

LARGE NONRESIDENTIAL GREEN ENERGY AFFINITY RIDER SERVICE AGREEMENT

This LARGE NONRESIDENTIAL GREEN ENERGY AFFINITY RIDER SERVICE AGREEMENT (“Agreement”), dated _____ (“Effective Date”), is made and entered into by and between the City of Salem (“Subscriber”) and Portland General Electric Company (“Company”) for electricity service under the Company’s Electric Retail Tariff Schedule 55 - Large Nonresidential Green Energy Affinity Rider (“Schedule”).

This Agreement is based on Subscriber’s election to purchase a subscription share of a new renewable energy facility pursuant to the Schedule. The terms and conditions of the Schedule of Company’s Electric Retail Tariff (Tariff), as filed and approved by the Oregon Public Utility Commission (OPUC), apply to this Agreement. A copy of the Tariff, including the Schedule, is available on the Company’s website at <https://www.portlandgeneral.com/our-company/regulatory-documents/tariff>. This Agreement is intended to supplement the Schedule and shall not replace the Schedule. Terms defined in the Schedule and in the Tariff’s General Rules and Provisions (Schedule 80) shall have the same meanings where used in this Agreement.

Pursuant to the terms and conditions of the Tariff and Schedule, Subscriber and Company agree to the following:

1. **Term.** This Agreement becomes effective on the Effective Date and shall continue in effect for a term of fifteen (15) years after the commercial operation date of the Resource (“Term”).
2. **Defined Resource.** Company shall procure bundled renewable energy on the Subscriber’s behalf from a new solar facility located in Oregon that is consistent with the requirements set forth in the Schedule (“Resource”). In the event the Resource produces annual output less than (a) Subscriber’s Load (defined in Section 3), or (b) Subscription Amount (defined in Section 3), whichever is less, PGE may use banked renewable energy certificates (RECs) from the Resource or procure RECs up to the lesser of (a) or (b).
3. **Subscription Amount.** As a cost-of-service customer of Company, Subscriber agrees to subscribe up to 17,000,000 kWh of bundled renewable energy generated by the Resource on an annual basis, prorated for any partial year during the Term (“Subscription Amount”). The Subscription Amount shall not exceed the amount of energy Subscriber purchases from the Company (“Subscriber’s Load”). In the event Subscriber’s Load is reduced by 20% or more of the Subscription Amount in any calendar year during the Term, PGE may reduce the Subscription Amount by the same amount for all subsequent years during the Term and re-market such amount made available to other third-party subscribers. Once the annual Subscription Amount has been reached in a particular calendar year, neither party shall have any further obligations under this Agreement for that particular calendar year and the parties’ obligations shall resume the following calendar year.
4. **Conditions Precedent.** The obligations of Company under this Agreement are subject to the following conditions precedent: (a) OPUC review in accordance with the Schedule; (b) Company executing a power purchase agreement to purchase energy generated by the

Resource ("Original PPA"); and (c) the Resource achieving commercial operation. In the event these conditions precedent have not been satisfied on or before July 1, 2022, either party may terminate this Agreement by providing five (5) business days' prior notice of termination to the other party.

5. **Prospective Customers.** Subscriber acknowledges and understands that, pursuant to the Schedule, purchasing a subscription of the Resource under this Agreement is only available to Company customers served by retail base service. On and after the Effective Date, if Subscriber fails to meet the eligibility requirements of this Agreement, including the Schedule or Tariff, Company may terminate this Agreement pursuant to Section 8(c).
6. **Rates and Billing.** Each month, Subscriber shall pay Company \$0.001 dollars per kWh (\$0.001/kWh) ("Price") multiplied by the Subscriber's Load, up to the Subscription Amount. Each monthly invoice from Company will show the credits for Energy Value and Capacity Value it received in accordance with the Schedule that was set off against the Price.
7. **Renewable Energy Credits.** The renewable energy certificates (RECs) associated with the generation output of the Resource or procured by PGE exclusively for the purposes of this Agreement, up to the lesser of (a) Subscription Amount or (b) Subscriber's Load, shall be retired on behalf of the Subscriber in Western Renewable Energy Generation Information System (WREGIS) and shall not be used for any other purposes during the term of this Agreement.
8. **Termination.**
 - a. Subscriber Termination for Convenience. Subscriber may terminate this Agreement prior to expiration of the Term if Subscriber provides Company with ninety (90) calendar days' notice. During such ninety (90) day period, Company shall use commercially reasonable efforts to negotiate and enter into a replacement Subscription Agreement with a replacement subscriber for the Resource and Subscription Amount. In the event a replacement Subscription Agreement is not executed with a replacement subscriber, Subscriber shall pay Company for the net cost of the remaining renewable energy that Company was to deliver to Subscriber for the remainder of the Term within thirty (30) days after the early termination of this Agreement under this Section 8(a). The net cost will be based on the net present value of: (i) the duration of the remaining Term; (ii) the Subscription Amount; and (iii) the payments and credits set forth in Section 4 ("Early Termination Payment").
 - b. Subscriber Termination for Cause. Unless a Company breach is caused by the early termination of the underlying power purchase agreement associated with the Resource which shall be governed by Section 8 rather than this Section 8(b), Subscriber may terminate this Agreement by providing Company thirty (30) calendar days' notice in the event Company breaches its obligations under this Agreement and such breach remains uncured for thirty (30) days.
 - c. Company Termination for Cause. Company may terminate this Agreement by providing Subscriber thirty (30) calendar days' notice in the event Subscriber

breaches its obligations under this Agreement and such breach remains uncured for thirty (30) days. A breach of any obligation or requirement, including any eligibility requirements set forth in the Schedule or Tariff, shall be deemed a breach of this Agreement. In the event of such early termination under this Section 8(c), Subscriber shall pay Company the Early Termination Payment.

9. Termination of Power Purchase Agreement for Resource. Unless caused by a breach by the Company, in the event the Original PPA is terminated prior to the expiration of the Term of this Agreement, Company shall use commercially reasonable efforts for a period of one hundred eighty (180) days to solicit offers for and negotiate a replacement power purchase Agreement for a replacement renewable energy resource to supply its obligations to Subscriber under this Agreement. In the event Company successfully negotiates a replacement power purchase agreement for a new renewable energy resource for the same cost as the Original PPA, the parties agree to enter into a written amendment to this Agreement to memorialize such new supply resource. In the event Company is able to identify a replacement renewable energy resource, but at an adjusted cost, Company shall offer a price adjustment under this Agreement to Subscriber. Subscriber shall have thirty (30) days to respond to such Company offer. In the event Subscriber agrees to the price adjustment, the parties agree to enter into a written amendment to this Agreement to memorialize such new supply resource and associated price adjustment. In the event Subscriber does not agree to price adjustment or in the event Company is unable to otherwise successfully replace the Resource, this Agreement shall terminate and neither party shall have any additional obligations to the other party that did not accrue prior to the termination of the power purchase agreement associated with the Resource. In the event the power purchase agreement for the Resource was terminated because of a breach by Company, Subscriber may exercise its termination rights under Section 6(b) above.

10. Excused Performance. In the event the underlying power purchase agreement for the Resource excuses the performance of the supplier of the Resource (e.g., force majeure), Company's performance under this Agreement shall also be excused. Company shall provide reasonable documentation to Subscriber that supports such an event.

11. Creditworthiness and Security. Subscriber agrees that the Company may verify Subscriber's creditworthiness at any time, which may include, but is not limited to, Subscriber providing Company audited financial statements or other reasonable documentation related to the Subscriber's creditworthiness. Based on its credit review of Subscriber, the Company may require security to ensure the Subscriber meets the obligations set forth under this Agreement. Subscriber will be required to provide security if their long-term senior, unsecured, debt obligation (not supported by third party credit enhancements) is rated by S&P below "BBB-" or by Moody's below "Baa3." Such security may include:

- a. A surety bond issued by an issuer and in a form, substance and amount satisfactory to Company;
- b. A letter of credit issued by an issuer and in a form, substance and amount satisfactory to Company; or
- c. A cash deposit in an amount satisfactory to Company.

12. Purchase Not Required. Subscriber is not required to purchase a subscription share under the Schedule in order to continue to receive its current electricity service from the Company. Subscriber may purchase similar products and services from other providers.

13. Use of Subscriber Name. Subscriber agrees that the Company may use the Subscriber's name in promotional material including, but not limited to, print advertising for Company's renewable energy programs.

14. Governing Law. This Agreement will be governed by and interpreted, construed and enforced in accordance with the laws of the State of Oregon.

15. Successors and Assigns. Subscriber may not assign this Agreement without the written consent of the Company, which such consent shall not be unreasonably withheld. This Agreement shall apply to all permitted successors and assigns of Subscriber. In the event Subscriber assigns this Agreement, Subscriber will not be required to pay Company an Early Termination Payment.

16. Waivers; Modifications. No waiver of any provision of this Agreement shall be valid unless made in writing signed by the waiving party, and no such waiver shall be deemed a waiver of compliance with any other provision of this Agreement. This Agreement is subject to all applicable Tariff revisions and lawful orders of the OPUC. Other than modifications that result in revisions approved by the OPUC in the applicable Tariff provisions referenced and incorporated herein, no modification of this Agreement shall be valid unless made in writing and signed by both parties.

17. Entire Agreement. Once signed by both parties, this Agreement along with the underlying Schedule and Tariff is a legally binding agreement, enforceable against each party and supersedes and replaces any other agreements between the parties relating to the subject matter herein and shall constitute the entire agreement between the parties relating to the subject matter herein.

IN WITNESS WHEREOF, the parties, by their duly authorized representatives, have executed this Agreement as of the date first written above.

SUBSCRIBER

PORTLAND GENERAL ELECTRIC COMPANY

By: _____

By: _____

Name: Steve Powers

Name: _____

Title: City Manager

Title: _____

Date: _____

Date: _____