

1 **Q. Please state your name, business address and present position.**

2 A. My name is Stefan A. Bird. My business address is 825 NE Multnomah, Suite  
3 600, Portland, Oregon 97232. I am Senior Vice President, Commercial and  
4 Trading, for PacifiCorp Energy, a division of PacifiCorp (the “Company”).

5 **Q. Please describe your educational and business background.**

6 A. I hold a B.S. in mechanical engineering from Kansas State University. I joined  
7 PacifiCorp Energy and assumed my current position in January 2007. From 2003  
8 to 2006, I served as president of CalEnergy Generation U.S., an owner and  
9 operator of Qualifying Facility and merchant generation assets, including  
10 geothermal and natural gas-fired cogeneration projects across the United States.  
11 From 1999 to 2003, I was vice president of acquisitions and development for  
12 MidAmerican Energy Holdings Company (“MEHC”). From 1989 to 1997, I held  
13 various positions at Koch Industries, Inc., including energy marketing, financial  
14 services, corporate acquisitions, project engineering and maintenance planning in  
15 the Americas and Europe.

16 In my current position I oversee the Company’s Commercial and Trading  
17 organization which is responsible for dispatch of the Company’s owned and  
18 contracted generation resources, procurement of new generation resources, and  
19 natural gas and electricity wholesale purchases and sales to balance the  
20 Company’s load and resources. I am also responsible for PacifiCorp’s load and  
21 revenue forecast, integrated resource plan (“IRP”) and net power costs modeling.  
22 Most relevant to this docket, I am responsible for the procurement of generation  
23 resources through the request for proposals process and I oversee PacifiCorp’s

24 renewable energy credit (“REC” or “RECs”) portfolio, including sale of RECs in  
25 excess of compliance requirements.

26 **Q. What is the purpose of your testimony?**

27 A. The first section of my testimony addresses the level of revenue in this case  
28 related to the sale of RECs. I support the test period REC revenue forecast of  
29 \$55.7 million and explain the basis for that forecast. I explain why the REC  
30 revenue in the test period of twelve months ending June 2012 is lower than the  
31 actual revenue booked in the base year of twelve months ending June 2010. I also  
32 provide some insight into expectations for future REC sales. Second, my  
33 testimony addresses, and demonstrates the prudence of, the Top of the World  
34 Wind Energy, LLC (“Top of the World”) power purchase agreement (“PPA”), for  
35 which the Company is seeking cost recovery in this proceeding. Specifically, I  
36 will describe the history and the process of the selection of the Top of the World  
37 PPA.

38 **Test Period REC Revenue**

39 **Q. How much revenue from the sale of RECs is included in the Company’s test**  
40 **period?**

41 A. The Company’s test period includes \$55.7 million of REC revenue on a total  
42 Company basis, or \$32.9 million on a Utah-allocated basis. My testimony  
43 provides support for the total Company level of REC sales, and Company witness  
44 Mr. Steven R. McDougal provides details of the allocation of total Company REC  
45 revenue to Utah.

46 **Q. How does the Company calculate the forecast REC revenue in the test**  
47 **period?**

48 A. Similar to the Company's previous general rate case in Utah, the Company  
49 includes REC revenue from executed and commission approved contracts in place  
50 at the time the case is filed ("Existing Contracts") plus additional revenue forecast  
51 to be generated by selling remaining available RECs from wind generation at  
52 market prices. The volume of RECs available for sale in the test period is  
53 determined by adding the system-wide wind generation output during the test  
54 period net of amounts banked to satisfy renewable portfolio standards in  
55 California, Oregon, and Washington ("RPS Banking Requirements"). After  
56 accounting for RPS Banking Requirements, the Company sells 75 percent of the  
57 RECs in the current year and 15 percent of the RECs in the subsequent year.

58 **Q. Why does the Company sell only 75 percent of its forecast wind RECs?**

59 A. The Company sells only 75 percent of the forecast wind RECs on a forward basis  
60 to ensure that it can perform under any contracts, bundled or unbundled, that it  
61 may enter into. The estimated long-term annual capacity factors for the  
62 Company's wind plants are based on a fifty percent probability ("P50"); meaning  
63 there is a reasonable expectation that actual production will be higher or lower  
64 than forecast during any calendar year. The attached Exhibit RMP\_\_\_\_(SAB-1)  
65 demonstrates the data from four of the east side wind projects (the Company does  
66 not have annual actual data from the other east side resources). These charts show  
67 how the actual output differs from the expected output. Based on our experience  
68 thus far and based on the wind data we have received, selling 75 percent of the

69 estimated P50 output ensures the Company can perform under its contracts and  
70 avoids exposing the Company or customers to costs associated with liquated  
71 damages or nonperformance.

72 **Q. What is the basis for assuming 15 percent of the forecast sales are sold in the**  
73 **subsequent year?**

74 A. In practice, the Company attempts to monetize RECs that may have been  
75 generated and not sold in the prior year. As a proxy for these additional sales, the  
76 test period includes the sale of 15 percent of the un-banked RECs from the  
77 previous 12 month period. RECs that are generated in prior years are called  
78 Vintage RECs.

79 **Q. How much of the test period revenue is from Existing Contracts?**

80 A. Approximately \$41.9 million out of the \$55.7 million is forecast revenue from the  
81 two Existing Contracts. The remainder is from the sale of remaining wind RECs  
82 available for sale at market prices. Additional details of the Existing Contracts are  
83 provided in Confidential Exhibit RMP\_\_\_\_(SAB-2).

84 **Q. Has the Company sold any RECs on a forward firm basis other than the two**  
85 **Existing Contracts in the test period?**

86 A. No.

87 **Q. What market price is assumed for sales not from Existing Contracts?**

88 A. Wind RECs generated and sold during the test period are priced at \$7.00 per  
89 megawatt hour. Vintage RECs are sold at \$4.00 per megawatt hour.

90 **Q. What is the basis for these market prices?**

91 A. The broker market provides the only visible forward market for the Company to

92 rely on for the forward purchase and sale of RECs in the Western Electric  
93 Coordinating Council (“WECC”). The current price for an unbundled REC is  
94 approximately \$7.00 per megawatt hour. The broker market splits Vintage RECs  
95 into the first and second half of the prior year and the years prior. An average  
96 price for Vintage RECs for the first and second half of the year is between \$2.00  
97 per megawatt hour and \$4.00 per megawatt hour.

98 **Q. Are the test period REC revenues substantially lower than the amount**  
99 **actually received in the base period? If so, why?**

100 A. Yes. During the base period (the twelve months ending June 2010) the Company  
101 accrued \$98.5 million of REC revenue, compared to \$55.7 million in the test  
102 period. The drop is due to the lack of negotiated contracts at prices that cannot be  
103 achieved through the broker market. As explained further below, the California  
104 REC market was paralyzed and the opportunities to enter into bilateral contracts  
105 such as our Existing Contracts have not been available.

106 **Q. Does the Company acquire wind resources with the expectation that it will**  
107 **sell RECs to the California market?**

108 A. No. The Company acquires wind resources to serve its growing need for new  
109 resources on a diversified basis consistent with its integrated resource plan. This  
110 does not mean, however, that the Company won’t take advantage of opportunities  
111 to monetize REC value, after fulfilling its own RPS Banking Requirements, to  
112 benefit our customers and by selling surplus RECs into California and other REC  
113 markets when it is prudent.

114 **Q. Do you anticipate entering into any negotiated contracts comparable to the**  
115 **Existing Contracts with California entities in the future?**

116 A. Up until January 14, 2011, the California market had been paralyzed and potential  
117 buyers there were not pursuing any out of state transactions. It is uncertain what  
118 the California market will entail going forward as a result of the January 14, 2011,  
119 California Public Utilities Commission (“CPUC”) ruling that redefines renewable  
120 energy credit transactions eligible for compliance.

121 **Q. Why had the California REC market been paralyzed prior to January 14,**  
122 **2011?**

123 A. On March 15, 2010, the CPUC issued Decision (D.) 10-03-021 authorizing the  
124 use of tradable renewable energy credits (“TRECs”) for compliance with the  
125 California renewable portfolio standard (“RPS”) program, defined the TREC  
126 transactions for RPS purposes, and set out market and compliance rules for the  
127 use of TRECs. On April 12, 2010, Southern California Edison Company (“SCE”),  
128 Pacific Gas and Electric Company (“PG&E”), and San Diego Gas & Electric  
129 Company (“SDG&E”) filed the Joint Petition of Southern California Edison  
130 Company, Pacific Gas and Electric Company, and San Diego Gas & Electric  
131 Company for Modification of Decision 10-03-021. The CPUC subsequently  
132 issued a Decision 10-05-018 on May 6, 2010 staying approval of any REC  
133 contracts by the investor-owned utilities for use of out of state resources. Since  
134 utilities could not obtain approval for out of state resource transactions, they no  
135 longer pursue them. In addition, through the remainder of 2010 the CPUC further  
136 considered and subjected to varying stages of regulatory process a number of

137 competing proposed decisions that had a significant impact on the use of out of  
138 state resources by compliance entities, including all California investor owned  
139 utilities and energy service providers. Also, the California Air Resources Board in  
140 its final approval of the regulations for the California Renewable Energy Standard  
141 added, at the last minute and without prior public review or comment, a provision  
142 requiring conformity with the California RPS; the meaning and scope of which is  
143 unclear.

144 **Q. What happened on January 14, 2011?**

145 A. On January 14, 2011, the CPUC issued Decision 11-01-025 resolving petitions for  
146 modification of Decision 10-03-021, authorizing the use of TRECs for  
147 compliance with California RPS requirements, and lifting the stay imposed by  
148 Decision 10-05-018. Decision 11-01-025 authorizes limited use of TRECs for  
149 compliance with the California RPS, for a limited period of time.

150 **Q. Does this mean that the Company can resume pursuing deals in California?**

151 A. Yes, but because the California market has only just now reopened due to the stay  
152 that was just lifted, the level of interest from California utilities, the volume of  
153 TRECs and the prices utilities are willing to pay for RECs/TRECs is currently  
154 unknown. Given this uncertainty in the California market, it is difficult to predict  
155 how long it will take to execute any contracts for the sale of RECs/TRECs with  
156 California utilities. In addition, another unknown is whether these utilities will  
157 issue time consuming requests for proposals (“RFP”) or whether they will  
158 negotiate bilateral transactions that might include 2011 transactions. Further, the  
159 Company does not know what pricing it can expect for RECs/TRECs. It is

160 possible that the decision to lift the stay and allow California utilities to meet their  
161 RPS requirements with the purchase of out of state TRECs will increase the  
162 available California RPS eligible supply and thus drive down prices relative to  
163 those that the Company was able to achieve in 2009 and 2010.

164 **Q. Does the Company anticipate making REC sales to counterparties located**  
165 **outside of California within the test period?**

166 A. Yes, primarily through the broker market at prevailing prices.

167 **Q. Are there other opportunities beyond the broker market?**

168 A. Yes, however the market has very few participants, is not transparent, and deals  
169 are done on either a bilateral basis or through responding to requests for proposals  
170 issued by other utilities.

171 **Q. Is the Company pursuing these types of opportunities?**

172 A. Yes. On November 4, 2010, NV Energy issued its Short-Term RFP for renewable  
173 energy resources for a period of one month up to three years. [REDACTED]

174 [REDACTED]

175 [REDACTED]

176 [REDACTED]

177 **Q. When will the Company know if its proposal is selected by NV Energy?**

178 A. NV Energy's Short-Term RFP documentation provides that NV Energy may take  
179 up to 180 days to notify bidders whether they were selected as the winning bid.

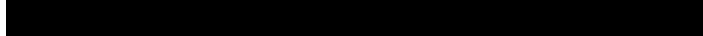
180 NV Energy does not have an obligation to pursue any of the proposals. [REDACTED]

181 [REDACTED]

182 [REDACTED]



183



184 **Q. Will the Company update the REC revenue forecast in this case if it is**  
185 **successful in the NV Energy Short-Term RFP?**

186 A. Yes, and if the Company were successful, such an update would bring this rate  
187 case closer to the estimate used in the settlement of the second major plant  
188 addition case.

189 **Issues in Entering into New Contracts**

190 **Q. Please explain the complexity of the REC certification process.**

191 A. All renewable resources must be registered with Western Renewable Generation  
192 Information System (“WREGIS”) to be sold and tracked as a REC in the Western  
193 Electric Coordinating Council (“WECC”) market. Prior to March 2010, contracts  
194 that were structured as a bundled product (REC with energy) required that the  
195 seller schedule energy bundled with a REC. The REC must be generated from an  
196 eligible resource certified by the California Energy Commission (“CEC”), which  
197 requires it to meet several laws, ordinances, rules and standards (“LORS”) to be  
198 an eligible resource from out of state to be used for compliance in the California  
199 RPS.

200 **Q. Are there any projects that are in rate base in this case that lack certification**  
201 **or that are currently going through the certification process?**

202 A. Yes. The Dunlap I wind project, which was included and approved in the major  
203 plant addition case, Docket no. 10-035-89, and the Top of the World PPA have  
204 yet to be granted certification by the CEC; however, applications were submitted  
205 by the Company with the CEC on August 31, 2010. Consequently the RECs

206 associated with such projects can be sold in the broker market at this time as  
207 RECs which have been registered in WREGIS but not CEC certified.

208 **Q. Does the broker market require a REC to be registered before it can be sold?**

209 A. Yes, a REC must be registered in WREGIS to be sold in the broker market as an  
210 unbundled REC. However, if RECs are not sold to California compliance entities,  
211 these RECs need not be further certified by the California Energy Commission,  
212 which certification process can take several additional months to complete.

213 **Q. Does the Company enter into unit contingent sales of RECs?**

214 A. Currently the market for unit contingent REC sales is very limited. Because  
215 customers are seeking to meet either voluntary or regulatory annual RPS  
216 requirements they do not want to buy something that does not have certainty. To  
217 the extent the Company does not perform, customers expect the Company will  
218 pay liquidated damages equivalent to the penalty that they would otherwise be  
219 required to pay for noncompliance.

220 **Q. Has the Company proposed accounting treatment for REC revenues in Utah  
221 other than including projected REC sales in general rate cases?**

222 A. Yes. It is the Company's position that REC revenues be accounted for in an  
223 Energy Cost Adjustment Mechanism ("ECAM") due to the fact that they share  
224 similar characteristics to net power costs. REC revenues are volatile and largely  
225 outside of the Company's control. Doing so would resolve many of the issues that  
226 parties raise in general rate cases.

227 **The 2008R-1 RFP and Top of the World PPA**

228 **Q. Is the Company seeking cost recovery of the Top of the World PPA in this**  
229 **case?**

230 A. Yes.

231 **Q. What is the history of the Top of the World PPA?**

232 A. The Top of the World PPA was chosen as the winning bid in the 2008R-1  
233 Request for Proposal (“2008R-1 RFP”).

234 **Q. Please describe the 2008R-1 RFP procedural history.**

235 A. The Company filed its initial application on March 4, 2008. The Oregon Public  
236 Utilities Commission subsequently opened Docket UM 1368 and selected Boston  
237 Pacific Company to serve as the Independent Evaluator (“IE”).<sup>1</sup> The purpose of  
238 the 2008R-1 RFP was to request and evaluate proposals to fulfill a portion of the  
239 renewable resource generation identified in the Company’s 2007 Integrated  
240 Resource Plan (“2007 IRP”). To that end, the 2008R-1 RFP solicited system-wide  
241 renewable resources that would enable the Company to meet its service  
242 obligations. The 2008R-1 RFP targeted acquisition of up to 500 megawatts  
243 (“MW”) of renewable resources with commercial operation dates prior to  
244 December 31, 2011 and with a limit of 300 MW per resource.<sup>2</sup> The 2008R-1 RFP  
245 was issued to the market on October 6, 2008 with proposals due December 22,  
246 2008.

---

<sup>1</sup> See Order No. 08-248.

<sup>2</sup> 300 MW is the upper limit permitted by Utah law. Qualifying Facilities that are at least 10 MW were eligible, pursuant to Guideline 6 in Order No. 06-446.

247 **Q. Did the Company re-issue the 2008R-1 RFP after receipt of proposals on**  
248 **December 22, 2008?**

249 A. Yes. Because the acquisition of a successful resource under the 2008R-1 RFP  
250 would not occur until 2009, the Company was required to amend and reissue the  
251 2008R-1 RFP to accommodate Utah’s resource procurement statutes.<sup>3</sup>

252 **Q. Were there any changes to the Amended 2008R-1 RFP?**

253 A. Yes. The Amended 2008R-1 RFP included three changes: (1) it allowed the  
254 original bidders to update their proposals; (2) it provided new bidders the  
255 opportunity to bid into the Amended 2008R-1 RFP; and (3) it modified the  
256 schedule to allow for updated and new proposals.

257 **Q. Did the Utah Commission retain a consultant consistent with Utah Code**  
258 **Ann. § 54-17-502, Renewable Energy Source Solicitation - Consultant, to**  
259 **monitor the Amended 2008R-1 RFP?**

260 A. Yes, the Commission retained Merrimack Energy Group, Inc. (“Utah  
261 Consultant”) to serve as a consultant for the Amended 2008R-1 RFP.

262 **Q. What was the role of the Utah Consultant?**

263 A. The Utah Consultant was required to prepare and submit several reports to the  
264 Commission including regular status reports, a report on the Bidder Pre-Approval  
265 process, a Report on the Bid Evaluation and Shortlist Selection process, and a  
266 Draft Final Report within two weeks after completion of the contract negotiation  
267 process. Specifically, the consultant documented all aspects of the process from

---

<sup>3</sup> See Utah Code Ann. 54-17-502(2) (a) (i).

268 beginning of the assignment through the contract negotiation process and was  
269 charged with indicating whether the Company followed the process contained in  
270 the RFP and with making recommendations for changes in future solicitation  
271 processes.

272 **Q. Please describe the Amended 2008R-1 RFP Initial Shortlist selection process.**

273 A. The Company's analysis of the Amended 2008R-1 RFP proposals focused on  
274 determining which resources would provide the best value to customers on a  
275 system-wide planning basis to meet customer requirements at the least cost, on a  
276 risk-adjusted basis. To achieve these objectives, the Company evaluated  
277 alternatives in a two step process. First, the Company selected three Initial  
278 Shortlists: (a) west wind; (b) east wind; and (c) all other renewable resources. The  
279 purpose of first selecting three separate Initial Shortlists was to capture location  
280 resource diversity and the different sources of renewable resources. To select  
281 groups of proposals to comprise each of the three Initial Shortlists, the IE agreed  
282 with the Company's goal to: (1) select the proposals with the greatest net benefit  
283 in terms of price and non-price benefits; (2) select a diversity of bidders and  
284 projects; (3) select a mix of PPA and build-own-transfer ("BOTs") alternatives;  
285 (4) determine a relatively clear split between the score of the last proposal  
286 evaluated and the next proposal that was not selected; and (5) achieve the RFP  
287 goal that each category contain up to 500 MW or 5 proposals.<sup>4</sup> Each proposal  
288 received up to a maximum of 100 points. The three Initial Shortlists were  
289 comprised of the highest scoring proposals in each of the three respective

---

<sup>4</sup> See The Oregon Independent Evaluator's Final Closing Report on PacifiCorp's 2008R-1/Renewables RFP (May15, 2009) at p. 13.

290 segments, based on price (up to 70 points) and non-price factors (up to 30 points).  
291 The price factor was derived by using the PacifiCorp Structuring and Pricing RFP  
292 base model, which determines the top-performing proposals on the basis of the  
293 net present value revenue requirement (“Net PVRR”) per kilowatt month. The Net  
294 PVRR component views the value of the energy and capacity as a positive and the  
295 offsetting costs of the proposal as a negative. The more positive the Net PVRR,  
296 the more valuable a given resource is to the Company’s customers.

297 The non-price factors evaluated were negative or positive based on the  
298 following criteria: (a) conformity with Amended 2008R-1 RFP proposal  
299 requirements; (b) conformity with the *pro forma* PPA or BOT documents and/or  
300 Asset Acquisition and Sale Agreement, attached as exhibits to the amended  
301 2008R-1 RFP; (c) feasibility of the proposal; (d) site control or permitting of the  
302 proposal; and (e) operational viability of the proposal. Based on the application of  
303 the price and non-price factors, the Company selected proposals to comprise the  
304 Initial Shortlists.

305 **Q. Did the Utah Consultant agree with the Company’s initial shortlist?**

306 A. Yes, the Utah consultant agreed on the selection of the resources, as demonstrated  
307 in the Final Report of the Utah Consultant, attached as Confidential Exhibit  
308 RMP\_\_\_\_(SAB-3).

309 **Q. Please describe the 2008R-1 RFP Final Shortlist selection process.**

310 A. After the Company selected the three Initial Shortlists, it moved to step two of the  
311 evaluation process – selection of the Final Shortlist. To select the Final Shortlist,  
312 the Company applied its next highest alternative cost for compliance (“ACC”)

313 analysis methodology for renewable resources to each of the three Initial  
314 Shortlists. This resource-specific analysis allows the Company to compare a  
315 resource against the potential next highest alternative cost for renewable resource  
316 compliance. In essence, the result of the ACC analysis shows how the resource  
317 compares to the undifferentiated power market. The ACC analysis also  
318 incorporates a resource's risk-adjusted system benefit, using the Company's IRP  
319 stochastic production cost model. A negative ACC indicates that the resource is  
320 valued below undifferentiated market alternatives; whereas a positive ACC  
321 indicates that the resource is valued above undifferentiated market alternatives.  
322 Upon completion of the ACC analysis and the PVRR (d) analysis, the Company  
323 selected four alternatives for inclusion in the Final Shortlist, one of which was  
324 Top of the World PPA.

325 **Q. Did the IE and the Utah Consultant concur with the 2008R-1 Final Shortlist?**

326 A. Yes. The IE and the Utah Consultant concurred with the selection of the Final  
327 Shortlist and recommended its acknowledgment by the Oregon Commission, as  
328 demonstrated in The Oregon Independent Evaluator's Final Closing Report on  
329 PacifiCorp's 2008R-1 Renewable RFP (May 15, 2009) in Docket UM 1368  
330 ("Final Report"), and in the Final Report of the Utah Consultant, attached as  
331 Confidential Exhibit RMP\_\_\_\_(SAB-4) and Confidential Exhibit RMP\_\_\_\_(SAB-  
332 3), respectively.

333 **Q. Please explain the basis of the IE's recommendation, as outlined in the IE's**  
334 **Final Report.**

335 A. The IE based its recommendation in the 2008R-1 RFP Final Shortlist on six key

336 points. First, the selected proposals represented the resources with the greatest net  
337 benefits to customers as determined by the ACC. Second, the proposals  
338 represented the top options from a competitive process. Third, the IE's  
339 independent analysis confirmed that the selected proposals represent the lowest  
340 cost alternatives for customers, with an accounting for risk. Fourth, the shortlist  
341 provided a diversity of projects, bidders, and transaction types for negotiations  
342 going forward. Fifth, the 2008R-1 RFP aligned with the Company's IRP process.  
343 Sixth, the Company agreed to conduct an analysis at the time it made its  
344 procurement decision to show how the accuracy of output projections and asset  
345 life were reflected in the final decision.

346 **Q. Please explain the basis of the Utah Consultant's conclusions.**

347 A. The Utah consultant concluded "[t]he solicitation process and procedures  
348 developed and implemented by PacifiCorp, including the bid evaluation and  
349 selection process and methodologies are, in substance, consistent with Utah  
350 competitive procurement requirements and industry standards and led to a fair and  
351 consistent evaluation and selection process. The results from the 2008R-1  
352 competitive procurement process should lead to the acquisition, production and  
353 delivery of electricity at the lowest reasonable cost to PacifiCorp's retail  
354 customers taking into consideration long-term and short-term impacts, risks,  
355 reliability and financial impacts on PacifiCorp. In that regard, the resource  
356 selected through this process represents a resource that was subject to detailed  
357 scrutiny and evaluation, was vetted through a fair and equitable process, is subject  
358 to a contractual arrangement that ensures an effective balance of risk with benefits



359 to customers, and represents the lowest cost resource available through this  
360 competitive solicitation process to meet renewable resource requirements”. See  
361 Utah Consultant Final Report, p.36.

362 **Q. Did the IE and the Utah Consultant determine that the 2008R-1 RFP process**  
363 **was fair and transparent?**

364 A. Yes.

365 **Q. Did the IE’s report on the negotiation phase of the 2008R-1 RFP conclude**  
366 **that the Top of the World PPA was the best choice of projects from the Final**  
367 **Shortlist?**

368 A. Yes. The IE considered price, technology and willingness to meet the  
369 requirements of the 2008R-1 RFP in reaching this conclusion.

370 **Q. Does the record developed in the 2008R-1 RFP process show that the Top of**  
371 **the World PPA is a prudent and cost-effective resource?**

372 A. Yes. Additionally, the Top of the World PPA is consistent with PacifiCorp’s IRP  
373 action plan and PacifiCorp’s renewable resource commitments resulting from the  
374 MidAmerican Energy Holdings Company acquisition.

375 **Q. Please describe the Top of the World PPA.**

376 A. The Top of the World PPA is a 20-year contract for 200.2 MW wind resource and  
377 associated renewable energy credits. The Company will purchase all of the output  
378 associated with the project. PacifiCorp has the option to purchase the facility at  
379 fair market value at the conclusion of the initial 20-year term. The Top of the  
380 World project is comprised of 66 General Electric turbines (each capable of  
381 producing 1.5 MW) and 44 Siemens Energy, Inc. turbines (each capable of

382 producing 2.3 MW). The project is located in located near Casper, Wyoming and  
383 reached commercial operation on October 1, 2010. The terms and conditions of  
384 the Top of the World PPA are consistent with other wind PPAs entered into by  
385 the Company.

386 **Q. Does this conclude your direct testimony?**

387 A. Yes.