
ELECTRIC SERVICE SCHEDULE NO. 72 - Continued

RENEWABLE ENERGY (Continued)

New Renewable Energy is (1) placed in operation (generating electricity) on or after January 28, 2000; (2) repowered on or after January 28, 2000 such that 80% of the fair market value of the project derives from new generation equipment installed as part of the repowering, or (3) a separable improvement to or enhancement of an operating existing facility that was first placed in operation prior to January 28, 2000, such that the proposed incremental generation is contractually available for sale and metered separately than existing generation at the facility. Any enhancement of a fuel source that increases generation at an existing facility, without the construction of a new or repowered, separately metered generating unit, is not eligible to participate.

Preference will be given to resources within Pacific Power & Light Company and Rocky Mountain Power service territories.

Renewable Energy purchases made to match Customer Block purchases are in addition to investments associated with the Company's Integrated Resource Plan, and are not considered for purposes of any Renewable Portfolio Standard requirements. Renewable Energy generated in response to any federal or state statutory requirement to construct or contract for the Renewable Energy is not eligible.

QUALIFYING INITIATIVES

1. Funding for locally-owned commercial-scale Renewable Energy projects that produce less than 10 MW of electricity. The preference is for local community based projects that provide strong environmental and economic benefit to local communities and Customers the Company services under this Schedule.
2. Funding for research and development projects encouraging Renewable Energy in order to accelerate marketability of Renewable Energy technologies.
3. Investment in the above market costs associated with the construction of Renewable Energy facilities or purchase by contract of Renewable Energy, reducing the costs of Renewable Energy to be competitive with cost-effective resources.
4. To the extent a project in paragraphs 1, 2, and 3 above is able to generate RECs, the recipient agrees that the Company has the right to claim a share of the project's REC output. The share amount is expressed as a percentage of output when comparing the Company's financial contribution to the overall cost of the project. The share amount of these RECs will be retired on behalf of program participants across the

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