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**RFP**  
**Attachment 13: Due Diligence Items**  
**For The Acquisition Of An Existing**  
**Facility**

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## **DUE DILIGENCE ITEMS**

The following 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.

- 1.0 Plant General
  - 1.1 Plant organization charts.
  - 1.2 Annual Plant Budget (total) Actual for 5 years. Projected for 5 years.
  - 1.3 Summary of the budget for 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.
    - 1.3.10 Fuel by component.
    - 1.3.11 Historical and expected capital expenditures
  - 1.4 Summary of the maintenance expenses.
    - 1.4.1 Major Maintenance (annual).
    - 1.4.2 Consumables.
    - 1.4.3 Inventory draws.
    - 1.4.4 Maintenance contracts.
    - 1.4.5 Building and grounds.
    - 1.4.6 Other.
  - 1.5 Summary of equipment expenses.

- 1.5.1 Shop equipment maintenance.
- 1.5.2 Equipment rental.
- 1.5.3 Rolling stock fuel.
- 1.5.4 Rolling stock maintenance.
- 1.5.5 Other.
- 1.6 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 Summary of operating expenses.
  - 1.7.1 Regeneration Cost.
  - 1.7.2 Clarifier Cost.
  - 1.7.3 Boiler water and water treatment 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.
  - 1.7.10 Emission testing.
  - 1.7.11 Hydrogen and CO<sub>2</sub> for generator.
  - 1.7.12 Ammonia, other.
  - 1.7.13 Pressure vessel and valve testing
  - 1.7.14 Bottled gases and calibration gases
- 1.8 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 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.
- 1.10 Inventory
  - 1.101.1 List of Inventory greater than \$1,000 and total value of inventory
- 1.11 Plant Description
  - 1.11.1 Provide plant description identifying major equipment and manufacturers, equipment sizes, equipment redundancy
- 2.0 Plant Personnel.
  - 2.1 Personnel roster and organization chart.
    - 2.1.1 Complete list of Classifications.
    - 2.1.2 Number in each classification..
    - 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.
    - 2.1.8 Total overtime (% of annual base salary).
    - 2.1.9 Employee age demographics.
  - 2.2 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).

### 3.0 Major maintenance.

#### 3.1 Summary of maintenance costs and schedules.

##### 3.1.1 Annual, major and frequency of major outages for:

- 3.1.1.1 Turbine valves.
- 3.1.1.3
- 3.1.1.4 Pressure vessels and major valves.
- 3.1.1.5 Boiler auxiliaries.
- 3.1.1.6
- 3.1.1.7 Casing and ductwork.
- 3.1.1.8 Boiler insulation and lagging.
- 3.1.1.9 Main steam turbine.
- 3.1.1.10 Main condenser.
- 3.1.1.11 Generator (s).
- 3.1.1.12 Pumps.
- 3.1.1.13 Switchgear.
- 3.1.1.14 Water treatment system/Demineralizer.
- 3.1.1.15
- 3.1.1.16
- 3.1.1.17 Selective Catalytic Reduction System.

3.1.1.18 Gas Turbines.

3.1.1.19 Cooling Tower or Air Cooled Condenser

3.1.1.20 Auxiliary Cooling Towers.

3.1.1.21 Step-up Transformers

3.1.1.22 Heat Recovery Steam Generators

3.1.1.23 Waste water treatment systems

3.2 Provide the latest overhaul inspection reports and summaries showing the condition of major equipment. These reports are required to show the “as-found” equipment condition, work performed during the overhaul, equipment settings, and test results after returning the equipment to service. Overhaul reports shall be provided for the following equipment:

3.2.1 heat recovery steam generators

3.2.2 steam turbine and/or combustion turbines

3.3.3 generator(s) and excitation equipment

3.3.4 emissions control equipment

3.3.5 large transformers

3.3.6 large electric motors

3.3.7 critical piping

3.3.8 major pressure vessels

3.3 Provide list of all OEM service bulletins for the following equipment. Identify correction action was taken in response to the service bulletin and who performed the corrective action:

3.3.1 steam turbine and/or combustion turbines

3.3.2 generator(s) and excitation equipment

3.3.3 large transformers

4.0 Plant Performance:

4.1 Provide the following for the design of the plant:

4.4.1 Summary of plant design and operating conditions

- 4.4.2 Piping & Instrument Diagrams for the plant
- 4.4.3 Heat balance diagrams
- 4.4.4 Fuel specifications
- 4.4.5 Design parameters for emissions control equipment
- 4.4.6 Water balances

4.2 Provide the following actual performance data for the last five (5) years:

- 4.2.1 Fuel consumed reports
- 4.2.2 Plant net full load and part load heat rate data
- 4.2.3 Availability data per NERC GADS formulas and codes for calculations and identification of the types of equipment component failure mechanisms.
  - 4.2.3.1 Availability data for the unit
  - 4.2.3.2 Availability data for each piece of major equipment
- 4.2.4 Generation summaries, net and gross
- 4.2.5 Emission rates and tests reports
- 4.2.6 Major equipment performance testing reports

5.0 Operations.

- 5.1 Description of how efficiency is tracked.
- 5.2 Description of how availability is determined.
- 5.3 Identify the equipment that presents the most problems.

6.0 Maintenance

- 6.1 Description on how major maintenance is scheduled.
- 6.2 Evaluation on whether the inventory of spare parts is adequate.
- 6.3 Are there contingency plans for equipment failure?
- 6.4 Reports on any non-destructive tests performed on major steam generator parts and steam lines in the last 10 years.
- 6.5 Reports on any comprehensive reviews of the HT/HP piping systems?

- 6.6 Evaluation of the electrical switchgear.
  - 6.6.1 Schedule of regularly performed switchgear inspections.
- 6.7 Condition assessment of the water treatment plant.
- 6.8 History of all planned overhauls on the combustion turbines and steam turbines since the plant began commercial operation.
- 7.0 Controls.
  - 7.1 Description of the type, age and condition of the control systems.
  - 7.2 Description of any plans to change out any of the control systems.
  - 7.3 Identify if plant is equipped for fire protection?
  - 7.4 Description of how injuries are handled.
  - 7.5 Identify any dangerous or hazardous chemicals or materials located on the plant site.
- 8.0 Safety
  - 8.1 Describe the on-going safety program.
  - 8.2 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 implemented at the Facility.
  - 8.3 Provide copies of 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.
  - 8.4 Provide 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.
  - 8.5 Provide 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.
  - 8.6 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 Provide copies of any environmental audits that have been performed.
  - 9.2 Description of any known or suspected environmental contamination of the

plant site.

- 9.3 Provide a record on any environmental exceedances for the last five (5) years.
- 9.4 Provide copies of all Phase I, Phase II and other environmental site assessments, risk assessments, site investigations, site remediation plans, closure reports, compliance audits, etc.
- 9.5 Provide 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.
- 9.6 Provide 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 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 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.
- 9.7 Provide documents (including EHS Permits) pertaining to the use, development, conservation or disturbance of land, wetlands, natural resources, biota and/or ecologically sensitive receptors.
- 9.8 Provide 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.
- 9.9 Provide 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.
- 9.10 Provide 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.
- 9.11 Provide 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.
- 9.12 Provide (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.

- 9.13 Provide 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.
- 9.14 Provide 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.
- 9.15 Provide documents pertaining to: (1) the indoor air quality of the Facility; or (2) the presence, management, removal or abatement of asbestos-containing materials or lead-based paint.
- 9.16 Provide a listing of hazardous and non-hazardous wastes which are stored on-site or off-site, or have been disposed of.
- 9.17 Provide copies of the air permit and any addenda.
- 10.0 Description of any natural perils that could affect this site.
- 11.0 Copies of any licenses, permits or certificates are required at this site.
- 12.0 Provide nameplate data for all units.
  - 12.1 Provide start up times, ramp rates for synchronization and total event costs to full load for hot, warm and cold start conditions.
  - 12.2 Capacity Factor, Equivalent Availability Factor, and Equivalent Forced Outage Rate for each of the last five (5) years. Define terms and method of calculation
  - 12.3 Results of test of Net Maximum Capacity tests.
  - 12.4 Operation data on number of fired hours and starts on each combustion turbine from the commercial operation date and from the last planned overhaul.
- 13.0 Title.
  - 13.1 Real property.
  - 13.2 UCC Filings.
- 14.0 Claims history (both by and against Owner in connection with the Facility).
  - 14.1 Litigation (including arbitration and other forms of alternative dispute resolution).
  - 14.2 Labor issues.
  - 14.3 Warranty claims.
  - 14.4 Copies of all auditor's letters prepared by law firms with respect to the

Facility or with respect to Owner's liability in connection with the Facility.

- 15.0 Provide copies of any contracts.
  - 15.1 O&M contract.
  - 15.2 Power Purchase Agreement
  - 15.3 Interconnection agreements and terms.
  - 15.4 Fuel purchase, transportation and storage contracts.
  - 15.5 Ash storage, transportation and disposal contracts.
  - 15.6 Production by product sales contracts.
  - 15.7 Steam sales contracts.
  - 15.8 Water supply/sewer agreements.
  - 15.9 All other contracts, subcontracts and leases for maintenance services, labor, professional services, materials, parts or other at each plant.
  - 15.10 Collective bargaining agreements, if any.
  - 15.11 Pension, benefit and welfare plans.
  - 15.12 Combustion turbine maintenance contracts
  - 15.13 Electric service agreements
- 16.0 Insurance.
  - 16.1 Provide 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**

- History of all scheduled maintenance outages and all significant forced outages.

PacifiCorp – Request for Proposals  
RFP Responses March 1, 2010