

PacifiCorp – Request for Proposals  
RFP Responses due May 24, 2012  
Intent to Bid Responses due February 14, 2012

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**Intent to Bid Form**  
**Appendix B: Bidder's Credit**  
**Information**

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

**Please provide the following information to enable PacifiCorp to 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 (3) most recent fiscal years.

Fiscal Year End:

D. Identify material 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(ies) 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(ies) to provide credit assurances on Bidder’s

behalf?

G. Bidder should demonstrate their ability (and/or the ability of their credit support provider(s)) to provide the required security, including its plan for doing so (including type of security, sources of security, and a description of its credit support provider).

H. Bidder should provide a reasonable demonstration of their ability to finance the proposed project based on past experience and a sound financial plan identifying the proposed sources for debt and equity and evidence the project is financeable.

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

A. Exact legal name and address of entity(ies) 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.) once notified that the Bidder has been selected for the final shortlist. Bidder must provide to Company a commitment letter(s) in a form acceptable to Company (see **Attachment 22**) from the entity(ies) 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. It should be noted that more than one commitment letter, or more than one form of commitment letter, may be necessary.

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:

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D. Please attach copies of audited financial statements (including balance sheet, income statement, and cash flow statement) for the three (3) most recent fiscal years.

Fiscal Year End:

E. Pending material legal disputes (describe):

F. Please state whether entity(ies) 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 to determine the estimated amount of credit assurances required for each Resource Alternative bid in each Bid Category. The Bidder will be required to demonstrate the ability to post any required credit assurances in the form of a commitment letter(s) consistent with **Attachment 22** from a proposed guarantor(s) and/or from a financial institution(s) that would be issuing a Letter of Credit. The Company will require each Bidder to provide the Company with an acceptable commitment letter(s) (if applicable) twenty (20) business days after the Bidder is notified that the Bidder has been selected for the final shortlist.

The amount of any credit assurances to be provided will be determined based upon:

- a) the Credit Rating of the Bidder and the entity(ies) providing credit assurances on behalf of the Bidder, if applicable, b) the size of the project, c) the Eligible Online Date, d) the type of Resource Alternative, and e) the Bid Category. Please note that a financial institution providing credit assurances on behalf of the Bidder must have a Credit Rating of at least ‘A’ and ‘A2’ from S&P and Moody’s, respectively, and have assets (net of reserves) of at least \$10,000,000,000.

The Credit Rating is defined as 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) and/or y) the most recently published senior, unsecured debt rating (or corporate rating if a debt rating is unavailable) from Moody’s Investor Services. If option x) and y) are not available, the Credit Rating will be determined by the Company through an internal process review utilizing a proprietary credit scoring model developed in conjunction with a third party.

All Bidders will receive a Credit Rating which will be used in determining the amount of any 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 assurances in addition to those outlined in the Credit Matrix.

**Please note: In addition to any credit security requirements as shown in the Credit Matrix, the Bidder may be required to post other credit security depending on the Resource Alternative that is bid. The Bidder should refer to the respective proforma agreement for that Resource Alternative for any additional credit security requirements.**

The timing of when credit security must be posted is detailed in **Attachment 21**.

Credit Matrices Notes

- Columns contain maximum value of credit assurances to be posted for each range of MW for a 2016 resource
- Based on the Eligible Online Date, size and type of Resource Alternative bid and Bid Category
- For non asset-backed projects less than five (5) years, the amount of credit assurances required may be adjusted by multiplying the credit security amount for the appropriate Bid Category by the following adjustment factor:  

$$\text{Adjustment Factor} = \text{square root} (\text{project term in days}/1,825 \text{ days})$$
- Credit Requirements for the Bid Categories other than the Base Load Bid Category will be determined based on a percentage of the amount contained in the Credit Matrix
  - For the Summer Peak Bid Category, the percentage of the amount contained in the Credit Matrix for Resource Alternatives backed by an asset is 66%; the percentage of the amount contained in the Credit Matrix for Resource Alternatives not backed by an asset is 31%.
  - For the Intermediate Load Bid Category, the percentage of the amount contained in the Credit Matrix is based on the following formula:

Percentage = Bidder's capacity factor using the heat rate conversions in Table 1 divided by 60% Base Load Bid Category capacity factor

**Table 1**

<b>Heat Rate</b>	<b>Capacity Factor</b>
8,500	60.0%
8,800	54.6%
9,100	54.6%
9,400	47.8%
9,700	45.6%
10,000	45.6%
10,300	37.2%
10,600	28.7%
10,900	22.7%
11300+	15.8%

Note: Use the nearest heat rate when determining the appropriate capacity factor.

EXAMPLE

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For a Bidder rated below ‘BBB-’ that bids in a 300 MW Intermediate Load power purchase agreement for Eligible Online Date of 2016 that is backed by an asset having a heat rate of 9,100, the amount of credit security required would be:

**\$15,471,729** = \$17,001,900 credit security amount from the Credit Matrix for a 300 MW Base Load power purchase agreement for 2016 backed by an asset multiplied by 91% [54.6% capacity factor from the conversion table divided by 60%]

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All Source RFP						
Credit Appendix B						
Credit Matrix						
Maximum Value of Credit Assurances to be Posted for each range of MW for a 2016 Resource						
Based on Size and Type of Resource Alternative Bid						
For Resource Alternatives 3, 4, 5 and 6						
Size of Nameplate bid in MW ==>	100	101-200	201-300	301-400	401-500	501-600
Credit Rating						
A-/A3 and above	\$0	\$0	\$0	\$0	\$0	\$0
BBB+/Baa1	\$0	\$0	\$0	\$0	\$0	\$0
BBB/Baa2	\$0	\$0	\$0	\$0	\$0	\$0
BBB-/Baa3	\$0	\$0	\$0	\$0	\$3,336,500	\$9,003,800
Below BBB-/Baa3	\$5,667,300	\$11,334,600	\$17,001,900	\$22,669,200	\$28,336,500	\$34,003,800
For Resource Alternatives 1, 2, 7, 8(b) and 8(c) (ASSET BACKED)						
Size of Nameplate bid in MW ==>	100	101-200	201-300	301-400	401-500	501-600
Credit Rating						
A-/A3 and above	\$0	\$0	\$0	\$0	\$0	\$0
BBB+/Baa1	\$0	\$0	\$0	\$0	\$0	\$0
BBB/Baa2	\$0	\$0	\$0	\$0	\$0	\$0
BBB-/Baa3	\$0	\$0	\$0	\$0	\$3,336,500	\$9,003,800
Below BBB-/Baa3	\$5,667,300	\$11,334,600	\$17,001,900	\$22,669,200	\$28,336,500	\$34,003,800
For Resource Alternatives 1, 2, 7, 8(a), 8(b), and 8(c) (NON ASSET BACKED)-5YR						
Size of Nameplate bid in MW ==>	100	101-200	201-300	301-400	401-500	501-600
Credit Rating						
A-/A3 and above	\$0	\$0	\$0	\$0	\$0	\$0
BBB+/Baa1	\$0	\$0	\$0	\$0	\$0	\$0
BBB/Baa2	\$0	\$0	\$0	\$0	\$7,964,000	\$32,056,800
BBB-/Baa3	\$0	\$0	\$0	\$21,371,200	\$45,464,000	\$69,556,800
Below BBB-/Baa3	\$24,092,800	\$48,185,600	\$72,278,400	\$96,371,200	\$120,464,000	\$144,556,800
Note 1: For Resource 8(a), the amount of credit assurances required in \$/kW equates to \$241/kW.						
Please note that the amount of credit assurances required for this resource type represents an "up to" amount depending on the terms of the curtailment and whether there is an acceptable physical asset behind the agreement.						
Note 2: For projects less than 5 years, the amount of credit assurances required may be adjusted.						