, forfeit of the Reservation Credit for the applicable month, and forfeit of the Energy Reduction Payment for the applicable event.

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**SCHEDULE 77 (Continued)**

**SPECIAL CONDITIONS**

1. Customers participating on the Company's Schedule 200 Dispatchable Standby Generation, program may not use their on-site generation equipment for load reductions to meet load reduction commitments under this tariff. Customer on-site generation not under Schedule 200 must be permitted through applicable local, state and federal agencies prior to its use to meet reduction commitments under this tariff.
2. Customers that change service to Schedules 84, 86, 485, 489, 575, 583 585 and 589 will be withdrawn from this program. **(C)**
3. Firm Load Reduction by Schedule 75 Customers will not exceed the Customer's Baseline Demand as specified in the written service agreement between the Customer and the Company. Customer cannot use purchases under Schedule 76 to meet load reduction commitments under this tariff.
4. The Company is not responsible for any consequences to the participating Customer that results from the Firm Load Reduction Event or the Customer's effort to reduce Energy in response to a Firm Load Reduction Event.
5. This tariff is not applicable when the Company requests or initiates Load Reduction affecting a Customer PODID under system emergency conditions.
6. The Company will not cancel or shorten the duration of a Firm Reduction Event once notification has been given without the consent of the Customer.
7. Reservation Credits and Firm Energy Reduction Payments made to individual Customers under this tariff will be recovered from all Customers through the Company's Schedule 125 and Schedule 126 for the corresponding enrollment year.
8. The Company will file any adjustment to the Reservation Rate by August 1<sup>st</sup> for the next calendar year.
9. Participating Customers are required to have interval metering and meter communication in place prior to initiation of service under this schedule. The Company will provide and install necessary equipment which allows the Company and the Customer to monitor the Customer's energy usage.

**SCHEDULE 77 (Concluded)**

**SPECIAL CONDITIONS (Continued)**

10. If the Customer experiences operational changes or a service disconnection that impairs the ability of the customer to provide the Firm Load Reduction as requested under this schedule, the agreement will be terminated.
11. If the Company is not allowed to recover the Reservation Credits by the Commission, the Company may at its option terminate service under this agreement within 30 days notice.
12. The Customer may pre-schedule two opt-out days per month and must provide the Company ten business days advance notice. If the Company calls a Load Reduction Event on a pre-scheduled opt-out day, the Customer is exempt from providing load reduction and receives no Firm Energy Reduction Payment, whether or not they choose to operate. The customer will receive the Reservation Credit. An opt-out day will not be included in the calculation of the Baseline Demand Profile. **(T)**
13. Customers who opt for this Schedule will be placed on a calendar monthly billing cycle.

**TERM**

Service under this schedule will be for one-year. This pilot program ends December 31, 2013. **(C)**