

SCHEDULE 82
FLEX PEAK
PROGRAM
(OPTIONAL)

PURPOSE

The Flex Peak Program (the Program) is a voluntary program that motivates Participants to reduce their load during Company initiated Load Control Events or to allow the Company to send a signal to automatically initiate a Load Control Event with the use of one or more Load Control Devices. A participating Customer will be eligible to receive a financial incentive in exchange for being available to reduce their load during the calendar months of June, July, August, and September.

AVAILABILITY

The Program is available to Commercial and Industrial Customers receiving service under Schedules 9, 19, or a Special Contract Schedule.

The Company shall have the right to accept Participants at its sole discretion based on criteria the Company considers necessary to ensure the effective operation of the Program. Selection criteria may include, but will not be limited to, total Program capacity, a Facility Site location, amount of capacity provided at a Facility Site, availability of Program equipment, facility system configuration, or electric system configuration.

To participate in the Program, a Customer must sign and return the Program Application/Agreement and worksheet provided by the Company specifying the Facility Site(s), the preferred Interruption Option, and the initial Nominated kW for each Facility Site to be enrolled in the Program. To enroll in the Program, Customers must be capable of providing a minimum load reduction of 20 kW per Facility Site or an aggregate reduction of 35 kW if participating under the Aggregated Option. If the Aggregated Option is requested, this should be specified on the Program Application/Agreement. If a Facility Site is accepted for participation in the Program, a Notification of Program Acceptance will be mailed to the Participant within 10 business days of the Company receiving the Program Application/Agreement. Notification of Program Acceptance will include a listing of the Facility Sites that have been enrolled.

PROGRAM DESCRIPTION

The Company will initiate Load Control Events for a maximum of 60 hours during June, July, August, and September. During Load Control Events, Participants will be expected to reduce load at their Facility Site(s), and load reduction may be initiated manually or automatically depending on the Interruption Option designated for the Facility Site(s). Participants will be eligible to receive a financial incentive in exchange for their reduction in load.

DEFINITIONS

Actual kW Reduction. The kilowatt (kW) reduction during a Load Control Event, which is the difference between a Participant's hourly average kW measured at the Facility Site's meter and the corresponding hour of the Adjusted Baseline kW.

Adjusted Baseline kW. The Original Baseline kW plus or minus the "Day of" Load Adjustment amount.

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Aggregated Option. Multiple Facility Sites belonging to a single Participant that are grouped together per the customer's request with a single Nominated kW for participation in the Program. Under this option, the Company will sum the individual performance data from each enrolled Facility Site before calculating any incentive amounts.

Business Days. Any day Monday through Friday, excluding holidays. For the purposes of this Program, Independence Day and Labor Day are the only holidays during the Program Season. If Independence Day falls on Saturday, the preceding Friday will be designated the holiday. If Independence Day falls on Sunday, the following Monday will be designated the holiday.

"Day of" Load Adjustment. The difference between the Original Baseline kW and the actual metered kW during the hour prior to the Participant receiving notification of an event. Scalar values will be calculated by dividing the Original Baseline kW for each Load Control Event hour by the Baseline kW of the hour preceding the event notification time. The scalars are multiplied by the actual event day kW for the hour preceding the event notification time to create the Adjusted Baseline kW from which load reduction is measured. The Adjusted Baseline kW for each hour cannot exceed the maximum kW amount for any hour from the Highest Energy Use Days or the hours during the event day prior to event notification.

Event Availability Time. Between 3:00 p.m. and 10:00 p.m. Mountain Daylight Time (MDT) each Business Day.

Facility Site(s). All or any part of a Participant's facility or equipment that is metered from a single service location that a Participant has enrolled in the Program. For those Participants who have enrolled under the Aggregated Option, Facility Site will refer to the combination of individual Facility Sites selected for inclusion under the Aggregated Option.

Fixed Capacity Payment. The Weekly Effective kW Reduction multiplied by the Fixed Capacity Payment rate (as described in the Incentive Structure section). Participants are paid based on the average event kilowatt reduction.

Highest Energy Usage Days. The three days out of the immediate past 10 non-event Business Days that have the highest sum total kW as measured across the Event Availability Time.

Hours of Event. The timeframe when the Load Control Event is called and Nominated kW is expected to be reduced. The Hours of Event will not be less than two hours and will not exceed four hours.

Load Control Device. Refers to any technology, device, or system utilized under the Program to enable the Company to initiate the Load Control Event.

Load Control Event. Refers to an event under the Program where the Company requests or calls for interruption of specific loads either manually or with the use of one or more Load Control Devices.

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Nominated kW. The amount of load expressed in kW that a Facility Site commits to reduce during a Load Control Event.

Nominated kW Incentive Adjustment. An adjustment made when a Facility Site does not achieve its Nominated kW for a given hour during a Load Control Event. The adjustment will be made for each hour the Nominated kW is not achieved. The total Nominated kW Incentive Adjustment will not exceed the total incentive amount for the Program Season (as described in the Incentive Structure section).

Notification of Program Acceptance. Written confirmation from the Company to the Participant based on the Program Application Agreement submitted by the Customer. The Notification of Program Acceptance will confirm each Facility Site enrolled in the Program, the initial Nominated kW amount for each Facility Site, and the Interruption Option for each Facility Site.

Original Baseline kW. The arithmetic mean (average) kW of the Highest Energy Usage Days during the Event Availability Time, calculated for each Facility Site for each hour.

The following table provides an example of the calculation of the Original Baseline kW between hours of 3:00 p.m. and 10:00 p.m. using the (3) Highest Energy Usage Days of 5, 7, and 9.

| Day | 3-4 PM (kW) | 4-5 PM (kW) | 5-6 PM (kW) | 6-7 PM (kW) | 7-8 PM (kW) | 8-9 PM (kW) | 9-10 PM (kW) | Sum Total (kW) |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|-------------------|
| 1 | 3000 | 3100 | 3000 | 3200 | 3000 | 3200 | 3150 | 21650 |
| 2 | 3200 | 3100 | 3200 | 3200 | 3100 | 3300 | 3300 | 22400 |
| 3 | 3100 | 3200 | 3100 | 3100 | 3200 | 3100 | 3200 | 22000 |
| 4 | 3250 | 3400 | 3300 | 3400 | 3300 | 3400 | 3200 | 23250 |
| 5 | 3300 | 3400 | 3300 | 3400 | 3400 | 3500 | 3400 | 23700 |
| 6 | 3100 | 3000 | 3200 | 3100 | 3100 | 3200 | 3300 | 22000 |
| 7 | 3400 | 3300 | 3400 | 3300 | 3400 | 3300 | 3200 | 23300 |
| 8 | 3300 | 3200 | 3300 | 3300 | 3300 | 3200 | 3100 | 22700 |
| 9 | 3400 | 3500 | 3350 | 3400 | 3500 | 3400 | 3350 | 23900 |
| 10 | 3250 | 3300 | 3300 | 3200 | 3200 | 3200 | 3300 | 22750 |
| Original Baseline (kW) | 3367 | 3400 | 3350 | 3367 | 3433 | 3400 | 3317 | |

Participant. Any Customer who has a Facility Site that has been accepted into the Program.

Program Application/Agreement. Written form submitted by a Customer who requests to enroll a Facility Site in the Program that is signed by the Customer or a duly authorized representative certifying agreement with the Program's terms and conditions.

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DEFINITIONS (Continued)

Program Season. June 15th through September 15th of each year.

Program Week. Monday through Friday.

Variable Program kWh. The kWh savings amount calculated by multiplying the Actual kW Reduction by each of the Hours of Event for the Facility Site during each Load Control Event beyond the first four Load Control Events.

Variable Energy Payment. An energy-based financial incentive provided to the Participant. The payment is calculated by multiplying the Variable Program kWh by the Variable Energy Payment Rate (as described in the Incentive Structure section). The Variable Energy Payment does not apply to the first four Load Control Events.

Weekly Effective kW Reduction. The average of the Actual kW Reduction for all events in a Program Week or in the absence of a Load Control Event, the Weekly Effective kW Reduction will equal the Nominated kW for that Program Week.

LOAD CONTROL EVENTS

The Company will dispatch Load Control Events on Business Days during the Program Season between the hours of 3:00 p.m. and 10:00 p.m. MDT. Load Control Events will last between two to four hours per day and will not exceed 16 hours per calendar week and 60 hours per Program Season. During each Program Season the Company will conduct a minimum of three Load Control Events. Participating Customers will receive advance notification on or about four hours prior to the Load Control Event. The Company will provide notice of a Load Control Event via the following communication technologies: telephone, text message, and e-mail to the designated contact(s) submitted by the Participant in the Program Application/Agreement. If prior notice of a pending Load Control Event has been sent, the Company may choose to revoke the Load Control Event initiation and will provide notice to Participants no less than 30 minutes prior to the Load Control Event.

INTERRUPTION OPTIONS

At the Participant's election, and subject to Company discretion, participation in the Program may occur via one of the following Interruption Options:

Manual Dispatch Option. Customers are eligible to manually control their Facility Site(s). Under the Manual Dispatch Option customers have the flexibility to choose which loads will be interrupted during each dispatched Load Control Event.

Automatic Dispatch Option. A dispatchable Load Control Device, provided and installed by the Company or its representative, will be connected to the electrical panel(s) serving the loads associated with the Facility Site(s) enrolled in the Program. The Load Control Device utilized under the Automatic Dispatch Option will provide the Company the ability to send a signal intended to interrupt operation of a particular load or service during dispatched Load Control Events. In lieu of the Company or its representative installing the Load Control Device at the Company's expense, the Participant may elect to hire a licensed electrician, at the Participant's expense, to install the Load Control Device in accordance

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INTERRUPTION OPTIONS (Continued)

with the National Electrical Code ("NEC") and any Idaho Power or manufacturer specifications or requirements.

REQUIREMENTS OF PARTICIPATING FACILITIES

Participants will have the flexibility to choose what equipment will be used to reduce the Nominated kW during each Load Control Event. Participants must notify the Company of their Nominated kW via the Program Application/Agreement. Once the Program Season begins, the Participant must submit the nomination change request form online (located at www.idahopower.com/flexpeak) via email by Thursday at 10:00 a.m. MDT of the proceeding week to notify of any changes in Nominated kW. The Nominated kW may be raised or lowered each week without restriction any time before the third minimum Load Control Event is called. After the third Load Control Event is called, the Nominated kW may still be raised or lowered, but may not exceed the highest Nominated kW prior to the third Load Control Event being called.

INCENTIVE STRUCTURE

Incentive payments will be determined based on a Fixed Capacity Payment, a Variable Energy Payment, and any applicable Nominated kW Incentive Adjustment. Both the Fixed Capacity and Variable Energy Payments will be paid by check or bill credit no more than 45 days after the Program Season concludes on September 15th.

When a Load Control Event is called and a Participant exceeds the Nominated kW, the Fixed Capacity Payment will be capped at 20 percent above original Nominated kW.

| <u>Fixed Capacity Payment Rate*</u> (*to be prorated for partial weeks) | <u>Variable Energy Payment Rate*</u> (*does not apply to first four Load Control Events) |
|--|---|
| \$3.25 per Weekly Effective kW Reduction | \$0.20 per kWh |

Participants are expected to reduce their load by the Nominated kW during each hour of each Load Control Event for the duration of the event. Each time a Participant fails to achieve a load reduction of up to the Nominated kW during a Load Control Event, a Nominated kW Incentive Adjustment will apply.

For Load Control Events, the Nominated kW Incentive Adjustment will be \$2.00 per kW for each hour the Nominated kW is not achieved during that interval. The total Nominated kW Incentive Adjustments will not exceed the total incentive amount for the Program Season. At its discretion, the Company may waive all or a portion of an Incentive Adjustment should it be determined that, at no fault of the customer, the Load Control Device utilized for the Automatic Dispatch Option did not work during a Load Control Event.

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TERMS AND CONDITIONS

Upon acceptance into the Program, Participants agree to the provisions of this Schedule and to the following terms and conditions:

1. Once accepted into the Program, Participants will automatically be re-enrolled each year thereafter unless notice of termination is given by the other party.
2. Both the Company and the Participant may terminate participation in the Program at any time by notifying the other party in writing.
3. Upon terminating participation of a Facility Site, the Participant's incentive payment shall be prorated for the number of Business Days of participation in the Program. If Program participation is terminated, the Participant may not re-enroll the Facility Site(s) into the Program until the following calendar year.
4. The Company retains the sole right to determine the criteria under which a Load Control Event is called and the decision of whether to call for, initiate, or cancel a Load Control Event shall be at the Company's sole discretion.
5. The Company shall have the right to accept Participants at its sole discretion based on criteria the Company considers necessary to ensure the effective operation of the Program. Selection criteria may include, but will not be limited to, total Program capacity, a Facility Site location, amount of capacity provided at a Facility Site, availability of Program equipment, facility system configuration, or electric system configuration.
6. Participants that choose to participate in the Program under the Automatic Dispatch Option grant the Company or its representative permission, on reasonable notice, to enter the Customer's enrolled Facility Site(s) to install, service, maintain, and/or remove Load Control Device(s) on the electrical panel that services the anticipated load reduction. The Company retains the sole right for its employees and its representatives to install or not install Load Control Devices on the Customer's electrical panel at the time of installation depending on, but not limited to, safety, reliability, or other issues that may not be in the best interest of the Company, its employees, or its representatives.
7. If there is evidence of the Participant altering, tampering, or otherwise interfering with the Company's ability to initiate a Load Control Event, the Customer's participation in the Program will be terminated, and the Customer will be required to reimburse the Company for all costs for replacement or repair of the Load Control Device(s) or other Program equipment, including labor and other related costs, and the Company will reverse any and all incentive payments made during the previous twelve months as a result of the Customer's participation in the Program.

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SPECIAL CONDITIONS

The Company is not responsible for any direct, indirect, consequential, incidental, punitive, or exemplary damage to the Participant or third parties as a result of the Program or the Customer's voluntary participation in the Program.

The Company makes no warranty of merchantability or fitness for a particular purpose with respect to the Load Control Device(s) and any and all implied warranties are disclaimed.

The provisions of this Program do not apply for any time period that the Company requests a load reduction during a system emergency in accordance with NERC standards, Idaho Power's Rule J, or any other time that a Customer's service is interrupted by events outside the control of the Company. The provisions of this Program will not affect the calculation or rate of the regular Service, Energy, or Demand Charges associated with a Participant's standard service schedule.