

PacifiCorp  
Draft RFP 2009  
Responses due December 1, 2005

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# **2009 Request for Proposals September 2005 Flexible Resource**

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## SECTION 1. INTRODUCTION

### A. Purpose and Scope

The purpose of this document is to prescribe the process by which PacifiCorp (“the Company”) will request and evaluate proposals from third parties to fulfill a portion of the supply-side resource need identified in the Company’s 2004 Integrated Resource Plan (“IRP”). The scope of this Request for Proposal (“RFP 2009”), subject to the limitations described herein, is focused on a supply-side resource capable of delivering energy and capacity in or to the Company’s network transmission system in the Company’s Eastern Controls Area (“PACE”), and that fulfills the requirements of being a network resource.

Potential Bidders should note that the Company’s affiliate, PPM Energy, will be eligible to respond to RFP 2009. As described in more detail below, the Company has put in place prudent safeguards to assure that no bias occurs. **Any Bidder who has a question with respect to such safeguards is instructed to contact the Independent Evaluator (the “IE”) described below.** The Company seeks proposals from all potential suppliers who are capable of meeting the conditions of RFP 2009.

The Company formally published the 2004 IRP on January 23, 2005. In Chapter 9 (pages 177-191) of the IRP there is a list of ten recommended actions to implement the plan. The purpose of RFP 2009 is to implement action item #7. Please refer to the Company’s web site at [www.pacificorp.com](http://www.pacificorp.com) to view the IRP. Bidders should note that the IRP uses asset-based resources as proxies for planning purposes and that the resource evaluated in the IRP (a flexible Combined Cycle Combustion Turbine Generator, or “CCCT”) should not be considered by Bidders to be the only resource type or technology that the Company is willing to consider. **Any Bidder who has a question with respect to any resource characteristic it is considering to bid is instructed to contact the IE.**

The Company may opt to contract for more or less power, depending among other things, on the quality of bids received in response to RFP 2009, updates to the Company’s forecasts, regional transmission availability and timing, and changes in the wholesale energy market conditions.

This introductory section describes the type, timing and amount of flexible resources sought in RFP 2009. Section 2 covers logistics such as where and when proposals must be submitted, Bidder fees and important policies and procedures. Section 3 provides information related to power delivery requirements, including RFP-related requirements for those proposals involving interconnection of new generation facilities directly to the transmission system. Section 4 outlines the requirements to be included within each proposal. Section 5 outlines the evaluation process. Section 6 outlines the awarding and rejecting of proposals. The Appendices include all the required Attachments and Forms for each of the Eligible Resources.

At the Company’s discretion bids may be disqualified for failure to comply with any of the requirements outlined in this document. Furthermore, the Company may accept or reject any or all bids at its sole discretion at any time.

**B. Eligible Resources**

The Company is seeking one or more flexible resource(s) in quantities up to an aggregate of 525 MW. (See **Attachment 1** for minimum requirements consistent with the flexible resources used in the IRP planning assumptions). Unless a resource qualifies for one of the exceptions outlined below, the minimum bid that will be accepted is for 100 MW of dependable capacity or greater and a minimum term of ten years. Any flexible resource(s) bid must provide unit contingent or firm capacity and associated energy that are incremental to the Company’s existing capacity and energy resources and are available for dispatch or scheduling by June 1, 2009. For the purpose of RFP 2009, a resource will be deemed a flexible resource if the resource can (a) be prescheduled the day before delivery (up to sixteen hours during HE 0700 through HE 2200, Pacific Prevailing Time (“PPT”)) or within the day of delivery, (b) to a point of delivery as described in this RFP 2009.

| Action Item | Additional Type | Delivery Start         | Term                                   | Size   | Location | Action  |
|-------------|-----------------|------------------------|--|--------|----------|---|
| #7          | Supply-side     | FY2010 (Summer CY2009) | Up to 35 years or the life of an Asset | 525 MW | Utah     | Procure one or more flexible resources in or delivered to Utah by the summer of CY2009. |

For each proposal submitted by a Bidder, the Bidder must submit its individual proposal under only one of the eight Resource Alternatives or one of the two exceptions listed below. The Company will not consider a proposal unless the Bidder has selected one of the eight alternatives or one of the two exceptions of Eligible Resources listed in the Request for Qualifications (Appendix A and Appendix B). One Bidder may submit more than one proposal, but each proposal can be for only one Resource Alternative designated by the Bidder.

The Company will not accept proposals where the Bidder retains the option to displace any resource for economic reasons and/or where the Bidder holds the unilateral option to select one or more alternate Point(s) of Delivery. In addition, the Company will not accept any proposal that provides for planned maintenance or planned derates (as defined by NERC) during the months of June through September or December through February in any year.

If a Bidder is submitting a proposal under any of the Eligible Resources which require the engagement of one or more contractors (each a “Contractor”) for purposes of constructing or modifying a physical facility, the Bidder shall, and shall cause the Contractor to award construction contracts and subcontracts of any tier for the Work (i) in compliance with the requirements of U.S. federal and Utah state laws and regulations and

(ii) on a “Merit Shop” basis or (iii) through a project labor agreement. Each Contractor shall, subject always to the requirements of law or regulation or applicable collective bargaining agreement, and to the fullest extent commercially reasonable, perform the Work using a majority of Utah labor. Each Contractor shall, and shall require each of its subcontractors to, refrain from any discrimination against any employee on the basis of that employee’s membership or non-membership in any labor organization. Contractor shall, and shall require its subcontractors to, comply with all applicable requirements of law or regulation regarding labor relations and employment matters. Any administrative or civil proceedings related to labor relations or employment matters related to the Work and filed against the Contractor or any subcontractor shall be promptly reported to Company. Nothing in this provision shall affect any obligation of any Contractor or its subcontractors pursuant to a collective bargaining agreement applicable to some or all of its performance of the Work or obligations pursuant to the Contract.

Subject to the exception outlined below for distributed generation, Qualifying Facilities (“QFs”), as defined under the regulations implementing the Public Utility Regulatory Policies Act of 1978 (“PURPA”), with 100 MW or greater of capacity are eligible to participate in this RFP 2009. QFs with 100 MW or greater of capacity and a minimum term of ten years or longer that elect to pursue traditional PURPA contracts rather than to participate in this RFP 2009 will not be eligible for capacity payments under the traditional PURPA contract. Each QF Bidder must submit the required information in **Attachment 2** in order to be evaluated under this RFP 2009. Any QF Bidder that has a question regarding these provisions is instructed to contact the IE.

### **C. Resource Alternatives**

The Company will consider bids that take one of the following forms: (1) Power Purchase Agreement; (2) Tolling Service Agreement; (3) Asset Purchase and Sale Agreement (PacifiCorp site); (4) Asset Purchase and Sale Agreement (Bidder Site); (5) Engineering, Procurement and Construction Contract (Currant Creek Site Only); (6) purchase of an existing facility; (7) purchase of a portion of a facility jointly owned or operated by the Company; or (8) restructuring of an existing Power Purchase Agreement or Exchange Agreement. Descriptions of each of these categories are set out below. Each bid must select one, and only one of the categories, although a Bidder may submit separate bids for energy and capacity from a single resource under each of two or more categories.

#### **1. Power Purchase Bid**

Power purchase bids must be for a fixed term at a stated price from a single resource located in or into PACE, and must be in the form of the Power Purchase Agreement (“PPA”) attached as Attachment 3. The source of energy and capacity for the PPA should be (a) a generation facility located on a Bidder-supplied site, (b) a generation facility located on one of the PacifiCorp sites identified in this RFP (a “Bidder Site”), or (c) from the Bidder’s electrical system. For purposes of this RFP 2009, the PacifiCorp

Sites consist of real property currently owned by the Company immediately adjacent to the Company's Currant Creek and Lake Side facilities.

In the event a Bidder proposes to locate a facility on a PacifiCorp Site, the Bidder must propose a PPA for quantity equal to no less than 85% of the facility's dependable generation capacity, with such amount being no less than 420 MW nominal generation capacity, and a minimum term equal to or greater than 20 years. Design evaluation criteria that the Company will use for bid screening and evaluation purposes can be located in Appendix C (tables C.27 and C.28) of the IRP.

The Bidder should assume that the Company will not own or operate any facility bid into this category. All Bidders in this category must complete the information requested in **Appendices C-1 and D.**

In the event a facility is proposed to be located on a PacifiCorp Site, the Bidder must negotiate and enter into a lease or land purchase agreement acceptable to the Company, together with a Construction Coordination Agreement Appendix H. **THIS RFP 2009 IS NOT AN OFFER TO SELL A PACIFICORP SITE TO ANY BIDDER, AND IN NO EVENT WILL PACIFICORP BE OBLIGATED TO SELL A PACIFICORP SITE TO ANY BIDDER. ANY SALE OF A PACIFICORP SITE WILL BE SUBJECT TO THE NEGOTIATION, EXECUTION AND DELIVERY OF ALL AGREEMENTS AND OTHER DOCUMENTS NECESSARY AND PROPER FOR THE SALE OF PROPERTY, AND TO PACIFICORP'S SATISFACTION, IN ITS SOLE DISCRETION, THAT SUCH TRANSACTION WILL BE IN THE BEST INTERESTS OF PACIFICORP'S CUSTOMERS AND WILL NOT IMPAIR IN ANY MANNER PACIFICORP'S OPERATION OF ITS FACILITIES THEN LOCATED ON OR ADJACENT TO THE PACIFICORP SITES.**

At the Bidder's request, the Company may agree to provide certain facility connection points at a PacifiCorp site for facilities located at a PacifiCorp Site. The estimated cost and description of these points are contained in Attachments 7 and 8; however, actual costs to the Bidder may vary.

**Bidders should note that any proposal submitted in this category that proposes new construction of a generation facility must utilize the services of a single primary Contractor under a single engineer, procure, construct (EPC) contract. Any Contractor must be experienced with the type of facility being proposed and, in addition to any other credit provision described herein, this entity must have a Credit Rating that is BBB-/Baa3 or greater from S&P/Moody's or, if not publicly rated, an equivalent Credit Rating as determined by PacifiCorp Credit.**

## **2. Tolling Service Agreement**

Tolling Service Agreement bids must be for a fixed term at a stated price from a single resource located in or delivering to PACE, and must be in the form of the Tolling Service Agreement ("TSA") attached as Attachment 5. The facility from which the TSA is bid can be located on (a) a Bidder-supplied site, or (b) a PacifiCorp Site. In the event the



Bidder proposes to locate a facility on a PacifiCorp Site(s), the Bidder must propose a TSA for an amount equal to no less than 85% of the facility's dependable generating capacity, with such amount being no less than 420 MW nominal generating capacity, and a minimum term equal to or greater than 20 years. Design evaluation criteria that the Company will use for bid screening and evaluation purposes can be located in Appendix C (tables C.27 and C.28) of the IRP.

The TSA Bidder should assume that the Company will not own or operate any facility bid into this category. All Bidders in this category must complete the information requested in Appendices C-1 and D.

In the event a facility is proposed to be located on a PacifiCorp Site, the Bidder must negotiate and enter into a land purchase agreement acceptable to the Company, together with a Construction Coordination Agreement substantially in the form attached as Appendix H. **THIS RFP 2009 IS NOT AN OFFER TO SELL A PACIFICORP SITE TO ANY BIDDER, AND IN NO EVENT WILL THE COMPANY BE OBLIGATED TO SELL A PACIFICORP SITE TO ANY BIDDER. ANY SALE OF A PACIFICORP SITE WILL BE SUBJECT TO THE NEGOTIATION, EXECUTION AND DELIVERY OF ALL AGREEMENTS AND OTHER DOCUMENTS NECESSARY AND PROPER FOR THE SALE OF PROPERTY, AND TO THE COMPANY'S SATISFACTION, IN ITS SOLE DISCRETION, THAT SUCH TRANSACTION WILL BE IN THE BEST INTERESTS OF THE COMPANY'S CUSTOMERS AND WILL NOT IMPAIR IN ANY MANNER THE COMPANY'S OPERATION OF ITS FACILITIES THEN LOCATED ON OR ADJACENT TO PACIFICORP'S SITES.**

At the Bidder's request, the Company may agree to provide certain facility connection points at a PacifiCorp Site for facilities located at a PacifiCorp Site. The estimated cost and description of these points are contained in **Attachments 7 and 8**; however, actual costs to the Bidder may vary.

The Bidder must specify in its bid whether the TSA will take the form of a financial or physical TSA. Provided the TSA is (1) a financial tolling arrangement, the Bidder will be responsible to purchase the fuel, transportation, fuel-related O&M, and start-up charges, if any, or (2) a physical tolling arrangement, the Company will supply the fuel. In the case of physical tolling arrangements, the Bidder will be responsible for obtaining fuel transportation in quantities sufficient to operate the facility at its maximum capacity, and shall make all necessary assignment of such transportation rights to the Company for the term of the TSA.

If a TSA Bidder proposes to locate a facility on a PacifiCorp Site, and the Bidder proposes the utilization of the existing natural gas lateral to the site, then the Company will accept only a physical tolling arrangement that does not adversely impact the Company's existing fuel resources at a PacifiCorp Site. Bidders are not limited to a physical tolling arrangement on a PacifiCorp Site as the Bidder may make its own arrangements for delivery of natural gas to a PacifiCorp Site.

**Bidders should note that any proposal submitted in this category that proposes new construction of a generation facility must utilize the services of a single primary Contractor under a single engineer, procure, construct (EPC) contract. Any Contractor must be experienced with the type of facility being proposed and, in addition to any other credit provision described herein, this entity must have a Credit Rating that is BBB-/Baa3 or greater from S&P/Moody's or, if not publicly rated, an equivalent Credit Rating as determined by PacifiCorp Credit.**

### **3. Asset Purchase and Sale Agreement on a PacifiCorp Site**

Asset Purchase and Sale Agreement ("APSA") bids for construction on a PacifiCorp Site must be in the form of the APSA attached as Attachment 6 and its Appendices which have the PacifiCorp Site specifications set forth therein. Any APSA proposal for development and construction on a PacifiCorp Site (Lake Side or Currant Creek), must be bid to result in the development and construction of a facility that complies with the specifications in **the APSA**. Pricing for the purchase and sale of the facility can be structured to include progress payments, or as a single lump sum payment due upon achievement of commercial operation. The Company will in no event make progress payments to a Bidder unless each such payment results in the transfer of a tangible asset or a percentage ownership of an asset at the time each payment is made. Bidders must bid one of these two payment structures. All Bidders in this category must complete the information requested in Appendix C-2.

The Bidder will be required to enter into an APSA Contract, and a Construction Coordination Agreement, which is attached to the APSA as Appendix S. The Bidder shall be responsible for all aspects of the development and construction of the facility, including, but not limited to, permitting, engineering, procurement, construction and all related costs up to achieving commercial operation, with the exception of those costs to be borne by the Company to support start-up, testing, commissioning, and acceptance that are explicitly defined in the Bidder's proposal. Without limiting the foregoing, the Bidder shall be responsible for obtaining all rights and resources required to construct and provide an operational generation resource consistent with the Bidder's proposal. Such rights and facilities may include without limitation water, emissions reduction credits, wells and pipelines.

The Company may, but will not be required to, make available for the successful Bidder's purchase those rights and facilities outlined in Attachment 7 for Lake Side and Attachment 8 for Currant Creek. Bidder costs related to such rights and facilities subsequent to commercial operation of the facility shall be as defined in the APSA Contract.

In the event a facility is proposed to be located on a PacifiCorp Site, the Bidder must negotiate and enter into a lease or land purchase agreement acceptable to the Company, together with a Construction Coordination Agreement substantially in the form attached as Appendix S to the APSA. **THIS RFP 2009 IS NOT AN OFFER TO SELL A PACIFICORP SITE TO ANY BIDDER, AND IN NO EVENT WILL THE COMPANY BE OBLIGATED TO SELL A**

**PACIFICORP SITE TO ANY BIDDER. ANY SALE OF A PACIFICORP SITE WILL BE SUBJECT TO THE NEGOTIATION, EXECUTION AND DELIVERY OF ALL AGREEMENTS AND OTHER DOCUMENTS NECESSARY AND PROPER FOR THE SALE OF PROPERTY, AND TO THE COMPANY'S SATISFACTION, IN ITS SOLE DISCRETION, THAT SUCH TRANSACTION WILL BE IN THE BEST INTERESTS OF THE COMPANY'S CUSTOMERS AND WILL NOT IMPAIR IN ANY MANNER THE COMPANY'S OPERATION OF ITS FACILITIES THEN LOCATED ON OR ADJACENT TO THE PACIFICORP SITES.**

**Bidders should note that any proposal submitted in this category that proposes new construction of a generation facility must utilize the services of a single primary Contractor under a single engineer, procure, construct (EPC) contract. Any Contractor must be experienced with the type of facility being proposed and, in addition to any other credit provision described herein, this entity must have a Credit Rating that is BBB-/Baa3 or greater from S&P/Moody's or, if not publicly rated, an equivalent Credit Rating as determined by PacifiCorp Credit.**

The aggregate of the "all-in" capital cost for the APSA resource shall not exceed \$750/kW (based on the facility's nominal rating). The "all-in" capital costs shall include all payments to be made to the Bidder under the APSA and all Company costs. A complete listing of categories of Company costs can be found in Attachment 10.

#### **4. Asset Purchase and Sales Agreement on a Bidder's Site**

APSA bids for construction on a Bidder-owned site must be in the form of the APSA attached as Attachment 6. A Bidder may propose an APSA for a facility located on a Bidder-owned site. Pursuant to the APSA Contract, the Company will own and operate the facility following commercial operation. All Bidders in this category must complete the information requested in Appendix C-2.

Pricing for the purchase and sale of the facility can be structured to include progress payments or as a single lump sum payment due upon achievement of commercial operation. The Company will in no event make progress payments to a Bidder unless each such payment results in the transfer of a tangible asset or percentage ownership of an asset at the time each payment is made according to a schedule set forth in the associated bid and acceptable to the Company.

This bid category is only for facilities that have not reached commercial operation as of the bid response date. In the event the facility being proposed is existing and commercially operable as of the bid response date, then the Bidder should submit a bid pursuant to Resource Alternative #6. The Bidder shall be responsible for all aspects of the development and construction of the facility, including, but not limited to, permitting, engineering, procurement, construction and all related costs up to commercial operation with the exception of those costs to be borne by the Company to support start-up, testing, commissioning, and acceptance that shall be explicitly defined in the Bidder's proposal.

**Bidders should note that any proposal submitted in this category that proposes new construction of a generation facility must utilize the services of a single primary Contractor under a single engineer, procure, construct (EPC) contract. Any Contractor must be experienced with the type of facility being proposed and, in addition to any other credit provision described herein, this entity must have a Credit Rating that is BBB-/Baa3 or greater from S&P/Moody's or, if not publicly rated, an equivalent Credit Rating as determined by PacifiCorp Credit.**

The Company will own and operate the facility following commercial operation. Any existing power supply obligations (if any) associated with the facility shall not be assigned to the Company unless the Company, in its sole discretion, accepts.

The aggregate of the "all-in" capital cost for the APSA resource shall not exceed \$750/kW (based on the facility's nominal rating). The "all-in" capital costs shall include all payments to be made to the Bidder under the APSA and all Company costs. A complete listing of categories of Company costs can be found in Attachment 9.

**5. Engineering, Procurement, and Construction Contract ("EPC Contract") for the Currant Creek Site (no proposals for an EPC contract at the Lake Side site will be accepted)**

An EPC proposal can be bid at the Currant Creek PacifiCorp Site only. The EPC Contract must be in the form of a fixed price bid, and may be structured to include progress payments or a single lump sum payment due upon achievement of commercial operation. The Company will, in no event, make progress payments to the Bidder unless each such payment results in the simultaneous transfer of a tangible asset or a percentage ownership of an asset at the time each such payment is made. Bidders must bid one of these two payment structures and in accordance with the EPC Contract in **Attachment 19 and the specifications for Currant Creek contained therein**. All Bidders in this category must complete the information requested in Appendix C-3.

The Company will be responsible for the development and permitting of the proposed facility at the Currant Creek site. **The Company's assumptions for all aspects of development on each of the Currant Creek site are outlined in Attachment 8. The successful Bidder shall be responsible for all development and permitting and any other costs not identified in Attachment 8.**

The aggregate of the "all-in" capital cost for the EPC resource and Owner's Cost in Attachment 10 shall not exceed \$750/kW (based on the facility's nominal rating). The "all-in" capital costs shall include all payments to be made to the Bidder and all Company costs. A complete listing of categories of Company costs can be found in Attachment 10.

**Bidders should note that any proposal submitted in this category shall result in the Bidder directly performing the EPC services, as opposed to utilizing a sub-EPC contractor. A Bidder in this category must be experienced with the type of facility**

**being proposed and, in addition to any other credit provision described herein, this entity must have a Credit Rating that is BBB-/Baa3 or greater from S&P/Moody's or, if not publicly rated, an equivalent Credit Rating as determined by PacifiCorp Credit.**

## **6. Purchase of an Existing Facility**

In the event sale of an existing facility is proposed by a Bidder, and if the facility is interconnected to PACE and commercially operable as of the bid response date, the Company will consider purchasing, owning and operating the facility. Any such purchase would be contingent on disclosure to the Company by the Bidder of all information regarding the facility that may be material to the Company's decision to make the purchase, including without limitation all potential or existing claims or liabilities, on the Company's completion of and satisfaction with the results of such due diligence inquiries that the Company may deem appropriate in its sole discretion, and on the transfer of good and marketable title to the Company by the Bidder, free and clear of any and all liens and encumbrances. Such inquiries may include, but will not be limited to, site inspections, interviews, audit of all applicable books, contracts, forecasts, and records, and/or an assessment of past, future, or potential environmental liabilities. In addition, any existing network or point-to-point transmission rights associated with the facility's output must be released and reassigned to the Company, at the Company's option.

Such due diligence will be performed by qualified generation experts, who may be third-party legal and environmental experts and consultants satisfactory to the Company in its sole discretion, in addition to Company personnel. The Company reserves the right to no longer consider the resource, if in its sole discretion; it determines that there are aspects of the resource not in the best interest of the Company and its customers. The Company will require the following information outlined in **Appendix C-4** to be provided by the Bidder in order to determine if the asset will be evaluated and the priorities of the evaluation.

The Company would own and operate the prospective facility following commercial operation but no later than June 2009. Existing power supply obligations associated with the facility, if any, shall not be assigned to the Company unless the Company, in its sole discretion, accepts such assignment.

The Company's aggregate "all-in" capital cost for the EPC resource shall not exceed \$750/kW (based on the facility's nominal rating). The "all-in" capital costs shall include all payments to be made to the Bidder.

## **7. Purchase of a Portion of a Facility Jointly Owned and/or Operated by PacifiCorp**

A Bidder may propose that the Company purchase all or an additional portion of a facility in which the Company already has an existing ownership interest or one that the

Company currently operates. Any such purchase by the Company would be contingent upon disclosure to the Company by the Bidder of all information regarding the facility and the Bidder's interest that may be material to the Company's decision to make the purchase, including without limitation, potential or existing claims or liabilities, on the Company's completion of and satisfaction with the results of such due diligence inquiries that the Company may deem appropriate in its sole discretion, and on the transfer of good and marketable title to the Company by the Bidder of the Bidder's interest, free and clear of any and all liens, claims and encumbrances. The Company's due diligence inquiries may include, but will not be limited to, an audit of all applicable books and records, and/or an assessment of past, future, or potential environmental liabilities. In addition, any existing network or point-to-point transmission rights associated with the facility's output owned or controlled by the Bidder must be released and reassigned to the Company, at the Company's option.

Such due diligence will be performed by qualified generation experts, which may be third-party legal and environmental experts and consultants, in addition to Company personnel. The Company reserves the right to no longer consider the resource, if in its sole discretion it determines that there are aspects of the resource not in the best interest of the Company and its customers. The Company will require the following information outlined in **Appendix C-4** to be provided by the Bidder, in order to determine if the asset will be evaluated and the priorities of the evaluation.

The Company would own and operate the prospective facility following closing on the sale. Existing power supply obligations associated with the facility, if any, shall not be assigned to the Company unless the Company, in its sole discretion, accepts such assignment. The Company's aggregate "all-in" capital cost for a resource submitted under this bid category shall not exceed \$750/kW (based on that portion of the facility's nominal rating being offered).

#### **8. Restructure of an Existing Power Purchase Agreement or an Exchange Agreement and/or Buyback of an Existing Sales Agreement.**

The Company will accept proposals under this category of bids for one or more of (a) restructuring of an existing PPA between the Company and the Bidder; (b) an Exchange Agreement between the Company and the Bidder; and (c) the termination or buyback of an existing agreement for the sale of energy and capacity by the Company to the Bidder in the PACE.

If the bid calls for the restructuring of an existing PPA between the Company and the Bidder, such restructuring must result in the making available to the Company incremental dependable energy and capacity in an amount of not less than 100 MW within PACE during the summer season (June through September) for delivery as provided in this RFP 2009 starting June 1, 2009 for a minimum term of ten years. The Bidder would assign any and all existing network or point-to-point transmission rights associated with the incremental energy and capacity to the Company at the Company's request at no additional cost should the Company select this bid.

If the bid calls for an exchange agreement, such agreement would provide for the delivery by the Bidder to the Company of dependable energy and capacity in an amount of not less than 100 MW for delivery of a minimum of a ten-year term as described in this RFP, in exchange for power to be supplied by the Company to the Bidder at another location, other than PACE and/or during another time period.

## **9. Eligible Resources Exceptions**

As noted above, all resources must be for 100 MW of dependable capacity and for a minimum period of 10 years, except to the extent that the resources qualify for one of the two exceptions set forth below:

### **a) Distributed Generation**

Bids constituting “Distributed Generation” may be smaller than 100 MW; however, they must still meet the ten-year term flexibility resource requirement and Point(s) of Delivery. For the purpose of this RFP 2009, “Distributed Generation” means Combined Heat and Power (CHP) generation facilities with a nominal continuous generation capacity greater than 3 MW.

A bid that propose to consolidate end-use customer standby generation such that the combined dependable capacity of the generation qualifies as a flexible resource when dispatched and is greater than 3 MW will be deemed to satisfy this definition.

Nothing in this RFP 2009 is intended to prevent the ability of owners of facilities that qualify for QF status under PURPA and that are less than 100 MW in size from seeking contracts outside this RFP 2009 as provided under PURPA and the rules and regulations of the Utah PSC. Contracts entered into outside this RFP 2009 process may not qualify for capacity payments, however.

### **b) Load Curtailment**

While this RFP 2009 is not intended to implement the Demand Side management (DSM) initiatives contained in its IRP, the Company does consider certain types of load-management measures to be appropriate for consideration under this RFP 2009. The Company has found that bilateral agreements with large end-use customers for the curtailment of load have proven to be effective in reducing the need for incremental energy and capacity at critical times. As a result, the Company invites end-use customers to bid load curtailment under this RFP 2009. Any such bid must meet the following requirements: (a) the Bidder must be an existing end-use customer of the Company; (b) the load to be curtailed must be not less than 25 MW; (c) the curtailment must be a physical curtailment of the load; (d) the load to be curtailed must respond to the curtailment order 30 minutes prior to the hour within and remain curtailed for one-hour blocks; (e) the Company must not have any residual delivery obligation upon exercising its curtailment rights hereunder under any other contract, law, regulation or order, and Bidder must waive any and all rights to assert any such contrary rights; and (f) the Bidder

must provide the Company with contractual surety and adequate credit assurances that such load curtailment will take place at times and in amounts required by this RFP 2009. The Company will not accept proposals for the financial curtailment of load nor will it accept physical load curtailment proposals that result in the Company having a residual delivery obligation via any other contract, law, or regulatory rule or order.

## SECTION 2. LOGISTICS

### A. Schedule of RFP 2009 Actions: RFP 2009 Is Being Issued as of September, 2005

The anticipated schedule will be:

| Event  | Anticipated Date             |
|--|------------------------------|
| RFP 2009 issued  | September 2005               |
| RFP bid conference   | October 2005                 |
| Intent to bid form   | October 2005                 |
| Responses due  | December 1, 2005             |
| Evaluation complete  | January 2006                 |
| Bidder negotiation   | February-June 2006           |
| PacifiCorp decision  | July 2006                    |
| Utah Public Service Commission approval proceeding -180 days | August 2006-<br>January 2007 |
| Avoided cost filing <sup>1</sup>                             | 2007                         |

**Bidders should note that the above schedule is an anticipated schedule only and is subject to change. The Company accepts no liability to the extent the actual schedule is different from the anticipated schedule.**

### B. Prebid Conference

- Time: tbd
- Date: tbd
- Location: tbd

Interested parties and Bidders may submit questions prior to the RFP bid conference, so that such questions may be addressed in a more timely fashion. All information, including the pre-bid conference materials, questions and answers will be posted by PacifiCorp on the PacifiCorp website at [www.pacificorp.com](http://www.pacificorp.com). In addition, the same material may be posted by the IE on a website established by the IE.

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<sup>1</sup> Updated avoided costs filing by state will be made to the extent required by law or regulatory order.



### **C. Request for Qualification (RFQ) in the Form of a Notice of Intent to Bid**

Bidders who intend to be considered as part of this RFP 2009 process **must** return the “RFQ Bid Form” (**Appendix A and Appendix B**) to the IE no later than close of business on the date indicated in Section 2. The IE will provide each Bidder who has met the qualifications under the RFQ (which will include creditworthiness, demonstrated capability, experience, performance references and qualifications to deliver the indicated Eligible Resource option selected on the form) with a bid number. The Bidder will be required to submit its proposal(s) utilizing only the bid number, and with no other identifying information. **Each Bidder is expected to adequately blind its proposals such that the bid number is the only identifying aspect of the bid.**

### **D. Submission of Bids**

Each Bidder must submit:

1. a signed original and 10 hard copies of each bid and any required forms, and
2. two electronic copies of the bid and any required forms (on two separate compact discs) that are in PDF format.

The IE will review all submissions, to ensure that only bid numbers are in the proposals and electronic submissions, prior to forwarding them to the RFP 2009 team. All bids must be submitted utilizing only the assigned bid number(s) and such must be transmitted by express, certified or registered mail or hand delivered to:

PacifiCorp RFP 2009  
C/o: [reference IE]  
Address: [IE address]  
City, State, ZIP

Bids will be accepted until 5 p.m. PPT on December 1, 2005. Any bids received after this time, at the Company’s discretion, will be returned by the IE, unopened.

All bids will be reviewed by the IE to determine that they are adequately blinded and then provided to the RFP 2009 team for further analysis. The IE will provide an original copy (with a cross-reference table to Bidders) to the Company’s credit and legal departments. To the extent the IE determines that any proposal is not adequately blinded, the IE will determine if the IE can effectuate effective blinding itself or, as determined by the IE, may request that the Bidder undertake the appropriate blinding. If the Bidder is nonresponsive to the IE’s requests, then the bid will be rejected by the IE and returned to the Bidder.

**E. 2009 RFP Team**

A bid evaluation team, made up of various work groups within the Company, will evaluate and select bids. The composition of the bid evaluation team and the primary roles of each member are shown below:

| <b>Work Group</b>  | <b>Roles</b>  |
|--|---|
| Independent Evaluator (IE)                                       | The IE will be hired by the Utah Public Service Commission to ensure a fair and reasonable process is used in the RFP 2009. The IE will provide oversight of the RFP 2009 process and will validate, audit and review all aspects of all proposals, providing an oversight to the process and validation on the models, inputs, assumption(s), risk assessment, and generation specifications for the PacifiCorp Sites. |
| Origination  | Overall coordinator of the process. Bid process management for all proposals and coordination with the IE and all of the work groups.   |
| Structuring and Pricing, and Resource Planning                   | Economic analysis and modeling including the validation on the inputs to the risk assessment of the bid.  |
| Credit   | Credit screening, evaluation and monitoring throughout the process.   |
| Environmental  | Air, water and discharge, emission credits, site permits and facilities.  |
| Legal  | Confirming compliance of bids to requirements of RFP and its Forms, Attachments and Appendices; conduct of legal process; conducting due diligence inquiries; supervising any documentation entered into as part of the RFP process.  |
| Generation and/or Third-Party Engineering Consultant (as needed) | Specifying, evaluating and confirming conformity with design specifications; conducting, as needed, technological and operational due diligence, generation expertise, environmental due diligence on all resources.  |
| Commercial and Trading – Regulated Transmission Manager          | Assist S&P and Origination with transmission requests and evaluations in determining the appropriate costs and/or agreements.   |
| Risk Management  | Validation of evaluations and modeling risk assessment on final short lists.  |

## **F. Bidder Evaluation Fees**

To help defray the cost of the IE, each Bidder shall submit with each of its bid proposals a nonrefundable "Bid Fee" of \$10,000. Bidders submitting a bid in Resource Alternative category #9 (CHP and load curtailment) shall have a per-bid fee of \$1,000. A Bidder submitting more than one bid will be required to submit a bid fee for each bid.

Bidders may submit multiple bid proposals in response to this RFP 2009. The IE and the Company shall determine in their sole discretion whether a Bidder's submission constitutes one or more proposals, for purposes of assessing the foregoing fee.

Bid proposals for the same site and the same generation technology and size will be considered a single bid proposal; provided, that all such proposals are submitted under only one Resource Alternative. If a bid is submitted under more than one Resource Alternative then the bid will be considered as two separate proposals, and two separate bid fees will be required.

## **G. Effectiveness of Bids**

Each bid proposal must remain open for acceptance by the Company from the date of submittal through March 27, 2007, unless earlier released in writing by the Company.

## **H. Procedural Items**

### **1. Request for Qualification (RFQ)**

Each Bidder must complete and submit to the IE the RFQ Bidders Form for each Resource Alternative it intends to submit in its proposal to participate in the RFP 2009 by the date called out in Section 2. The Company will require each Bidder to meet the specific credit requirements and capability requirements outlined below.

Credit Appendix B will be attached to the RFQ and must be completed to receive a bid number by the IE. The Bidder will be required to provide financial and credit information as outlined in Credit Appendix B. Each Bidder will then undergo a credit evaluation by the Company Credit department ("PacifiCorp Credit"). In the event that a Bidder is unable to provide the requested financial and credit information and indicate its ability to post any necessary credit assurances, the Bidder will be notified that it will not be eligible to submit a proposal. After PacifiCorp Credit has evaluated the information provided by the Bidder pursuant to Credit Appendix B, PacifiCorp Credit will notify the IE and the IE will notify the Bidder.

Eligible Bidders will then be permitted to submit proposal(s) into the RFP 2009 process. In the event that the Bidder's credit status changes at any time after submission of a bid into the RFP 2009 process, PacifiCorp Credit reserves the right to request updated information pursuant to the Credit Appendix B, to reevaluate the Bidder and to request further credit assurances. In the event that the Bidder does not provide evidence of its

ability to provide such further credit assurances, the Company reserves the right to reject the Bidder's proposal after consultation with the IE and return the bid fee.

The Bidder will be required to demonstrate its ability to post credit assurances in the amounts outlined in the Credit Matrix in Appendix B. The amount of any credit assurances to be provided will be determined based upon (a) the Credit Rating in the Credit Matrix of either the Bidder or the entity providing credit assurances on behalf of the Bidder, (b) the size of the project, and c) the type of Eligible Resource bid. The Credit Rating will be the lower of: (x) the most recently published senior, unsecured long-term debt rating (or corporate rating if a debt rating is not available) from Standard & Poor's ("S&P") or (y) the most recently published senior, unsecured debt rating (or corporate rating if a debt rating is not available) from Moody's Investor Services. If option (x) or (y) is not available, the Credit Rating will be determined by PacifiCorp Credit through an internal process review and utilizing a proprietary credit scoring model developed in conjunction with S&P. All Bidders will receive a Credit Rating which will determine the amount of credit assurances to be posted.

Please note that should a Bidder be an existing counterparty with PacifiCorp, PacifiCorp Credit reserves the right to protect itself from counterparty credit concentration risk and require credit assurance in addition to that outlined in the Credit Matrix.

In the event that the Bidder posts a Letter of Credit as collateral it must be issued by a bank acceptable to the Company in the Company's reasonable discretion, and be in form and substance consistent with the form of the Letter of Credit set out in **Attachment 11**.

#### **Bidders Qualification and Capability in the RFQ (Appendix A and Appendix B)**

Each Bidder must be able to demonstrate its Credit Capability and its capability, experience and qualification under each Eligible Resource. This should include but not be limited to its ability to perform its obligations that would arise upon execution and delivery of the documents associated with the Company's acceptance of the Bidder's bid, and references to support its capability in each of the selected Eligible Resources options which it will be submitting in this 2009 RFP.

## 2. Submission of Proposals by Bidders

a) All bid proposals must be received by the IE no later than December 1, **2005**. All bid proposals must be in the format set forth in the RFP 2009 Proposal Form, **Appendix A**, which must be completed in its entirety. The RFP 2009 Proposal Form identifies all the required Attachments and Forms for each Resource Alternative selection the Bidder intends to submit. Any bid proposal that does not contain all of the required information by **December 1, 2005**, will be subject to rejection as nonresponsive by the Company. It is each Bidder's responsibility to submit additional information related to its bid proposal if such information will materially improve the value of its bid proposal or the Company's understanding thereof.

b) Each bid proposal must be signed by an officer of the bidding company via an Officer Certification **found in Appendix E**.

c) Each bid must include a statement by the Bidder that the Terms and Conditions of the Attachment, selected as part of the Resource Alternatives submitted by Bidder, are acceptable to the Bidder.

d) All pricing must be in terms of nominal dollars. Prices and dollar figures quoted will be assumed to be in nominal terms for the year in which they occur unless clearly stated otherwise. The Form Pricing Input Sheet contains the applicable pricing inputs which will be required to be completed by the Bidder for the bid to be evaluated. This Form Pricing Input Sheet includes inputs such as start/end date, point of interconnection, resource type, variable and fixed O&M, start-up costs, capacity payment or capital expenditures, PPA or TSA escalation rates, heat rates and capacity levels adjusted for both expected temperature, degradation per the manufacturer's recommended maintenance schedule, start-up charges, and a variety of other inputs, including specific published indices if applicable.

Bidder will also complete SFAS No. 13 Form (**Appendix F**), which will require the Bidder to complete the inputs to support the Bidder's assertion regarding Capital Lease versus Operating Lease.

e) All bid proposals must be for a capacity greater than 100 MW EXCEPT FOR: (a) Distributed Generation which must be greater than 3 MW of installed capacity; and (b) end-use customers of the Company with load curtailment proposals for a minimum of 25 MW each.

f) Bid proposal prices must include all costs that the Bidder expects the Company to pay associated with any of the eligible resources, including but not limited to station service, test energy, fuel for testing, gas lateral construction, electrical interconnection, and all costs (including fuel) incurred as necessary to accomplish synchronization.

### **3. Company's Reservation of Rights and Disclaimer**

The Company reserves the right, without qualification and in its sole discretion, to reject any or all bids, and to terminate this RFP 2009 in whole or in part at any time. Without limiting the foregoing, the Company reserves the right to reject as nonresponsive any or all bid proposals received for failure to meet any requirement of this RFP 2009. The Company also reserves the right to request that the IE contact any Bidder for additional information. The Company further reserves the right without qualification and in its sole discretion to decline to enter into any agreement with any Bidder for any reason. By way of example and not by limitation, the following shall constitute nonresponsive bids: a bid proposal offering capacity not committed to the Company; a curtailment bid proposal not qualifying as one of the exceptions outlined in the alternatives; and an incomplete or nonspecific bid proposal. The Bid Fees associated with a nonresponsive bid proposal will be refunded to the Bidder.

Bidders who submit bid proposals do so without recourse against the Company, its parent company, its affiliates and its subsidiaries, or against any director, officer, employee, agent or representative of any of them, for any modification or withdrawal of this RFP 2009, rejection of any bid proposal, failure to enter into an agreement, or any other reason. The Bid Fees submitted by any Bidder, once the bid is accepted, will not be refunded (unless otherwise determined in the sole discretion of the Company) in the event of any modification or withdrawal of this RFP 2009, rejection of any bid proposal, or failure to execute an agreement.

### **4. Accounting**

All contracts proposed to be entered into as a result of this RFP 2009 will be assessed by the Company for appropriate accounting and/or tax treatment. Bidders shall be required to supply the Company with any and all information that the Company reasonably requires in order to make such assessments.

Specifically, given the term lengths that PPA, TSA, and/or exchange proposals may cover in response to RFP 2009, accounting and tax rules may require either: (i) a

contract be accounted for by PacifiCorp as a Capital Lease or Operating Lease<sup>2</sup> pursuant to SFAS No. 13, or (ii) the seller or assets owned by the seller, as a result of an applicable contract, be consolidated as a Variable Interest Entity<sup>3</sup> onto PacifiCorp's balance sheet. To the extent a Bidder proposal results in an applicable contract, the following shall apply with respect to VIE treatment:

- The Company is unwilling to be subject to accounting or tax treatment that results from VIE treatment. As a result, all Bidders are required to certify, with supporting information sufficient to enable the Company to independently verify such certification, that none of their proposals will subject the Company to such VIE treatment. Bids that result in VIE treatment will be rejected.
- Further, any applicable contract that the Company executes will require that:  
(i) the Seller covenant that the Company will not be subject to VIE treatment at any point during the term of the agreement, and (ii) in the event that the contract causes the Company to be subject to VIE treatment at any point during the term of the agreement, unless cured, such treatment will constitute a seller event of default.

Each Bidder must also declare, in each of its proposals, whether or not each such proposal will subject the Company to Capital Lease treatment or Operating Lease treatment pursuant to SFAS No. 13. In any case for which the Bidder declares that the proposal will subject the Company to lease treatment pursuant to SFAS No. 13, after application of Emerging Issues Task Force ("EITF") 01-08 ("Determining Whether an Arrangement Contains a Lease"), the Bidder is required to certify such declaration (Capital Lease or Operating Lease), with supporting information sufficient to enable the Company to independently verify the Bidder's opinion of how the Company will be required to account for the proposal.

Each Bidder must also agree to make available at any point in the bid evaluation process, any and all financial data associated with the Bidder, the Facility and/or the PPA, TSA or other contract that PacifiCorp requires to independently verify the Bidder's accounting declarations or certifications required above. Such information may include, but may not be limited to, data supporting the economic life (both initial and remaining), the fair market value, executory costs, nonexecutory costs, and investment tax credits or other costs (including debt specific to the asset being proposed) associated with the Bidder's

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<sup>2</sup> "Capital Lease" and "Operating Lease" - shall have the meaning as set forth in the Statement of Financial Accounting Standards ("SFAS") No. 13 as issued and amended from time to time by the Financial Accounting Standards Board.

<sup>3</sup> "Variable Interest Entity" or "VIE" - shall have the meaning as set forth in Financial Accounting Standards Board ("FASB") Interpretation No. 46 (Revised December 2003) as issued and amended from time to time by the FASB.

proposal. Financial data contained in the Bidder's financial statements (e.g., income statements, balance sheets, etc.) may also be required to provide additional information.

**A SFAS No. 13 Form (Appendix F) must be completed to the extent the Bidder submits a proposal which results in either direct or inferred debt.**

#### **Cost Associated with Direct or Inferred Debt**

PacifiCorp will take into account a cost associated with direct or inferred debt as part of its economic analysis in the initial screening.

- **Direct debt** results when a contract accounts to be a Capital Lease pursuant to EITF 01-08 and SFAS No. 13 and the lower of the present value of the nonexecutory minimum lease payments or 100% of the fair market value of the asset must be added to PacifiCorp's balance sheet.
- **Inferred debt** results when credit rating agencies infer an amount of debt associated with a power supply contract and, as a result, take the added debt into account when reviewing PacifiCorp's credit standing.

In both instances, PacifiCorp would need to inject equity to maintain the same debt/equity ratio as before the power supply contract. Since equity has a cost, this cost will be taken into account when evaluating the bids to determine the short list.

For the purposes of RFP 2009, PacifiCorp will determine the amount of debt associated with each bid that would result in an applicable contract, derive the associated equity infusion, then include in its analysis the cost associated with the equity amount multiplied by the pre-tax difference between Return on Equity ("ROE") and PacifiCorp's Weighted Average Cost of Capital ("WACC"). Pre-tax ROE will be assumed to be equal to 16.92% and pre-tax WACC will be assumed to be 11.48%. The amount of debt will be the higher of the direct or inferred debt. This will be updated prior to the issuance of the final RFP 2009.

Direct debt will be determined for each year as of the beginning of the contract as the amount PacifiCorp must place on its balance sheet as a result of a Capital Lease. If the bid does not result in a Capital Lease then the amount of direct debt will be zero.

Inferred debt will be determined by utilizing the methodology used by Standard & Poor's in the article attached as Attachment 12. At the beginning of the contract, the net present value of the remaining fixed payments will be calculated using a 10% discount rate and then multiplied by a "risk factor." The risk factor will be 50%.



## 5. Confidentiality

The Company will attempt to maintain the confidentiality of all bids submitted, to the extent allowed by law or regulatory order, as long as such confidentiality does not adversely impact a regulatory proceeding.

It is the Bidder's responsibility to clearly indicate in its proposal what information it deems to be confidential. Bidders may not mark their entire proposal as confidential, but must mark specific information on individual pages to be confidential in order to receive confidential treatment for that information.

All information supplied to the Company or generated internally by the Company shall remain the property of the Company. Bidder shall maintain the confidentiality of such information and shall not be available to any entity before, during or after this RFP 2009 process unless required by law or regulatory order. The Bidder expressly acknowledges that the Company may retain information submitted by the Bidder in connection with this RFP 2009.

Only those Company employees who are directly involved in this RFP 2009 process or with the need to know for business reasons will be afforded the opportunity to view submitted bids or Bidder information.

Bidders should be aware that the IE will release Bidder information to the Company's Legal and Credit departments. These functions are considered shared corporate functions as they provide services to both the Company and PPM Energy. **The Company's Legal and Credit departments will not share any information regarding bids with PPM.**

Bidders should be aware that information supplied by Bidders may be requested and supplied during docketed regulatory proceedings, subject to appropriate confidentiality provisions applicable to that particular proceeding. This means that parties to docketed proceedings may request to view confidential information. If such a request were to occur, the Company will attempt to prevent such confidential Bidder information from being supplied to intervening parties who are Bidders or who may be providing services to a Bidder, but the Company shall not be held liable for any information that it is ordered to be released or that is inadvertently released.

Lastly, the Company intends to utilize its internal, proprietary, forward price projections in its evaluation process. The resulting projections and evaluations will not be shared with entities external to the Company, including with Bidders, unless required by law or regulatory order.

## 6. Regulatory Process

Utah Code § 54-17-101, *et seq.* requires PacifiCorp to use a solicitation process to construct or acquire a significant energy resource, defined as 100 MW or more with a dependable life of ten years or more. This law requires the participation of an

independent evaluator, appointed by the Utah Public Service Commission, to actively monitor the solicitation process for fairness and compliance with state law. Prior to execution of any of the eight alternatives listed above, the Company will go through an up-front prudence review consistent with the law in the state of Utah.

That law may be viewed at:  
<http://www.le.state.ut.us/~2005/htmdoc/sbillhtm/SB0026S01.htm>

## **7. Subsequent Regulatory Action**

The Company does not intend to include a contractual clause whereby the Company is allowed to adjust contract prices in the event a regulatory agency exercises jurisdiction over the Company, and does not fully recognize the contract prices in determining the Company's revenue requirement. As of the issuance date of this solicitation, PacifiCorp is unaware of any such actual or proposed law or regulatory order.

## **8. Communications**

ALL QUESTIONS OR RECOMMENDATIONS CONCERNING THIS RFP 2009, THE BID PROPOSALS, OR BID EVALUATIONS MUST BE SUBMITTED IN WRITING DIRECTLY AND EXCLUSIVELY **TO THE INDEPENDENT EVALUATOR (IE)**, BY POSTING ON THE IE'S WEBSITE. ALL BIDDERS' QUESTIONS AND THE IE'S RESPONSES THERETO AND RECOMMENDATIONS SHALL BE POSTED ON THE IE'S WEBSITE. NEITHER THE IE, THE COMPANY STAFF, NOR ANY REPRESENTATIVE OF THE COMPANY WILL PERMITTED TO HAVE ANY PRIVATE COMMUNICATION WITH ANY BIDDER REGARDING SUCH QUESTIONS OR RECOMMENDATIONS EXCEPT AS SET FORTH BELOW.

### FOLLOWING THE SUBMISSION OF BIDS

PRIOR TO THE SELECTION OF THE SHORT LIST, ALL COMMUNICATIONS WITH BIDDERS SHALL BE CONDUCTED THROUGH THE IE AND SHALL BE CONFIDENTIAL. SUCH COMMUNICATIONS MAY INCLUDE ONE FACE-TO-FACE MEETING WITH EACH BIDDER, ATTENDED BY THE IE AND THE COMPANY, IN ORDER TO DISCUSS THE BIDDER'S PROPOSAL(S), UNLESS THE BIDDER DECLINES SUCH A MEETING.

IN THE CASE OF A DEFICIENCY NOTED UPON INITIAL SCREENING OF ANY BID, THE IE WILL NOTIFY THE BIDDER OF ANY CURE PERIOD THAT WILL BE GRANTED TO SUCH BIDDER, WITHIN WHICH PERIOD SUCH DEFICIENCY MUST BE CURED. DEFICIENT BIDS THAT ARE NOT GRANTED A CURE PERIOD BY THE IE WILL BE REJECTED AS NON-RESPONSIVE AND THE FEES SUBMITTED WITH SUCH BIDS SHALL BE RETURNED. THEREAFTER, THE COMPANY, THROUGH THE IE, MAY REQUEST THAT CERTAIN BIDDERS SUBMIT CORRECTIONS OF ANY

ERRORS OR OMISSIONS CONTAINED IN ANY PROPOSAL OR TO CLARIFY A PROPOSAL. FURTHER, THE COMPANY, THROUGH THE IE, MAY REQUEST CERTAIN BIDDERS TO REVISE THEIR PROPOSALS IN CERTAIN RESPECTS IN ORDER TO OBTAIN THE BEST VALUE FOR THE COMPANY RATEPAYERS. SUCH REQUESTS MAY OR MAY NOT AFFORD THE BIDDER A CORRESPONDING OPPORTUNITY TO CHANGE ITS PRICE. IN ANY EVENT, THERE WILL BE NO OPPORTUNITY AFFORDED BIDDERS TO REFRESH OR REVISE THEIR INITIAL PROPOSALS ON THEIR OWN INITIATIVE.

### **SECTION 3. RFP 2009 PROPOSAL CONTENT**

This section outlines the content and format requirements for all proposals submitted in response to RFP 2009. Proposals that do not include the information requested in this form will be deemed ineligible for further evaluation unless the information is not relevant.

The Bidder is required to provide information in the following format to meet the criteria of the 2009 RFP. All sections must be completed and in compliance with the RFP in order for the bid to be accepted.

- 1) Executive summary
- 2) Appropriate bid fee
- 3) Complete set of applicable forms
- 4) Experience
- 5) Overall development

All proposals must describe the Bidder's qualifications and experience in selling and delivering energy and capacity (in the case of PPA bids), and in developing, constructing, commissioning and operating generation facilities similar to those proposed by the Bidder. The background on experience and qualifications of key personal that will manage development must also be provided, in the case of development projects. If the Bidder is proposing an EPC or APSA then the Bidder must describe its capability to manage the arrangement and provide demonstrable evidence that the Bidder's personnel are qualified.

#### 6) Project Development

All proposals for the development of generation facilities must include a detailed schedule of the project development activities and target completion dates for financing, engineering, permitting, equipment procurement, construction, start-up and commissioning. The schedule should list, in the form of key milestones, necessary order

dates for long lead-time equipment, and then describe the overall development strategy, which should include the assessment of permitting risk, to ensure that the project will be developed to meet the available date of June 1, 2009.

7) Contract Terms/Conditions (PPA/TSA/APSA/EPC/O&M)

To the extent that the Bidder's ability to execute a particular contract (PPA/TSA/APSA/EPC/O&M) is contingent upon changing language in the pro forma contracts, then the Bidder shall specifically identify the proposed changes in its bid(s), if any, that are required prior to executing the Pro Forma contract.

To the extent that a Bidder requests a change to the pro forma contract that will reduce Bidder-proposed pricing, the proposal must specifically identify such change, and the associated price reduction. The Company will not accept proposed changes to a pro forma contract unless such change(s) are benign to the Company and its customers in terms of effect.

The Bidder must describe how the facility will be financed, while also explaining in detail the plan for meeting the security requirements outlined in each of the PPA, TSA, and/or the APSA/EPC.

8) Requested Electronic Requirement—Data or Maps (if applicable)

9) Complete Bid Packages Consistent with the Requirements Outlined in the Specifications for Either Lake Side or Currant Creek

10) All Proposals Will Require the Following Appendix, Attachments and Forms:

A) All Bids Except the Eligible Resource Exceptions Will Require:

- Appendix A to the RFQ Notice of Intent to Bid
- Appendix B - Request for Qualifications Bidder's Credit Information
- Appendix D - Natural Gas & Fuel Supply Form
- Appendix E - Officer Certification Form
- Attachment 13 - PacifiCorp Costs Associated with Integration that will be used in the analysis
- Form 1 - Pricing and Input Sheet
- Form 2 - Permitting and Construction Milestones

B) Power Purchase Bid (1):

- Attachment 3 - Power Purchase Contract
- Appendix C-1 - PPA and TSA Information Request
- Appendix D - Natural Gas & Fuel Supply Form
- Appendix G - Bidder Site Control Form
- Appendix H - Construction Coordination Agreement (if applicable)
- Attachment 16 - Site Purchase Agreement for Lake Side (if applicable)

- Attachment 17 - Site Purchase Agreement for Currant Creek (if applicable)
- Appendix F - SFAS No. 13 Form

C) Tolling Service Agreements Bids (2):

- Attachment 5 – Tolling Service Agreement Contract
- Appendix C-1 - PPA and TSA Information Request
- Appendix D - Natural Gas & Fuel Supply Form
- Appendix G - Bidder Site Control Form
- Appendix H - Construction Coordination Agreement (if applicable)
- Attachment 16 - Site Purchase Agreement for Lake Side (if applicable)
- Attachment 17 - Site Purchase Agreement for Currant Creek (if applicable)
- Appendix F - SFAS No. 13 Form

D) APSA Bids at PacifiCorp Sites (3):

- Attachment 6 - Asset Purchase and Sale Agreement (APSA) with Appendices
- Attachment 13 - PacifiCorp Costs Associated with Integration that will be used in the analysis
- Appendix C-2 - APSA Information Request
- Form 1 - Pricing Input Sheet
- Form 2 - Permitting and Construction Milestones

E) APSA Bids at Bidder Sites (4):

- Attachment 6 - Asset Purchase and Sale Agreement (APSA) with Appendices
- Attachment 13 - PacifiCorp Costs Associated with Integration that will be used in the analysis
- Appendix C-2 - APSA Information Request
- Appendix D - Natural Gas & Fuel Supply Form
- Appendix G - Bidder Site Control Form
- Form 2 - Permitting and Construction Milestones

F) EPC Bids at Currant Creek Site Only (5):

- Attachment 13 - PacifiCorp Costs Associated with Integration that will be used in the analysis
- Attachment 18 - Currant Creek Engineering, Procurement and Construction Contract (EPC)
- Appendix C-3 - EPC Information Request
- Form 2 - Permitting and Construction Milestones

G) Sale of Existing Facilities Bids (6):

- Attachment 13 - PacifiCorp Costs Associated with Integration that will be used in the analysis (if required)
- Attachment 19 – Due Diligence items for the Acquisition of an Existing Facility
- Appendix C-4 – Existing Asset Purchase Information Request

H) Sale of Portion of Jointly Owned or Operated Bids (7):

- Attachment 13 - PacifiCorp Costs Associated with Integration that will be used in the analysis (if required)
- Attachment 19 - Due Diligence Items for the Acquisition of an Existing Facility
- Appendix C-4 - Existing Asset Purchase Information Request
- Appendix F - SFAS No. 13 Form

I) Restructuring Bids of an Existing Power Purchase Agreement or an Exchange Agreement and/or Buyback of an Existing Sales Agreement (8):

- Attachment 13 - PacifiCorp Costs Associated with Integration that will be used in the analysis (if required)
- Any other form deemed to be required based on the restructuring.
- Appendix F - SFAS No. 13 Form

J) Distributed Generation (9.a):

- Attachment 13 - PacifiCorp Costs Associated with Integration that will be used in the analysis (if required)
- Appendix F - SFAS No. 13 Form

K) Load Curtailment (9.b)

## SECTION 4. RESOURCE INFORMATION

### A. Price and Nonprice Information

The Company's IRP incorporated numerous price and nonprice resource cost(s) and assumptions which resulted in the IRP Action Plan. Bidders should refer directly to the IRP for the Company's estimated cost and availability of new resource alternatives. Bidders are reminded that the IRP is a planning document and certain resource assumptions were used as a proxy for planning purposes. As such, the Company shall rely on the outcome from this RFP to ascertain the most prudent resource decision. Bidders should note that the IRP is a useful document for information purposes and **Bidders should not infer in any way that the IRP should prescriptively guide their specific proposal.** The Company intends to use then-current assumptions in its evaluation of bids. These assumptions may be different than the assumptions contained in the IRP.

With respect to air quality standards, it is PacifiCorp's intent to incorporate cost assumptions into all bids that are consistent with the "then current assumptions." The base case assumptions can be located in the 2004 IRP in Appendix C. This represents the best information currently available at this point in time to the Company via the IRP

public input process and other information sources. The base case will be updated through the RFP process only if any new assumptions become available to the Company.

This RFP will incorporate assumptions regarding the future cost, if any, associated with future tax assessment(s) or other impositions based on the quantity of carbon dioxide (CO<sub>2</sub>) emissions produced from the combustion of fuel by a facility selected and contracted through this RFP. If a Bidder proposes an arrangement wherein a specific facility is not identified (such as may be the case with a PPA), the resulting contract shall explicitly state that the buyer (PacifiCorp) shall not be liable for any CO<sub>2</sub>-related expenses, and the Bidder will be required to enter into a CO<sub>2</sub> Indemnity Agreement. For bids with a specified facility, the potential CO<sub>2</sub>-related expenses will be included in the Company's evaluation. The CO<sub>2</sub>-related expenses will be consistent with the reference case assumptions utilized in the 2004 IRP or the then current assumptions if applicable. The bid evaluation process will incorporate the assumption that the Bidder does not contractually absorb the liability associated with potential future CO<sub>2</sub> expenses.

**As such, Bidders are directed to submit bids that incorporate the assumption that Bidders will pass through any costs associated with meeting future air quality requirements.**

## **B. Price Information**

### **Cost to the Company's customers for capacity and energy: Fixed & Variable**

#### **1. Fixed Costs**

The fixed resource costs will include, but are not limited to, the following components:

1. The Bidder-specified capacity cost payment (\$/kw-mo) or equivalent capital cost purchase price (including Owner's cost) plus ongoing capital estimates for the term of the resource. The Bidder-specified fixed O&M payment (\$/kw-mo).
2. The Bidder-specified property tax and insurance payment, if not included in capacity cost or fixed O&M payment (\$/kw-mo).
3. The cost associated with direct or inferred debt.
4. Fuel pipeline costs which include the estimated costs for adequate firm natural gas capacity. Interconnection, integration and any other cost necessary to deliver the energy to load. Proposed fixed cost adjustment factor for availability.

#### **2. Variable Costs**

The variable generation costs will include, but are not limited to, the following components:

1. The variable energy commodity price, which, depending on structure, will likely be variable, tied to a natural gas price (including variable gas transportation costs) and a contractual or manufacturer recommended heat rate and capacity at the time

- of delivery (adjusted for temperature). In certain structures, the variable energy commodity price will be fixed, or potentially fixed with an annual escalation.
2. Variable O&M (\$/MWh).
  3. Potential CO<sub>2</sub> costs (\$/ton) (\$/MWh based on a \$/ton CO<sub>2</sub> basis).
  4. Transmission losses in those cases where the Company will incur third-party transmission losses (if applicable).
  5. Start costs (if applicable) per plant and per machine (if applicable). Bidders must define if this start cost is from initiation of start to minimum sustainable load or to full load. Start costs and variable O&M must be clearly separated. Cost to be provide by Bidder in \$/MWh terms, assuming both eight- and sixteen- hour run periods, for up to 365 starts per year at 100% availability.<sup>4</sup>

### **3. Operating Flexibility**

Bidders shall clearly describe the operational flexibility of the proposed resource. For example, if the proposed resource is a 2X1 combined-cycle facility, the Bidder must make clear whether the facility is capable of operation in a 1X1 configuration without duct firing, and provide the operating performance characteristics for the facility in each of its operating modes. Similarly, if a Bidder proposes a resource with other operational capabilities, such as power augmentation, duct firing, etc., the Company's modeling will be able to capture the value associated with such operational flexibility if it is proposed to be available to the Company. The Company's bid analysis will reflect the value of such operational flexibility.

## **C. Nonprice Information**

### **1. Point(s) of Delivery**

RFP 2009 is requesting resources that are capable for delivery into or in the Company's network transmission system<sup>5</sup> in PACE. All proposals will be contingent on the Company Merchant function's ability to designate the proposed resource (new, existing, imported, etc.) as a Network Resource under the network service contract between PacifiCorp Transmission and PacifiCorp Merchant.

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<sup>4</sup> The number of starts assumed per year should be adjusted down for expected mechanical availability. For example, if a resource has an expected mechanical availability of 90%, the number of assumed starts per year should equal  $365 \times 90\% = 328$ .

<sup>5</sup> Any costs required to upgrade PacifiCorp's electrical infrastructure (integration costs) will be considered in the overall economics of the resource. See Attachment 13 for cost assumptions for Integration costs. If the Bidder is proposing another site that is not stated in Attachment 13, PacifiCorp will use the best available information at the time of evaluation to determine the integration costs for the analysis.



Specifically, the point(s) of delivery of primary interest to PacifiCorp are:

- Within the Eastern Control Area—the point of interconnection between the resources, or electrical system to which the resource is connected, and PacifiCorp’s Utah network transmission system
- Mona<sup>6</sup> 345 kV
- Nevada/Utah Border on Gonder 230 kV Gonder-Pavant 230 kV line known as “Gonder 230 KV” – Glen Canyon 230 kV
- Nevada/ Utah border on the Sigurd-Harry Allen 345 kV know as “NUB” or Red Butte 345 kV
- Crystal 500 kV<sup>7</sup>
- Located in Nevada—PacifiCorp is willing to purchase capacity and associated energy that is sourced from Nevada; provided, the selling entity is able to purchase firm transmission from the resource to either Gonder or NUB.

The Company is not interested in resources delivered to Four Corners. The Company is also generally not interested in resources located in Wyoming, unless the resource(s) electrically resides south of the Naughton-Monument 230 kV line and the cost to upgrade the needed transmission is included in the economic evaluation. Lastly, the Company is not interested in resources delivered to Borah, Brady or Kinport unless such resource is interconnected to the Company’s the Southeast Idaho electrical system near the Goshen area. The cost to upgrade the adequate transfer capability, and or to accommodate times when economic resources exceed loads within the Southeast Idaho area would be taken into account within the Bidder’s economic evaluation.

## **2. Proposals Requiring Third-Party Point-to-Point Transmission Service**

For proposals that will require third-party transmission service to provide delivery of capacity and associated energy to the bid-specified Point of Delivery on PacifiCorp’s system, Bidders are responsible for any interconnection, electric losses, transmission and ancillary service arrangements required to deliver the proposed capacity and associated energy to the bid specified Point(s) of Delivery. Such proposals must identify all third-

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<sup>6</sup> PacifiCorp’s transmission function has broken Mona into three distinct delivery points. These three points are “MDWP” (IPP-Mona from LADWP control area), “MDGT” (Bonanza-Mona within the PACE control area), and “MPAC” (all other lines into Mona with the PACE control areas). **In order for PacifiCorp to properly incorporate deliveries at Mona as a network generation resource, the respondent should indicate which point at Mona the deliveries will be made from. PacifiCorp requested a system impact study (SIS) from PacifiCorp Transmission, which will be available in September and will update the timing and costs to integrate resources at Mona, Nevada Utah Border, Gonder, Glen Canyon 230kV and Carrant Creek.**

<sup>7</sup> **Crystal substation is currently not a valid network point of delivery on PacifiCorp’s system. PacifiCorp is studying the expansion of facilities to Crystal 500 kV. Bidders are warned that the ability to accept proposals delivered to Crystal is highly contingent on the expansion of such facilities.**

party interconnection, electric losses, transmission and ancillary service products, provide a complete description of those service agreements, and provide documentation that such service(s) will be available to Bidder during the full term of offer(s) proposed. Bidders who propose unit contingent arrangements or system portfolio bids and rely on third-party transmission should be aware that the use of nonfirm transmission in any segments of the schedule from the source to the Point(s) of Delivery will result in the Company's evaluating the need to carry 100% reserves against the import schedule. The third-party transmission service is NOT a transmission service agreement with the Company Merchant function; rather it is with the Company's Transmission function, which must maintain strict functional and informational separation.

### **3. Interpretation with Interconnection Agreement**

Each Bidder responding to RFP 2009 must conduct its operations in compliance with FERC Order No. 2004, Standards of Conduct for Transmission Providers, requiring the separation of its transmission and merchant functions. This RFP requires that all Bidders responding to RFP 2009 must enter into a separate Interconnection Agreement or Transmission Service Agreement (TSA), in accordance with the PacifiCorp Open Access Transmission Tariff, with the PacifiCorp Transmission function if such an agreement is necessary.

### **4. PacifiCorp Transmission Interconnection Service**

Bidders requiring interconnection service from PacifiCorp Transmission must specify in their proposal if they have requested transmission service or not, and if so, what type of service (Energy Resource Interconnection Service (ER) or Network Resources Interconnection Service (NR)). Bidders must advise PacifiCorp Transmission that they are requesting the service as part of this 2009 RFP.

All Proposals that will require a new electrical interconnection to the PacifiCorp Transmission system or an upgrade to an existing electrical interconnection to the PacifiCorp Transmission system must include (a) a statement of the cost of interconnection, together with a diagram of the interconnection facilities. The Bidder will be responsible for, and is required to include in its bid, all costs to interconnect to the Company's Transmission system. The Bidder will be responsible for applying to the Company Transmission for a Large Generator Interconnection Agreement ("LGIA"), except in connection with the EPC Contract, in which case PacifiCorp Generation will apply for the LGIA. However, the interconnection costs will be included in the bid evaluation. PacifiCorp's Transmission function has the option of funding the interconnection upgrades or requiring the Bidder to fund such upgrades and then receive revenue credits. Any such refunds shall be assigned to PacifiCorp's Merchant function by the Bidder.

## **5. PacifiCorp Transmission Integration Service**

PacifiCorp has preliminarily identified the potential costs to integrate resources in **Attachment 13**.

These costs will be used in the evaluation analysis. In the event that a Bidder proposes a facility, PPA or TSA that is not at one of the locations identified in **Attachment 13**, PacifiCorp will utilize the best information reasonably available at the time of evaluation to estimate the cost to integrate the resource. Both the cost to integrate and interconnection upgrades will be utilized in the economic evaluation to determine the least-cost resource. **Bidders are reminded that they shall bear 100% of the costs to interconnect to PacifiCorp's Transmission system.** Bidders are encouraged to contact PacifiCorp's Transmission function (at [www.pacificorp.com](http://www.pacificorp.com)) for information related to system interconnection.

## **6. Use of PacifiCorp's Sites**

In the event a facility is proposed to be located on a PacifiCorp Site, the Bidder must negotiate and enter into a land purchase agreement acceptable to the Company (Attachment 16 and/or 17), together with a Construction Coordination Agreement substantially in the form attached as Appendix S to Attachment 7 or Appendix H. **THIS RFP 2009 IS NOT AN OFFER TO SELL PACIFICORP'S SITE TO ANY BIDDER, AND IN NO EVENT WILL THE COMPANY BE OBLIGATED TO SELL A PACIFICORP SITE TO ANY BIDDER. ANY SALE OF A PACIFICORP SITE WILL BE SUBJECT TO THE NEGOTIATION, EXECUTION AND DELIVERY OF ALL AGREEMENTS AND OTHER DOCUMENTS NECESSARY AND PROPER FOR THE LEASE OF PROPERTY, AND TO THE COMPANY'S SATISFACTION, IN ITS SOLE DISCRETION, THAT SUCH TRANSACTION WILL BE IN THE BEST INTERESTS OF THE COMPANY'S CUSTOMERS AND WILL NOT IMPAIR IN ANY MANNER THE COMPANY'S OPERATION OF ITS FACILITIES THEN LOCATED ON OR ADJACENT TO THE COMPANY SITES.**

## **SECTION 5. BID EVALUATION PROCESS OF THE PROPOSALS**

The Bidders must submit their proposals on or before December 1, 2005. The RFP 2009 Team and the IE will adhere to the following bid evaluation process:

### **A. Step 1—Screening “First Price Sealed Bid Format” – Initial Short List**

The Company intends to utilize a “first price sealed bid format” in order to determine an initial short list of those proposals in each of the Resource Alternatives, which will derive a final short list which will be run through a production cost model to establish a preferred portfolio which will establish a final short list, and then post-bid negotiations will take place. Under this format, contract payments are based on the price contained in each winning bid proposal. The “first price sealed bid format” initial short list means that the Company will utilize the initial prices and/or pricing structure submitted by the Bidders in order to determine the initial short-listed entities and the final short-listed

entities. The Company will not ask for, or accept, updated pricing from Bidders during this evaluation period. It is the Company's intent to negotiate both price and nonprice issues during the post-bid negotiations. Selection for the short list, final short list and/or post-bid negotiation does not constitute a "winning bid proposal." For the purpose of RFP 2009, only execution of the definitive agreement by both the Company and the Bidder that is specific to the Bidder's proposal, as the same may be amended pursuant to any post-bid negotiations, will constitute a "winning bid proposal."

Bidders should also be aware that operational separation exists, pursuant to FERC order, between the merchant and transmission functions of PacifiCorp. As a result, it is PacifiCorp's requirement that the Bidder is responsible for the negotiation, execution and cost of interconnection and integration with the interconnection control area. The Bidder will be responsible for all incremental transmission expense associated with delivery to the PacifiCorp network transmission system (inclusive of any needed third-party system upgrade in order to deliver such energy to PACE). Any anticipated transmission cost which is not included in **Attachment 13** or otherwise that is not disclosed in the Bidder's response will be added by PacifiCorp using information reasonable and readily available, during the economic evaluation phase.

The price and nonprice factors described below will be added together. The highest scoring proposals in each resource category will be selected to be run through a production cost model to establish the preferred portfolio. No proposal will receive a total weighting in excess of 100%.

## **B. Price and Nonprice Evaluation to Determine the Initial Short List**

The Company intends to evaluate each bid received in a consistent manner by breaking the resource and price characteristics of the structure into individual components. Each component will be evaluated separately and recombined to determine the bundled price and nonprice score. The price factor will be weighted up to 60% in the determination of which proposals will be chosen for post-bid negotiation, while the nonprice factor will be weighted up to 40%.

### **1. Price Factor Evaluation (Up to 60%)**

The Company will utilize a spreadsheet model ("RFP Base Model") to screen the proposals and to evaluate and determine a short list, and then use a production cost model to determine the final short list and the least-cost/risk resource. A description of the RFP Base Model is outlined **below**. The Company is evaluating whether the Global Energy Capacity Expansion Model (CEM) is suitable for use as a screening tool instead of the RFP Base Model. However, as of the time this RFP was drafted, the CEM was not deemed appropriate as a screening tool. In the event that the Company and the IE, prior to formally issuing RFP 2009, deem the CEM to be a more accurate and prudent tool for screening the initial bids, then the CEM will be utilized. The following sections are meant to provide a general description of the Company's RFP Base Model.

**The Company will not make the RFP Base Model, the CEM, or the production cost model available to Bidders.**

RFP Base Model Inputs:

The General Inputs include:

- Market Quote Date: The model will pull corresponding forward price volatility, and correlation projections for electricity and gas commodities, and for Treasury and LIBOR discount curves. The model will also pull the corresponding correlations in the “Correlation Curves” tab. The same Market Quote Date will be used for each bid during each evaluation phase.
- Term: Start and End date Transmission Cost assumptions
- Emission Inputs, Lease Accounting Inputs, Rate Base Inputs: if applicable
- Point of Delivery (POD) and Point of Receipt (POR)
- Dispatch Pattern
- Limitation of Duct Firing or Power Augmentation Capability (hours per day, hours per year, etc.)
- Firm/Unit Contingent
- Resource Type
- Product Source
- Temperature-adjusted undergradated (new and clean) Capacity Curve for Simple Cycle, Combined Cycle, Duct Firing, and Power Augmentation if applicable. Temperature – adjusted undergradated (new and clean) Heat rate Curve for Simple Cycle, Combined Cycle, Duct Firing, and Power Augmentation, if applicable.
- MW Degradation Schedule: Simple Cycle, Combined Cycle, Duct Firing, and Power Augmentation, if applicable (Expected and/or Guaranteed), Heat Rate Degradation Schedule: Simple Cycle, Combined Cycle, Duct Firing, and Power Augmentation, if applicable (Expected and/or Guaranteed), Turbine Type: Combined Cycle or Simple Cycle
- Variable O&M Payment (\$/MWh)
  - VOM costs (\$/MWh)
  - Start-Up Costs (\$/MWh)
- Fixed O&M Payment (\$/KW-mo)
- Gas Capacity (MMBtus/day)
- Gas Demand Charge (\$MMBtu-mo)
- Gas Transportation/Delivery Adder (\$/MMBtu)
- Fixed Energy Payment (\$/MWh, if applicable)
- Capacity Charge (\$/KW-mo)
- Number of simulations
- Number of Days in Intra-Month Period
- POD Availability by Month
- Forward Price Curve Multiplier by Month

- Forward Inflation Curves by Month

**Comparison Metric**

The benchmark comparison metric will be the projected net present value revenue requirement (Net PVRR) per kilowatt Month (Net PVRR/kW-mo). The Net PVRR component views the value of the energy and capacity as a positive, and the offsetting costs as negative. The larger the Net PVRR, the more valuable a given resource is to the Company’s customers. The Net PVRR/kW-mo metric is the annuity value which, when applied to the nominal kilowatts on a monthly basis and present-valued, will result in the same Net PVRR as a straight NPV calculation.<sup>8</sup>

| <b>Bid Cost relative adjusted price curves</b>   | <b>Price Factor Weighting</b> |
|--|-------------------------------|
| Less than or equal to 80% of adjusted price projections                                    | 60%                           |
| Greater than 80% of adjusted price projections but less than 120% of adjusted price curves | Linearly interpolated         |
| Equal to or greater than 120% of the adjusted price projection                             | 0%                            |

**2. Nonprice Factors**

Nonprice factors will consist of:

- 1) Flexibility of resources (level of dispatch) (up to 20%)
- 2) Exceptions to any of the pro forma agreements (10%); and
- 3) Environmental attributes relative to the resource, if applicable (up to 10%).

Bidders are encouraged to clearly identify any limitation associated with their proposals, including but not limited to operational flexibility of the resources, reliability, fuel type and supply, interconnection or wheeling issues, or the existence of any pending legal action. Nonprice Factors will be weighted up to 40% in the determination of which proposals will be chosen for short listing.

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<sup>8</sup> The term “straight NPV calculation” refers to the act of present-valuing the net of the nominal capacity and energy value, and costs, to derive a net present value of the net margin between value and costs.

The Nonprice Factor weighting for operation issues shall consist of the following:

**Flexibility of Resource Nonprice Weighting Factors (20%)**

| <b>Dispatchability – Flexibility of the Resource</b>  | <b>Nonprice Weighting Factor Total of 20%</b> |
|---|---|
| PacifiCorp has the option to dispatch the resource the day prior to delivery (i.e., day ahead) and PacifiCorp has the option to adjust resource output, including the ability to dispatch the resource from zero, throughout the delivery day and within the delivery hour. | 20%   |
| PacifiCorp has the option to dispatch the resource the day prior to delivery (i.e., day ahead).   | 10%   |

**Changes to the Pro Forma Agreements Nonprice Weighting Factor (10%)**

The Nonprice weighting factors are binary (either the criteria are met or they are not met). If the proposal satisfies the requirement it is awarded the full percentage, if it does not it receives none.

| <b>Experience</b>  | <b>Nonprice Weighting Factor</b> |
|--|----------------------------------|
| Exception to any of the Pro Forma Agreements that are submitted with the Proposal. | 10%                              |

**Environmental Nonprice Weighting Factors (10%)**

Environmental Nonprice Weighting Factors

| Resource Type                 | Adjustment Factor <sup>9</sup> | Nonprice Weighting Factor     |
|-------------------------------|--------------------------------|-------------------------------|
| Coal                          | +/-0.15                        | 10% (1-.85-adjustment factor) |
| Nuclear                       | +/-0.10                        | 10% (1-.70-adjustment factor) |
| Oil                           | +/-0.10                        | 10% (1-.65-adjustment factor) |
| Natural Gas                   | +/-0.05                        | 10% (1-.50-adjustment factor) |
| Biomass                       | +/-0.15                        | 10% (1-.50-adjustment factor) |
| Geothermal                    | +/-0.15                        | 10% (1-.50-adjustment factor) |
| Solid Waste                   | +/-0.10                        | 10% (1-.60-adjustment factor) |
| Hydro within protected areas  | N/A                            | Bids not accepted             |
| Hydro outside protected areas | +/-0.10                        | 10% (1-.30-adjustment factor) |

The combination of the Price and Nonprice scoring will determine the short list through the initial Screening “first price sealed bid format.” The top bids in each resource category, up to approximately 525<sup>10</sup> in each category, will make up the initial short list. This short list of bids will then be utilized to create portfolios that would then be input into the Company’s production cost model to determine the least-cost/risk resource(s).

**C. Step 2—Final Short List—Production Cost Run**

The Final Short List will be derived utilizing a Production Cost evaluation in combination with the portfolios that were established, which will be completed on a series of individual proposals as a result of the Initial Short List. In the portfolio phase, a production-cost simulation and a transmission cost assessment are required to evaluate the cost impacts resulting from any interaction that may result from packaging several proposals into a portfolio.

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<sup>9</sup> An adjustment factor may be assigned to specific bids based on information specific to that particular asset site or project design. For example, a coal plant with state-of-the-art emission control technology may have an adjustment factor of 0.150.15, whereas a coal plant with high air emissions could have an adjustment factor of +0.15. Unless specific information is available to indicate that a particular bid or project design will result in incrementally more or less environmental impact, as compared to typical projects for that resource type, the adjustment factor will be set to zero.

<sup>10</sup> Except in the case of distributed generation or load curtailment, where bids with pricing scores greater than 0% will be short-listed, with the total in each exception category not to exceed 525 MWs.



A production-cost computer simulation of each proposal is required to estimate the operational savings associated with operating each proposal with the system dispatch. Each proposal's contribution to reducing the aggregate annual system generation costs—both variable costs and fixed costs—can be calculated by comparing a cost simulation of the bid against other portfolios.

The operational/variable cost components of each proposal will be modeled within the production-cost simulation. The production-cost model simulation will provide a breakdown of the variable costs and emission levels for each bid analyzed in addition to existing resources. The operating cost results of the production-cost model will be combined with the revenue requirements of any new incremental investments required by the bid, investment in new resources and/or transmission. The present value revenue requirement (PVRR) is the combination of the system wide variable operating expense and the revenue requirement costs associated with incremental capital investments. The projected annual cost savings will be calculated by taking the PVRR difference between each of the portfolio and comparing them against one another.

### ***Operational Costs***

For each portfolio, the operational information for each added proposal will be entered into the production-cost computer simulation, in addition to any necessary changes to the system topology, to reflect transmission upgrades required by the added proposals. The following operational information includes:

1. Maximum capacity of each unit
2. Minimum capacity of each unit
3. Dependable per-unit capacity
4. Peaking capacity, for use under specified conditions
5. Actual pre-specified commitment and/or unit dispatch
6. Daily charge for operating a unit for at least one hour in the day
7. Variable O&M cost of each unit
8. The heat rate curve for a unit
9. Pre-scheduled maintenance, number of units and duration
10. Maintenance rate, for distributed maintenance/unit
11. Mean, maximum, and minimum time to repair, for outages scheduled by Convergent Monte Carlo
12. Minimum up- and downtimes of a unit
13. Per-hour operating cost, exclusive of fuel and variable O&M costs
14. Pumped storage pumping capacity and pumping minimum
15. Unit ramp and run-up rates
16. Unit start-up O&M and fuel costs and corresponding hours
17. Emission rates/costs

The production-cost model simulation will provide information on system costs for fuel, variable plant O&M, unit start-up, market contracts and spot market purchases and sales.

### ***Fixed Costs***

As mentioned above, the revenue requirement costs associated with additional investments required by the bid—investment in new resources and/or transmission—will be added to the variable/operating costs. The information required for new resources required to calculate the Fixed Costs include:

1. Capital Costs—generation and transmission
2. Fixed O&M
3. Incremental Transmission Asset Life
4. Incremental Resource Asset Life

## **SECTION 6. AWARDING OF CONTRACTS**

### **A. Invitation**

RFP 2009 is merely an invitation to make proposals to the Company. No proposal in and of itself is a binding contract. The Company may, in its sole and absolute discretion, perform any one or more of the following:

- i. Determine which proposals are eligible for consideration as proposals in response to this RFP 2009.
- ii. Issue additional subsequent solicitations for information and conduct investigations with respect to the qualifications of each respondent.
- iii. Disqualify proposals contemplating resources that do not meet this RFP 2009's definition of flexible resources.
- iv. Supplement, amend, or otherwise modify this RFP 2009, or cancel this RFP 2009 with or without the substitution of another RFP.
- v. Negotiate and respond to Bidders to amend any proposals.
- vi. Select and enter into agreements with the respondents who, in the Company's sole judgment, are most responsive to the RFP 2009 and whose proposals best satisfy the interest of the Company and its customers, and not necessarily on the basis of any single factor alone.
- vii. Issue additional subsequent solicitations for proposals.
- viii. Reject any or all proposals in whole or in part.
- ix. Vary any timetable.
- x. Conduct any briefing session or further RFP 2009 process on any terms and conditions.
- xi. Withdraw any invitation to submit a response.

## **B. Rejection**

Without limiting the foregoing, proposals may be rejected for any of the following reasons, including without limitation:

- i. Receipt after the response deadline.
- ii. Failure to meet the requirements described in this RFP 2009.
- iii. Failure to have submitted a complete proposal with pertinent information necessary for evaluation.
- iv. Failure of the respondent's authorized officer to sign the Certification Form.
- v. Inability or unwillingness of the respondent to provide the required security or surety required for performance.
- vi. Failure to permit disclosure of information contained in the proposal to PacifiCorp agents, contractors or regulators.
- vii. Any attempt to influence PacifiCorp or the IE in the evaluation of the proposals, outside the solicitation process.
- viii. Any change in regulation or regulatory requirements.
- ix. Any collusive bidding or other anticompetitive conduct.  
Any failure to disclose the real parties in interest in the proposal submitted.
- x. The Bidder is in current litigation or has threatened litigation against PacifiCorp.

## **C. Post-Bid Negotiation**

The Company will further negotiate both price and nonprice factors during post-bid negotiations. The Company will continually update its economic and risk evaluation until a definitive agreement acceptable to the Company in its sole and absolute discretion is executed by both parties. **The Company shall have no obligation to enter into any agreement with any Bidder to this RFP 2009 and the Company may terminate or modify this RFP 2009 at any time without liability or obligation to any Bidder.**

## **D. Confidentiality Agreement**

All parties will be required to sign Confidentiality Agreements if they are short-listed (**Attachment 14**) prior to entering into negotiations with the Company.

## **E. Nonreliance Letter**

All parties will be required to sign a nonreliance letter if they are short-listed (**Attachment 15**) prior to entering into negotiations with PacifiCorp.

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**Request for Qualification  
for 2009 Request for  
Proposal  
Due October 21, 2005**

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**RFQ 2009**  
**APPENDIX A**  
**Qualification, Capability and**  
**Experience**

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# Appendix A

## Request for Qualification (RFQ) RFP 2009

**This RFQ must be fully completed and submitted by October 21, 2005 to the Independent Evaluator (IE) in order to participate in PacifiCorp's 2009 RFP.**

This is to declare that the undersigned intends to respond to PacifiCorp's:

Request for Proposals, Electric Resources (RFP 2009)

Please include:

**Company** \_\_\_\_\_

**Mailing Address/Phone/Fax/Email** \_\_\_\_\_

**Contact Person** \_\_\_\_\_

**Authorized Signature and Date** \_\_\_\_\_

Return by mail or fax by October, 2005 to:

Consulting

Attention: PacifiCorp RFP 2009

Address

City, State Zip

Phone:

Fax:

E-mail:

The RFQ consists of Appendix A and Appendix B. Both Appendices **must be completed in their entirety.** Bidders must be able to demonstrate their credit, capability, experience and qualification to deliver, along with specific references for each and every selected Eligible Reference resource option being submitted in response to the RFP.

PacifiCorp reserves the right, without qualification and in their sole discretion, to reject as non-responsive any, all, or portions of bid proposals received for failure to meet any requirement of this RFP 2009. PacifiCorp also reserves the right to request that the IE contact any Bidder for additional information. PacifiCorp further reserves the right without qualification and in their sole discretion to decline to enter into any Agreement with any Bidder for any reason.

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## 1. ELIGIBLE RESOURCES

Bidder must submit a separate form for each Eligible Resource it is going to submit. Each Eligible Resource will have a separate Bid number. Bidder must select by marking with an "X" only one of the following Eligible Resources which is described in Section C.1 of the RFP 2009. To the extent the Bidder submits a proposal that is different than the one checked, in the RFQ, PacifiCorp reserves the right not to accept the RFP Proposal.

- Power Purchase
  
- Tolling Agreement
  
- Asset Purchase and Sale Agreement on Bidder's Site
  
- Asset Purchase and Sales Agreement on PacifiCorp Site  
 Current Creek  Lake Side
  
- Engineering, Procurement and Construction Contract (EPC) (Currant Creek site only)
  
- Purchase of an existing Facility
  
- Purchase of a portion of a facility, jointly owned or operated by PacifiCorp
  
- Restructure of an existing Power Purchase Agreement (PPA)
  
- Restructure of an existing Exchange Agreement
  
- Distributed Generation
  
- Load Curtailment

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|  |   |
|--|---|
| <b>Full Legal Name of Seller:</b>                    |   |
| <b>Full Legal Name of Guarantor:</b>                 |   |
| <b>Commercial Contact:</b>                           |   |
| Title:   |   |
| Office Phone:  |   |
| Cell Phone:  |   |
| Email Address:                                       |   |
| <b>Credit Contact:</b>                               |   |
| Title:   |   |
| Office Phone:  |   |
| Cell Phone:  |   |
| Email Address:                                       |   |
| <b>Legal Contact:</b>                                |   |
| Title:   |   |
| Office Phone:  |   |
| Cell Phone:  |   |
| Email Address:                                       |   |
| <b>Proposed Project</b><br>(Describe all that apply) | <ul style="list-style-type: none"> <li>• Commercial Operation Date (earliest June 1, 2006) - _____</li> <li>• Size (100 MW minimum) - _____</li> <li>• Location and Delivery Point _____</li> <li>• Technology (e.g. LM 6000, CT, CCGT, etc.) _____</li> <li>• New, Repowered or Relocated _____</li> <li>• Status of Project development and engineering _____</li> <li>• Status of Construction and Air Applications and Permits _____</li> <li>• Status of Electric Interconnection Request and Studies _____</li> <li>• Status of Gas System Interconnection Agreements _____</li> <li>• Other Information - _____</li> </ul> |



## **2. BIDDER QUALIFICATION**

Please complete and/or provide documentation on the following sections listed below

1. Corporate structure and primary and secondary businesses
2. Location of offices
3. Biographies of key officers
4. Please provide documentation of your company's previous experience providing the Proposed Eligible resource over the last three to five years.
5. At least one contact (name and telephone number) for each project or power supply venture (for reference purposes) the Bidder has entered into.

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6. Description of any current or previous contract dispute(s) involving similar projects in which the Bidder is or was involved during the last five years.

7. Provide separate descriptions, as appropriate, for each member of a consortium or partnership of two or more firms and the relationship between the firms for this Proposal.

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### 3. Bidder Experience

In the case where a bid contains a proposal to develop a new project or an existing project please describe the status of all activities necessary to either fully develop and/or implement the project, such as negotiations for partnership agreements, equipment supplier agreements, and EPC agreements, fuel supply agreements, if applicable, permitting, financing etc. **Any and all contingencies must be described in detail.** If the Bidder cannot demonstrate to the Company's reasonable satisfaction that the Bidder possesses the requisite expertise and experience in providing or operating the Eligible Resources, proposed by the Bidder, the company, after consulting with the IE, reserves the right to exclude the Bidder from the RFP process.

## 4. Bidder Capability

### Site Description and Control

Provide the following information:

- (i) Address the site where the Project will be located (the “Project Site”).
- (ii) Name of existing facility at the Project Site, if any.
- (iii) True and correct copies of maps showing the boundaries of the Project Site and key facilities, including any off-sites (fuel, water, wastewater and electrical interconnections).
- (iv) List and provide a copy of documentation establishing that the Seller has and /or will have site control for the entire Term of the Definitive Agreements.
- (v) If Seller does not have site control as of the date of this Offer Sheet, Seller must describe in detail how it plans to obtain site control by the first date of the Term of the Definitive Agreements, including a description of the current status of any negotiations regarding the Project Site and a timeline of when Seller will have site control.
- (vi) Status of permits or process applicable to the Project
- (vii) Emissions offsets and credits required and how these will be obtained.
- (viii) Source of water – if the Bidder has control and if not, how will it be obtained.
- (ix) Proposed Project Construction schedule to be updated with the proposal.

If the Bidder cannot demonstrate to the Company’s reasonable satisfaction that the Bidder possesses the capability to provide the Eligible Resources, proposed by the Bidder, the Company, after consulting with the IE, reserves the right to exclude the Bidder from the RFP process.

**RFQ 2009**  
**APPENDIX B**  
**Credit and Credit Matrix**

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# **BIDDER'S CREDIT INFORMATION AND CREDIT MATRIX**

**Please provide the following information so PacifiCorp can evaluate the financial viability of the Bidder or any entity providing credit assurances on behalf of the Bidder.**

## **Bidder's Credit Information**

### 1. Credit information for Bidder

A. Exact, legal name and address of Bidder:

B. Debt Ratings from S&P and/or Moody's (please provide senior unsecured long term debt rating (or corporate rating if a debt rating is unavailable). Please indicate type of rating, rating, and source:

C. Please attach copies of audited financial statements (including balance sheet, income statement, and cash flow statement) for the three most recent fiscal years.

Fiscal Year End:

D. Identify pending legal disputes (describe):

E. Please state whether Bidder is or has within the past five (5) years been the debtor in any bankruptcy proceeding.

F. If Bidder is unable to provide audited financial statements or is relying upon another entity to provide credit assurances on its behalf, Bidder must indicate so here and complete the following section.

Is Bidder unable to provide audited financial statements?

Is Bidder relying upon another entity to provide credit assurances on Bidder's behalf?

**2. Credit information for entity providing credit assurances on behalf of Bidder (if applicable)**

A. Exact, legal name and address of entity providing credit assurances on behalf of Bidder:

B. Describe relationship to Bidder and describe type of credit assurances to be provided (e.g. parental guaranty, letter of credit, etc.). Bidder must provide a letter of commitment from the entity providing the credit assurances on behalf of the Bidder executed by an authorized signatory and indicating the amount and form of credit assurances it will provide.

C. Debt Ratings from S&P and/or Moody's (please provide senior unsecured long term debt rating (or corporate rating if a debt rating is unavailable). Please indicate type of rating, rating, and source:

D. Please attach copies of audited financial statements (including balance sheet, income statement, and cash flow statement) for the three most recent fiscal years.

Fiscal Year End:

E. Pending legal disputes (describe):

F. Please state whether entity providing credit assurances on behalf of the Bidder is or has within the past five (5) years been the debtor in any bankruptcy proceeding.

## CREDIT MATRIX

**The Bidder should utilize the Credit Matrix below to determine the maximum credit assurance requirements based on its' credit rating and the size and type of Eligible Resource bid. The Bidder will be required to demonstrate their ability to post credit assurances in the amounts outlined in the Credit Matrix below.**

The amount of any credit assurances to be provided will be determined based upon the a) the Credit Rating in the Credit Matrix of either the Bidder or the entity providing credit assurances on behalf of the Bidder, b) the size of the project, and c) the type of Eligible Resource. The Credit Rating will be the lower of: x) the most recently published senior, unsecured long term debt rating (or corporate rating if a debt rating is unavailable) from Standard & Poor's (S&P) or y) the most recently published senior, unsecured debt rating (or corporate rating if a debt rating is unavailable) Moody's Investor Services.

If option x) or y) is not available, the Credit Rating will be determined by PacifiCorp Credit through an internal process review utilizing a proprietary credit scoring model developed in conjunction with S&P. All Bidders will receive a Credit Rating which will determine the amount of credit assurances to be posted.

Please note that should a Bidder be an existing counterparty with PacifiCorp, PacifiCorp reserves the right to protect itself from counterparty credit concentration risk and require credit assurance in addition to those outlined in the Credit Matrix.



## CREDIT MATRIX

### For Eligible Resources C3, C4, C5, C6 and C7

| Size of Nameplate bid in MW ==> | 125          | 150          | 175          | 200          | 225          | 250          | 275          | 300          | 325           | 350           | 375           | 400           | 425           | 450           | 475           | 500           | 525           |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Credit Rating                   | 100-125      | 126-150      | 151-175      | 176-200      | 201-225      | 226-250      | 251-275      | 276-300      | 301-325       | 326-350       | 351-375       | 376-400       | 401-425       | 426-450       | 451-475       | 476-500       | 501-525       |
| AAA/Aaa and above               | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           |
| AA+/Aa1                         | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           |
| AA/Aa2                          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           |
| AA-/Aa3                         | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           |
| A+/A1                           | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           |
| A/A2                            | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           |
| A-/A3                           | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           |
| BBB+/Baa1                       | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           |
| BBB/Baa2                        | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           |
| BBB-/Baa3 and below             | \$38,631,875 | \$46,358,250 | \$54,084,625 | \$61,811,000 | \$69,537,375 | \$77,263,750 | \$84,990,125 | \$92,716,500 | \$100,442,875 | \$108,169,250 | \$115,895,625 | \$123,622,000 | \$131,348,375 | \$139,074,750 | \$146,801,125 | \$154,527,500 | \$162,253,875 |

### For Eligible Resources C1, C2 and C8

| Size of Nameplate bid in MW ==> | 100-125      | 126-150      | 151-175       | 176-200       | 201-225       | 226-250       | 251-275       | 276-300       | 301-325       | 326-350       | 351-375       | 376-400       | 401-425       | 426-450       | 451-475       | 476-500       | 501-525       |
|---------------------------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Credit Rating                   | 100-125      | 126-150      | 151-175       | 176-200       | 201-225       | 226-250       | 251-275       | 276-300       | 301-325       | 326-350       | 351-375       | 376-400       | 401-425       | 426-450       | 451-475       | 476-500       | 501-525       |
| AAA/Aaa and above               | \$0          | \$0          | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           |
| AA+/Aa1                         | \$0          | \$0          | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           |
| AA/Aa2                          | \$0          | \$0          | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           |
| AA-/Aa3                         | \$0          | \$0          | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           |
| A+/A1                           | \$0          | \$0          | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           |
| A/A2                            | \$0          | \$0          | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$12,362,200  | \$27,814,950  | \$43,267,700  | \$58,720,450  | \$74,173,200  | \$89,625,950  | \$105,078,700 | \$120,531,450 | \$135,984,200 |
| A-/A3                           | \$0          | \$0          | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$12,362,200  | \$27,814,950  | \$43,267,700  | \$58,720,450  | \$74,173,200  | \$89,625,950  | \$105,078,700 | \$120,531,450 | \$135,984,200 |
| BBB+/Baa1                       | \$0          | \$0          | \$0           | \$0           | \$0           | \$12,980,310  | \$28,433,060  | \$43,885,810  | \$59,338,560  | \$74,791,310  | \$90,244,060  | \$105,696,810 | \$121,149,560 | \$136,602,310 | \$152,055,060 | \$167,507,810 | \$182,960,560 |
| BBB/Baa2                        | \$0          | \$0          | \$13,598,420  | \$29,051,170  | \$44,503,920  | \$59,956,670  | \$75,409,420  | \$90,862,170  | \$106,314,920 | \$121,767,670 | \$137,220,420 | \$152,673,170 | \$168,125,920 | \$183,578,670 | \$199,031,420 | \$214,484,170 | \$229,936,920 |
| BBB-/Baa3 and below             | \$77,263,750 | \$92,716,500 | \$108,169,250 | \$123,622,000 | \$139,074,750 | \$154,527,500 | \$169,980,250 | \$185,433,000 | \$200,885,750 | \$216,338,500 | \$231,791,250 | \$247,244,000 | \$262,696,750 | \$278,149,500 | \$293,602,250 | \$309,055,000 | \$324,507,750 |

### For Eligible Resource C9 a)

| Size of Nameplate bid in MW ==> | For a term of up to and including 10 years |              |              |              | For a term of greater than 10 years |              |              |              |
|---------------------------------|--|--------------|--------------|--------------|-------------------------------------|--------------|--------------|--------------|
|                                 | Up to 25                                   | 26 to 50     | 51 to 75     | 76 to 100    | Up to 25                            | 26 to 50     | 51 to 75     | 76 to 100    |
| Credit Rating                   | Up to 25                                   | 26 to 50     | 51 to 75     | 76 to 100    | Up to 25                            | 26 to 50     | 51 to 75     | 76 to 100    |
| AAA/Aaa and above               | \$0  | \$0          | \$0          | \$0          | \$0                                 | \$0          | \$0          | \$0          |
| AA+/Aa1                         | \$0  | \$0          | \$0          | \$0          | \$0                                 | \$0          | \$0          | \$0          |
| AA/Aa2                          | \$0  | \$0          | \$0          | \$0          | \$0                                 | \$0          | \$0          | \$0          |
| AA-/Aa3                         | \$0  | \$0          | \$0          | \$0          | \$0                                 | \$0          | \$0          | \$0          |
| A+/A1                           | \$0  | \$0          | \$0          | \$0          | \$0                                 | \$0          | \$0          | \$0          |
| A/A2                            | \$0  | \$0          | \$0          | \$0          | \$0                                 | \$0          | \$0          | \$0          |
| A-/A3                           | \$0  | \$0          | \$0          | \$0          | \$0                                 | \$0          | \$0          | \$0          |
| BBB+/Baa1                       | \$0  | \$0          | \$0          | \$0          | \$0                                 | \$0          | \$0          | \$0          |
| BBB/Baa2                        | \$0  | \$0          | \$0          | \$0          | \$0                                 | \$0          | \$0          | \$0          |
| BBB-/Baa3 and below             | \$7,726,375                                | \$15,452,750 | \$23,179,125 | \$30,905,500 | \$15,452,750                        | \$30,905,500 | \$46,358,250 | \$61,811,000 |

**RFP 2009**  
**Appendix C**  
**Information Required in Bid**  
**Proposals**  
**September 2005**

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## **Appendix C-1**

### **Power Purchase Agreements and Tolling Agreements**

#### **Information Required in Bid Proposals**

In general, PacifiCorp expects Bidders to provide any information that could impact the cost, reliability, dispatch frequency, or output capability of a resource. In the event a Bidder is proposing a transaction that does not require the construction of a resource, much of the following information may not apply. PacifiCorp believes these resources attributes largely consist, but may not be limited to, the following information categories:

**Impact of Temperature on Output** – If Project output will vary with ambient conditions, capacity, and any associated performance impact, should be stated in terms of conditions expected during a summer day, with ambient air conditions of 95°F and 20% relative humidity, and a winter day with ambient conditions of 20°F and 75% relative humidity. The Bidder will complete Table C-1.1 showing output at specific ambient conditions, with and without duct firing and/or power augmentation, if applicable. To the extent pricing, capacity and/or availability vary based on specific characteristics of the facility, the Bidder shall clearly identify those relationships in tabular form.

**Impact of Other Factors on Output** – PacifiCorp prefers generation facilities designed, permitted, and operated so that, to the extent practicable, the proposed capacity and any related energy provided to PacifiCorp is not restricted by:

- Environmental permits or other environmental limitation or environmental forfeitures
- Hours of operation
- Sales of capacity or energy to other parties
- Interruption of primary fuel supply
- Sale of thermal energy
- Any other factor relevant to the technology (noise, agreements with neighbors, etc.
- Bidders shall describe in detail any such limitations in their Proposal
- Ability to provide additional capacity over the net capable rating
- Non-environmental or technology factors that could encumber the facility
- Water availability

**Siting** – Bidders are responsible for all construction and coordination with the applicable service provider(s) for any new electrical transmission and fuel transportation facilities

required in response to this RFP. Bidders are responsible for satisfying all zoning and environmental requirements.

**Facility Information** – To the extent applicable, the Bidder should clarify the following information with respect to any proposed facility:

- Proposed air emissions (all criteria pollutants and air toxics), description of emission controls, description of plan to acquire any required emission offsets, and description of criteria used to determine requirement.
- List of required environmental, construction, and other regulatory permits and timeline for acquisition.
- Proposed water usage quantity, quality and source.
- Proposed water discharge quantity and quality, plus description of water discharge plan.
- Receiving water body identity and description
- Description of local groundwater quality, quantity, uses, and potential impacts.
- Prevailing noise ordinance at the site and expected sound level (A-weighted) at full load at the site boundary.
- Proposed noise levels and description of noise baffles and stack silencing equipment.
- Proposed site plans, layouts, elevations and other aspects of the facility.
- Types of transportation access required.
- Characterization of the area surrounding the site, including a description of local zoning, flood plain information (100 yr. & 500 yr.), existing land use and setting (woodlands, grasslands, agriculture, etc.).
- Information of fish, wildlife and vegetation inhabiting the area of the Project.
- Proximity to nearest endangered or threatened species which could be potentially impacted.
- Proximity to nearest historical or archaeological resources and all nearby historical or archaeological resources which could potentially be impacted.
- Location and distance to population centers which could be impacted.
- Expected site ambient temperature extremes and verification that freeze protection will be provided as necessary.

**Fuel Transportation Route Information** – To the extent applicable, the Bidder should clarify any relevant information with respect to fuel transportation route information for any proposed site:

- Proposed new fuel transportation route(s).
- Estimated impact on wetlands (e.g., length of route through wetland).

- Describe land use impacts.
- Descriptions of stream crossings.
- Characterization of the area encompassing the fuel transportation route, including a description of existing land use and setting.

**Proposal Format** – As mentioned above, Bidders are being asked to submit a “blinded” bid in such a format that the identity of the Bidder is not apparent. In doing so, PacifiCorp is requesting that Bidders confirm to the following format for presenting their bid information:

**Section 1 – Executive Summary of Proposal** – The Executive Summary section should provide an overall description of the proposal and its key benefits and advantages to PacifiCorp. It should include a general description of the technology, location, and business arrangement for the bid. Bidder shall state the period under which the terms and conditions of their Proposal will remain effective.

**Section 2 – Resource Description** – This section should include a description of the resource, including:

- Type of generation equipment and description
- Manufacturers of major equipment
- Model number, serial number and age of any previously owned/operated, or “grey market” equipment
- Type of heat rejection equipment (cooling towers, ponds, Air-Cooled Condenser, etc.)
- Source of process and/or cooling water
- Wastewater disposal plan
- Water Balance
- Description of financing plan
- Description of operation and maintenance plan
- Plan for site control
- Site layout description
- Description of technology and configuration
- Net Capacity ratings and net heat rates at ambient conditions as specified in Table C-1.1.
- Primary fuel supply and backup alternatives
- Electrical interconnection (location, transmission provider, and control area)
- Description of emission control technology, including manufacturer
- Any limits on hours of operation in a particular mode (i.e., combined cycle, duct firing, power augmentation, or combination thereof)
- Any limits on emissions

- Project schedule, listing tasks and milestones with estimated completion dates. Bidders shall also complete Exhibit 1 to document technical aspects of their Proposal
- Startup Time for Cold, Warm and Hot Starts. A Cold Start is defined as a shutdown of the generating equipment for 48 hours or longer. A Warm Start is defined as a startup within 48 hours of a shutdown. A Hot Start is defined as a start within 8 hours of a shutdown. Bidder should provide its own definitions if different. For this information Startup Times requested may be for the time to minimum sustainable load and time to full load, without duct firing or power augmentation.
- Guarantee and expected degradation curves (kW and heat rate)
- Guaranteed availability and reliability
- Long Term Outage Plan
- Anticipated on-site gas compression, if applicable.

**Section 3 – Pricing Proposal** – Describe in detail the pricing proposal, including the use of any index, escalation factors, or other costs to PacifiCorp. Proposed dates, amounts, and detailed milestone descriptions justifying payments are required.

**Section 4 – Transmission** – Each Proposal must include a description of the location of its proposed transmission facilities, including proposed delivery points, and must specify the transmission provider and all applicable costs.

**Section 5 – Environmental and Siting** – The Bidder is exclusively and entirely responsible for meeting and satisfying all federal, state, and local permits, licenses, approvals and/or variances that are required to assure physical delivery of capacity and associated energy in accordance with any PPA or Tolling transaction. Bidder must furnish applicable detailed project site, electric transmission, and fuel transportation information, a description of all required permits, and a project timeline so PacifiCorp can assess site suitability, schedule risk and project viability. The proposed site(s) shall clearly be shown on a United States Geological Survey (USGS) 7.5-minute series map.

#### **Section 6 – Other Information**

**Fuel** – Bidders should describe their fuel supply plan and the extent to which they desire to provide fuel and transportation and other fuel-related services, including fuel price management (hedging) or a tolling fee in which PacifiCorp will be responsible for all the fuel and fuel-related costs. PacifiCorp's preference is for proposals that address its need for reliability, management of price risk, and meeting the flexibility of completely dispatchable operations. If the energy cost portion of the Bidder's terms includes a fuel cost component, the Bidder shall explain its proposed fuel supply program.

PacifiCorp  
Draft RFP 2009  
Responses due December 1, 2005

**Dispatchability** – Describe any constraints and/or limitations on PacifiCorp’s ability to dispatch the generation and any ability of PacifiCorp to utilize the resource for operating reserves.

**Technical Data** – Technical data as requested in Exhibit 1 of this Appendix.

**Section 7 – Contract Terms** – Bidder shall provide a comprehensive listing/description of all contract terms in the PacifiCorp PPA or TSA, including appendices, that the Bidder would seek to modify during contract negotiations. Bidder to identify any and all PacifiCorp obligations not specifically outlined in the referenced agreements.

**EXHIBIT 1**  
**TECHNICAL DATA**

Site Location \_\_\_\_\_

Net Capacity at 95°F, 20% Relative Humidity, and at Site Conditions is \_\_\_\_\_ MW

Site Elevation: \_\_\_\_\_ Feet

Maximum water consumption is \_\_\_\_\_ gallons per minute.

Expected water consumption is \_\_\_\_\_ acre-feet per year.

Minimum Sustainable Load at above conditions \_\_\_\_\_ MW

Automatic Generation Control (AGC) capable Yes \_\_\_\_ No \_\_\_\_\_. If yes than the AGC range at above conditions is \_\_\_\_\_ MW to \_\_\_\_\_ MW.

Maximum number of starts per day is \_\_\_\_\_, per month \_\_\_\_\_, per year \_\_\_\_\_.

Maximum continuous period that the facility can operate steam-for-power-augmentation at full load without depleting the demineralized water system is \_\_\_\_\_ hours. This assumes the demineralized water system is operating at rated capacity.

Weighted Average Raw Water Consumption is \_\_\_\_\_ gallons per minute.

Time to bring the facility on line, in minutes (specify if this is to synchronization or sustainable minimum load) (Bidder to define "cold", "warm", and "hot starts", if not as stated above)

|                 | Min/Sust. | Full Load |
|-----------------|-----------|-----------|
| For Cold Start: | _____     | _____     |
| For Warm Start: | _____     | _____     |
| For Hot Start:  | _____     | _____     |

Minimum time on-line (hours from start initiation to stop initiation) \_\_\_\_\_

Minimum time off-line (hours from stop initiation to start initiation) \_\_\_\_\_

Normal Ramp Rate within operating range: (MW/Min.) Increase: \_\_\_\_\_ Decrease: \_\_\_\_\_

Emergency Ramp Rate: (MW/Minute) Increase: \_\_\_\_\_ Decrease: \_\_\_\_\_



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Time to transfer from combined cycle to duct firing \_\_\_\_\_ min.

Duct Firing Ramp Rate: (MW/Min.) Increase: \_\_\_\_\_ Decrease: \_\_\_\_\_

Time to transfer from combined cycle to power augmentation \_\_\_\_\_ min.

Power Augmentation Ramp Rate: (MW/Min.) Increase: \_\_\_\_\_ Decrease: \_\_\_\_\_

Anticipates Number of Starts per CT to reach Commercial Operation (CO): \_\_\_\_\_

Anticipated quantity of natural gas consumed through CO: \_\_\_\_\_ dth.

### **Additional Information**

Bidder to provide partial load performance curves, including minimum load, showing heat rate and load at varying temperatures.

To the extent that pricing and/or availability vary based on specific characteristics of the facility and/or ambient conditions, the Bidder shall clearly identify that relationship in tabular form, including the relationship between temperature and capacity over the local ambient range inclusive of -10°F to 105°F. Bidder to fill out Table C-1.1 below:

**Table C-1.1**

| Temp in °F | % RH | Evap or Chiller | Duct Burners | Power Aug. | Heat Rate | Net Output | Min. Load |
|------------|------|-----------------|--------------|------------|-----------|------------|-----------|
| -10        | 100  |                 |              |            |           |            |           |
| -10        | 100  |                 | On           |            |           |            | NA        |
| 0          | 100  |                 |              |            |           |            |           |
| 10         | 100  |                 |              |            |           |            |           |
| 15         | 84   |                 |              |            |           |            |           |
| 20         | 86   |                 |              |            |           |            |           |
| 20         | 86   |                 | On           |            |           |            | NA        |
| 20         | 86   |                 |              | On         |           |            | NA        |
| 20         | 86   |                 | On           | On         |           |            | NA        |
| 30         | 75   |                 |              |            |           |            |           |
| 40         | 55   |                 |              |            |           |            |           |
| 50         | 49   |                 |              |            |           |            |           |
| 52         | 46   |                 |              |            |           |            |           |
| 52         | 46   | On              |              |            |           |            |           |
| 60         | 40   | On              |              |            |           |            |           |
| 60         | 40   |                 | On           |            |           |            | NA        |
| 60         | 40   |                 |              | On         |           |            | NA        |
| 60         | 40   |                 | On           | On         |           |            | NA        |
| 70         | 33   | On              |              |            |           |            |           |
| 75         | 29   | On              |              |            |           |            |           |
| 75         | 29   |                 | On           |            |           |            | NA        |
| 75         | 29   |                 |              | On         |           |            | NA        |
| 75         | 29   |                 | On           | On         |           |            | NA        |
| 80         | 25   | On              |              |            |           |            |           |
| 90         | 16   | On              |              |            |           |            |           |
| 95         | 15   | On              |              |            |           |            |           |
| 95         | 15   |                 | On           |            |           |            | NA        |
| 95         | 15   |                 |              | On         |           |            | NA        |
| 95         | 15   |                 | On           | On         |           |            | NA        |
| 105        | 11   |                 |              |            |           |            |           |
| 105        | 11   | On              | On           | On         |           |            | NA        |

## **Appendix C-2, BOT Contract (APSA) Bids**

### **Information Required in Bid Proposals**

In general, PacifiCorp expects Bidders to provide any information that could impact the cost, reliability, dispatch frequency, or output capability of a resource. PacifiCorp believes these resources attributes largely consist, but may not be limited to, the following information categories:

**Impact of Temperature on Output** – If Project output will vary with ambient conditions, capacity, and any associated performance impact, should be stated in terms of conditions expected during a summer day, with ambient air conditions of 95°F and 20% relative humidity, and a winter day with ambient conditions of 20°F and 75% relative humidity. The Bidder will complete Table C-2.1 showing output at specific ambient conditions, with and without duct firing and/or power augmentation. To the extent pricing, capacity and/or availability vary based on specific characteristics of the facility, the Bidder shall clearly identify those relationships in tabular form.

**Impact of Other Factors on Output** – PacifiCorp prefers generation facilities designed, permitted, and operated so that, to the extent practicable, the proposed capacity and any related energy provided to PacifiCorp is not restricted by:

- Environmental permits or other environmental limitation or environmental forfeitures
- Hours of operation
- Any other factor relevant to the technology (noise, agreements with neighbors, etc.
- Bidders shall describe in detail any such limitations in their Proposal
- Ability to provide additional capacity over the net capable rating
- Non-environmental or technology factors that could encumber the facility
- Water availability

**Build Own Transfer (BOT) Option** – Bidders may propose a fixed-price, lump-sum sale of new generation assets to PacifiCorp, either at an existing PacifiCorp site or propose other sites. Such proposals must include the following information in addition to any technical information:

- Markup of Asset Purchase and Sale Agreement (APSA), including appendices. Quantity and impact of proposed changes are a nonprice factor in selecting Bidders for further discussions.
- Amounts and dates of **milestone-based** payments, including descriptions, required of PacifiCorp.

- Information regarding location and transmission availability.
- Information regarding fuel and transportation availability.
- Capacity on summer design day in compliance with all regulatory requirements.
- Efficiency (Heat Rate) in compliance with all regulatory requirements.
- Proposed facilities will only contain “OEM-certified new major equipment”. This being defined as OEM equipment that has not been previously installed or operated and has the same warranties and guarantees as equipment delivered directly from the OEM’s production line, and all reliability and design TILS and/or Service Bulletins have been implemented.

**Siting** – Bidders are responsible for all construction and coordination with the applicable service provider(s) for any new electrical transmission and fuel transportation facilities required in response to this RFP. Bidders are responsible for satisfying all zoning and environmental requirements.

**Facility Information** – To the extent applicable, the Bidder should clarify the following information with respect to any proposed facility:

- Proposed air emissions (all criteria pollutants and air toxics), description of emission controls, description of plan to acquire any required emission offsets, and description of criteria used to determine requirement.
- List of required environmental, construction, and other regulatory permits and timeline for acquisition.
- Proposed water usage quantity, quality and source.
- Proposed water discharge quantity and quality, plus description of water discharge plan.
- Receiving water body identity and description
- Description of local groundwater quality, quantity, uses, and potential impacts.
- Prevailing noise ordinance at the site and expected sound level (A-weighted) at full load at the site boundary.
- Proposed noise levels and description of noise baffles and stack silencing equipment.
- Proposed site plans, layouts, elevations and other aspects of the facility.
- Types of transportation access required.
- Characterization of the area surrounding the site, including a description of local zoning, flood plain information (100 yr. & 500 yr.), existing land use and setting (woodlands, grasslands, agriculture, etc.).
- Information of fish, wildlife and vegetation inhabiting the area of the Project.

- Proximity to nearest endangered or threatened species which could be potentially impacted.
- Proximity to nearest historical or archaeological resources and all nearby historical or archaeological resources which could potentially be impacted.
- Location and distance to population centers which could be impacted.
- Expected site ambient temperature extremes and verification that freeze protection will be provided as necessary.

**Fuel Transportation Route Information** – To the extent applicable, the Bidder should clarify any relevant information with respect to fuel transportation route information for any proposed site:

- Proposed new fuel transportation route(s).
- Estimated impact on any wetlands (e.g., length of route through wetlands or other sensitive lands).
- Describe land use impacts.
- Descriptions of stream crossings.
- Characterization of the area encompassing the fuel transportation route, including a description of existing land use and setting.

**Proposal Format** – As mentioned above, Bidders are being asked to submit a “blinded” bid in such a format that the identity of the Bidder is not apparent. In doing so, PacifiCorp is requesting that Bidders confirm to the following format for presenting their bid information:

**Section 1 – Executive Summary of Proposal** – The Executive Summary section should provide an overall description of the proposal and its key benefits and advantages to PacifiCorp. It should include a general description of the technology, location, and business arrangement for the bid. Bidder shall state the period under which the terms and conditions of their Proposal will remain effective.

**Section 2 – Resource Description** – This section should include a description of the resource, including:

- Type of generation equipment and description
- Manufacturers of major equipment
- Type of heat rejection equipment (cooling towers, ponds, ACC, etc.)
- Source of process and/or cooling water
- Wastewater disposal plan
- Description of financing plan
- Description of operation and maintenance plan
- Plan for site control

- Site layout description
- Description of technology and configuration
- Net Capacity ratings and net heat rates at ambient conditions as specified in Table C-2.1.
- Primary fuel supply and backup alternatives
- Electrical interconnection (location, transmission provider, and control area)
- Description of emission control technology, including manufacturer
- Project schedule, listing tasks and milestones with estimated completion dates. Bidders shall also complete Exhibit 1 to document some of the technical aspects of their Proposal
- Startup Time for Cold, Warm and Hot Starts. A Cold Start is defined as a shutdown of the generating equipment for 48 hours or longer. A Warm Start is defined as a startup within 48 hours of a shutdown. A Hot Start is defined as a start within 8 hours of a shutdown. Bidder should provide its own definitions if different. For this information Startup Times requested may be for the time to minimum sustainable load and time to full load, without duct firing or power augmentation.

**Section 3 – Pricing Proposal** – Describe in detail the pricing proposal, including the use of any index, escalation factors, or other costs to PacifiCorp. Proposed dates, amounts, and detailed milestone descriptions justifying payments are required.

**Section 4 – Transmission** – Each Proposal must include a description of the location of its proposed transmission facilities, including proposed delivery points, and must specify the transmission provider and all applicable costs.

**Section 5 – Environmental and Siting** – The Bidder is exclusively and entirely responsible for meeting and satisfying all federal, state, and local permits, licenses, approvals and/or variances that are required to assure physical delivery of capacity and associated energy in accordance with any BOT transaction. Bidder must furnish applicable detailed project site, electric transmission, and fuel transportation information, a description of all required permits, and a project timeline so PacifiCorp can assess site suitability, schedule risk and project viability. The proposed site(s) shall clearly be shown on a United States Geological Survey (USGS) 7.5-minute series map.

**Section 6 – Other Information** –

**Fuel** – Bidders should describe their fuel supply plan and the extent to which they desire to provide fuel and transportation and other fuel-related services, including fuel price management (hedging) or a tolling fee in which PacifiCorp will be responsible for all the fuel and fuel-related costs. PacifiCorp's preference is for proposals that address its need for reliability, management of price risk, and meeting the flexibility of completely

dispatchable operations. If the energy cost portion of the Bidder's terms includes a fuel cost component, the Bidder shall explain its proposed fuel supply program.

**Dispatchability** – Describe any constraints and/or limitations on PacifiCorp's ability to dispatch the generation and any ability of PacifiCorp to utilize the resource for operating reserves.

**Technical Data** – Technical data as requested in Exhibit 1 of this Appendix.

**Section 7 – Contract Terms** – The Bidder will provide a comprehensive listing/description of all modifications to the APSA terms and conditions, including the appendices, which the Bidder would seek during contract negotiations.

These may include, but are not limited to:

- Items to be provided by the Owner, including a schedule of timing for the provision of these items and impact on Bidder of any delays.
- Land requirements for construction of the facility, including laydown areas
- Laydown plan for construction.
- Commissioning & Startup Plan with Owner's requirements.

**EXHIBIT 1**  
**TECHNICAL DATA**

Site Location \_\_\_\_\_

Net Capacity at 95°F, 20% Relative Humidity, and at Site Conditions is \_\_\_\_\_ MW

Site Elevation: \_\_\_\_\_ Feet

Maximum water consumption is \_\_\_\_\_ gallons per minute.

Expected water consumption is \_\_\_\_\_ acre-feet per year.

Minimum Sustainable Load at above conditions \_\_\_\_\_ MW

Automatic Generation Control (AGC) capable Yes \_\_\_\_ No \_\_\_\_\_. If yes than the AGC range at above conditions is \_\_\_\_\_ MW to \_\_\_\_\_ MW.

Maximum number of starts per day is \_\_\_\_\_, per month \_\_\_\_\_, per year \_\_\_\_\_.

Maximum continuous period that the facility can operate steam-for-power-augmentation at full load without depleting the demineralized water system is \_\_\_\_\_ hours. This assumes the demineralized water system is operating at rated capacity.

Weighted Average Raw Water Consumption is \_\_\_\_\_ gallons per minute.

Time to bring the facility on line, in minutes (specify if this is to synchronization or sustainable minimum load) (Bidder to define "cold", "warm", and "hot starts", if not as stated above)

|                 | Min/Sust. | Full Load |
|-----------------|-----------|-----------|
| For Cold Start: | _____     | _____     |
| For Warm Start: | _____     | _____     |
| For Hot Start:  | _____     | _____     |

Minimum time on-line (hours from start initiation to stop initiation) \_\_\_\_\_

Minimum time off-line (hours from stop initiation to start initiation) \_\_\_\_\_

Normal Ramp Rate within operating range: (MW/Min.) Increase: \_\_\_\_\_ Decrease: \_\_\_\_\_

Emergency Ramp Rate: (MW/Minute) Increase: \_\_\_\_\_ Decrease: \_\_\_\_\_



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Time to transfer from combined cycle to duct firing \_\_\_\_\_ min.

Duct Firing Ramp Rate: (MW/Min.) Increase: \_\_\_\_\_ Decrease: \_\_\_\_\_

Time to transfer from combined cycle to power augmentation \_\_\_\_\_ min.

Power Augmentation Ramp Rate: (MW/Min.) Increase: \_\_\_\_\_ Decrease: \_\_\_\_\_

Anticipates Number of Starts per CT to reach Commercial Operation (CO): \_\_\_\_\_

Anticipated quantity of natural gas consumed through CO: \_\_\_\_\_ dth.

### **Additional Information**

Bidder to provide partial load performance curves, including minimum load, showing heat rate and load at varying temperatures.

To the extent that pricing and/or availability vary based on specific characteristics of the facility and/or ambient conditions, the Bidder shall clearly identify that relationship in tabular form, including the relationship between temperature and capacity over the local ambient range inclusive of -10°F to 105°F. Bidder to fill out Table C-2.1 below:

**Table C-2.1**

| Temp in °F | % RH | Evap or Chiller | Duct Burners | Power Aug. | Heat Rate | Net Output | Min. Load |
|------------|------|-----------------|--------------|------------|-----------|------------|-----------|
| -10        | 100  |                 |              |            |           |            |           |
| -10        | 100  |                 | On           |            |           |            | NA        |
| 0          | 100  |                 |              |            |           |            |           |
| 10         | 100  |                 |              |            |           |            |           |
| 15         | 84   |                 |              |            |           |            |           |
| 20*        | 86   |                 |              |            |           |            |           |
| 20         | 86   |                 | On           |            |           |            | NA        |
| 20         | 86   |                 |              | On         |           |            | NA        |
| 20*        | 86   |                 | On           | On         |           |            | NA        |
| 30         | 75   |                 |              |            |           |            |           |
| 40         | 55   |                 |              |            |           |            |           |
| 50         | 49   |                 |              |            |           |            |           |
| 52         | 46   |                 |              |            |           |            |           |
| 52         | 46   | On              |              |            |           |            |           |
| 60         | 40   | On              |              |            |           |            |           |
| 60         | 40   |                 | On           |            |           |            | NA        |
| 60         | 40   |                 |              | On         |           |            | NA        |
| 60         | 40   |                 | On           | On         |           |            | NA        |
| 70         | 33   | On              |              |            |           |            |           |
| 75*        | 29   | On              |              |            |           |            |           |
| 75         | 29   |                 | On           |            |           |            | NA        |
| 75         | 29   |                 |              | On         |           |            | NA        |
| 75*        | 29   |                 | On           | On         |           |            | NA        |
| 80         | 25   | On              |              |            |           |            |           |
| 90         | 16   | On              |              |            |           |            |           |
| 95*        | 15   | On              |              |            |           |            |           |
| 95         | 15   |                 | On           |            |           |            | NA        |
| 95         | 15   |                 |              | On         |           |            | NA        |
| 95*        | 15   |                 | On           | On         |           |            | NA        |
| 105        | 11   |                 |              |            |           |            |           |
| 105        | 11   | On              | On           | On         |           |            | NA        |

\* Indicates Water Balance Sheet Required

## **Appendix C-3, Engineer Procure Construct (EPC) Contract Bids**

### **Information Required in Bid Proposals**

PacifiCorp will only entertain EPC contract bids on the two sites being offered as part of the RFP. In general, PacifiCorp expects Bidders to provide any information that could impact the cost, reliability, dispatch frequency, or output capability of a resource. PacifiCorp believes these resources attributes largely consist, but may not be limited to, the following information categories:

**Impact of Temperature on Output** – If Project output will vary with ambient conditions, capacity, and any associated performance impact, should be stated in terms of conditions expected during a summer day, with ambient air conditions of 95°F and 20% relative humidity, and a winter day with ambient conditions of 20°F and 75% relative humidity. The Bidder will complete Table C-3.1 showing output at specific ambient conditions, with and without duct firing and/or power augmentation. To the extent pricing, capacity and/or availability vary based on specific characteristics of the facility, the Bidder shall clearly identify those relationships in tabular form.

**Impact of Other Factors on Output** – PacifiCorp prefers generation facilities designed, permitted, and operated so that, to the extent practicable, the proposed capacity and any related energy provided to PacifiCorp is not restricted by:

- Environmental permits or other environmental limitation or environmental forfeitures
- Hours of operation
- Any other factor relevant to the technology (noise, agreements with neighbors, etc.
- Bidders shall describe in detail any such limitations in their Proposal
- Ability to provide additional capacity over the net capable rating
- Non-environmental or technology factors that could encumber the facility
- Water availability

**Engineer Procure Construct (EPC) Contract Option** – Bidders may propose a fixed-price, lump-sum EPC contract option, but only for the two PacifiCorp sites currently being offered. Such proposals must include the following information in addition to any technical information:

- Markup of Asset Purchase and Sale Agreement (APSA), including appendices. Quantity and impact of proposed changes are a nonprice factor in selecting Bidders for further discussions.

- Amounts and dates of **milestone-based** payments, including milestone descriptions, required of PacifiCorp.
- Proposed facilities will only contain OEM-certified “OEM-certified new major equipment”. This being defined as OEM equipment that has not been previously installed or operated and has the same warranties and guarantees as equipment delivered directly from the OEM’s production line, and all reliability and design TILS and/or Service Bulletins have been implemented.

**Siting** – Bidders are responsible for all construction and coordination with the applicable service provider(s) for any new electrical transmission and fuel transportation facilities required in response to this RFP.

**Facility Information** – To the extent applicable, the Bidder should clarify the following information with respect to any proposed facility:

- Proposed air emissions (all criteria pollutants and air toxics), description of emission controls, description of plan to acquire any required emission offsets, and description of criteria used to determine requirement.
- Proposed site plans, layouts, elevations and other aspects of the facility.
- Types of transportation access required.

**Proposal Format** – As mentioned above, Bidders are being asked to submit a “blinded” bid in such a format that the identity of the Bidder is not apparent. In doing so, PacifiCorp is requesting that Bidders confirm to the following format for presenting their bid information:

**Section 1 – Executive Summary of Proposal** – The Executive Summary section should provide an overall description of the proposal and its key benefits and advantages to PacifiCorp. It should include a general description of the technology, location, and business arrangement for the bid. Bidder shall state the period under which the terms and conditions of their Proposal will remain effective.

**Section 2 – Resource Description** – This section should include a description of the resource, including:

- Type of generation equipment and description
- Manufacturers of major equipment
- Type of heat rejection equipment (cooling towers, ponds, ACC, etc.)
- Source of process and/or cooling water
- Wastewater disposal plan
- Description of financing plan

- Plan for site control
- Site layout description
- Description of technology and configuration
- Net Capacity ratings and net heat rates at ambient conditions as specified in Table C-3.1.
- Description of emission control technology, including manufacturer
- Project schedule based on latest Notice to Proceed Date necessary for a June 1, 2009 Substantial Completion Date, listing latest, tasks and milestones with estimated completion dates. Bidders shall also complete Exhibit 1 to document some of the technical aspects of their Proposal.
- Startup Time for Cold, Warm and Hot Starts. A Cold Start is defined as a shutdown of the generating equipment for 48 hours or longer. A Warm Start is defined as a startup within 48 hours of a shutdown. A Hot Start is defined as a start within 8 hours of a shutdown. Bidder should provide its own definitions if different. For this information Startup Times requested may be for the time to minimum sustainable load and time to full load, without duct firing or power augmentation.

**Section 3 – Pricing Proposal** – Describe in detail the pricing proposal, including the use of any index, escalation factors, or other costs to PacifiCorp. Proposed dates, amounts, and detailed milestone descriptions justifying payments are required.

**Section 4 – Transmission** – Not Applicable to this Appendix.

**Section 5 – Environmental and Siting** – Under the EPC proposal, PacifiCorp is exclusively and entirely responsible for meeting and satisfying all federal, state, and local permits, licenses, approvals and/or variances that are required to physical construction and operation of the Facility in accordance with any EPC transaction.

**Section 6 – Other Information** –

**Fuel** – Not Applicable to this Appendix

**Dispatchability** – Not Applicable to this Appendix.

**Technical Data** – Technical data as requested Exhibit 1 of this Appendix.

**Section 7 – Contract Terms** – Bidder shall provide a comprehensive listing/description of all modifications to the APSA terms and conditions, including the appendices, which the Bidder would seek during contract negotiations.

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These may include, but are not limited to:

- Descriptions of items to be provided by the Owner, including a schedule of timing for the provision of these items and impact on Bidder of any delays.
- Land requirements for construction of the facility, including laydown areas
- Laydown plan for construction.
- Commissioning & Startup Plan with Owner's requirements.

**EXHIBIT 1**  
**TECHNICAL DATA**

Site Location \_\_\_\_\_

Net Capacity at 95°F, 20% Relative Humidity, and at Site Conditions is \_\_\_\_\_MW

Site Elevation: \_\_\_\_\_ Feet

Maximum water consumption is \_\_\_\_\_ gallons per minute.

Expected water consumption is \_\_\_\_\_ acre-feet per year.

Minimum Sustainable Load at above conditions \_\_\_\_\_ MW

Automatic Generation Control (AGC) capable Yes \_\_\_\_ No \_\_\_\_\_. If yes than the AGC range at above conditions is \_\_\_\_\_ MW to \_\_\_\_\_ MW.

Maximum number of starts per day is \_\_\_\_\_, per month \_\_\_\_\_, per year \_\_\_\_\_.

Maximum continuous period that the facility can operate steam-for-power-augmentation at full load without depleting the demineralized water system is \_\_\_\_\_ hours. This assumes the demineralized water system is operating at rated capacity.

Weighted Average Raw Water Consumption is \_\_\_\_\_ gallons per minute.

Time to bring the facility on line, in minutes (specify if this is to synchronization or sustainable minimum load) (Bidder to define "cold", "warm", and "hot starts", if not as stated above)

|                 | Min/Sust. | Full Load |
|-----------------|-----------|-----------|
| For Cold Start: | _____     | _____     |
| For Warm Start: | _____     | _____     |
| For Hot Start:  | _____     | _____     |

Minimum time on-line (hours from start initiation to stop initiation) \_\_\_\_\_

Minimum time off-line (hours from stop initiation to start initiation) \_\_\_\_\_

Normal Ramp Rate within operating range: (MW/Min.) Increase: \_\_\_\_\_ Decrease: \_\_\_\_\_

Emergency Ramp Rate: (MW/Minute) Increase: \_\_\_\_\_ Decrease: \_\_\_\_\_

Time to transfer from combined cycle to duct firing \_\_\_\_\_ min.

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Duct Firing Ramp Rate: (MW/Min.) Increase: \_\_\_\_\_ Decrease: \_\_\_\_\_

Time to transfer from combined cycle to power augmentation \_\_\_\_\_ min.

Power Augmentation Ramp Rate: (MW/Min.) Increase: \_\_\_\_\_ Decrease: \_\_\_\_\_

Anticipates Number of Starts per CT to reach Commercial Operation (CO): \_\_\_\_\_

Anticipated quantity of natural gas consumed through CO: \_\_\_\_\_ dth.

### **Additional Information**

Bidder to provide partial load performance curves, including minimum load, showing heat rate and load at varying temperatures.

To the extent that pricing and/or availability vary based on specific characteristics of the facility and/or ambient conditions, the Bidder shall clearly identify that relationship in tabular form, including the relationship between temperature and capacity over the local ambient range inclusive of -10°F to 105°F. Bidder to fill out Table B-3.1 below:



**Table C-3.1**

| Temp in °F | % RH | Evap or Chiller | Duct Burners | Power Aug. | Heat Rate | Net Output | Min. Load |
|------------|------|-----------------|--------------|------------|-----------|------------|-----------|
| -10        | 100  |                 |              |            |           |            |           |
| -10        | 100  |                 | On           |            |           |            | NA        |
| 0          | 100  |                 |              |            |           |            |           |
| 10         | 100  |                 |              |            |           |            |           |
| 15         | 84   |                 |              |            |           |            |           |
| 20*        | 86   |                 |              |            |           |            |           |
| 20         | 86   |                 | On           |            |           |            | NA        |
| 20         | 86   |                 |              | On         |           |            | NA        |
| 20*        | 86   |                 | On           | On         |           |            | NA        |
| 30         | 75   |                 |              |            |           |            |           |
| 40         | 55   |                 |              |            |           |            |           |
| 50         | 49   |                 |              |            |           |            |           |
| 52         | 46   |                 |              |            |           |            |           |
| 52         | 46   | On              |              |            |           |            |           |
| 60         | 40   | On              |              |            |           |            |           |
| 60         | 40   |                 | On           |            |           |            | NA        |
| 60         | 40   |                 |              | On         |           |            | NA        |
| 60         | 40   |                 | On           | On         |           |            | NA        |
| 70         | 33   | On              |              |            |           |            |           |
| 75*        | 29   | On              |              |            |           |            |           |
| 75         | 29   |                 | On           |            |           |            | NA        |
| 75         | 29   |                 |              | On         |           |            | NA        |
| 75*        | 29   |                 | On           | On         |           |            | NA        |
| 80         | 25   | On              |              |            |           |            |           |
| 90         | 16   | On              |              |            |           |            |           |
| 95*        | 15   | On              |              |            |           |            |           |
| 95         | 15   |                 | On           |            |           |            | NA        |
| 95         | 15   |                 |              | On         |           |            | NA        |
| 95*        | 15   |                 | On           | On         |           |            | NA        |
| 105        | 11   |                 |              |            |           |            |           |
| 105        | 11   | On              | On           | On         |           |            | NA        |

\* Indicates Water Balance Sheet Required

## **Appendix C-4, Existing Asset Purchase (in whole or in part)**

### **Information Required in Bid Proposals**

If the Bidder's Proposal is for an interest in an existing facility where PacifiCorp holds an interest, or operates the facility, any information requested under this RFP that would reasonably be expected to already be in the possession of PacifiCorp, may be so stated in the Bidder's response package. If the Bidder's asset is not currently involved with PacifiCorp, the below requirements are to be met as outlined.

In general, PacifiCorp expects Bidders to provide any information that could impact the cost, reliability, dispatch frequency, output capability or performance of a resource. PacifiCorp believes these resources attributes largely consist, but may not be limited to, the following information categories:

**Impact of Temperature on Output** – If Project output will vary with ambient conditions, capacity, and any associated performance impact, should be stated in terms of conditions expected during a summer day, with ambient air conditions of 95°F and 20% relative humidity, and a winter day with ambient conditions of 20°F and 75% relative humidity. The Bidder will complete Table C-4.1 showing output at specific ambient conditions, with and without duct firing and/or power augmentation. To the extent pricing, capacity and/or availability vary based on specific characteristics of the facility, the Bidder shall clearly identify those relationships in tabular form.

**Impact of Other Factors on Output** – PacifiCorp prefers generation facilities designed, permitted, and operated so that, to the extent practicable, the proposed capacity and any related energy provided to PacifiCorp is not restricted by:

- Environmental permits or other environmental limitation or environmental forfeitures
- Hours of operation
- Sales of capacity or energy to other parties
- Interruption of primary fuel supply
- Sale of thermal energy
- Any other factor relevant to the technology (noise, agreements with neighbors, etc.
- Bidders shall describe in detail any such limitations in their Proposal
- Ability to provide additional capacity over the net capable rating
- Non-environmental or technology factors that could encumber the facility
- Water availability

**Ownership Purchase Option** – Bidders may propose a sale, either whole or in part, of existing generation assets to PacifiCorp. Such proposals must include the following information in addition to any technical information:

- Ownership percentage and whether a divided or undivided interest
- Amounts and dates of payments required of PacifiCorp.
- Current and projected annual fixed and variable O&M costs associated with the generation facility.
- Any long term service or maintenance agreements, including scope and costs that are in excess of \$25,000 in annual costs. (i.e. CTs, water, O&M, parts, inspections, ash disposal, CEMs)
- Startup costs (i.e., the period of time from when a start is initiated to the time the unit reaches minimum sustainable load)
- Operating Limits – Any limits imposed on the number of startups that may be performed per year or per unit of time. Any limits on the number of hours that a unit may be operated per year or per unit of time. Any annual limits on the number of hours of duct firing or power augmentation.
- Emissions (air, liquid and solid wastes) in pounds per hour per pollutant and/or waste product at 100% load and tons per year of pollutant and/or waste product at a specified capacity factor as selected by the Bidder.
- Annual unit availability and any guaranteed minimum annual availability.
- Information regarding location and transmission.
- Information regarding fuel and transportation.
- Capacity on summer design day in compliance with all regulatory requirements.
- Efficiency (Heat Rate) in compliance with all regulatory requirements.
- Terms of remaining warranties and/or guarantees on major equipment.
- Costs to incorporate into PacifiCorp Fleet (Future capital or maintenance).

Significant due diligence may be necessary prior to finalizing any acquisition by PacifiCorp. A list of due diligence items will be provided to a Bidder should they be short-listed.

**Siting** – Not Applicable to this Appendix.

**Facility Information** – To the extent applicable, the Bidder should clarify the following information with respect to the facility:

- Air emissions (all criteria pollutants and air toxics), description of emission controls and existing emission offsets
- List of environmental and other regulatory permits
- Water usage quantity, quality and source(s).
- Water discharge quantity and quality, plus water discharge plan.
- Receiving water body identity and description
- Description of local groundwater quality, quantity and uses.
- Site plans, layouts, elevations and other aspects of the facility.

**Fuel Transportation Route Information** – To the extent applicable, the Bidder should clarify any relevant information with respect to fuel transportation route information for the site.

**Proposal Format** – As mentioned above, Bidders are being asked to submit a “blinded” bid in such a format that the identity of the Bidder is not apparent. In doing so, PacifiCorp is requesting that Bidders confirm to the following format for presenting their bid information:

**Section 1 – Executive Summary of Proposal** – The Executive Summary section should provide an overall description of the proposal and its key benefits and advantages to PacifiCorp. It should include a general description of the technology, location, and business arrangement for the bid. Bidder shall state the period under which the terms and conditions of their Proposal will remain effective.

**Section 2 – Resource Description** – This section should include a description of the resource, including:

- Type of generation equipment and description
- Manufacturers of major equipment
- Model number, serial number and age of any previously owned/operated equipment
- Type of heat rejection equipment (cooling towers, ponds, ACC, etc.)
- Source of process and/or cooling water
- Wastewater disposal plan
- Description of financing plan
- Description of operation and maintenance plan
- Plan for site control
- Site layout description
- Description of technology and configuration
- Net Capacity ratings and net heat rates at ambient conditions as specified in Table C-4.1.
- Primary fuel supply and backup alternatives
- Electrical interconnection (location, transmission provider, and control area)
- Description of emission control technology, including manufacturer
- Any limits on hours of operation in a particular mode (i.e., combined cycle, duct firing, power augmentation, or combination thereof)
- Any limits on emissions
- Project schedule, listing tasks and milestones with estimated completion dates. Bidders shall also complete Exhibit 1 to document some of the technical aspects of their Proposal.
- Startup Time for Cold, Warm and Hot Starts. A Cold Start is defined as a shutdown of the generating equipment for 48 hours or longer. A Warm Start is defined as a startup within 48 hours of a shutdown. A Hot Start is defined as a start within 8 hours of a shutdown. Bidder should provide its own definitions if different. For this information Startup Times requested may be for the time to minimum sustainable load and time to full load, without duct firing or power augmentation.

**Section 3 – Pricing Proposal** – Describe in detail the pricing proposal, including the use of any index, escalation factors, or other costs to PacifiCorp. Also required is a detailed accounting of ownership interest, whether divided or undivided, in the facility, inventory, spare parts, ongoing agreements, or any continuing obligations resulting from PacifiCorp’s ownership, or acquisition of an interest in the asset. Proposed dates, amounts, and detailed milestone descriptions justifying payments are required.

**Section 4 – Transmission** – Each Proposal must include a description of the location of its transmission facilities, including delivery points, and must specify the transmission provider and all applicable costs.

**Section 5 – Environmental and Siting** –Bidder must furnish applicable detailed project site, electric transmission, and fuel transportation information, and a description of all permits, so PacifiCorp can assess site suitability and project viability. The site shall clearly be shown on a United States Geological Survey (USGS) 7.5-minute series map.

**Section 6 – Other Information** –

**Dispatchability** – Describe any constraints and/or limitations on PacifiCorp’s ability to dispatch the generation and any ability of PacifiCorp to utilize the resource for operating reserves.

**Technical Data** – Technical data as requested Exhibit 1 of this Appendix.

**Section 7 – Contract Terms** – Bidder shall provide a sample purchase and sale agreement outlining the terms and conditions of the proposed acquisition.

**EXHIBIT 1**

**TECHNICAL DATA**

Site Location \_\_\_\_\_

Net Capacity at 95°F, 20% Relative Humidity, and at Site Conditions is \_\_\_\_\_MW

Site Elevation: \_\_\_\_\_ Feet

Maximum water consumption is \_\_\_\_\_ gallons per minute.

Expected water consumption is \_\_\_\_\_ acre-feet per year.

Minimum Sustainable Load at above conditions \_\_\_\_\_ MW

Automatic Generation Control (AGC) capable Yes \_\_\_\_ No \_\_\_\_\_. If yes than the AGC range at above conditions is \_\_\_\_\_ MW to \_\_\_\_\_ MW.

Maximum number of starts per day is \_\_\_\_\_, per month \_\_\_\_\_, per year \_\_\_\_\_.

Maximum continuous period that the facility can operate steam-for-power-augmentation at full load without depleting the demineralized water system is \_\_\_\_\_ hours. This assumes the demineralized water system is operating at rated capacity.

Weighted Average Raw Water Consumption is \_\_\_\_\_ gallons per minute.

Time to bring the facility on line, in minutes (specify if this is to synchronization or sustainable minimum load) (Bidder to define "cold", "warm", and "hot starts", if not as stated above)

|                 | Min/Sust. | Full Load |
|-----------------|-----------|-----------|
| For Cold Start: | _____     | _____     |
| For Warm Start: | _____     | _____     |
| For Hot Start:  | _____     | _____     |

Minimum time on-line (hours from start initiation to stop initiation) \_\_\_\_\_

Minimum time off-line (hours from stop initiation to start initiation) \_\_\_\_\_

Normal Ramp Rate within operating range: (MW/Min.) Increase: \_\_\_\_\_ Decrease: \_\_\_\_\_

Emergency Ramp Rate: (MW/Minute) Increase: \_\_\_\_\_ Decrease: \_\_\_\_\_

Time to transfer from combined cycle to duct firing \_\_\_\_\_ min.

Duct Firing Ramp Rate: (MW/Min.) Increase: \_\_\_\_\_ Decrease: \_\_\_\_\_

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Time to transfer from combined cycle to power augmentation \_\_\_\_\_ min.

Power Augmentation Ramp Rate: (MW/Min.) Increase: \_\_\_\_\_ Decrease: \_\_\_\_\_

Anticipates Number of Starts per CT to reach Commercial Operation (CO): \_\_\_\_\_

Anticipated quantity of natural gas consumed through CO: \_\_\_\_\_ dth.

### **Additional Information**

Bidder to provide partial load performance curves, including minimum load, showing heat rate and load at varying temperatures.

To the extent that pricing and/or availability vary based on specific characteristics of the facility and/or ambient conditions, the Bidder shall clearly identify that relationship in tabular form, including the relationship between temperature and capacity over the local ambient range inclusive of -10°F to 105°F. Bidder to fill out Table B-4.1 below:

**Table C-4.1**

| Temp in °F | % RH | Evap or Chiller | Duct Burners | Power Aug. | Heat Rate | Net Output | Min. Load |
|------------|------|-----------------|--------------|------------|-----------|------------|-----------|
| -10        | 100  |                 |              |            |           |            |           |
| -10        | 100  |                 | On           |            |           |            | NA        |
| 0          | 100  |                 |              |            |           |            |           |
| 10         | 100  |                 |              |            |           |            |           |
| 15         | 84   |                 |              |            |           |            |           |
| 20*        | 86   |                 |              |            |           |            |           |
| 20         | 86   |                 | On           |            |           |            | NA        |
| 20         | 86   |                 |              | On         |           |            | NA        |
| 20*        | 86   |                 | On           | On         |           |            | NA        |
| 30         | 75   |                 |              |            |           |            |           |
| 40         | 55   |                 |              |            |           |            |           |
| 50         | 49   |                 |              |            |           |            |           |
| 52         | 46   |                 |              |            |           |            |           |
| 52         | 46   | On              |              |            |           |            |           |
| 60         | 40   | On              |              |            |           |            |           |
| 60         | 40   |                 | On           |            |           |            | NA        |
| 60         | 40   |                 |              | On         |           |            | NA        |
| 60         | 40   |                 | On           | On         |           |            | NA        |
| 70         | 33   | On              |              |            |           |            |           |
| 75*        | 29   | On              |              |            |           |            |           |
| 75         | 29   |                 | On           |            |           |            | NA        |
| 75         | 29   |                 |              | On         |           |            | NA        |
| 75*        | 29   |                 | On           | On         |           |            | NA        |
| 80         | 25   | On              |              |            |           |            |           |
| 90         | 16   | On              |              |            |           |            |           |
| 95*        | 15   | On              |              |            |           |            |           |
| 95         | 15   |                 | On           |            |           |            | NA        |
| 95         | 15   |                 |              | On         |           |            | NA        |
| 95*        | 15   |                 | On           | On         |           |            | NA        |
| 105        | 11   |                 |              |            |           |            |           |
| 105        | 11   | On              | On           | On         |           |            | NA        |

\* Indicates Water Balance Sheet Required



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**2009 RFP**  
**Appendix D**  
**Natural Gas & Fuel Supply Form**  
**September 2005**

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**Appendix D**  
**RFP 2009**  
**Natural Gas and Fuel Supply Form**

Site Location \_\_\_\_\_

Primary Source of Fuel \_\_\_\_\_

Secondary Source of Fuel (if any) \_\_\_\_\_

Supplier of Primary Fuel \_\_\_\_\_

Firm Supply Contract Anticipated? (Yes) (No) Term \_\_\_\_\_ years

Supplier of Secondary Fuel (if any) \_\_\_\_\_

Supply Contract Anticipated? (Yes) (No) Term \_\_\_\_\_ years

Contemplated Natural Gas Transportation:

LDC (if necessary) \_\_\_\_\_ Firm Transport? (Yes) (No)  
Quantity \_\_\_\_\_ dekatherms (mmBtu) Term \_\_\_\_\_

Pipeline 1 \_\_\_\_\_ Firm Transport? (Yes) (No)  
Quantity \_\_\_\_\_ dekatherms (mmBtu) Term \_\_\_\_\_

Pipeline 2 \_\_\_\_\_ Firm Transport? (Yes) (No)  
Quantity \_\_\_\_\_ dekatherms (mmBtu) Term \_\_\_\_\_

If transportation is not firm, please clarify the contemplated terms for transport.

Rail/Truck Transport Coal/Oil

Firm 1 \_\_\_\_\_  
Firm 2 \_\_\_\_\_

**RFP 2009**  
**APPENDIX E**  
**Officer Certification Form**  
**September 2005**

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### **Officer Certification Form- Appendix E**

The undersigned Bidder executes and submits this form with each Proposal it submits in PacifiCorp's RFP 2009, and hereby certifies in each instance that all of the statements and representations made by it in its proposal are true to the best of the Bidder's knowledge, and agrees to be bound by the representations, terms, and conditions contained in the 2009 RFP. The Bidder accepts the contract attached to the 2009 RFP and indicated therein as applicable to its Proposal, except as specifically noted in writing by Bidder. This proposal is firm and will remain in effect until the later of March 27, 2006, or that date which is 300 days after the proposal due date provided in the RFP, as such due date may be extended from time to time by PacifiCorp.

Submitted by: \_\_\_\_\_  
(Exact legal name of the entity submitting Proposal)

Signature of an authorized officer: \_\_\_\_\_

Print or type name of officer: \_\_\_\_\_

Title: \_\_\_\_\_

Date signed: \_\_\_\_\_

**RFP 2009**  
**APPENDIX F**  
**SFAS No. 13 Form**  
**September 2005**

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**This is an example of the SFAS No. 13 Form.**

Each Bidder is required to fill in **only** the cells that are highlighted in yellow for each Eligible Resource. When you type in the yellow cells it will prompt you for a password, the password is RFP2009. Each Bidder is required to copy the excel spreadsheet and resave it with their bid number and submit it on a CD or Diskette. Appendix F can be downloaded from either PacifiCorp website and or the IE website for Bidders to save on a CD or Diskette. (www.pacificorp.com)

\*YELLOW CELLS REQUIRE USER INPUT.

\*\*Please note, the conclusion in cell B28 assumes that the contract has been deemed a lease by EITF 01-08.

\*\*\*Protected cell(s) password: RFP2009

| CAPITAL LEASE IF:      |   |                                |                                     |                    |  |                      |      |
|------------------------|---|--------------------------------|-------------------------------------|--------------------|--|----------------------|------|
| <b>FAIL</b>            | The lease transfers ownership to the lessee by the end of the lease term. "Fail" equates to "No". "Pass" equates to "Yes".  |                                |                                     |                    |  |                      |      |
| <b>FAIL</b>            | The lease contains a bargain purchase option. "Fail" equates to "No". "Pass" equates to "Yes".  |                                |                                     |                    |  |                      |      |
| <b>FAIL</b>            | The lease term is equal to 75% or more of the estimated economic life of the leased property, and the beginning of the lease term does not fall within the last 25% of the total economic life of the leased property.  |                                |                                     |                    |  |                      |      |
|                        | Original Economic Plant Life (yrs)  | Years into Economic Plant Life | Remaining Economic Plant Life (yrs) | Term of Deal (yrs) | % of Life                                      | Trigger              | Test |
|                        | 35  | 0                              | 35                                  | 20                 | 57%  | 75%                  | FAIL |
|                        | Beginning of Plant  | Ending of Plant                | Life (yrs)                          | Last 25% Date      | Beginning of Lease                             |                      | Test |
|                        | 6/1/2009  | 5/31/2044                      | 35                                  | 9/1/2035           | 6/1/2009                                       |                      | FAIL |
| <b>FAIL</b>            | The present value of the minimum lease payments at the beginning of the lease term is 90% or more of the fair value to the lessor less any investment credit retained by the lessor. This requirement cannot be used if the lease's inception is in the last 25% of the useful economic life of the leased asset. The interest rate, used to compute the PV, is the incremental borrowing rate of the lessee unless the implicit rate is available and lower. |                                |                                     |                    |  |                      |      |
|                        | Percentage of Capacity PMT that is Executory Costs (%)  | Cost to Build \$/KW            | MW                                  | FMV                | \$ PV Minimum Lease Pmts (Non-Executory Costs) | Trigger (90% of FMV) | Test |
|                        | 25%   | \$700                          | 420                                 | \$294,000,000      | \$209,583,165                                  | \$264,600,000        | FAIL |
| Designation:           |   |                                |                                     |                    |  |                      |      |
| <b>OPERATING LEASE</b> |   |                                |                                     |                    |  |                      |      |

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**RFP2009**  
**APPENDIX G**  
**Bidder Site Control Form**  
**September 2005**

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**Appendix G**  
**RFP 2009**  
**Bidder Site Control Form**

Project Name: \_\_\_\_\_

Site Location: \_\_\_\_\_

Street Address or Nearest Intersection: \_\_\_\_\_

Acres: \_\_\_\_\_

Distance to Natural Gas Supply: \_\_\_\_\_

Distance to Water Supply (if not using ACC): \_\_\_\_\_

Check items that are applicable:

Property is owned by Bidder.

Property is leased by Bidder, with an Option to buy.

▪ Lease/Option Expires: \_\_\_\_\_

Property is Optioned by Bidder through (date): \_\_\_\_\_

▪ Option is Exclusive \_\_\_\_\_ or Non-Exclusive \_\_\_\_\_

▪ Option is to Purchase \_\_\_\_\_ or Lease \_\_\_\_\_

Site is selected, but not formally secured.

Site will require zoning change as part of permitting process.



## **APPENDIX G**

### **Bidder Site Control Form Submittals**

Bidder shall submit to Buyer drawings, plans, specifications, and other documents necessary to document the design engineering and construction of the Plant and the content of the Work, including but not limited to those items herein listed below. Additionally, Bidder shall submit to the Buyer those drawings, plans, specifications, and other documents as required by the State of Utah or any other regulatory body or agency having authority over the Plant.

Ninety (90) days after the Notice To Proceed, the Bidder shall provide to Buyer a schedule for submittal of such documents, which schedule shall (1) be consistent with the schedule for the Project and (2) provide Buyer with the greatest practicable opportunity to review such documents and make comments thereon within fourteen (14) days from the transmittal date or as mutually agreed upon provided that the comment period does not unduly affect the progress of the Work. Submittals shall be in duplicate.

### ***Engineering Lists***

- Equipment List

#### **Engineering Specifications and Drawings**

- Plot/Site Plan
- Switchyard Single Line, Three Line and Metering and Protection Design

#### **Construction**

- Site Utilization Plan, including laydown,

#### **Commissioning and Startup**

- System Descriptions
- Performance and Emissions Test Procedures
- Performance Test Results
- Reports Required for Regulatory Compliance

#### **Plans, Manuals, & Reports**

- Level 2 Schedule
- Commissioning Schedule
- Monthly Progress Reports

All specifications and drawings for the Project and submitted by Bidder or Subcontractor to Bidder hereunder shall include the following data:

|   |                                       |
|---|---------------------------------------|
| Name:                                   | PacifiCorp                            |
| Project Name:                           | Buyer's Power Plant                   |
| Spec. or drawing number, if applicable: | Bidder or Subcontractor<br>to Provide |
| Bidder or Subcontractor's name:         | Bidder or Subcontractor               |
| Revision Number and Date                | Bidder or Subcontractor<br>to Provide |

Buyer shall have the right to reasonably request other information and Bidder shall use reasonable efforts to supply this information.

Documents submitted to Buyer are provided for information only. However, if Buyer identifies discrepancies or areas of non-conformance with the Agreement requirements, Buyer has the right to notify Bidder of the discrepancy/non-conformance and require that the document be revised and resubmitted.

#### Monthly Progress Report

The Monthly Progress Report shall address all aspects of the Plant through the Commercial Operation and shall include, but not be limited to the following:

- (a) An "Executive Summary" containing:
  - A written summary of events and progress accomplished during the previous reporting period.
  - Unresolved Changes.
  - Critical Concerns and Intended Actions.
  
- (b) A "Schedule Section":
  - Will be updated on a monthly basis and will consider the aforementioned item b. An updated Level 2-time schedule will be provided (paper/electronic). Critical path analysis will also be provided.
  
- (c) A list of the status of Bidder permits

**RFP 2009**  
**APPENDIX H**  
**Construction Coordination Agreement**  
**September 2005**

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**CONSTRUCTION COORDINATION AGREEMENT  
BETWEEN  
PACIFICORP  
AND**

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EXHIBIT A TO CONSTRUCTION COORDINATION AGREEMENT Glossary of  
Defined Terms ..... 1

(1) “Action” shall mean any lawsuit, action, proceeding, investigation or  
complaint before any Governmental Authority, mediator or arbitrator..... 1

(2) “Agreement” shall have the meaning given to it in the Recitals of this  
Agreement..... 1

(3) “[PPA/TSA]” shall have the meaning set forth in the Recitals. .... 1

(4) “PacifiCorp’s Area” means the entirety of the Site that is not included in  
the Construction Area, as the same may exist from time to time. .... 1

(5) “Claims” means any liabilities, fines, penalties or assessments other  
damages at law or in equity for the payment of money or for specific  
performance by or on behalf of PacifiCorp, including without limitation  
claims for injury or death to persons or damage to property, together with  
costs and attorneys fees associated therewith. .... 1

(6) “Commercial Operation Date” shall have the meaning set forth in the  
[PPA/TSA]..... 1

(7) “Common Facilities” means those tangible assets, contracts, and permits  
owned by PacifiCorp in connection with Unit 1 and utilized in common by  
PacifiCorp and [NAME] for the construction, startup, commissioning and  
operation of Unit 2, identified on Exhibit “B” ..... 1

(8) “Construction Area” shall have the meaning given to it in Section 3.2 of  
this Agreement ..... 1

(9) “Construction Damage” shall have the meaning given to it in Section 4.1  
of this Agreement..... 1

(10) “Construction Fence” shall have the meaning given to it in Section 3.2 of  
this Agreement. .... 1

(11) “Effective Date” has the meaning set forth in the [APSA / EPC Contract]1

(12) “Emergency” means any situation which is likely to impose an immediate  
threat of injury to any Person or of material property damage or material  
economic loss to all or any part of the Facility..... 1

(13) “Facility” or “Facilities” shall mean Unit 1, Unit 2 and the Common  
Facilities, and all energy producing equipment and auxiliary equipment,  
fuel storage and handling facilities and equipment, electrical transformers,  
interconnection facilities and metering facilities, associated with Unit 1 or  
Unit 2 as may be required for receipt of fuel and for delivery of electricity,  
and all other improvements related solely to the Units and located on the  
Site. .... 1

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- (14) "Governmental Authority" means any court, tribunal, arbitrator, authority, agency, commission, official or other instrumentality of the United States, any foreign country or any domestic or foreign state, county or other political subdivision. .... 2
- (15) "NERC" shall mean the North American Electric Reliability Council, and any successor entity. .... 2
- (16) "Off-Peak Hourly Period" means those periods of time measured by hours ending 0100 through 0600 and hours ending 2300 through 2400 Monday through Saturday, and all hours on Sunday and NERC Holidays. .... 2
- (17) "PacifiCorp" shall have the meaning set forth in the Recitals. .... 2
- (18) "PacifiCorp's Area" shall have the meaning given to it in Section 3.2 of this Agreement. .... 2
- (19) "Party" shall have the meaning given to it in the Recitals of this Agreement. .... 2
- (20) "Performance Testing" shall have the meaning given to it in the [PPA/TSA]. .... 2
- (21) "Person" means any individual, partnership, limited liability company, joint venture, corporation, trust, unincorporated organization or Governmental Authority. .... 2
- (22) "Prudent Industry Practice" shall have the meaning given to it in the [PPA/TSA]. .... 2
- (23) "Project Schedule" shall mean a detailed schedule setting forth milestones for key stages of the construction, testing and commissioning of Unit 2, including without limitation provisions regarding necessary interfaces with the Common Facilities, provided by [NAME] to PacifiCorp and updated to reflect material changes in such schedule from time to time. ... 2
- (24) "Replacement Power Costs" shall have the meaning given to it in Section 5.2(b) of this Agreement. .... 2
- (25) "Shutdown Periods" shall have the meaning given to it in Section 6.1 of this Agreement. .... 2
- (26) "Site" means the real property on which the Facilities are located. .... 2
- (27) "Tagging and Safety Program" shall mean that tagging and safety program in effect and maintained by PacifiCorp at the Facility from time to time and provided to [NAME]. .... 2
- (28) "Term" shall have the meaning given to it in Section 2.1 of this Agreement. .... 2
- (29) "Unit" shall mean an individual generating facility consisting of the gas turbine, heat recovery system generator, steam turbine, auxiliary boilers and other associated facilities and equipment owned by individually by PacifiCorp or [NAME] not included as Common Facility. .... 2



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(30) “Unit 1” means the power plant located in \_\_\_\_\_, Utah, owned by PacifiCorp and the related facilities, real property and property rights related thereto including all necessary permits and licenses, but excluding the Common Facilities. .... 3

(31) ”Unit 2” means the proposed power plant to be located in \_\_\_\_\_ under development by [NAME] adjacent to Unit 1 and the related facilities, real property and property rights related thereto including all necessary permits and licenses, but excluding the Common Facilities. .... 3

(32) “Unscheduled Shutdown” shall have the meaning given to it in Section 6.2(b) of this Agreement. .... 3

Rules as to Usage ..... 3

1. The terms defined above have the meanings set forth above for all purposes, and such meanings are equally applicable to both the singular and plural forms of the terms defined. .... 3

EXHIBIT B TO CONSTRUCTION COORDINATION AGREEMENT Common Facilities ..... 1

EXHIBIT C CONSTRUCTION COORDINATION AGREEMENT Site Plan Designation of Construction Area ..... 1

EXHIBIT D CONSTRUCTION COORDINATION AGREEMENT Security Requirement ..... 1

Why Capitalize PPAs?..... **Error! Bookmark not defined.**

Determining the Risk Factor for PPAs ..... **Error! Bookmark not defined.**

Adjusting Financial Ratios ..... **Error! Bookmark not defined.**

Utility Company Example ..... **Error! Bookmark not defined.**

Credit Implications ..... **Error! Bookmark not defined.**

September \_\_, 2005 ..... 36

- Exhibit “A” – Glossary of Defined Terms
- Exhibit “B” – Common Facilities [TBD]
- Exhibit “C” – Site Plan Designation of Construction Area [TBD]
- Exhibit “D” – Security Requirements [TBD]

## **CONSTRUCTION COORDINATION AGREEMENT**

This Construction Coordination Agreement (the "Agreement") is made and entered into as of the Effective Date (as defined below), by and between PacifiCorp, an Oregon corporation ("PacifiCorp"), and \_\_\_\_\_, a \_\_\_\_\_ [limited liability company] ("[NAME]") (PacifiCorp and [NAME] are individually referred to herein as a "Party" and collectively as the "Parties").

### **RECITALS**

WHEREAS, PacifiCorp is an investor owned electric utility company subject to regulation by the Public Service Commission of Utah;

WHEREAS, PacifiCorp owns, operates and maintains Unit 1 at its generation facility located in \_\_\_\_\_, Utah.

WHEREAS, [NAME] desires to construct Unit 2, to be located adjacent to Unit 1 at the Facility;

WHEREAS, PacifiCorp and [NAME] have entered into a [Power Purchase Agreement ("PPA") / Tolling Services Agreement ("TSA")] providing for the purchase by PacifiCorp of certain of the energy and capacity generated by Unit 2 following Unit 2's reaching Commercial Operation;

WHEREAS, there is a need to coordinate the activities of [NAME] and its contractor(s) and subcontractors during construction, testing and commissioning of Unit 2 to avoid potential interference with the operation of Unit 1;

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each Party, the Parties hereto agree as follows:

### **ARTICLE I Definitions; Headings**

#### 1.1 Definitions

Unless the context shall otherwise require, capitalized terms used in this Agreement shall have the meanings assigned to them in the Glossary of Defined Terms attached hereto as Exhibit "A", which also contains rules as to usage that shall be applicable herein.

### **ARTICLE II Term and Governing Provisions**

#### 2.1 Term.

The Term of this Agreement shall become effective on the Effective Date and, unless earlier terminated pursuant to provisions hereof, shall continue in effect until PacifiCorp has accepted the [PPA/TSA] or has achieved Commercial Operation. Date.

As a matter of general priority, in the event of any conflict between the provisions of this Agreement or the [PPA/TSA], the provisions of this Agreement shall govern. Disputes related to the matters to be performed pursuant to this Agreement and not involving the [PPA/TSA] or work performed by or at the direction of the [PPA/TSA], shall nonetheless be governed by Section 15 (“Disagreements”) in the [PPA/TSA].

### **ARTICLE III Construction Interfaces**

#### 3.1 Construction Control.

[NAME] and its contractors shall be responsible for and have sole control over the construction of Unit 2, except for interconnections with the Common Facilities. [NAME] shall coordinate with PacifiCorp all activities to be performed in connection with the construction, testing and commissioning of Unit 2 pursuant to this Agreement, particularly if such activities may require taking Unit 1 off-line or have a substantial possibility of causing an outage at Unit 1.

[NAME] shall be responsible for erecting a temporary and movable construction fence (the “Construction Fence”) on the Site for the purpose of separating the Unit 2 construction area (the “Construction Area”), which is initially depicted by the cross-hatched area on Exhibit “C” attached hereto, from the rest of the Facility, including Unit 1, the switchyard and the Common Facilities. The Construction Fence may be moved and relocated as necessary with the prior written consent of PacifiCorp following the completion of certain phases of construction for the purpose of accessing other areas of the Facility, all as set out in the Project Schedule. During the Term, [NAME] will be in control of the Construction Area and will maintain a separate gate for access to the Construction Area. Prior to the Commercial Operation Date, the Construction Area will be reduced to [NAME]’s staging and laydown area and separate gate, and shall not include any Facilities necessary for operation of Unit 1, Unit 2 or the Common Facilities. Following the Commercial Operation Date [NAME] shall, and shall cause its contractors and subcontractors to, promptly remove all construction materials and equipment from the staging and laydown area, to remove the Construction Fence, and to erect suitable permanent fencing and related access roads to separate PacifiCorp’s facilities from [NAME]’s facilities, all as approved in writing by PacifiCorp.

[NAME] shall at all times utilize and cause its contractors, subcontractors, personnel and other persons allowed at any part of the Facility by [NAME] to utilize only [NAME]’s separate gate to the Construction Area.

#### 3.2 [NAME]’s Access to PacifiCorp’s Area.

[NAME] shall provide PacifiCorp with reasonable notice of its need to access PacifiCorp’s Area for performance of work activities associated with the Common Facilities. [NAME] and PacifiCorp shall agree on a schedule for the performance of all

work activities in PacifiCorp's Area consistent with the Project Schedule. PacifiCorp shall arrange for any safety instruction and workplace policy training deemed appropriate by PacifiCorp for [NAME]'s personnel prior to [NAME]'s personnel being allowed in PacifiCorp's Area. PacifiCorp shall arrange for escorts for [NAME]'s personnel accessing PacifiCorp's Area to the extent PacifiCorp reasonably deems such escorts necessary. In the event [NAME] needs to work on a system that could be used by PacifiCorp for the operation of Unit 1, [NAME] shall provide PacifiCorp with written notice and receive authorization from PacifiCorp that the system has been deactivated before commencing work on the system and [NAME] shall notify PacifiCorp once it completes work on the system so PacifiCorp can inspect and reactivate the system in accordance with PacifiCorp's Tagging and Safety Program.

### 3.3 PacifiCorp Access to the Construction Area.

At all times prior to the Commercial Operation Date [NAME] shall provide PacifiCorp and PacifiCorp's personnel access to the Construction Area upon PacifiCorp's request. [NAME] and PacifiCorp shall agree on a schedule for the performance of work activities by PacifiCorp's personnel in the Construction Area. PacifiCorp's personnel shall comply with [NAME]'s published safety program requirements while in the Construction Area. [NAME] may arrange for escorts for any PacifiCorp personnel accessing the Construction Area to the extent [NAME] reasonably deems such escorts necessary. The above notwithstanding, PacifiCorp may access the Construction Area without notice for the purpose of carrying out activities required for the operation of Unit 1 or responding to an Emergency.

### 3.4 Project Schedule and Coordination of PacifiCorp Support.

[NAME] shall (a) schedule all activities that will require or may result in the shutdown of or inability to dispatch Unit 1, and all work activities performed on or affecting the Common Facilities in accordance with the Project Schedule, (b) notify PacifiCorp in writing of such schedule(s) at the earliest practicable time, and (c) update such schedules in writing as necessary. [NAME] shall not undertake the foregoing Work activities until PacifiCorp has agreed in writing with such schedule and plan for performing the identified work.

### 3.5 Unit 1 and PacifiCorp's Area Control.

PacifiCorp shall have sole control over the operation of Unit 1 and the remainder of PacifiCorp's Area at all times.

### 3.6 Restrictions During Construction.

- (a) Except as otherwise provided in this Agreement, [NAME] shall perform or cause to be performed all construction activities with respect to Unit 2 in a manner that will avoid interference with PacifiCorp's operation of Unit 1.

(b) [NAME] shall restrict construction workers and other personnel not employed by PacifiCorp from access to PacifiCorp's Area except as authorized in advance by PacifiCorp's Representative. Upon the reasonable request of [NAME], PacifiCorp shall authorize access to PacifiCorp's Area for the purpose of undertaking activities necessary to integrate Unit 2 into the Common Facilities, and after the Substantial Completion Date to perform any work activities required under the [PPA/TSA], in accordance with the Project Schedule and the work plan required under Section 3.4 above.

### 3.7 Transportation Routes and Lay-Down Areas.

[NAME] shall designate adequate transportation routes and lay-down areas for the construction work and materials for Unit 2, and, prior to commencing construction obtain PacifiCorp's written approval of all such proposed routes and laydown areas. In granting its approval PacifiCorp shall not be deemed to have recommended or confirmed the adequacy or suitability of such routes and laydown areas, and shall have no liability with respect to [NAME]'s selection of, use of or inability to use such routes and laydown areas.

### 3.8 Employee Discipline.

[NAME] shall adopt and enforce policies for disciplining construction employees if the employees' actions affect or are likely to affect Unit 1 or the Common Facilities other than as provided in the work plan and in Section 3.4 above. Any construction employee found to have violated PacifiCorp's security requirements regarding escorting and physical access to certain PacifiCorp's Areas described in the attached Exhibit "D" shall, at the request of PacifiCorp be assigned to work outside PacifiCorp's Area and shall be disciplined to the full extent permissible under [NAME]'s project labor agreement (if any), including without limitation terminated at PacifiCorp's request.

### 3.9 Security and Safety Requirements.

In addition to the requirements of [PPA/TSA] [NAME] shall, consistent with good and generally accepted construction practices and Prudent Industry Practice, undertake all commercially reasonable efforts to protect any and all parallel, converging and intersecting electric lines and poles, telephone lines and poles, highways, waterways, railroads, sewer lines, natural gas pipelines, drainage ditches, culverts, Unit 1 facilities and any and all property of others related to the Facility, and shall indemnify PacifiCorp from any and all Claims with respect to [NAME]'s actions or failures to act in connection with such facilities and property in connection with the Work.

### 3.8 Transition from Construction to Operation.

PacifiCorp shall provide oversight and consent of activities necessary for the connection of the Unit 2 systems with the Common Facilities. PacifiCorp shall provide [NAME] and its employees and contractors with reasonable controlled access to all Common

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Facilities, to enable [NAME] and its contractors to interconnect Unit 2 with the Common Facilities, all in accordance with the Project Schedule provided pursuant to Section 3.4 above, and upon receipt of notice from [NAME].

#### **ARTICLE IV Construction Damage**

##### 4.1 Construction Damage.

In the event any activities undertaken in connection with the development, construction, commissioning or testing of Unit 2 cause any physical damage (“Construction Damage”) to Unit 1, to the Common Facilities or to any portion of PacifiCorp’s Area:

- (a) [NAME] shall be responsible for the full cost of rebuilding, restoring and/or repairing all Construction Damage.
- (b) [NAME] shall promptly, and in any event no later than one (1) day after the date on which the Construction Damage occurred, consult with PacifiCorp regarding the extent of the Construction Damage and possible approaches to remedying the Construction Damage.
- (c) [NAME] shall promptly, and in any event no later than five (5) days after the date on which the Construction Damage occurred, submit to PacifiCorp a detailed written proposal for rebuilding, restoring or replacing, at [NAME]’s expense, such Construction Damage.
- (d) PacifiCorp shall promptly evaluate any proposal submitted by [NAME] for, rebuilding, restoring or replacing, at [NAME]’s expense, such Construction Damage.
- (e) If PacifiCorp determines that [NAME] possesses the demonstrated qualifications and capability to timely perform the remedial actions set out in the proposal, PacifiCorp will cooperate with [NAME] to promptly undertake the rebuilding, restoration or replacement of the Construction Damage set out in the proposal to PacifiCorp’s satisfaction, subject to such terms, conditions and restrictions as PacifiCorp may deem appropriate to ensure that the proposed activities comply with PacifiCorp’s safety programs and practices and that the remedial actions will not result in further damage or loss of generation with respect to Unit 1 operations.
- (f) If PacifiCorp concludes that [NAME] lacks the demonstrated qualifications and capability or otherwise is not in a position to timely perform the remedial actions set out in the proposal, if [NAME] does not agree with PacifiCorp’s terms, conditions and restrictions described in paragraph (d) above, or if [NAME] does not promptly undertake such remedial actions, then PacifiCorp shall be entitled to promptly commence

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repairs to any Construction Damage to Unit 1, the Common Facilities or other portion of the PacifiCorp Area at [NAME]'s sole expense.

(g) In the event that [NAME] does not reimburse PacifiCorp for any cost of rebuilding, restoration or replacement activities related to the Construction Damage incurred by PacifiCorp (including without limitation the reasonable cost of PacifiCorp's consultants and internal personnel and resources) within thirty (30) days of PacifiCorp's invoice for the same, then PacifiCorp may set off any amounts owing to PacifiCorp from [NAME] from any payments owed by PacifiCorp to [NAME] under the [PPA/TSA];

(h) Nothing in this Article IV is intended to be nor shall operate as a limitation on PacifiCorp's right or ability to recover damages from [NAME] pursuant to the [PPA/TSA], this Agreement or otherwise at law or in equity.

## **ARTICLE V Shutdowns**

### 5.1 Scheduled Shutdowns of Unit 1.

The Parties recognize that Unit 1 must be temporarily shut down for interconnection of Unit 2 to the Common Facilities and for other defined construction-related activities as identified in the Project Schedule. All scheduled shutdowns shall be scheduled, to the extent possible, during weekends and holiday periods.

IN NO EVENT SHALL ANY SCHEDULED SHUTDOWNS BE SCHEDULED DURING THE MONTHS OF JUNE, JULY, AUGUST OR SEPTEMBER, except and to the extent that Unit 1 has scheduled maintenance outages scheduled during such period.

[NAME] shall schedule and provide to PacifiCorp, at least 7 days prior to any necessary shutdown, written notice of the next upcoming outage and of any proposed changes to the outage periods set out in the Project Schedule.

[NAME] shall coordinate with PacifiCorp to balance the need to reduce these shutdown periods and to utilize other times of economic shutdown of Unit 1 to perform the required work under the [PPA/TSA] with the need to utilize these shutdown periods to perform work activities that have a reasonable probability of causing an unplanned shutdown of Unit 1.

If the Scheduled Shutdown of Unit 1 occurs at a time when Unit 1 is not otherwise scheduled by PacifiCorp to be shutdown and non-dispatchable, then [NAME] shall pay to PacifiCorp Replacement Power Costs calculated in the same manner as set forth in Section 5.2(c) as though the Scheduled Shutdown were an Unscheduled Shutdown.

5.2 Unscheduled Shutdowns of Unit 1.

- (a) [NAME] shall be responsible for conducting its development, construction, commissioning, testing and startup activities in a manner that minimizes the impact of Unit 2 construction on the operation of Unit 1.
- (b) In the event activities performed by [NAME] or its contractors causes Unit 1 to experience an unscheduled shutdown or loss of power generation capability (each an "Unscheduled Shutdown"), [NAME] shall be liable to PacifiCorp for all damages incurred by PacifiCorp in connection with such Unscheduled Shutdown. Damages associated with an Unscheduled Shutdown shall include, without limitation, (i) \$12,000, multiplied by the Unit 1 OEM's equivalent start ratio for the affected unit(s) per Unscheduled Shutdown occurrence, (ii) the cost of all physical damage to any Unit 1 equipment that is demonstrated to have occurred due to the Unscheduled Shutdown, and (iii) the cost of replacement power ("Replacement Power Costs") for the period of the Unscheduled Shutdown.
- (c) Replacement Power Costs shall be calculated as follows, and shall be payable whether or not PacifiCorp actually purchases replacement power for the applicable period as liquidated damages for the lost generation portion of damages only:

- (i) If an Unscheduled Shutdown occurs during work scheduled pursuant to Section 5.2(e)(i) while Unit 1 is operating, replacement power costs shall be calculated as the product of **(1) the Dow Jones SP15 Daily Firm On-Peak Index for the day of delivery, expressed in \$/MWh, multiplied by (2) the provided Hourly Scalar for each hour, multiplied by (3) the loss factor of 1.112, plus (4) the basis of \$13/MWh during each hour or portion of hour of the Unscheduled Shutdown, minus (5) Unit 1's incremental cost of generating power (i.e., the product of a given plant's then effective net heat rate multiplied by midpoint of the Kern River, Opal Plant Platt's Daily Gas Index at the time of the Unscheduled Shutdown expressed in units of \$/mmBtu)**

\_\_\_\_\_ = Market Price – Incremental Cost

Replacement Power = (1x2x3+4)-5



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- (d) After an Unscheduled Shutdown of Unit 1, any such future work that is to be performed by [NAME] or its contractors of the same or similar nature to that which caused the Unscheduled Shutdown shall proceed as follows:
  - (i) PacifiCorp and [NAME] shall develop a plan designed to accomplish the necessary work in a manner that will avoid reoccurrence of the Unscheduled Shutdown.
  - (ii) Such work plan shall provide that such work may, at PacifiCorp's election:
    - (1) be rescheduled to begin within, and end not less than five (5) hours before the end of, a subsequent Off-Peak Hourly Periods, during which Unit 1 may continue to operate; or
    - (2) PacifiCorp may elect to schedule a shutdown of Unit 1 during any subsequent Off-Peak Hourly Periods and such work may be performed during such shutdown beginning within, and ending no less than two (2) hours before the end of, such Off-Peak Hourly Periods.
- (e) PacifiCorp shall provide [NAME] with not less than eight (8) hours' advance notice (to be confirmed in writing) of any election to schedule a shutdown of Unit 1 pursuant to Section 5.2(d)(ii)(2).
- (f) Nothing in this Article V is intended to be nor shall operate as a limitation on PacifiCorp's right or ability to recover damages from [NAME] pursuant to the [PPA/TSA], this Agreement or otherwise at law or in equity.

### 5.3 Testing and Initial Firing of Combustion Turbines.

[NAME] shall conduct testing and initial firing of the Unit 2 combustion turbine generator during Off-Peak Hourly Periods.

## **ARTICLE VI**

### **Notices and Miscellaneous Provisions**

#### 6.1 Notices, Consents and Approvals

Contact information for notices, requests, demands and other communications required or permitted hereunder is as follows:

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**if to [NAME], to:**

with copies to:

or to such other person or address as [NAME] shall furnish to PacifiCorp;

**if to PacifiCorp, to:**

PacifiCorp  
825 NE Multnomah, Suite 600  
Portland, Oregon 97232-2315  
Attn: \_\_\_\_\_

Tel: \_\_\_\_\_

Fax: \_\_\_\_\_

with copies, in connection with default notices, to:

or to such other person(s) or address(es) as PacifiCorp furnishes to [NAME] from time to time.

All notices, including, acceptances, consents, approvals, agreements, deliveries of information, designations, requests, demands and other communications required or permitted hereunder shall be in writing, properly addressed as provided in paragraph (a) above, and given by (i) hand delivery, (ii) a national overnight courier service, (iii) confirmed facsimile transmission, followed by a hard copy, or (iv) certified or registered mail, return receipt requested, and postage prepaid. Any such notice or other communication shall be deemed to have been duly given as of the date delivered if by hand delivery, national overnight courier service or confirmed facsimile transmission (provided a hard copy promptly follows by other means provided herein), or five (5) calendar days after mailing if by certified or registered mail.

## 6.2 Entire Agreement

This Agreement contains the entire agreement and understanding of the Parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, whether written or oral, of the Parties relating to the subject matter hereof. Any oral or written

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representation, warranty, course of dealing or trade usage not contained or referenced herein shall not be binding on either Party.

### 6.3 Amendment; Waiver

No amendment or other modification of any provision of this Agreement shall be valid or binding unless it is signed by each of the Parties. No waiver of any provision of this Agreement shall be valid or binding unless it signed by the Party waiving compliance with such provision. No delay on the part of either Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver or any partial exercise of any such right, power or privilege preclude any further exercise thereof or the exercise of any other such right, power or privilege. No waiver of any breach, term or condition of this Agreement by any Party shall constitute a subsequent waiver of the same or any other breach, term or condition.

### 6.4 Successors and Assigns

Each and all of the covenants, terms, provisions and agreements herein contained shall be binding upon and inure to the benefit of the Parties hereto and, to the extent permitted by this Agreement, their respective successors and assigns.

### 6.5 Third Party Beneficiaries

The provisions of this Agreement shall only be for the benefit of, and enforceable by, the Parties hereto and shall not inure to the benefit of or be enforceable by any third party.

### 6.6 Severability

In the event any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

### 6.7 Further Assurances

Each Party shall, at the request of the other, execute and deliver or cause to be executed and delivered such documents and instruments not otherwise specified herein, and take or cause to be taken all such other reasonable actions, as may be necessary or desirable to more fully and effectively carry out the intent and purposes of this Agreement.

### 6.8 Publicity

Except as required by law, [NAME] agrees that they will not issue or release for external publication any press release, article, advertising or other publicity matter in any form (including print, electronic, or interview) relating to the Project, or to this Agreement without first consulting with and obtaining the prior consent of PacifiCorp, which consent shall not be unreasonably withheld or delayed. Except as required by law, PacifiCorp agrees that it will not

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issue or release for external publication any press release, article, advertising or other publicity matter in any form (including print, electronic, or interview) relating to this Agreement without first consulting with and obtaining the prior consent of [NAME], which consent shall not be unreasonably withheld or delayed. To the extent reasonably possible, the releasing Party will accommodate the concerns of the other Party. This requirement does not, however, restrict [NAME] from identifying its involvement in the Project in its marketing of products and services to others.

#### 6.9 Independent Contractor

[NAME] is an independent contractor with respect to the Work, and each part thereof, and in respect of all work to be performed hereunder. Neither [NAME], the contractor, nor any subcontractor, the employees of any of such entities, employed in connection with the work shall be deemed to be agents, representatives, joint ventures, employees or servants of PacifiCorp by reason of their performance hereunder or in any manner dealt with herein. Neither Party shall perform any act or make any representation to any Person to the effect that [NAME], or any of its agents, representatives, the contractor or subcontractors, is the agent of PacifiCorp.

#### 6.10 Survival

The provisions of Article 4 (“Construction Damage”), Article 5 (“Shutdowns”), and Sections 2.2 (“Governing Provisions”), 3.1 (“Construction Control”), 3.3 (“PacifiCorp Access to the Construction Area”), 3.9 (“Security and Safety Requirements”), 6.9 (“Independent Contractor”) and 6.11 (“Governing Law; Waiver of Jury Trial”) of this Agreement shall survive the expiration or earlier termination of this Agreement indefinitely, provided that the foregoing enumeration shall not be interpreted to bar survival of any other provision hereof which would otherwise be deemed to survive by operation of law.

#### 6.11 Governing Law; Waiver of Jury Trial

**THIS AGREEMENT SHALL BE GOVERNED BY, CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF UTAH (WITHOUT GIVING EFFECT TO THE PRINCIPLES THEREOF RELATING TO CONFLICTS OF LAW).**

**EACH PARTY HEREBY IRREVOCABLY WAIVES ALL RIGHT OF TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT OR ANY MATTER ARISING HEREUNDER OR THEREUNDER. EACH PARTY HEREBY WAIVES ANY RIGHT TO CONSOLIDATE ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT OR ANY MATTER ARISING HEREUNDER OR THEREUNDER IN WHICH A JURY TRIAL HAS NOT OR CANNOT BE WAIVED.**

#### 6.12 Counterparts

This Agreement may be executed by the Parties in two or more separate counterparts (including by facsimile transmission), each of which shall be deemed an original, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

#### 6.13 Captions

The captions for Articles and Sections contained in this Agreement are for convenience and reference only and in no way define, describe, extend or limit the scope or intent of this Agreement or the intent of any provision contained herein.

#### 6.14 Costs and Expenses.

All Parties have jointly drafted this Agreement. Presumptions regarding the interpretation of documents against the persons drafting same shall not apply to this Agreement. Each Party hereto will pay all costs and expenses incident to its negotiation and preparation of this Agreement and, except as set forth herein, to its performance and compliance with all agreements and conditions contained herein on its part to be performed or complied with, including the fees, expenses and disbursements of its counsel and accountants. In the event of default hereunder, the Parties agree that the defaulting Party shall pay the fees, expenses and disbursements of counsel for the non-defaulting Party in enforcing this Agreement.

#### 6.14 No Waiver.

Except as otherwise provided herein, no provision of this Agreement may be waived except in writing. No failure by either Party to exercise, and no delay in exercising, any right, power, or remedy under this Agreement shall operate as a waiver thereof. Any waiver at any time by a Party of its right with respect to default under this Agreement, or the respect to other matter arising in connection therewith, shall not be deemed a waiver with respect to any subsequent default or matter.

#### 6.15 Liquidated Damages.

TO THE EXTENT ANY PAYMENT REQUIRED TO BE MADE UNDER THIS AGREEMENT IS AGREED BY THE PARTIES TO CONSTITUTE LIQUIDATED DAMAGES, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE AND THAT SUCH PAYMENT CONSTITUTES A REASONABLE APPROXIMATION OF SUCH DAMAGES, AND NOT A PENALTY.

#### 6.16 Limitation of Liability.

**BUYER SHALL NOT BE LIABLE TO SELLER FOR SPECIAL, PUNITIVE, INDIRECT, EXEMPLARY OR CONSEQUENTIAL DAMAGES, WHETHER SUCH DAMAGES ARE ALLOWED OR PROVIDED BY CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, STATUTE OR OTHERWISE UNDER OR IN CONNECTION WITH THIS AGREEMENT.**

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IN WITNESS WHEREOF the parties hereto have executed this Agreement.

By [NAME]:

Title:

By:

Title:

## **EXHIBIT A TO CONSTRUCTION COORDINATION AGREEMENT Glossary of Defined Terms**

Except as otherwise defined in the body of this Agreement, of which this Exhibit is a part, capitalized terms shall have the meanings set forth below:

- (1) “Action” shall mean any lawsuit, action, proceeding, investigation or complaint before any Governmental Authority, mediator or arbitrator.
- (2) “Agreement” shall have the meaning given to it in the Recitals of this Agreement.
- (3) “[PPA/TSA]” shall have the meaning set forth in the Recitals.
- (4) “PacifiCorp’s Area” means the entirety of the Site that is not included in the Construction Area, as the same may exist from time to time.
- (5) “Claims” means any liabilities, fines, penalties or assessments other damages at law or in equity for the payment of money or for specific performance by or on behalf of PacifiCorp, including without limitation claims for injury or death to persons or damage to property, together with costs and attorneys fees associated therewith. .
- (6) “Commercial Operation Date” shall have the meaning set forth in the [PPA/TSA].
- (7) “Common Facilities” means those tangible assets, contracts, and permits owned by PacifiCorp in connection with Unit 1 and utilized in common by PacifiCorp and [NAME] for the construction, startup, commissioning and operation of Unit 2, identified on Exhibit “B”.
- (8) “Construction Area” shall have the meaning given to it in Section 3.2 of this Agreement
- (9) “Construction Damage” shall have the meaning given to it in Section 4.1 of this Agreement.
- (10) “Construction Fence” shall have the meaning given to it in Section 3.2 of this Agreement.
- (11) “Effective Date” has the meaning set forth in the [APSA / EPC Contract]
- (12) “Emergency” means any situation which is likely to impose an immediate threat of injury to any Person or of material property damage or material economic loss to all or any part of the Facility.
- (13) “Facility” or “Facilities” shall mean Unit 1, Unit 2 and the Common Facilities, and all energy producing equipment and auxiliary equipment, fuel storage and handling facilities and equipment, electrical transformers, interconnection facilities and metering facilities, associated with Unit 1 or Unit 2 as may be required for receipt of fuel and for delivery of electricity, and all other improvements related solely to the Units and located on the Site.

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- (14) "Governmental Authority" means any court, tribunal, arbitrator, authority, agency, commission, official or other instrumentality of the United States, any foreign country or any domestic or foreign state, county or other political subdivision.
- (15) "NERC" shall mean the North American Electric Reliability Council, and any successor entity.
- (16) "Off-Peak Hourly Period" means those periods of time measured by hours ending 0100 through 0600 and hours ending 2300 through 2400 Monday through Saturday, and all hours on Sunday and NERC Holidays.
- (17) "PacifiCorp" shall have the meaning set forth in the Recitals..
- (18) "PacifiCorp's Area" shall have the meaning given to it in Section 3.2 of this Agreement.
- (19) "Party" shall have the meaning given to it in the Recitals of this Agreement.
- (20) "Performance Testing" shall have the meaning given to it in the [PPA/TSA].
- (21) "Person" means any individual, partnership, limited liability company, joint venture, corporation, trust, unincorporated organization or Governmental Authority.
- (22) "Prudent Industry Practice" shall have the meaning given to it in the [PPA/TSA].
- (23) "Project Schedule" shall mean a detailed schedule setting forth milestones for key stages of the construction, testing and commissioning of Unit 2, including without limitation provisions regarding necessary interfaces with the Common Facilities, provided by [NAME] to PacifiCorp and updated to reflect material changes in such schedule from time to time.
- (24) "Replacement Power Costs" shall have the meaning given to it in Section 5.2(b) of this Agreement.
- (25) "Shutdown Periods" shall have the meaning given to it in Section 6.1 of this Agreement.
- (26) "Site" means the real property on which the Facilities are located.
- (27) "Tagging and Safety Program" shall mean that tagging and safety program in effect and maintained by PacifiCorp at the Facility from time to time and provided to [NAME].
- (28) "Term" shall have the meaning given to it in Section 2.1 of this Agreement.
- (29) "Unit" shall mean an individual generating facility consisting of the gas turbine, heat recovery system generator, steam turbine, auxiliary boilers and other associated facilities and equipment owned by individually by PacifiCorp or [NAME] not included as Common Facility.



- (30) "Unit 1" means the power plant located in \_\_\_\_\_, Utah, owned by PacifiCorp and the related facilities, real property and property rights related thereto including all necessary permits and licenses, but excluding the Common Facilities.
- (31) "Unit 2" means the proposed power plant to be located in \_\_\_\_\_ under development by [NAME] adjacent to Unit 1 and the related facilities, real property and property rights related thereto including all necessary permits and licenses, but excluding the Common Facilities.
- (32) "Unscheduled Shutdown" shall have the meaning given to it in Section 6.2(b) of this Agreement.

### **Rules as to Usage**

1. The terms defined above have the meanings set forth above for all purposes, and such meanings are equally applicable to both the singular and plural forms of the terms defined.
- (i) The singular includes the plural and vice versa;
  - (ii) Reference to any Person includes such Person's successors and assigns but, if applicable, only if such successors and assigns are permitted by this Agreement;
  - (iii) Reference to a Person in a particular capacity excludes such Person in any other capacity;
  - (iv) Any gender reference includes the other gender;
  - (v) Reference to any agreement (including this Agreement), document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof;
  - (vi) References used in any Article, Section, Schedule, Exhibit or clause refer to this agreement;
  - (vii) "Hereunder," "hereof," "hereto," "herein," and words of similar import are references to this Agreement as a whole not any particular part of provision hereof or thereof;
  - (viii) "Including" ("include") means including without limiting the generality of any description preceding such term;
  - (ix) Relative to any period of time, "from" means "from and including," "to" means "to but not including," and "through" means "through and including;" and

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- (x) Reference to any law (including statutes and ordinances) means such law as amended, modified, codified or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder.

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**EXHIBIT B TO  
CONSTRUCTION COORDINATION AGREEMENT**

**Common Facilities**

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**EXHIBIT C**  
**CONSTRUCTION COORDINATION AGREEMENT**

**Site Plan Designation of Construction Area**

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**EXHIBIT D**  
**CONSTRUCTION COORDINATION AGREEMENT**  
**Security Requirement**

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**ATTACHMENT 1**  
**MINIMUM REQUIREMENTS FOR**  
**A FLEXIBLE RESOURCE**  
**September 2005**

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**Attachment 1**

Title: Characteristics of how the Proxy was modeled in the 2004 IRP

- Starts per Day: 1 minimum, 2 maximum
- Start Up Cost (2004\$): \$1,793/start
- Variable O&M (2004\$): \$2.56/MWh
- Minimum Up Time: 8 hours
- Minimum Down Time: 8 hours
- Ramp Rate (warm start): 250MW/hour
- RunUp Rate (cold start): 125MW/hour

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**ATTACHMENT 2**  
**QF BIDDER INFORMATION**  
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**ELECTRIC SERVICE SCHEDULE NO. 38 - Continued**

**II. B. Procedures (continued)**

Generally, the interconnection process involves (1) initiating a request for interconnection, (2) completion of studies to determine the system impacts associated with the interconnection and the design, cost, and schedules for constructing any necessary interconnection facilities, (3) execution of an Interconnection Facilities Agreement to address facility construction, testing and acceptance and (4) execution of an Interconnection Operation and Maintenance Agreement to address ownership and operation and maintenance issues.

Consistent with PURPA, the owner is responsible for all interconnection costs assessed by the Company on a nondiscriminatory basis.

**ELECTRIC SERVICE SCHEDULE NO. 38 - Continued**

**II. Process for Negotiating Interconnection Agreements (continued)**

Because of functional separation requirements mandated by the Federal Energy Regulatory Commission, interconnection and power purchase agreements are handled by different functions within the Company. Interconnection agreements (both transmission and distribution level voltages) are handled by the Company's power delivery function.

**A. Communications**

Initial communications regarding interconnection agreements should be directed to the Company in writing as follows:

Utah Power & Light Company  
Manager-QF Contracts  
825 NE Multnomah St, Suite 600  
Portland, Oregon 97232

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Based on the project size and other characteristics, the Company will direct the QF owner to the appropriate individual within the Company's power delivery function that will be responsible for negotiating the interconnection agreement with the QF owner. Thereafter, the QF owner should direct all communications regarding interconnection agreements to the designated individual, with a copy of any written communications to the address set forth above.

**B. Procedures**

The Company will follow the procedures for generation interconnection described in Part IV of the Company's Open Access Transmission Tariff (Tariff) on file with the Federal Regulatory Commission. A copy of the Tariff is available on-line at <http://www.oasis.pacificorp.com>

**ELECTRIC SERVICE SCHEDULE NO. 38 - Continued**

**B. Procedures**

1. The Company's proposed generic power purchase agreement may be obtained from the Company's website at [www.pacificorp.com](http://www.pacificorp.com), or if the owner is unable to obtain it from the website, the Company will send a copy within seven days of a written request."
2. To obtain an indicative pricing proposal with respect to a proposed project, the owner must provide in writing to the Company, general project information reasonably required for the development of indicative pricing, including, but not limited to:
  - a) generation technology and other related technology applicable to the site
  - b) design capacity (MW), station service requirements, and net amount of power to be delivered to the Company's electric system
  - c) quantity and timing of monthly power deliveries (including project ability to respond to dispatch orders from the Company)
  - d) proposed site location and electrical interconnection point
  - e) proposed on-line date and outstanding permitting requirements
  - f) demonstration of ability to obtain QF status
  - g) fuel type (s) and source (s)

- h) plans for fuel and transportation agreements
  - i) proposed contract term and pricing provisions (i.e., fixed, escalating, indexed)
  - j) status of interconnection arrangements
3. The Company shall not be obligated to provide an indicative pricing proposal until all information described in Paragraph 2 has been received in writing from the QF owner. Within 30 days following receipt of all information required in Paragraph 2, the Company will provide the owner with an indicative pricing proposal, which may

### **ELECTRIC SERVICE SCHEDULE NO. 38 - Continued**

#### **B. Procedures (continued)**

include other indicative terms and conditions, tailored to the individual characteristics of the proposed project. Such proposal may be used by the owner to make determinations regarding project planning, financing and feasibility. However, such prices are merely indicative and are not final and binding. Prices and other terms and conditions are only final and binding to the extent contained in a power purchase agreement executed by both parties and approved by the Commission. The Company will provide with the indicative prices a description of the methodology used to develop the prices.

4. If the owner desires to proceed forward with the project after reviewing the Company's indicative proposal, it may request in writing that the Company prepare a draft power purchase agreement to serve as the basis for negotiations between the parties. In connection with such request, the owner must provide the Company with any additional project information that the Company reasonably determines

to be necessary for the preparation of a draft power purchase agreement, which may include, but shall not be limited to:

- a) updated information of the categories described in Paragraph B.2,
- b) evidence of adequate control of proposed site
- c) identification of, and timelines for obtaining any necessary governmental permits, approvals or authorizations

### **ELECTRIC SERVICE SCHEDULE NO. 38 - Continued**

#### **B. Procedures (continued)**

- d) assurance of fuel supply or motive force
  - e) anticipated timelines for completion of key project milestones
  - f) evidence that any necessary interconnection studies have been completed and assurance that the necessary interconnection arrangements are being made in accordance with Part II.
5. The company shall not be obligated to provide the owner with a draft power purchase agreement until all information required pursuant to Paragraph 4 has been received by the Company in writing. Within 30 days following receipt of all information required pursuant to paragraph 4, the Company shall provide the owner with a draft power purchase agreement containing a comprehensive set of proposed terms and conditions, including a specific pricing proposal for purchases from the project. Such draft shall serve as the basis for subsequent negotiations between the parties and, unless clearly indicated, shall not be construed as a binding proposal by the Company
6. After reviewing the draft power purchase agreement, the owner may prepare an initial set of written comments and proposals regarding the draft power purchase agreement and forward such comments and proposals to the Company. The Company shall not be obligated to commence negotiations with a QF owner until the Company has received an initial set of written comments and proposals from the QF owner. Following the Company's receipt of such comments and proposals, the owner may contact the Company to schedule contract negotiations at such times and

places as are mutually agreeable to the parties. In connection with such negotiations, the Company:

- a) will not unreasonably delay negotiations and will respond in good faith to any additions, deletions or modifications to the draft power purchase agreement that are proposed by the owner

## **ELECTRIC SERVICE SCHEDULE NO. 38 - Continued**

### **B. Procedures (continued)**

- b) may request to visit the site of the proposed project if such a visit has not previously occurred
  - c) will update its pricing proposals at appropriate intervals to accommodate any changes to the Company's avoided-cost calculations, the proposed project or proposed terms of the draft power purchase agreement
  - d) may request any additional information from the owner necessary to finalize the terms of the power purchase agreement and satisfy the Company's due diligence with respect to the Project.
7. When both parties are in full agreement as to all terms and conditions of the draft power purchase agreement, the Company will prepare and forward to the owner a final, executable version of the agreement. The Company reserves the right to condition execution of the power purchase agreement upon simultaneous execution of an interconnection agreement between the owner and the Company's power delivery function, as discussed in Part II. Prices and other terms and conditions in the power purchase agreement will not be final and binding until the power purchase agreement has been executed by both parties and approved by the Commission.

## **II. Process for Negotiating Interconnection Agreements**

In addition to negotiating a power purchase agreement, QFs intending to make sales to the Company are also required to enter into an interconnection agreement that governs the physical interconnection of the project to the Company's transmission or distribution system. The Company's obligation to make purchases from a QF is conditioned upon all necessary interconnection arrangements being consummated.

It is recommended that the owner initiate its request for interconnection as early in the planning process as possible, to ensure that necessary interconnection arrangements proceed in a timely manner on a parallel track with negotiation of the power purchase agreement.

## **ELECTRIC SERVICE SCHEDULE NO. 38 - Continued**

### **II. Process for Negotiating Interconnection Agreements (continued)**

Because of functional separation requirements mandated by the Federal Energy Regulatory Commission, interconnection and power purchase agreements are handled by different functions within the Company. Interconnection agreements (both transmission and distribution level voltages) are handled by the Company's power delivery function.

#### **A. Communications**

Initial communications regarding interconnection agreements should be directed to the Company in writing as follows:

Utah Power & Light Company  
Manager-QF Contracts  
825 NE Multnomah St, Suite 600  
Portland, Oregon 97232

Based on the project size and other characteristics, the Company will direct the QF owner to the appropriate individual within the Company's power delivery function that will be responsible for negotiating the interconnection agreement with the QF owner. Thereafter, the QF owner should direct all communications regarding interconnection agreements to the designated individual, with a copy of any written communications to the address set forth above.

#### **B. Procedures**

The Company will follow the procedures for generation interconnection described in Part IV of the Company's Open Access Transmission Tariff (Tariff) on file with the Federal Regulatory Commission. A copy of the Tariff is available on-line at <http://www.oasis.pacificorp.com>

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**ATTACHMENT 3**  
**POWER PURCHASE CONTRACT**  
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**RFP 2009**  
**ATTACHMENT 4**  
**[RESERVED]**

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**RFP 2009**  
**ATTACHMENT 5**  
**TOLLING SERVICE AGREEMENT**  
**CONTRACT**  
**September 2005**

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**RFP 2009**  
**ATTACHMENT 6**  
**ASSET PURCHASE AND SALE**  
**AGREEMENT (APSA) WITH**  
**APPENDICES**  
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**RFP 2009**  
**ATTACHMENT 7**  
**LAKE SIDE APSA**  
**RIGHTS AND FACILITIES**  
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**ATTACHMENT 7**  
**LAKE SIDE RIGHTS AND FACILITIES**  
**PPA AND TSA BIDDERS ONLY**

Easements

PacifiCorp will grant a non-exclusive easement on PacifiCorp's property between Bidder's switchyard to the new 345kV substation serving Bidder's Facility. Easement will be determined based on Bidder's routing of Bidder's cable.

PacifiCorp will grant a non-exclusive easement to allow for the connection of Bidder's Facility to a natural gas supply line located on PacifiCorp property, if required. As an alternative, PacifiCorp, in its sole discretion, may convey such property as required for Bidder's natural gas pipeline and metering station to Bidder as part of the Site Purchase Agreement for Lake Side shown as Attachment 19 to this RFP. Specific details of the interconnection are provided in Appendix B to the APSA.

Water Rights

PacifiCorp does not hold any Water Rights that can be acquired by the Bidder. Bidder will be responsible for acquiring such rights.

Emission Reduction Credits (ERCs)

PacifiCorp has ERCs that can be acquired by the Bidder. Pricing is shown in the Site Purchase Agreement for Lake Side. The available Utah County ERCs are (in tons):

|                 |      |
|-----------------|------|
| PM-10           | 46.8 |
| SO <sub>2</sub> | 4.6  |
| NO <sub>x</sub> | 22.4 |

Bidder is responsible for obtaining all ERCs necessary for the operation of the Project.

Facilities Interconnections

Bidder will be entitled to connect, at its own expense with PacifiCorp's raw water connection as specified in Appendix B to the APSA. Supply is limited to water used for construction purposes.

Bidder will acquire, under the Site Purchase Agreement for Lake Side (Attachment 16), rights to one half of the currently available capacity contracted for by PacifiCorp from Questar. Terms of this contract are to be found in the Site Purchase Agreement.

**RFP 2009**  
**ATTACHMENT 8**  
**CURRENT CREEK APSA**  
**RIGHTS AND FACILITIES**  
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**ATTACHMENT 8**  
**CURRENT CREEK RIGHTS AND FACILITIES**  
**PPA AND TSA BIDDERS ONLY**

Easements

PacifiCorp will grant a non-exclusive easement on PacifiCorp's property between Bidder's switchyard to the 345kV substation serving Bidder's Facility. Easement will be determined based on Bidder's routing of Bidder's cable.

PacifiCorp will grant a non-exclusive easement to allow for the connection of Bidder's Facility to a natural gas supply line located on PacifiCorp property, if required. As an alternative, PacifiCorp, in its sole discretion, may convey such property as required for Bidder's natural gas pipeline and metering station to Bidder as part of the Site Purchase Agreement for Currant Creek shown as Attachment 17 to this RFP. Specific details of the interconnection are provided in Appendix B to the APSA.

Water Rights

PacifiCorp has Water Rights that can be acquired by the Bidder. Quantities and pricing are shown in the Site Purchase Agreement for Currant Creek shown as Attachment 21 to this RFP.

Emission Reduction Credits (ERCs)

PacifiCorp does not believe that ERCs will be required for this project at this time. Bidder to confirm.

Facilities Interconnections

Bidder will be entitled to connect, at its own expense with PacifiCorp's raw water connection as specified in Appendix B to the APSA.

Bidder will acquire, under the Site Purchase Agreement for Currant Creek (Attachment 17), rights to one half of the currently available capacity contracted for by PacifiCorp from Questar. Terms of this contract are to be found in the Site Purchase Agreement.

**RFP 2009**  
**ATTACHMENT 9**  
**OWNER'S COSTS UNDER**  
**APSA AND EPC**  
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## ATTACHMENT 9 OWNER'S COST ASSUMPTIONS UNDER AN APSA<sup>1</sup>

**Costs for both Lakeside and Currant Creek:**

| ESTIMATED OWNER COSTS  | CURRANT CREEK        | LAKE SIDE            |
|--|----------------------|----------------------|
| Project Management   | \$ 1,000,000         | \$ 1,000,000         |
| Plant Labor  | \$ 682,500           | \$ 682,500           |
| Misc. Consultants  | \$ 100,000           | \$ 100,000           |
| Owners Legal Council   | \$ 100,000           | \$ 100,000           |
| Regulation, PR & Communication   | \$ 100,000           | \$ 200,000           |
| C&T Charges for PSC Hearings   | \$ 20,000            | \$ 20,000            |
| Legal Costs for PSC Hearings   | \$ 200,000           | \$ 200,000           |
| Computer Hardware  | \$ 150,000           | \$ 150,000           |
| Permitting & License Fees  | \$ 200,000           | \$ 200,000           |
| Startup / Fuel and Testing   | \$ 965,400           | \$ 965,400           |
| Site Surveys/Studies   | \$ 50,000            | \$ 50,000            |
| Site Security  | \$ 250,000           | \$ 250,000           |
| Operating Spare Parts  | \$ 6,600,000         | \$ 6,600,000         |
| Permanent Plant Equipment, Tools, & Furnishings                                | \$ 300,000           | \$ 300,000           |
| Builders All Risk Insurance  | TBD                  | TBD                  |
| Training   | \$ 150,000           | \$ 150,000           |
| Escalation Owner's Costs   | TBD                  | TBD                  |
| Sales Tax & Duties <sup>2</sup>  | Bidder to Supply     | Bidder to Supply     |
| Owner Contingency <sup>3</sup>   | TBD                  | TBD                  |
| Capital Surcharge  | \$ 500,000           | \$ 500,000           |
| Capitalized Property Taxes <sup>4</sup>  | TBD                  | TBD                  |
| Interest During Construction (AFUDC <sup>5</sup> ) (Based on payment schedule) | TBD                  | TBD                  |
| <b>PROJECT TOTALS</b>  | <b>\$ 11,367,900</b> | <b>\$ 11,517,900</b> |

The above cost figures were developed by PacifiCorp as estimates to be used by PacifiCorp for its own purposes, including but not limited to evaluation of proposals submitted pursuant to the RFP. In no event shall PacifiCorp be responsible for errors or omissions in the above figures or any cost estimates developed by respondents to the RFP.

Notes:

- <sup>1</sup> Costs over and above those stated in Attachment 7 and 8 "Owner's Development Costs"
- <sup>2</sup> Bidder shall divide proposal into taxable and non-taxable items.
- <sup>3</sup> Owner's Contingency will be the same on both sites.
- <sup>4</sup> Current Effective Rate for Currant Creek is 0.86%, for Lake Side, 1.10%. Both are subject to change.
- <sup>5</sup> The Current Effect Rate for AFUDC is 7.5%. This is subject to change.



## **RFP Analysis Guidelines for AFUDC and Capitalized Property Tax**

For purposes of analyzing resource RFP responses which require PacifiCorp to assume a progress payment obligation during the construction phase for a resource that will be transferred to and owned by PacifiCorp, the total capitalized cost shall include:

- (1) a capitalized financing cost as applied through the application of Allowance for Funds Used During Construction (AFUDC), pursuant to Regulatory Commissions' guidelines, and
- (2) an amount for capitalized property taxes, pursuant to PacifiCorp's property tax capitalization policy.

### AFUDC

Monthly AFUDC shall be calculated by multiplying the average balance of Construction Work in Progress (CWIP) by the applicable projected AFUDC rate in use by PacifiCorp. CWIP shall include all applicable construction overheads, AFUDC from prior months, and capitalized property taxes that are associated with the final capitalized cost of such resource until such resource is projected to be placed in service.

This rate is currently 7.5% annually. The actual rate in effect at the time of the bid evaluation will be the one used.

### Property Tax

If the projected CWIP balance is greater than \$50 million as of the first day of each calendar year, the amount of capitalized property taxes that will be added to CWIP will be equal to each year's beginning CWIP balance multiplied by an estimated property tax rate applicable for the resource under consideration.

The standard (non-site specific) rate for PacifiCorp is currently 1.2% of the CWIP balance. The actual rate in effect when the final RFP is issued in September, will be the one used.

**RFP 2009**  
**ATTACHMENT 10**  
**OWNER'S DEVELOPMENT COST**  
**ASSUMPTIONS**  
**September 2005**

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## ATTACHMENT 10 OWNER'S DEVELOPMENT COST ASSUMPTIONS

### Lake Side Development Costs:

|                                   |              |
|-----------------------------------|--------------|
| Permitting and License Fees       | \$200,000    |
| Regulation, PR and Communications | \$200,000    |
| Owner's Legal Counsel             | \$100,000    |
| Surveys/Studies                   | \$50,000     |
| Water Rights <sup>1</sup>         | \$12,048,000 |
| ERCs <sup>1</sup>                 | \$1,065,169  |
| Miscellaneous Consultants         | \$125,000    |
|                                   |              |
| Total                             | \$13,288,169 |

### Currant Creek Development Costs

|                                   |                       |
|-----------------------------------|-----------------------|
| Permitting and License Fees       | \$200,000             |
| Regulation, PR and Communications | \$200,000             |
| Owner's Legal Counsel             | \$100,000             |
| Surveys/Studies                   | \$50,000              |
| Water Rights <sup>2,3</sup>       | Obtained with Block 1 |
| ERCs <sup>2</sup>                 | Obtained with Block 1 |
| Miscellaneous Consultants         | \$125,000             |
|                                   |                       |
| Total                             | \$675,000             |

The above development cost figures were developed by PacifiCorp as estimates to be used by PacifiCorp for its own purposes, including but not limited to evaluation of proposals submitted pursuant to the RFP. Each entity responding to the RFP shall not rely on these figures, and each respondent shall be solely responsible for developing its own estimates of development costs. In no event shall PacifiCorp be responsible for errors or omissions in the above figures or any development cost estimates developed by respondents to the RFP.

#### Notes:

<sup>1</sup> See Site Purchase Agreement for Lake Side for specific acreages and quantities

<sup>2</sup> See Site Purchase Agreement for Currant Creek for specific acreages and quantities

<sup>3</sup> Currant Creek's design utilizes an Air-Cooled Condenser (ACC)

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**RFP 2009**  
**ATTACHMENT 11**  
**FORM OF LETTER OF CREDIT**  
**September 2005**

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**Attachment 11 to RFP 2009**  
**Requirements for a Letter of Credit**

A Letter of Credit means an irrevocable standby letter of credit in a form reasonably acceptable to PacifiCorp, naming PacifiCorp as the party entitled to demand payment and present draw requests thereunder, which letter(s) of credit:

- (1) is issued by a U.S. commercial bank or a foreign bank with a U.S. branch, with such bank having a net worth of at least \$1,000,000,000 and a credit rating on its senior unsecured debt of:
  - (a) "A2" or higher from Moody's; or
  - (b) "A" or higher from S&P;
- (2) on the terms provided in the letter(s) of credit, permits PacifiCorp to draw up to the face amount thereof for the purpose of paying any and all amounts owing by Seller hereunder.
- (3) if a letter of credit is issued by a foreign bank with a U.S. branch, permits PacifiCorp to draw upon the U.S. branch;
- (4) permits PacifiCorp to draw the entire amount available thereunder if such letter of credit is not renewed or replaced at least thirty (30) Business Days prior to its stated expiration date;
- (5) permits PacifiCorp to draw the entire amount available thereunder if such letter(s) of credit are not increased, replaced or replenished as and when provided where applicable;
- (6) is transferable by PacifiCorp to any party to which PacifiCorp may assign;
- (7) shall remain in effect for at least ninety (90) days after the end of the Term.

**RFP 2009**  
**ATTACHMENT 12**  
**STANDARD AND POOR'S**  
**INFERRED DEBT**  
**METHODOLOGY ARTICLE**  
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**ATTACHMENT 13**  
**PACIFICORP COSTS ASSOCIATED**  
**WITH INTEGRATION**  
**September 2005**

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## **Preliminary Assessment of Transmission Impacts Associated with RFP Points of Delivery**

### **1. Overview of Points of Delivery**

PacifiCorp is interested in resources that are capable of delivery into or in a portion of the Company's network transmission system in PACE. Specifically, the point(s) of delivery of primary interest to PacifiCorp are:

- Salt Lake Valley
- PacifiCorp Sites
  - Currant Creek
  - Lake Side
- Mona 345 kV
- Glen Canyon 230 kV
- Nevada/Utah Border:
  - Gonder-Pavant 230 kV line known as "Gonder 230 kV"
  - Sigurd – Harry Allen 345 line known as "NUB" or Red Butte 345 kV
  - Crystal 500 kV
- West of Naughton

The Company is generally not interested in resources delivered to the following areas:

- Four Corners
- Wyoming, unless the resource(s) electrically reside south of the Naughton-Monument 230 kV line and the cost of the upgrade is included.
- Borah, Brady or Kinport unless such resource is interconnected to the Company's Southeast Idaho electrical system near the Goshen area.

### **2. Transmission Assumptions Associated with the Points of Delivery**

PacifiCorp may need to increase transmission import capability and upgrade its network system capacity in order to integrate a resource delivered to the preferred points of delivery. The table below indicates what possible additions might be necessary and the indicative cost associated with the upgrade<sup>1</sup>. These indicative costs are based on assessments done by the PacifiCorp Transmission group for RFP 2003B, the 2004 Integrated Resource Plan and System Impact Studies. These cost estimates will be used for the purpose of evaluating bids and may be refined if better estimates are received prior to issuance of the RFP.

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<sup>1</sup> Transmission studies have been requested to clarify incremental transmission costs, and will be included in final RFP if available prior to issuance.

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| <b>Point of Delivery</b>               | <b>Description of Possible Transmission Additions / Upgrades</b>              | <b>Path(s) to Upgrade and Voltage Support</b>                     | <b>Estimated Cost of Upgrades</b>                  |
|--|---|---|--|
| Salt Lake Valley                       | Upgrades to existing lines  | Unknown   | \$10 – 20 M  |
| Lake Side                              | Transmission line, substation, SVC  | Lake Side to Salt Lake Valley                                     | \$77 M   |
| Mona 345 kV / Currant Creek            | Transmission line, substation, SVC  | Mona to PACE <sup>1</sup>   | \$69 M   |
| Glen Canyon 230 kV                     | Transmission line(s), substation, SVC   | Glen Canyon to Sigurd and Mona to PACE                            | \$TBA <sup>2</sup> M (Glen Canyon) + \$69 M (Mona) |
| Gonder 230 kV over 200 MW <sup>3</sup> | Transmission line(s), substation, SVC   | Gonder/Nevada Border to Sigurd and Mona to PACE                   | \$TBA M (Gonder) + \$69 M (Mona)                   |
| NUB (Harry Allen 345 kV)               | Transmission line, substation, SVC  | NUB to West Cedar and Mona to PACE                                | \$TBA (NUB) + \$69 M (Mona)                        |
| Crystal                                | Transmission line(s), substation, SVC, transformer                            | Crystal to Red Butte and Mona to PACE                             | \$119 M (Crystal) + \$69 M (Mona)                  |
| West of Naughton                       | New line, substation  | Naughton to Evanston <sup>4</sup><br>Evanston to Salt Lake Valley | \$19 M (Naughton) + \$120 M (Evanston)             |
| Path C <sup>5</sup> up to 150 MW       | Substation, upgrade to existing line  |   | \$45 M   |
| Path C up to 300 MW                    | Substation, upgrade of existing line, line extension, series capacitors       |   | \$65 M   |
| Path C up to 600 MW                    | All the upgrades associated with increasing capacity to 300 MW and a new line | Treasureton to Ben Lomond   | \$ 85 M + \$65M                                    |

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<sup>1</sup> Mona – Oquirrh - Incremental costs that will be used for the purpose of delivering resources at or through the Mona area will be priced less the cost for the Hunter 4 proxy resource in the IRP Preferred Portfolio.

<sup>2</sup> To be assessed (TBA)

<sup>3</sup> Resources under 200 MW won't require upgrades from the Nevada border to Sigurd.

<sup>4</sup> Naughton to Evanston portion may not be needed depending on location.

<sup>5</sup> Path C - Although Path C was not a preferred path for delivery, it has been included for evaluation purposes.

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**RFP 2009**  
**ATTACHMENT 14**  
**CONFIDENTIALITY AGREEMENT**  
**September 2005**

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**CONFIDENTIALITY AGREEMENT**

This CONFIDENTIALITY AGREEMENT (this "Agreement") is entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2005, by and between PacifiCorp, an Oregon corporation ("PPW"), and \_\_\_\_\_ (collectively with all its subsidiaries, officers, directors, members, managers, employees, agents, accountants and attorneys, "Recipient"); with reference to the following:

WHEREAS, PPW and Recipient are discussing a potential transaction relating to PPW's Request for Proposals 2009, and in connection therewith Recipient wishes to receive certain Confidential Information (as hereinafter defined), but requires as a condition precedent Recipient's execution of this Agreement;

NOW, THEREFORE, in consideration of the above and the mutual promises herein contained, the parties hereto agree as follows:

1. Confidential Information. "Confidential Information" means any oral or written information which is made available to Recipient by PPW or any of its corporate affiliates or its or their officers, directors, employees, agents, accountants or attorneys (a "Disclosing Party") before or after the date hereof, regardless of the manner furnished, and includes without limitation: (i) compilations and analyses prepared by Recipient; (ii) names of current and potential manufacturers, suppliers, customers and marketing relationships of any Disclosing Party, (iii) the nature, terms, conditions or other facts respecting any discussions between PPW and Recipient (including their existence and status). Confidential Information does not include information which at the time of disclosure is generally available to the public (other than as a result of disclosure by Recipient) or was available to Recipient on a nonconfidential basis from a source other than a Disclosing Party not under a duty of confidentiality to a Disclosing Party.

2. Confidentiality; Disclosure. The Confidential Information will be kept confidential by each Recipient and will not be used for any purpose by its Recipient other than for the purpose set forth above. Recipient will be responsible for any breach of this Agreement by any of its officers, directors, employees, agents, accountants and attorneys. Recipient shall restrict the dissemination of the Confidential Information to its employees who have a need to see it, and shall cause any agent, accountant or other non-employee to whom it wishes to show the Confidential Information sign an agreement in the form hereof in advance thereof. Recipient will keep confidential any Confidential Information contained in any analyses, compilations, studies or other documents prepared by Recipient that contain or reflect any Confidential Information. Upon request from PPW, Recipient promptly will return all copies of the Confidential Information.

3. Protective Order. If Recipient becomes legally compelled to disclose any Confidential Information, it shall provide PPW with prompt prior written notice so that PPW may seek a protective order or other appropriate remedy. If such protective order or other remedy is not obtained, Recipient shall (i) furnish only that portion of the

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Confidential Information which, in accordance with the advice of its own counsel, is legally required to be furnished, and (ii) exercise reasonable efforts to obtain assurances that confidential treatment will be accorded the Confidential Information so furnished.

4. No Representation or Warranty. Recipient acknowledges that no Disclosing Party is making any representation or warranty as to the accuracy or completeness of any information furnished (except specifically to the extent and only to such extent as shall be expressly set forth in an executed and delivered definitive agreement). No Disclosing Party or any of its officers, directors, employees, agents or controlling persons (including, without limitation, parent and subsidiary companies) shall have any liability to a Recipient or any other person relating to or arising from the use of the Confidential Information provided by a Disclosing Party.

5. Conduct of Process. Except for any confidentiality agreements, none of PPW or any Disclosing Party is under any obligation to Recipient, and PPW is free to elect not to consummate an agreement or to furnish or receive information. Nothing contained in this Agreement shall prevent PPW from negotiating with or entering into a definitive agreement with any other person or entity without prior notice to Recipient. Until PPW and Recipient enter into a definitive agreement, no contract or agreement or other investment or relationship shall be deemed to exist between any Disclosing Party or any Recipient as a result of this Agreement, the issuance of a term sheet, the issuance, receipt, review or analysis of information, the negotiation of definitive documentation, or otherwise, and none of the foregoing shall be relied upon as the basis for an implied contract or a contract by estoppel.

6. Intellectual Property Rights. Nothing contained herein grants any rights respecting any intellectual property (whether or not trademarked, copyrighted or patented) or uses thereof.

7. Costs and Expenses. Except as otherwise provided in any other written agreement between the parties, the parties shall bear their own costs and expenses, including without limitation fees of counsel, accountants and other consultants and advisors.

8. Remedies. PPW shall be entitled to equitable relief, including injunction and specific performance, in the event of any breach hereof, in addition to all other remedies available to PPW at law or in equity. No failure or delay by PPW in exercising any right, power or privilege hereunder will operate as a waiver, nor will any single or partial exercise or waiver of a right, power or privilege preclude any other or further exercise thereof.

9. Venue and Choice of Law. This Agreement **is governed by the laws of the State of Oregon.** Any suit, action or proceeding arising out of the subject matter hereof, or the interpretation, performance or breach hereof, shall be instituted in any State or Federal Court in Multnomah County, Oregon (the "Acceptable Forums"). Each party agrees that the Acceptable Forums are convenient to it, and each party irrevocably

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submits to the jurisdiction of the Acceptable Forums, and waives any and all objections to jurisdiction or venue that it may have any such suit, action or proceeding.

10. Miscellaneous. This Agreement constitutes the entire agreement of the parties relating to its subject matter, and supersedes all prior communications, representations, or agreements, verbal or written. This Agreement may only be waived or amended in writing. Notices hereunder shall be in writing and be effective when actually delivered. This Agreement may be executed in counterparts, each of which, when taken together, shall constitute one and the same original instrument. Neither party may assign or otherwise transfer its rights or delegate its duties hereunder without prior written consent, and any attempt to do so is void.

IN WITNESS WHEREOF, the undersigned parties have executed this Confidentiality Agreement as of the date first written above.

PACIFICORP  
an Oregon corporation

\_\_\_\_\_  
a \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_

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**RFP 2009**  
**ATTACHMENT 15**  
**NON-RELIANCE LETTER**  
**September 2005**

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825 N.E. Multnomah  
Portland, Oregon 97232  
(503) 813-5000

September \_\_, 2005

[Name]  
[Address]

Re: RFP 2009

Dear [\_\_\_\_\_]:

This letter clarifies PacifiCorp's rights relating to its further evaluation and discussion of your possible involvement with \_\_\_\_\_ ("Counterparty") proposal submitted in response to PacifiCorp's Request for Proposals (RFP) 2009 (collectively with Counterparty's proposal and all matters relating thereto, the "Project") and any subsequent negotiations regarding the terms of any agreement or agreements entered into with you or any other party in connection with the Project. PacifiCorp will agree to enter into further discussions with you only upon your prior acknowledgement of these rights. "You" and similar words (whether or not capitalized) refer to the addressee of this letter, Counterparty, and any Project development entity or other affiliate of the addressee in any way involved in the Project.

PacifiCorp is committed to following a fair process in selecting the winning proposal. However, PacifiCorp reserves the right, in its sole discretion, to terminate the consideration of the Project and any discussions with you or any other parties (such as your lenders) relating to the Project at any time and for any reason without incurring any liability for costs or expenses incurred by you in the course of, or as a result of, your participation in the bidding process or negotiations respecting the Project, including but not limited to any costs or expenses related to or arising from the preparation or submission of your proposal, your legal fees, transmission or environmental studies or reviews, expenses of any third party incurred at your behest, your participation in discussions with PacifiCorp, the Project, or any development costs incurred by you in connection with this process. The submission of a proposal by [Counterparty] and PacifiCorp's decision to engage in further discussions with you does not constitute acceptance of the Project, and shall not obligate PacifiCorp to accept or to proceed further with the Project. The acceptance of any proposal and the commencement of the



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Project are contingent on a number of factors, including but not limited to financial and creditworthiness considerations, strategic decisions, resource planning, regulatory approvals, and the approval of PacifiCorp's board of directors and/or shareholders. PacifiCorp makes no representation as to the likelihood of [Counterparty]'s proposal being accepted or of the Project being commenced and, if PacifiCorp decides not to accept [Counterparty]'s proposal or the Project, you hereby fully and forever release and discharge PacifiCorp of all liability whatsoever, whether arising from your alleged reliance on PacifiCorp's acceptance of the Project or any part thereof or whether based upon any other action or claim in tort, contract, promissory estoppel, equity, negligence or intentional conduct, and PacifiCorp shall not be liable for any amount of liability or damages, including but not limited to any amounts for incidental, special, consequential or punitive damages.

PacifiCorp reserves the right to engage in discussions with multiple parties simultaneously with respect to RFP 2009 or any other matter, and to accept or reject any type of proposal of any party in its sole discretion. PacifiCorp also reserves the rights to reject all proposals relating to RFP 2009, and to pursue any other course it deems appropriate, including without limitation the development of a cost-base self build alternative.

PacifiCorp shall have no obligations to you with respect to the Project unless and until the execution by all applicable parties of one or more definitive written agreements (the "Definitive Agreements") in form and substance satisfactory to the parties entering into such Definitive Agreements and then only to the extent stated therein. No contract will nor will be deemed to exist, whether by estoppel or otherwise, in any other way than execution and delivery (if ever) of the Definitive Agreements. The execution (if any) of any Definitive Agreements would be subject, among other things, to the satisfactory completion of due diligence by such parties as well as the satisfaction of applicable financial, environmental and other regulatory requirements as determined by PacifiCorp. If PacifiCorp selects the Project, then except as specifically set forth in the Definitive Agreements, PacifiCorp shall have no obligations to you in the event that the Project or any part thereof is discontinued, cancelled, stopped, or terminated for any reason whatsoever, including without limitation financial or creditworthiness considerations concerning you or any contemplated source of Project-related funds, third-party delay or failure (with PacifiCorp's transmission function constituting a third party for purposes hereof), regulatory restrictions, gas or transmission infrastructure restrictions, environmental or community challenges, or the Project is embargoed, restrained, subject to labor strike or lockout, destroyed, subject to terrorist attack or any other force beyond your control, is incapable of receiving required gas or electricity transmission or network service, or is otherwise rendered impossible to complete by the times set forth in the Definitive Agreements for any other reason, whether your fault or not.

Whether or not the Project is commenced and Definitive Agreements executed, you will be responsible to pay your own fees and expenses, including without limitation legal fees and expenses, incurred in connection with the preparation, discussion and negotiation of the Project as well as the preparation, negotiation, execution and delivery

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of the Definitive Agreements and any other agreements or documents contemplated thereby, and PacifiCorp will not be responsible for any of those fees and expenses.

If the foregoing is acceptable, please indicate so by executing and dating both originals of this letter in the space indicated below, returning one original to the undersigned within three days of the date hereof and retaining the other original for your files.

Sincerely,

PacifiCorp

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

ACCEPTED AND AGREED:

*[Insert Name of Party]*

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

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**RFP 2009**  
**ATTACHMENT 16**  
**SITE PURCHASE AGREEMENT**  
**FOR LAKE SIDE**  
**September 2005**

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**AGREEMENT FOR SALE AND PURCHASE  
OF REAL PROPERTY**

This Agreement for Sale and Purchase of Real Estate (the "Agreement") is entered into as of the \_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_ ("Buyer") and PacifiCorp, an Oregon corporation ("Seller").

**RECITALS**

A. Seller is the owner of approximately \_\_\_\_\_ acres of real property situated within Utah County, \_\_\_\_\_ and more particularly described on the attached Exhibit "A" (the "Property").

B. Buyer wishes to purchase the Property for;

C. Seller is willing to sell the Property on the terms and conditions stated herein.

NOW, THEREFORE, in consideration of the amounts to be paid and the mutual promises contained herein, Buyer and Seller agree as follows:

**ARTICLE I  
AGREEMENT TO PURCHASE AND SELL; PURCHASE PRICE**

1.1 Purchase and Sale. Upon the terms and conditions set forth in this Agreement, Seller agrees to convey to Buyer, and Buyer agrees to purchase and take from Seller, fee title interest in and to that certain parcel of real property, as more particularly described on Exhibit "A", attached hereto and by this reference made part of this Agreement, together with all appurtenances, rights, privileges and easements belonging thereto (collectively referred to herein as the "Property"), unless otherwise expressly stated in this Agreement.

(a) The description of the Property contained in Exhibit "A" is approximate. The exact acreage of the Property will be determined by a survey (the "Survey") to be prepared by Seller, at its sole cost, and provided to Buyer no later than ninety (90) days after the date of this Agreement. The Survey shall be attached to this Agreement as Exhibit "B" upon its completion.

(b) Any water rights associated with the Property are not included as part of this Agreement.

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(c) Emissions Reduction Credits associated with the Property are included as part of this Agreement. Details of the Credits are provided in Exhibit "C".

(d) An assignment and transfer from Seller to Buyer, and the acceptance and assumption by Buyer, of fifty percent (50%) of Seller's rights and obligations under that certain Agreement for Firm Transportation to PacifiCorp – Lakeside Generation Facilities dated February 4, 2005, as amended May 3, 2005 between Seller and Questar Gas Company is being entered into in connection with this Agreement. The terms of such assignment, transfer and assumption are included in a separate Assignment and Assumption Agreement between Seller and Buyer of even date herewith, and the effectiveness of such agreement constitutes an express condition for the effectiveness of this Agreement.

1.2 Purchase Price. The purchase price for the Property (the "Purchase Price") shall be \_\_\_\_\_ (\$\_\_\_\_\_).

1.3 Payment of Purchase Price. Buyer shall pay the Purchase Price to Seller in cash, by cashier's check, or other immediately available funds on the Closing Date, as adjusted for prorations on the Closing Date as provided herein.

## **ARTICLE II TITLE INSURANCE**

2.1 Commitment of Title Insurance.

(a) Within thirty (30) days after the date of this Agreement, Seller shall deliver to Buyer a commitment for title insurance covering the Property (the "Commitment"), issued by the Title Company and dated on or after the date of this Agreement.

(b) Buyer shall have ten (10) days following receipt of the Commitment to provide any written objections to any matter set forth on Schedule B of the Commitment. If Buyer does not timely deliver written notice of objection to Seller, Buyer shall be deemed to have approved of all matters set forth in the Commitment. Matters which Seller has agreed to discharge pursuant to Section 2.1 (c) and any encumbrances or other title exceptions to which Buyer does not object shall be deemed to be "Permitted Exceptions" and shall not be considered objections to any matter contained in the Commitment.

(c) If Buyer provides a written notice of objections in accordance with Section 2.1 (b), then Seller shall have the option to: (i) cure such objections at Seller's sole cost; or (ii) terminate this Agreement.

(d) Buyer's sole remedy for Seller's inability to convey title subject only to the Permitted Exceptions or to cure Buyer's objections in accordance

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with Section 2.1 (c) shall be to terminate this Agreement. In that case, Seller shall have no other obligation to Buyer in connection with this Agreement or the Property.

2.2 Delivery of Title Insurance. Except as otherwise stated in Section 2.1, Seller shall obtain and deliver to Buyer within ten (10) days after the Closing Date an ALTA Standard Owner's Policy of title insurance in the amount of the Purchase Price, effective as of the Closing Date and containing no exceptions other than the Permitted Exceptions.

### **ARTICLE III REPRESENTATIONS AND WARRANTIES**

3.1 Representations and Warranties of Seller. Seller makes the following representations and warranties to Buyer, as of the date of this Agreement and as of the Closing Date, each of which representations and warranties shall extend beyond the Closing Date and delivery of the Special Warranty Deed.

(a) Seller has and on the Closing Date will have good and marketable fee simple title to the Property to be conveyed, free and clear of all encumbrances, liens, claims, or reservations, except as specifically approved by Buyer under this Agreement.

(b) Seller has the right, power and authority to execute, deliver, and perform this Agreement and the execution, delivery, and performance of this Agreement have been duly authorized by all necessary corporate action on the part of Seller, and upon execution and delivery this Agreement shall constitute valid and binding obligations of Seller enforceable against Seller in accordance with its terms and except as enforceability may be limited by bankruptcy, insolvency, and other similar laws affecting claims and rights generally or be general equitable principles.

(c) Seller has not received written notice of any judgment, suit, claim, action, arbitration, legal, administrative, or other proceeding or governmental investigation pending or threatened with respect to any of the Property that would materially adversely affect the Property, and no activities or events have occurred on or in connection with the Property that could give rise to any such claims or proceedings.

(d) Seller has not received any written notices, demands or deficiency statements from any mortgagee of the Property or from any state, municipal or county government or agency or any insurer relating to the Property and which have not been cured or remedied except property valuation and tax notices issued by Utah County.

(e) Except as otherwise expressly disclosed in the Commitment, the Property is not subject to any proposed special assessment or to any existing

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special assessment lien arising as a result of any works or improvements completed, installed or contemplated at or before the Closing Date.

(f) Seller has paid and shall pay all liens, charges, taxes and assessments for the Property arising prior to the Closing Date.

(g) No person, broker or entity, whether or not affiliated with Seller, is entitled to a commission, finder's fee or other compensation arising from this Agreement, as regarding Seller. Seller shall indemnify defend and hold Buyer harmless from and against any and all claims, loss or damage relating to or arising out of any claim for compensation by any broker, person or entity claiming by or through Seller.

3.2 Representations and Warranties of Buyer. Buyer makes the following representations and warranties to Seller, as of the date of this Agreement and as of the Closing Date, each of which representations and warranties shall survive the Closing and delivery of the Special Warranty Deed.

(a) Buyer has the right, power and authority to execute, deliver and perform this Agreement.

(b) No person, broker or entity, whether or not affiliated with Buyer, is entitled to a commission, finder's fee or other compensation arising from this Agreement as regarding Buyer. Buyer shall indemnify, defend and hold Seller harmless form and against any and all claims, loss or damage relating to or arising out of any claim for compensation by any broker, person or entity claiming by or through Buyer.

3.3 Acknowledgment by Buyer Regarding Seller's Representations and Warranties. Except as expressly set forth in other portions of this agreement, Buyer hereby affirms that neither Seller nor its agents, employees or attorneys have made, nor has Buyer relied upon any representation, warranty, or promise (either express or implied) with respect to the Property or any other subject matter of this Agreement including, without limitation:

(a) the general plan designation, zoning, value, use, tax status or physical condition of any part of the Property or the improvements to the Property;

(b) the flood elevations, drainage patterns and soil and subsoils composition and compaction levels and other conditions at the Property;

(c) the existence or nonexistence of any hazardous or toxic substance, waste or material (as defined or regulated by any federal, state or local law or regulation);

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- (d) the accuracy of any soils reports or any other plans or reports regarding the Property;
- (e) the suitability of the Property for Buyer's intended purpose; or
- (f) the status, suitability or sufficiency of any Emissions Reduction Credits associated with the Property.

WITHOUT LIMITING THE GENERALITY OF THE FOREGOING AND EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, BUYER ACCEPTS THE PROPERTY FROM THE SELLER "AS IS", SUBJECT TO "ALL FAULTS" INCLUDING, BUT NOT LIMITED TO, BOTH LATENT AND PATENT DEFECTS, AND THE ENVIRONMENTAL CONDITION OR DEFECTS THEREOF. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, BUYER HEREBY WAIVES ALL WARRANTIES, EXPRESS OR IMPLIED, REGARDING THE CONDITIONS AND THE USE OF THE SUBJECT PROPERTY, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE.

#### **ARTICLE IV USE OF PROPERTY**

4.1 Seller's Use of the Property Prior to Closing Date. From and after Seller's execution of this Agreement and except in the ordinary course of administering its general mortgage, Seller shall not grant or convey any easement, lease, license, permit or any other legal or beneficial interest in or to the Property or engage in any contract with any party other than Buyer regarding the purchase or sale of the Property, without the prior written consent of Buyer. Further, except as otherwise provided for herein, Seller agrees to pay, as and when the same are due, all payments on any encumbrances presently affecting the Property and any and all taxes, assessments and levies in respect of the Property through the Closing Date.

4.2 Buyer's Right to Enter Property Prior to the Closing Date. Buyer or its employees or agents may enter the Property at any time prior to the Closing Date upon twenty-four (24) hours notice to Seller to inspect the Property and perform surveys or tests as Buyer may elect; provided, however, that such entry shall not unreasonably interfere with the activities of Seller on the Property, and Buyer shall indemnify and hold Seller harmless from, all liabilities and all consequences of any interruption of Seller's operation of Seller's generation facilities located adjacent to the Property associated with Buyer's activities on the Property.

#### **ARTICLE V EASEMENTS**

5.1 Seller's Use of the Property After the Closing Date. Seller reserves the right to continue to use those portions of the Property identified in Attachment A for the purpose of owning, operating and maintaining electrical distribution and transmission



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lines and related facilities, including communications and other facilities, whether above or underground, and also for access to Seller's existing substation located adjacent to the Property. On or before the Closing Date, Buyer shall grant to Seller one or more easements, in a form acceptable to Seller, which will allow for such continued use and access or future related uses and access by Seller.

5.2 Existing Easements. Buyer purchases the Property subject to all existing easements identified as Permitted Exceptions under Section 2 above.

5.3 New Easements. On or before the Closing Date, Seller shall grant to Buyer one or more easements for access to Seller's existing, or future, electrical and/or natural gas interconnection points (to be) located near the Property, which will allow for such continued use and access or future related uses and access by Buyer.

## **ARTICLE VI CLOSING**

6.1 Time and Place of Closing. The Purchase and sale transaction contemplated by this Agreement shall be consummated through a closing conference (the "Closing") which shall be held at the Title Company on or before \_\_\_\_\_, (the "Closing Date"), or at such earlier time and place as the parties may mutually agree in writing.

6.2 Actions at Closing. At the Closing, the following events shall occur and each being declared to have occurred simultaneously with the other:

(a) All documents to be recorded and funds to be delivered hereunder shall be delivered to the Title Company in escrow, to hold, deliver, record and disburse in accordance with supplemental escrow instructions, the form and content of which shall be agreed to by the parties prior to Closing.

(b) At the Closing or sooner as otherwise stated in the escrow instructions, the following shall occur:

(i) Seller shall deliver or cause to be delivered in accordance with the escrow instructions:

(1) Special Warranty Deed conveying the Property to Buyer, duly executed and acknowledged by Seller and in proper form generally for recording in \_\_\_\_\_; and

(2) All other documents required to be executed by Seller pursuant to the terms of this Agreement.

(ii) Buyer shall deliver or cause to be delivered in accordance with the escrow instructions:

(1) The Purchase Price to be; and

(2) All other documents required to be executed by Buyer pursuant to the terms so this Agreement.

(c) Buyer and Seller shall each deliver to the other, two executed copies of the Buyer's and Seller's Statement of Settlement setting forth all prorations, credits provided in this Agreement, disbursements of the purchase price, and expenses of the Closing.

(d) Seller shall bear any and all Closing or escrow charges of the Title Company.

6.3 Seller's Remedies. In the event this transaction fails to close due to Buyer's fault or inability to close, Seller may elect either to seek specific performance of this Agreement by suit in equity, to seek damages from Buyer.

6.4 Buyer's Remedies. In the event this transaction fails to close due to Seller's fault, this Agreement shall be declared void and of no effect.

## **ARTICLE VII PRORATIONS**

7.1 Prorations Between Seller and Buyer. The following prorations shall be made between Seller and Buyer as of the Closing Date:

(a) Real property taxes and assessments on the Property for the year of Closing shall be prorated between Seller and Buyer based on the number of days each owned the Property. In the event the Property constitutes some portion of a larger tract of land, such proration shall be based upon the average of the Property as a percentage of the acreage of the entire tract. If, as of the Closing Date, the actual tax bills for the year or years in question are not available and the amount of taxes to be prorated cannot be ascertained, then the most recent known rates, millages and assessed valuations (which amounts shall relate to the same tax year) shall be used, and such proration shall be repeated when the final tax bill is available and either Buyer and Seller, as the case may be, shall promptly pay to the other the net amount owing as a result of such redetermination.

(b) Other Closing costs shall be apportioned between the parties in accordance with the normal and customary practice of commercial real estate transactions in Utah County, Utah.

## **ARTICLE VIII RELEASE, ASSUMPTION AND INDEMNITY**

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8.1 Seller shall indemnify, hold harmless and defend Buyer against all claims, suits, losses and damages made against or incurred by Buyer relating to the condition of the Property prior to the Closing Date or any activity in connection with the Property which occurred prior to the Closing Date. Buyer shall indemnify, hold harmless and defend Seller against all claims, suits, losses and damages incurred by Seller relating to the condition of the Property after the Closing Date or any activity in connection with the Property which occurs after the Closing Date.

## **ARTICLE IX MISCELLANEOUS**

9.1 Entire Agreement. This Agreement contains the entire agreement between the parties respecting the matters herein set forth and supersedes all prior agreements, which written or oral, between the parties respecting such matters. Any amendments or modifications hereto in order to be effective shall be in writing and executed by the parties hereto. Notwithstanding the foregoing, Buyer's use and occupancy of this Agreement shall be subject at all times to the terms and conditions of that certain Construction Coordination Agreement dated [DATE] between Seller and Buyer.

9.2 Amendments. This Agreement may be amended or modified only by mutual written agreement.

9.3 Survival. All warranties, representations, covenants and agreements contained in this Agreement shall survive the execution and delivery of this Agreement and all documents delivered in connection with this Agreement and shall survive the Closing of the transactions contemplated by this Agreement and all performances in accordance with this Agreement.

9.4 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, heirs, administrators, and assigns; provided, however, that notwithstanding the foregoing, neither party's interest under this Agreement may be assigned, encumbered, or otherwise transferred, whether voluntarily, involuntarily, by operation of law or otherwise.

9.5 Notices. Any notice, demand or document which any party is required or any party desires to give or deliver to or make upon any other party shall be in writing, and may be personally delivered or given or made by recognized overnight courier service or by United States registered or certified mail, return receipt requested, with postage prepaid, addressed as follows:

To Seller:

To Buyer:

Any party may designate a different address for itself by notice similarly given. Unless provided herein, any such notice, demand or document so given shall be effective upon

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delivery of the same to the proper address of the party or parties to whom the same is to be given.

9.6 Time of Essence. Time is of the essence in the performance of each and every term, condition, and covenant of this Agreement.

9.7 Counterparts. This Agreement may be executed in any number of counterparts which together shall constitute the contract of the parties.

9.8 Paragraph Headings. The paragraph headings herein contained are for purposes of identification only and shall not be considered in construing this Agreement.

9.9 Attorneys' Fees. The prevailing party in any legal proceeding brought to enforce rights hereunder shall recover from the other party its reasonable attorneys' fees and costs. As used herein in the term "prevailing party" means the party entitled to recover the costs in any suit, whether or not brought to judgment, and whether or not incurred before or after the filing of suit.

9.10 Waiver. Except as herein expressly provided, no waiver by a party of any breach of this Agreement or any warranty or representation under this Agreement by another party shall be deemed to be a waiver of any other breach of any kind or nature (whether preceding or succeeding and whether or not of the same or similar nature) and no acceptance of payment or performance by a party after any such breach by another party shall be deemed to be a waiver of any further breach of this Agreement or of any representation or warranty by such other party whether or not the first party knows of such a breach at the time it accepts such payment or performance. No failure on the part of a party to exercise any right it may have by the terms of this Agreement or by law upon the default of another party, and no delay in the exercise of any such right by the first party at any time when such other party may be in default, shall operate as a waiver of any default, or as a modification in any respect of the provision of this Agreement.

9.11 Exhibits. Any and all exhibits attached or to be attached hereto are hereby incorporated and made a party of this Agreement by reference.

9.12 Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Utah.

9.13 No Recording. This Agreement shall not be recorded in the real property records.

9.14 Further Instruments. Each party hereto shall from time to time execute and deliver such further documents or instruments as the other party, its counsel or the Title company may reasonably request to effectuate the intent of this Agreement, including without limitation documents necessary for compliance with the laws, ordinances, rules and regulations of any applicable governmental authorities.

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9.15 Confidentiality. The purchase price and terms of this Agreement are intended by both parties to be confidential. Therefore, except as directed by a court, administrative authority or required by subpoena, neither party shall disclose the purchase price or terms of this Agreement or any other non-public information related thereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date and year first above written.

PACIFICORP

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date Signed:

[BUYER]

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date Signed:

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## **EXHIBIT A**

### **PROPERTY DESCRIPTION TO BE COMPLETED PRIOR TO CLOSING**

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## **EXHIBIT B**

### **SURVEY TO BE ATTACHED**

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## **EXHIBIT C**

### **EMISSIONS REDUCTION CREDITS**

Buyer shall receive the following credits (in tons) as part of the transaction:

- PM-10            46.8
- SO<sub>2</sub>             4.6
- NO<sub>x</sub>             22.4



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**RFP 2009**  
**ATTACHMENT 17**  
**SITE PURCHASE AGREEMENT**  
**FOR CURRANT CREEK**  
**September 2005**

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**AGREEMENT FOR SALE AND PURCHASE  
OF REAL PROPERTY**

This Agreement for Sale and Purchase of Real Estate (the "Agreement") is entered into as of the \_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_ ("Buyer") and PacifiCorp, an Oregon corporation ("Seller").

**RECITALS**

- A. Seller is the owner of approximately \_\_\_\_\_ acres of real property situated within Juab County, \_\_\_\_\_ and more particularly described on the attached Exhibit "A" (the "Property").
  
- B. Buyer wishes to purchase the Property for;
  
- C. Seller is willing to sell the Property on the terms and conditions stated herein.

NOW, THEREFORE, in consideration of the amounts to be paid and the mutual promises contained herein, Buyer and Seller agree as follows:

**ARTICLE I  
AGREEMENT TO PURCHASE AND SELL; PURCHASE PRICE**

1.1 Purchase and Sale. Upon the terms and conditions set forth in this Agreement, Seller agrees to convey to Buyer, and Buyer agrees to purchase and take from Seller, fee title interest in and to that certain parcel of real property, as more particularly described on Exhibit "A", attached hereto and by this reference made part of this Agreement, together with all appurtenances, rights, privileges and easements belonging thereto (collectively referred to herein as the "Property"), unless otherwise expressly stated in this Agreement.

(a) The description of the Property contained in Exhibit "A" is approximate. The exact acreage of the Property will be determined by a survey (the "Survey") to be prepared by Seller, at its sole cost, and provided to Buyer no later than ninety (90) days after the date of this Agreement. The Survey shall be attached to this Agreement as Exhibit "B" upon its completion.

(b) Water rights associated with the Property are included as part of this Agreement. These rights are defined in Exhibit "C" to this agreement.

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(c) An assignment and transfer from Seller to Buyer, and the acceptance and assumption by Buyer, of fifty percent (50%) of Seller's rights and obligations under that certain Firm Transportation Contract—Rate Schedule T-1 dated March 31, 2005, between Seller and Questar Pipeline Company is being entered into in connection with this Agreement. The terms of such assignment, transfer and assumption are included in a separate Assignment and Assumption Agreement between Seller and Buyer of even date herewith, and the effectiveness of such agreement constitutes an express condition for the effectiveness of this Agreement.

1.2 Purchase Price. The purchase price for the Property (the "Purchase Price") shall be \_\_\_\_\_ (\$\_\_\_\_\_).

1.3 Payment of Purchase Price. Buyer shall pay the Purchase Price to Seller in cash, by cashier's check, or other immediately available funds on the Closing Date, as adjusted for prorations on the Closing Date as provided herein.

## **ARTICLE II TITLE INSURANCE**

2.1 Commitment of Title Insurance.

(a) Within thirty (30) days after the date of this Agreement, Seller shall deliver to Buyer a commitment for title insurance covering the Property (the "Commitment"), issued by the Title Company and dated on or after the date of this Agreement.

(b) Buyer shall have ten (10) days following receipt of the Commitment to provide any written objections to any matter set forth on Schedule B of the Commitment. If Buyer does not timely deliver written notice of objection to Seller, Buyer shall be deemed to have approved of all matters set forth in the Commitment. Matters which Seller has agreed to discharge pursuant to Section 2.1 (c) and any encumbrances or other title exceptions to which Buyer does not object shall be deemed to be "Permitted Exceptions" and shall not be considered objections to any matter contained in the Commitment.

(c) If Buyer provides a written notice of objections in accordance with Section 2.1 (b), then Seller shall have the option to: (i) cure such objections at Seller's sole cost; or (ii) terminate this Agreement.

(d) Buyer's sole remedy for Seller's inability to convey title subject only to the Permitted Exceptions or to cure Buyer's objections in accordance with Section 2.1 (c) shall be to terminate this Agreement. In that case, Seller shall have no other obligation to Buyer in connection with this Agreement or the Property.

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2.2 Delivery of Title Insurance. Except as otherwise stated in Section 2.1, Seller shall obtain and deliver to Buyer within ten (10) days after the Closing Date an ALTA Standard Owner's Policy of title insurance in the amount of the Purchase Price, effective as of the Closing Date and containing no exceptions other than the Permitted Exceptions.

### **ARTICLE III REPRESENTATIONS AND WARRANTIES**

3.1 Representations and Warranties of Seller. Seller makes the following representations and warranties to Buyer, as of the date of this Agreement and as of the Closing Date, each of which representations and warranties shall extend beyond the Closing Date and delivery of the Special Warranty Deed.

(a) Seller has and on the Closing Date will have good and marketable fee simple title to the Property to be conveyed, free and clear of all encumbrances, liens, claims, or reservations, except as specifically approved by Buyer under this Agreement.

(b) Seller has the right, power and authority to execute, deliver, and perform this Agreement and the execution, delivery, and performance of this Agreement have been duly authorized by all necessary corporate action on the part of Seller, and upon execution and delivery this Agreement shall constitute valid and binding obligations of Seller enforceable against Seller in accordance with its terms and except as enforceability may be limited by bankruptcy, insolvency, and other similar laws affecting claims and rights generally or be general equitable principles.

(c) Seller has not received written notice of any judgment, suit, claim, action, arbitration, legal, administrative, or other proceeding or governmental investigation pending or threatened with respect to any of the Property that would materially adversely affect the Property, and no activities or events have occurred on or in connection with the Property that could give rise to any such claims or proceedings.

(d) Seller has not received any written notices, demands or deficiency statements from any mortgagee of the Property or from any state, municipal or county government or agency or any insurer relating to the Property and which have not been cured or remedied except property valuation and tax notices issued by Utah County.

(e) Except as otherwise expressly disclosed in the Commitment, the Property is not subject to any proposed special assessment or to any existing special assessment lien arising as a result of any works or improvements completed, installed or contemplated at or before the Closing Date.

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(f) Seller has paid and shall pay all liens, charges, taxes and assessments for the Property arising prior to the Closing Date.

(g) No person, broker or entity, whether or not affiliated with Seller, is entitled to a commission, finder's fee or other compensation arising from this Agreement, as regarding Seller. Seller shall indemnify defend and hold Buyer harmless from and against any and all claims, loss or damage relating to or arising out of any claim for compensation by any broker, person or entity claiming by or through Seller.

3.2 Representations and Warranties of Buyer. Buyer makes the following representations and warranties to Seller, as of the date of this Agreement and as of the Closing Date, each of which representations and warranties shall survive the Closing and delivery of the Special Warranty Deed.

(a) Buyer has the right, power and authority to execute, deliver and perform this Agreement.

(b) No person, broker or entity, whether or not affiliated with Buyer, is entitled to a commission, finder's fee or other compensation arising from this Agreement as regarding Buyer. Buyer shall indemnify, defend and hold Seller harmless form and against any and all claims, loss or damage relating to or arising out of any claim for compensation by any broker, person or entity claiming by or through Buyer.

3.3 Acknowledgment by Buyer Regarding Seller's Representations and Warranties. Except as expressly set forth in other portions of this agreement, Buyer hereby affirms that neither Seller nor its agents, employees or attorneys have made, nor has Buyer relied upon any representation, warranty, or promise (either express or implied) with respect to the Property or any other subject matter of this Agreement including, without limitation:

(a) the general plan designation, zoning, value, use, tax status or physical condition of any part of the Property or the improvements to the Property;

(b) the flood elevations, drainage patterns and soil and subsoils composition and compaction levels and other conditions at the Property;

(c) the existence or nonexistence of any hazardous or toxic substance, waste or material (as defined or regulated by any federal, state or local law or regulation);

(d) the accuracy of any soils reports or any other plans or reports regarding the Property;

(e) the suitability of the Property for Buyer's intended purpose; or

(f) the status, suitability or sufficiency of any water rights associated with the Property.

WITHOUT LIMITING THE GENERALITY OF THE FOREGOING AND EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, BUYER ACCEPTS THE PROPERTY FROM THE SELLER "AS IS", SUBJECT TO "ALL FAULTS" INCLUDING, BUT NOT LIMITED TO, BOTH LATENT AND PATENT DEFECTS, AND THE ENVIRONMENTAL CONDITION OR DEFECTS THEREOF. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, BUYER HEREBY WAIVES ALL WARRANTIES, EXPRESS OR IMPLIED, REGARDING THE CONDITIONS AND THE USE OF THE SUBJECT PROPERTY, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE.

#### **ARTICLE IV USE OF PROPERTY**

4.1 Seller's Use of the Property Prior to Closing Date. From and after Seller's execution of this Agreement and except in the ordinary course of administering its general mortgage, Seller shall not grant or convey any easement, lease, license, permit or any other legal or beneficial interest in or to the Property or engage in any contract with any party other than Buyer regarding the purchase or sale of the Property, without the prior written consent of Buyer. Further, except as otherwise provided for herein, Seller agrees to pay, as and when the same are due, all payments on any encumbrances presently affecting the Property and any and all taxes, assessments and levies in respect of the Property through the Closing Date.

4.2 Buyer's Right to Enter Property Prior to the Closing Date. Buyer or its employees or agents may enter the Property at any time prior to the Closing Date upon twenty-four (24) hours notice to Seller to inspect the Property and perform surveys or tests as Buyer may elect; provided, however, that such entry shall not unreasonably interfere with the activities of Seller on the Property, and Buyer shall indemnify and hold Seller harmless from, all liabilities and all consequences of any interruption of Seller's operation of Seller's generation facilities located adjacent to the Property associated with Buyer's activities on the Property.

#### **ARTICLE V EASEMENTS**

5.1 Seller's Use of the Property After the Closing Date. Seller reserves the right to continue to use those portions of the Property identified in Attachment A for the purpose of owning, operating and maintaining electrical distribution and transmission lines and related facilities, including communications and other facilities, whether above or underground, and also for access to Seller's existing substation located adjacent to the Property. On or before the Closing Date, Buyer shall grant to Seller one or more

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easements, in a form acceptable to Seller, which will allow for such continued use and access or future related uses and access by Seller.

5.2 Existing Easements. Buyer purchases the Property subject to all existing easements identified as Permitted Exceptions under Section 2 above.

5.3 New Easements. On or before the Closing Date, Seller shall grant to Buyer one or more easements for access to Seller's existing, or future, electrical and/or natural gas interconnection points (to be) located near the Property, which will allow for such continued use and access or future related uses and access by Buyer.

## ARTICLE VI CLOSING

6.1 Time and Place of Closing. The Purchase and sale transaction contemplated by this Agreement shall be consummated through a closing conference (the "Closing") which shall be held at the Title Company on or before \_\_\_\_\_, (the "Closing Date"), or at such earlier time and place as the parties may mutually agree in writing.

6.2 Actions at Closing. At the Closing, the following events shall occur and each being declared to have occurred simultaneously with the other:

(a) All documents to be recorded and funds to be delivered hereunder shall be delivered to the Title Company in escrow, to hold, deliver, record and disburse in accordance with supplemental escrow instructions, the form and content of which shall be agreed to by the parties prior to Closing.

(b) At the Closing or sooner as otherwise stated in the escrow instructions, the following shall occur:

(i) Seller shall deliver or cause to be delivered in accordance with the escrow instructions:

(1) Special Warranty Deed conveying the Property to Buyer, duly executed and acknowledged by Seller and in proper form generally for recording in \_\_\_\_\_; and

(2) All other documents required to be executed by Seller pursuant to the terms of this Agreement.

(ii) Buyer shall deliver or cause to be delivered in accordance with the escrow instructions:

(1) The Purchase Price to be; and

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(2) All other documents required to be executed by Buyer pursuant to the terms so this Agreement.

(c) Buyer and Seller shall each deliver to the other, two executed copies of the Buyer's and Seller's Statement of Settlement setting forth all prorations, credits provided in this Agreement, disbursements of the purchase price, and expenses of the Closing.

Seller shall bear any and all Closing or escrow charges of the Title Company.

6.3 Seller's Remedies. In the event this transaction fails to close due to Buyer's fault or inability to close, Seller may elect either to seek specific performance of this Agreement by suit in equity, to seek damages from Buyer.

6.4 Buyer's Remedies. In the event this transaction fails to close due to Seller's fault, this Agreement shall be declared void and of no effect.

## **ARTICLE VII PRORATIONS**

7.1 Prorations Between Seller and Buyer. The following prorations shall be made between Seller and Buyer as of the Closing Date:

(a) Real property taxes and assessments on the Property for the year of Closing shall be prorated between Seller and Buyer based on the number of days each owned the Property. In the event the Property constitutes some portion of a larger tract of land, such proration shall be based upon the average of the Property as a percentage of the acreage of the entire tract. If, as of the Closing Date, the actual tax bills for the year or years in question are not available and the amount of taxes to be prorated cannot be ascertained, then the most recent known rates, millages and assessed valuations (which amounts shall relate to the same tax year) shall be used, and such proration shall be repeated when the final tax bill is available and either Buyer and Seller, as the case may be, shall promptly pay to the other the net amount owing as a result of such redetermination.

(b) Other Closing costs shall be apportioned between the parties in accordance with the normal and customary practice of commercial real estate transactions in Utah County, Utah.

## **ARTICLE VIII RELEASE, ASSUMPTION AND INDEMNITY**

8.1 Seller shall indemnify, hold harmless and defend Buyer against all claims, suits, losses and damages made against or incurred by Buyer relating to the condition of the Property prior to the Closing Date or any activity in connection with the Property which occurred prior to the Closing Date. Buyer shall indemnify, hold harmless and defend



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Seller against all claims, suits, losses and damages incurred by Seller relating to the condition of the Property after the Closing Date or any activity in connection with the Property which occurs after the Closing Date.

## **ARTICLE IX MISCELLANEOUS**

9.1 Entire Agreement. This Agreement contains the entire agreement between the parties respecting the matters herein set forth and supersedes all prior agreements, which written or oral, between the parties respecting such matters. Any amendments or modifications hereto in order to be effective shall be in writing and executed by the parties hereto. Notwithstanding the foregoing, Buyer's use and occupancy of this Agreement shall be subject at all times to the terms and conditions of that certain Construction Coordination Agreement dated [DATE] between Seller and Buyer.

9.2 Amendments. This Agreement may be amended or modified only by mutual written agreement.

9.3 Survival. All warranties, representations, covenants and agreements contained in this Agreement shall survive the execution and delivery of this Agreement and all documents delivered in connection with this Agreement and shall survive the Closing of the transactions contemplated by this Agreement and all performances in accordance with this Agreement.

9.4 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, heirs, administrators, and assigns; provided, however, that notwithstanding the foregoing, neither party's interest under this Agreement may be assigned, encumbered, or otherwise transferred, whether voluntarily, involuntarily, by operation of law or otherwise.

9.5 Notices. Any notice, demand or document which any party is required or any party desires to give or deliver to or make upon any other party shall be in writing, and may be personally delivered or given or made by recognized overnight courier service or by United States registered or certified mail, return receipt requested, with postage prepaid, addressed as follows:

To Seller:

To Buyer:

Any party may designate a different address for itself by notice similarly given. Unless provided herein, any such notice, demand or document so given shall be effective upon delivery of the same to the proper address of the party or parties to whom the same is to be given.

9.6 Time of Essence. Time is of the essence in the performance of each and every term, condition, and covenant of this Agreement.

9.7 Counterparts. This Agreement may be executed in any number of counterparts which together shall constitute the contract of the parties.

9.8 Paragraph Headings. The paragraph headings herein contained are for purposes of identification only and shall not be considered in construing this Agreement.

9.9 Attorneys' Fees. The prevailing party in any legal proceeding brought to enforce rights hereunder shall recover from the other party its reasonable attorneys' fees and costs. As used herein in the term "prevailing party" means the party entitled to recover the costs in any suit, whether or not brought to judgment, and whether or not incurred before or after the filing of suit.

9.10 Waiver. Except as herein expressly provided, no waiver by a party of any breach of this Agreement or any warranty or representation under this Agreement by another party shall be deemed to be a waiver of any other breach of any kind or nature (whether preceding or succeeding and whether or not of the same or similar nature) and no acceptance of payment or performance by a party after any such breach by another party shall be deemed to be a waiver of any further breach of this Agreement or of any representation or warranty by such other party whether or not the first party knows of such a breach at the time it accepts such payment or performance. No failure on the part of a party to exercise any right it may have by the terms of this Agreement or by law upon the default of another party, and no delay in the exercise of any such right by the first party at any time when such other party may be in default, shall operate as a waiver of any default, or as a modification in any respect of the provision of this Agreement.

9.11 Exhibits. Any and all exhibits attached or to be attached hereto are hereby incorporated and made a party of this Agreement by reference.

9.12 Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Utah.

9.13 No Recording. This Agreement shall not be recorded in the real property records.

9.14 Further Instruments. Each party hereto shall from time to time execute and deliver such further documents or instruments as the other party, its counsel or the Title company may reasonably request to effectuate the intent of this Agreement, including without limitation documents necessary for compliance with the laws, ordinances, rules and regulations of any applicable governmental authorities.

9.15 Confidentiality. The purchase price and terms of this Agreement are intended by both parties to be confidential. Therefore, except as directed by a court, administrative authority or required by subpoena, neither party shall disclose the purchase price or terms of this Agreement or any other non-public information related thereto.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date and year first above written.

PACIFICORP

By:\_\_\_\_\_

Its:\_\_\_\_\_

Date Signed:

[BUYER]

By:\_\_\_\_\_

Its:\_\_\_\_\_

Date Signed:

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**EXHIBIT A**

**PROPERTY DESCRIPTION TO BE COMPLETED  
PRIOR TO CLOSING**

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## **EXHIBIT B**

### **SURVEY TO BE ATTACHED**

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## **EXHIBIT C**

### **WATER RIGHTS**

Buyer shall receive water rights to two hundred (200) acre-feet of ground water as part of this transaction.

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ATTACHMENT 18  
CURRANT CREEK  
ENGINEERING, CONSTRUCTION  
AND PROCUREMENT CONTRACT  
(EPC)  
September 2005**

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**ATTACHMENT 19**  
**DUE DILIGENCE ITEMS FOR THE**  
**ACQUISITION OF AN EXISTING**  
**FACILITY**  
**September 2005**

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The follow is not to be considered a complete listing of due diligence items. The final listing shall be determined, in PacifiCorp's sole discretion, based on the Facility offered by the Bidder.

Due Diligence Items:

Technical Assessment

1.0 Plant General

- 1.1 Request plant organization charts.
- 1.2 Request the Annual Plant Budget (total) Actual for 5 years\_. Projected for 5 years
- 1.3 Request a summary of the budget. Last 5 years and next 5 years.
  - 1.3.1 Labor expenses
  - 1.3.2 Maintenance expense
  - 1.3.3 Equipment expense
  - 1.3.4 Insurance expense
  - 1.3.5 Operations expense
  - 1.3.6 Administrative expense
  - 1.3.7 Capital escrow
  - 1.3.8 Major Maintenance Escrow
  - 1.3.9 Inventory Purchase. Total Value of Inventory. Inventory Value for each division.
  - 1.3.10 Fuel by component
- 1.4 Request a summary of the maintenance expenses
  - 1.4.1 Major Maintenance (annual)
  - 1.4.2 Consumables
  - 1.4.3 Inventory draws

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- 1.4.4 Maintenance contracts.
- 1.4.5 Building and grounds
- 1.4.6 Other.
- 1.5 Request a summary of equipment expenses.
  - 1.5.1 Shop equipment maintenance
  - 1,5.2 Equipment rental
  - 1.5.3 Power tools (Leased).
  - 1.5.4 Rolling stock fuel.
  - 1.5,5 Rolling stock maintenance.
  - 1.5.6 Other.
- 1.6 Request a summary of insurance expenses.
  - 1.6.1 Business Interruption
  - 1.6.2 Property
  - 1.6.3 General liability.
  - 1.6.4 Vehicle liability.
- 1.7 Request a summary of operating expenses.
  - 1.7.1 Regeneration Cost.
  - 1.7.2 Clarifier Cost.
  - 1,7.3 Boiler water chemicals.
  - 1.7.4 Lubricants
  - 1.7.5 Consumables.
  - 1.7.6 Electricity purchased.
  - 1.7.7 Hazardous material disposal.
  - 1.7.8 Discharge treatment chemicals
  - 1.7.9 Laboratory supplies

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1.7.10 Emission testing

1.7.11 Hydrogen and CO<sub>2</sub> for generator

1.7.12 Ammonia, lime, limestone, other

1.8 Request a summary of administrative expenses.

1.8.1 Telephone expenses

1.8.2 Postage

1.8.3 Computer hardware

1.8.4 Computer software

1.8.5 Office supplies

1.8.6 Permits and licenses.

1.8.7 Professional Services

1.9 Request a summary of capital escrow accounts.

1.9.1 Equipment purchases.

1.9.2 Balance of Plant capital.

1.9.3 Dispersion schedule of escrow accounts.

2.0 Plant Personnel

2.1 Request a personnel roster.

2.1.1 Complete list of Classifications.

2.1.2 Number in each classification. Remaining years before retirement.

2.1.3 Annual base salary.

2.1.4 Hourly wage rate.

2.1.5 Straight time additions (%).

2.1.6 Straight time Hourly cost (Hourly rates + additions)

2.1.7 Overtime hourly costs.

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- 2.1.8 Total overtime (% of annual base salary).
- 2.1.9 Employee age demographics chart
- 2.2 Request a summary of payroll additions.
  - 2.2.1 Payroll taxes.
  - 2.2.2 Workman's compensation
  - 2.2.3 Retirement Account
  - 2.2.4 Insurance
  - 2.2.5 Employee Savings
  - 2.2.6 Vacation and Sick Leave
  - 2.2.7 Indirect Additions
  - 2.2.8 Other (Pensions, benefits and welfare Plans)
- 2.3 Labor
  - 2.3.1 Labor contracts
  - 2.3.2 Organizing initiatives
- 3.0 Major maintenance
  - 3.1 Request a summary of maintenance cost and schedules
    - 3.1.1 Annual, major and frequency of major outages for:
      - 3.1.1.1 Turbine valves
      - 3.1.1.2 Coal feeders and scales
      - 3.1.1.3 Pulverizes
      - 3.1.1.4 Boiler pressure parts.
      - 3.1.1.5 Boiler auxiliaries
      - 3.1.1.6 Boiler draft system.
      - 3.1.1.7 Casing and ductwork.
      - 3.1.1.8 Boiler insulation and lagging
      - 3.1.1.9 Turbine

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- 3.1.1.10 Condenser
- 3.1.1.11 Generator
- 3.1.1.12 Pumps.
- 3.1.1.13 Switchgear.
- 3.1.1.14 Demineralizer
- 3.1.1.15 Precipitators
- 3.1.1.16 Flue Gas Desulphurization system
- 3.1.1.17 SCR

3.2 Major maintenance escrow.

- 3.2.1 Request a major maintenance analysis (summary of planned majors and dispersions for the last 5 years and projected for the next 5 years)

4.0 Capital expense items.

4.1 Capital expense escrow.

- 4.1.1 Request a capital escrow analysis (summary of planned capital expenditures and dispersion for the last 5 years and projected for the next 5 years).

5.0 Operations

- 5.1 How do you track efficiency?
- 5.2 How do you calculate availability?
- 5.3 In your opinion what are the major strengths of you department?
- 5.4 What are the major weaknesses?
- 5.5 What equipment presents the most problems?
- 5.6 Are you satisfied with the maintenance efforts?
- 5.7 Are the existing controls satisfactory?
- 5.8 How would you rate the knowledge level of your personnel?
  - 5.8.1 Would you be receptive to additional training for your people?
  - 5.8.2 Do you think the training would be cost effective?

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- 5.8.3 What are the existing training methods?
- 5.8.4 Give a rough estimate of the average experience level of your department (years of experience).
- 5.8.5 How are operations people utilized during outages?
- 5.8.6 How would you rate relations with the various unions?
- 5.9 What is your occurrence of "Operator error"?
- 5.10 If you owned this plant what would you do to improve it?
- 5.11 Do you help prioritize and plan work required for efficient plant operation?
- 6.0 Maintenance
  - 6.1 How heavy is the workload for your department?
    - 6.1.1 Do you have all the resources needed to complete the defined tasks?
    - 6.1.2 How is your maintenance work prioritized?
    - 6.1.3 How much maintenance backlog work do you have?
  - 6.2 How successful have you been in maintaining the plant within budget forecasts?
  - 6.3 How much input do you have in budgeting for maintenance?
  - 6.4 How often do you schedule major maintenance outages?
    - 6.4.1 Are you allowed sufficient time to complete planned tasks during outages?
    - 6.4.2 Do you have adequate inventories of spare parts?
    - 6.4.3 Do you have enough tools?
  - 6.5 What are the major strengths of your department?
  - 6.6 What are the major weaknesses of your department?
  - 6.7 How would you rate the skills level of your technicians?
    - 6.7.1 Would you be receptive to additional *training* for your people? What areas?
  - 6.8 What are the boundaries of your responsibilities?
  - 6.9 Do you feel that you have sufficient latitude to perform your job efficiently?

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- 6.10 Do you have an extended plan for Capital improvements?
  - 6.10.1 How long is the time span for forecasted equipment replacement?
  - 6.10.2 Do you have contingency plans for equipment failure?
  - 6.10.3 Are there any problems with excessive lead-time for equipment purchase?
- 6.11 Do you perform non-destructive testing on you major boiler parts and steam lines?
- 6.12 Have you conducted a comprehensive review of your HT/HP piping systems?
- 6.13 When were the last overhauls of you turbines?
  - 6.13.1 What were the major problems found?
  - 6.13.2 How were these problems corrected?
  - 6.13.3 Do you perform bore inspections?
  - 6.13.4 How often are overspeed trip tests conducted?
  - 6.13.5 Are there any generator problems that you are aware of?
- 6.14 What is the condition of your electrical switchgear?
  - 6.14.1 Do you perform scheduled switchgear inspections?
  - 6.14.2 Are parts available for the switchgear?
- 6.15 What is the condition of your water treatment plant?
  - 6.15.1 Are any major maintenance activities planned for the water treatment plant in the foreseeable future?
- 6.16 Are there any major problems with any existing environmental protection equipment?
  - 6.16.1 Does existing environmental equipment require an inordinate amount of your people's time?
- 6.17 Do you have adequate on-site transportation to prevent loss of efficiency by your people?

7.0 Controls

- 7.1 What type of control systems do you have?
- 7.2 How old are these systems?
- 7.3 Do you consider them obsolete?
- 7.3 Are parts readily available?
- 7.4 Who sets your work priorities?
- 7.5 How heavy is your workload and how much “backlog” do you have?
- 7.6 How would you rate the knowledge of your workforce?
  - 7.6.1 Would you be receptive to additional training for your technicians?
  - 7.6.2 Do you think additional training could be cost justified?
- 7.7 Do you have sufficient test equipment and tools?
- 7.8 Are there any plans to make major controls system changeouts in the foreseeable future?
- 7.9 Is your plant equipped for fire protection?
  - 7.9.1 Who is responsible for testing of fire fighting equipment?
  - 7.9.2 Is there a need for more fire equipment or do you think the existing equipment is sufficient?
- 7.10 How do you handle injuries?
- 7.11 Do you have dangerous chemicals on the plant site? If so, please identify.
  - 7.11.1 Do you have contingency plans for emergencies?

8.0 Safety

- 8.1 Do you have an on-going safety program?
- 8.2 Please describe your approach to safety?
- 8.3 In you opinion, does the program work?
- 8.4 How could the program be improved?
- 8.5 Provide a description of the health and safety compliance program with respect to the Facility. Include a description of any safety management systems that have been put in place and any safety policies that have been



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implemented at the Facility.

- 8.6 All OSHA citations or orders issued to the Facility, or settlements entered into by the Facility, in the last ten (10) years in each case with respect to the Facility.
  - 8.7 All worker-related or third-party lawsuits or claims, including worker's compensation claims, filed within the last ten (10) years or now threatened, pending, or reasonably anticipated by the Facility regarding human exposure to toxic or carcinogenic substances or materials at the Facility.
  - 8.8 All documents describing the Facility's current and past annual employee medical screening and monitoring programs at the Facility, including but not limited to, documents pertaining to current and former employees that have been diagnosed with: (a) asbestosis or any other lung related illness; (b) elevated blood lead levels; or (c) elevated blood PCB levels.
  - 8.9 Provide information on safety performance experienced at the Facility within the last five years. Include OSHA recordable, Lost Time Accident and Restricted Work Day statistics in this information.
- 9.0 Environmental
- 9.1 What is the prevailing attitude toward environmental matters?
  - 9.2 Do you think environmental concerns should receive more attention?
  - 9.3 Provide any copies of environmental audits that have been performed.
  - 9.4 Is there any known or suspected environmental contamination of the plant site?
  - 9.5 What is your environmental exceedance record for the last 5 years?
  - 9.6 Copies of all Phase I, Phase II and other environmental site assessments, risk assessments, site investigations, site remediation plans, closure reports, compliance audits, etc.
  - 9.7 Copies of any environmental management systems ("EMS") policies and procedures (including any documents pertaining to the implementation of the EMS at the facility), EHS compliance policy statement and implementation documents and voluntary disclosure policy statement and implementation documents.
  - 9.8 Copies of all current Environmental Health and Safety permits, licenses, consents, registrations or approvals (collectively, "EHS Permits") that are required by any governmental authorities and necessary for the ownership/operation of the Facility, including, but not limited to those associated with any types of air emissions, wastewater discharges, storm water runoff, water use, solid waste management, recycling, and/or

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hazardous materials generation, storage, treatment and/or disposal. In the event that there are applications (including notices/applications for permit renewals) pending for any EHS Permits, provide copies of such applications and any relevant correspondence.

- 9.9 Documents (including EHS Permits) pertaining to the use, development, conservation or disturbance of land, wetlands, natural resources, biota and/or ecologically sensitive receptors.
- 9.10 A list and description of all landfills, disposal areas, surface impoundments, ponds, diversions, dams and other similar structures located at or related in any way to the Facility, together with copies of all associated EHS Permits.
- 9.11 Documents pertaining to compliance with applicable federal, state and local EHS laws and its EHS permits (including but not limited to emission statements, compliance monitoring data, compliance inspection reports, plans and correspondence with governmental authorities) and/or reports and submissions made pursuant to applicable federal, state and local EHS laws.
- 9.12 Documents identifying or describing anticipated capital expenditures required to control pollution, investigate/remediate any environmental conditions, manage waste or achieve/ensure compliance with applicable EHS permit conditions or EHS laws at the Facility.
- 9.13 Documentation of (1) hazardous waste generator status for the Facility; (2) the types(s) and amounts of waste generated; (3) a list and description of all solid waste and hazardous waste transporters used; (4) a list of all off-site treatment, storage or disposal facilities ("TSDFs") that have received or are receiving solid and/or hazardous waste from the Facility; and (5) copies of all manifests for off-site hazardous waste disposal.
- 9.14 (1) A list and description of current and former surface impoundments, underground storage tanks ("USTs") and above-ground storage tanks ("ASTs") located on any properties used, owned or leased in connection with the Facility as well as any information concerning the size, content, age and compliance of such impoundments/tanks; (2) any reports prepared in connection with any leaks or releases from such impoundments or tanks; and (3) closure reports prepared in connection with any closure, removal or abandonment of such impoundments, USTs or ASTs.
- 9.15 Documents relating to: (1) the maintenance, handling, storage or disposal of mercury or mercury-containing equipment; or (2) the testing, disposal and/or abandonment of any pipes, transformers, structures or other PCB-containing equipment or materials, particularly as those relate to compliance with the PCB Mega Rule in connection with the Facility.
- 9.16 Incident reports, notifications and/or other documents relating to any spill or release of hazardous materials, wastes or chemicals at the Facility or as a result of operations at the Facility.
- 9.17 Documents pertaining to: (1) the indoor air quality of the Facility; or (2) the presence, management, removal or abatement of asbestos-containing

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materials or lead-based paint.

- 10.0 What natural perils could affect this site?
  - 10.1 Give a cost analysis of the last 2 such occurrences.
  
- 11.0 What licenses, permits or certificates are required at this site? (Air? Noise? Water usage? Storm water discharge? Waste water discharge? Air discharge? Business? Power production? Others?)
  
- 12.0 Give nameplate data for all units.
  - 12.1 Give start up times, ramp rates for synchronization and total event costs to full load for hot, warm and cold start conditions.
  - 12.2 Give heatrate, reduced load heatrates, availability, forced outage rates, capacity factors, environmental performances, catastrophic failures, obsolescence, etc for each unit.
  
- 13.0 Request a copy of all collective bargaining units' agreements.
  
- 14.0 What other contracts, sub-contracts or leases exist for maintenance services, labor, professional services, materials, parts or other?
  
- 15.0 Supply details of all fuel purchase, transportation and storage contracts.
  
- 16.0 Supply details of any waste disposal procedures or contracts.
  - 16.1 What opportunities do you see for "revenues" from your various waste streams?
  
- 17.0 Title
  - 17.1 Real property
  - 17.2 UCC Filings
  
- 18.0 Claims history (both by and against Seller in connection with the Facility)
  - 18.1 Litigation (including arbitration and other forms of alternative dispute resolution.
  - 18.2 Labor issues
  - 18.3 Warranty claims
  - 18.4 Copies of all auditor's letters prepared by law firms with respect to the Facility or with respect to Seller's liability in connection with the Facility.
  
- 19.0 Contracts
  - 19.1 Copies of all contracts

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20.0 Permits/Licenses

20.1 Copies of all permits, licenses, easements, etc.

21.0 Organizational Documents

22. Insurance

22.1 Copies of all insurance policies that have been in effect at any time with respect to the Facility or under which coverage may have at any time been provided with respect to the Facility.

**Technical Evaluation of Potential Acquisition  
Questions, Documents & Data to be Reviewed**

- O&M contract.
- Power Purchase contract.
- Interconnect agreements and terms.
- Fuel purchase, transportation and storage contracts.
- Ash storage, transportation and disposal contracts.
- Production by product sales contracts.
- Steam sales contracts.
- Water supply/sewer agreements.
- All other contracts, subcontracts and leases for maintenance services, labor, professional services, materials, parts or other at each plant.
- Collective bargaining agreements, if any.
- Pension, benefit and welfare plans.
- O&M and capital budgets vs. actuals for last five years. Budgets or budget forecasts for next five years. Status of maintenance escrow accounts,
- Operating & Maintenance plan, and capital improvement plan, for last five years and next five years.
- Staffing plan including organizational chart and salary levels.
- Environmental permits including air, noise, water usage, stormwater discharge and wastewater discharge. Provide documentation to show compliance with permits and/or any violations or citations. Provide reports of any Environmental Audits or Assessments of the projects/sites. Is there any known or suspected environmental contamination of the site of facilities? We may wish to conduct a site assessment.
- A listing of hazardous and non-hazardous wastes which are stored on-site or off-site, or have been disposed of.
- Any federal, state or local licenses, permits and certifications

Any federal, state or local licenses, permits and certifications.

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- Major maintenance requirements at each plant: historical as well as recommended and/or planned major maintenance activities. Maintenance schedules from last five years and projections for next five years.
- Maintenance records - preventative maintenance, corrective maintenance, major maintenance and scheduled maintenance.
- Spare parts inventory - item description, quantity and value.
- Written procedures, programs, policies, records and logs relative to operations, maintenance, safety, environmental, training and others.
- Capacity Factor, EAF and EFOR for each of the last five years. Define terms and method of calculation. History of all scheduled maintenance outages and all significant forced outages.
- Heat rate at each plant: design heat balance; curves of heat rate vs. load; actual average monthly heat rate based on fuel purchases and net energy produced; and results of any heat rate tests.
- Results of tests of Net Maximum Capacity tests.
- Startup times and ramp rates from synchronization to full load for hot, warm, and cold start conditions.
- Data to show compliance with QF requirements (if applicable) for last five years.
- Interviews with Plant Manager and supervisors at each plant.
- Are there any remaining warranties? Are there any warranty claims or issues outstanding?
- Is there potential for efficiency improvement? expansion? repowering?
- Assess the technology employed. Is it proven?
- What are the risks associated with this technology? i.e. startup times, heat rate, heat rate at reduced load, availability, force outage rate, capacity factor, environmental performance, catastrophic failure, obsolescence, etc.
- What Natural perils could affect this site?

Any federal, state or local licenses, permits and certifications.

**RFP 2009**  
**FORM 1**  
**PRICING INPUT SHEET**  
**September 2005**

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**RFP 2009  
FORM 2  
PERMITTING AND  
CONSTRUCTION MILESTONES  
September 2005**

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 FORM 2  
 PERMITTING AND CONSTRUCTION MILESTONES**

| <b>Milestone</b>   | <b>Date</b> |
|--|-------------|
| Notice to Proceed  |             |
| Secure Property  |             |
| Secure Water Rights  |             |
| Secure ERCs  |             |
| Secure Permits   |             |
| Natural Gas Interconnection Agreement                          |             |
| Complete LGIA with PacifiCorp                                  |             |
| Break Ground   |             |
| P/O for CTs, Xfrmr's, Cooling Tower/Condenser/ACC HRSGs and ST |             |
| Begin Pouring of Foundations                                   |             |
| Delivery of HRSG1  |             |
| Delivery of HRSG2  |             |
| Set ST   |             |
| Set CT1  |             |
| Set CT2  |             |
| Complete Natural Gas Interconnect                              |             |
| Set Main Transformers  |             |
| Backfeed (at Transmission Level)                               |             |
| First Fire of CT1  |             |
| First Fire of CT2  |             |
| Synchronization to Grid  |             |
| Complete installation of Cooling Towers/ACC                    |             |
| Completion of Steam Blows                                      |             |
| Roll ST  |             |
| Begin Performance Testing                                      |             |
| Substantial Completion   |             |
| Final Acceptance   |             |

Any federal, state or local licenses, permits and certifications.