

SCHEDULE 4 MULTIFAMILY RESIDENTIAL DEMAND RESPONSE WATER HEATER PILOT

PURPOSE

The Multifamily Residential Demand Response Water Heater Pilot is a demand response option for eligible Residential Customers. The objectives of the Multifamily Residential Demand Response Water Heater Pilot are:

- To quantify the energy consumption that can be shifted to different times from:
 - Water heaters equipped with a communication interface that supports Direct Load Control Events, or
 - Water heaters retrofitted with a control switch in the power supply to the tank
- To inform further the program design for a water heater demand response program;
- To determine an appropriate incentive level for Customers who choose to participate in a demand response program for water heaters;
- To integrate and test different technologies; and
- To implement different demand response dispatch strategies.

DEFINITIONS

Customer Override – The ability for the customer to temporarily suspend Direct Load Control for a period of 24 hours.

Direct Load Control – The means for a utility to remotely control an appliance. In terms of this pilot, direct load control allows the Company to control when the water heater uses electricity to heat water.

Direct Load Control Event – A period in which the Company will provide Direct Load Control.

Conventional Electric Resistance Water Heater – Customers' existing electric resistant water heaters will be retrofitted to be demand response enabled. Water heaters that require replacement will be replaced with smart electric resistance water heaters with the approval of the Customer.

Heat Pump Water Heater – Models compatible with PGE's available hardware, software, and communication technology that can engage in direct load control events.

AVAILABLE

In all territory served by the Company where PGE's demand response communication networks are available.

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APPLICABLE

Subject to selection by the Company, Residential Customers may participate in the pilot. Customers in multifamily residences (MFRs) will be the primary target of PGE's pilot. In cases of rental properties, the program will be structured as an opt-out program, meaning Customers will be automatically enrolled in the pilot if their property manager or property owner enrolls in the pilot and the Customer must withdraw from the program if they do not want to participate.

Customers will be given notice about this pilot at the time of installation of the communication interface. PGE will provide tenants with contact information and instructions on how to opt out of the pilot at the time of installation. If a Customer chooses to opt out of this pilot, the installed communication interface and any other installed PGE equipment will remain on the water heater. A Customer that has elected to opt out will be removed from the dispatch of direct load control events. A new Customer in a residence will be automatically enrolled in the pilot and will receive information and instructions on how to opt out of the pilot. PGE will be aware of a new tenant based on customer data from PGE's Customer Information System (CIS). The number of eligible Customers to participate in the pilot is 10,000 customer households. Customers will remain on Schedule 7 and will be eligible for the incentives described in this schedule.

ELIGIBILITY

For MFRs, PGE will initially select large complexes, negotiating with property manager or owners for the installation of retrofit devices as well as new demand response enabled water heaters. At PGE's discretion, the Company will select qualifying properties based on number of apartments, size of apartments, occupancy, and size of existing water heater.

DIRECT LOAD CONTROL EVENT

During the pilot there will be no limitation on the hours of Direct Load Control Events. This pilot will offer the ability for the Customer to override a direct load control event, under the terms listed in Special Condition 4 of this pilot. Residential Customers living in MFRs may opt out of the program at their discretion.

ENROLLMENT

The Customer enrollment period will be through January 31, 2021. PGE will enroll MFR Customers by contracting with the property manager or property owner. Unless this pilot is otherwise terminated, participating Customers will be enrolled for the entire pilot term.

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INCENTIVES

A MFR property manager or property owner will receive an annual incentive in the form of: a monetary payment, and/or a specified number of replacement water heaters and/or, a monetary contribution towards water heater servicing/replacement costs. PGE will negotiate specifics with participating property management companies and/or owners based on the Customers' preferences.

PGE will also incentivize the costs for new smart electric water heaters for multifamily property managers or property owners in situations when the existing water heater is too old to be retrofitted cost effectively and/or when an existing electric water heater fails. PGE will pay the incremental cost between a water heater with a standard six year warranty and a qualifying smart water heater. Incentives should cover all or most of the cost difference between a standard electric water heater and a smart electric water heater. The incentive will substantially reduce the costs of making the water heater demand response enabled.

The Customer of the MFR property manager or property owner will also receive an incentive. The incentive that the Customer receives may differ from the incentive of the MFR property manager or property owner. The incentive amounts for each property manager, property owner and MFR complex made available will be determined based on the total number of demand response enable water heaters installed or active participation levels in demand response events.

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SPECIAL CONDITIONS

Customer

1. The Customer may terminate service under this pilot voluntarily. The Customer will not receive a participation incentive if they withdraw or are removed from the pilot. The Customer must notify PGE to withdraw from the pilot.
2. If a Customer withdraws or is removed from the pilot, the Customer is not eligible for reenrollment during the pilot.
3. If the Customer moves from the enrolled residence during the term of the pilot, they are no longer eligible for the pilot.
4. The Customer may activate a 24-hour suspension from the pilot by notifying the Company through a Customer specific log-in page on the PGE website. A Customer may be removed from the pilot if they implement the override option excessively; an example of excessive is override use for more than 100 days, or more than 15 days in any 30-day period.
5. To receive a participation incentive, the Customer must respond to weekly surveys regarding the pilot.

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6. PGE has the right to remove a Customer from the pilot at any time, for any reason.
7. PGE is not responsible for any direct, consequential, incidental, punitive, exemplary, or indirect damages to the participating Customer or third parties that result from Direct Load Control Events.
8. Communication interfaces installed onto the water heater will remain the property of the Company before, during and after the conclusion of the pilot. The customer shall return the device in a pre-paid postage box provided by PGE.
9. The provisions of this schedule do not apply for any time period that the Company interrupts the Customer's load for a system emergency or any other time that a Customer's service is interrupted by events outside the control of the Company.

TERM

The duration of this pilot is through January 31, 2021.

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