

June 16, 2017

#### VIA ELECTRONIC FILING AND OVERNIGHT DELIVERY

Utah Public Service Commission Heber M. Wells Building, 4<sup>th</sup> Floor 160 East 300 South Salt Lake City, UT 84114

Attention: Gary Widerburg Commission Secretary

RE: Docket No. 17-035-23 In the Matter of the Application of Rocky Mountain Power for Approval of Solicitation Process for Wind Resources

Rocky Mountain Power (the "Company") files its application and supporting pre-filed direct testimony and exhibits of Mr. Rick T. Link, seeking approval of the solicitation process for the 2017 Renewables Request For Proposals. As requested by the Commission for filings greater than 100 pages, Rocky Mountain Power is providing seven (7) printed copies of the filing via overnight delivery. The appendices to the draft 2017 Renewables Request For Proposals referenced in Exhibit RMP\_\_\_(RTL-2) will be provided electronically.

Rocky Mountain Power respectfully requests that all formal correspondence and requests for additional information regarding these filings be addressed to the following:

By E-mail (preferred):	datarequest@pacificorp.com bob.lively@pacificorp.com yvonne.hogle@pacificorp.com
By regular mail:	Data Request Response Center PacifiCorp 825 NE Multnomah, Suite 2000

Informal inquiries may be directed to Bob Lively at (801) 220-4052.

Portland, OR 97232

Sincerely,

Jeffrey K. Larsen Vice President, Regulation

#### **CERTIFICATE OF SERVICE**

I hereby certify that on June 16, 2017, a true and correct copy of Rocky Mountain Power's Application for Approval of Solicitation Process for Wind Resources the foregoing was served by electronic mail and overnight delivery to the following:

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#### **BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

IN THE MATTER OF THE APPLICATION OF ROCKY MOUNTAIN POWER FOR APPROVAL OF SOLICITATION PROCESS FOR WIND RESOURCES

Docket No. 17-035-23

APPLICATION FOR APPROVAL OF SOLICITATION PROCESS

#### I. INTRODUCTION

In accordance with Utah Code Ann. § 54-17-201, PacifiCorp d/b/a Rocky Mountain Power ("Rocky Mountain Power" or "Company") submits this Application to the Public Service Commission of Utah ("Commission"). The Company respectfully requests that the Commission issue an order approving the Company's 2017 Renewable Resources Request for Proposals ("2017R RFP"), seeking up to approximately 1,270 MW of new wind resources capable of interconnecting to, and/or delivering energy and capacity across PacifiCorp's transmission system in Wyoming. The Company requests an order from the Commission by August 22, 2017, and notes that August 22, 2017 provides the Commission one additional week from the 60-day statutory timeline under Utah Code Ann. § 54-17-201. The Company proposes a schedule for this docket that follows the general framework of Utah Admin. Code R746-420-1(4)(a), but with shortened comment periods to allow additional time for Commission review and decision.<sup>1</sup> The Company proposes to issue the 2017R RFP to the market by August 25, 2017.

The target date for approval of the 2017R RFP is driven by the need to capture a timelimited resource opportunity arising from the expiration of federal production tax credits ("PTCs"). The Company will procure the proposed wind resources in conjunction with a new 140-mile, 500 kV transmission line and associated infrastructure running from the new Aeolus substation near Medicine Bow, Wyoming, to a new annex substation, Bridger/Anticline, located near the existing Jim Bridger substation ("Transmission Project"). The Transmission Project is necessary to relieve existing congestion, and will enable interconnection and integration of the proposed wind resources into the Company's transmission system.

The proposed wind projects net of PTC benefits, when combined with the Transmission Project, are expected to provide economic benefits for the Company's customers. With aligned implementation schedules, the wind resources and Transmission Project must achieve commercial operation by the end of 2020 to qualify for the full value of PTCs. To meet this schedule, on June 30, 2017, the Company plans to file a request for approval of the "significant energy resource decision" related to the proposed wind resources and approval of the "resource decision" to construct the Transmission Project, in accordance with Utah Code Ann. §§ 54-17-302 and 54-17-402, respectively. The Company must establish a final shortlist from the 2017R RFP by early

<sup>&</sup>lt;sup>1</sup> Under this rule, stakeholder comments are due within 45 days of the RFP's filing, and comments from the independent evaluator are due within 55 days. Reply comments from the Company, as necessary, are due within 10 days. The proposed schedule in this Application shortens these timelines by 10 days, so that stakeholder comments are due in 35 days, and the other comment periods are adjusted accordingly.

January 2018 to inform the Utah preapproval proceedings, in which the Company will seek a final order by March 30, 2018. The Company will also file applications for a certificate for public convenience and necessity ("CPCN") with the Wyoming Public Service Commission and Idaho Public Utilities Commission related to the wind resources and Transmission Project, with similar proposed schedules.

The Company has already met several milestones required for approval of the 2017R RFP. On April 17, 2017, the Company filed a 60-day notice of its intent to seek approval of a solicitation process under Part 2 of the Energy Resource Procurement Act, Utah Code Ann. Title 54, Chapter 17, under Utah Code Ann. §54-17-203. On May 31, 2017, the Company held a pre-issuance bidders conference, in compliance with Utah Admin. Code R746-420-1(3)(b-c). In early June 2017, the Commission appointed an independent evaluator ("IE") for the 2017R RFP.

#### II. THE APPLICANT

The Company is a public utility providing retail electric service to customers in the six western states of Utah, Wyoming, Idaho, Oregon, Washington and California, and wholesale electric service throughout the Western United States. The Company provides electric service to retail customers in the state of Utah, through its Rocky Mountain Power division. Rocky Mountain Power serves approximately 840,000 customers and has approximately 2,400 employees in Utah.

Formal correspondence and requests for additional information regarding this matter should be addressed to:

By E-mail (preferred): datarequest@pacificorp.com

By regular mail:

Data Request Response Center PacifiCorp 825 NE Multnomah, Suite 2000 Portland, OR 97232

With copies to:

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Yvonne Hogle Assistant General Counsel Rocky Mountain Power 1407 W. North Temple, Suite 320 Salt Lake City, Utah 84116 E-mail: yvonne.hogle@pacificorp.com

Informal inquiries related to this Application should be directed to Bob Lively, Utah Regulatory Affairs Manager, at (801) 220-4052.

#### **III. SUPPORTING TESTIMONY**

This Application is supported by the pre-filed written direct testimony and exhibits of Rick T. Link, Vice President, Resource and Commercial Strategy. Mr. Link's testimony describes the Company's proposed solicitation process, the relationship between the solicitation process and the 2017 IRP, and demonstrates that the proposed wind resources are in the public interest. Mr. Link's testimony also includes the information required by Utah Admin. Code R746-420-1(1), and demonstrates that the solicitation process will comply with Utah Admin. Code R746-420-1(2) and (3) and R746-420-3. As required by Utah Code Ann. § 54-17-201(2)(b)(ii) and Utah Admin. Code R746-420-1(1)(b), attached to Mr. Link's testimony is the Company's draft 2017R RFP.

#### **IV. BACKGROUND**

#### A. The Proposed Additional Wind Resources are a Time-Limited Opportunity for Customers, and to Meet the 2020 PTC Deadline, the Company Proposes to Conduct its RFP Process Concurrently with the IRP and Resource Preapproval Processes.

The Company is committed to low-cost clean energy with the proposed addition of up to approximately 1,270 MW of new wind resources by the end of 2020. These new, zero-emission wind resources will rely on a new 140-mile, 500 kV transmission line segment and associated infrastructure running from the Aeolus substation near Medicine Bow, Wyoming, to a new annex substation, Bridger/Anticline, located near the existing Jim Bridger substation. The Transmission Project is a sub-segment (sub-segment D2) of the Energy Gateway West transmission project.<sup>2</sup>

While the Company's 2017 IRP preferred portfolio includes 1,100 MW of new wind resources paired with the Transmission Project, the Company estimates that the new transmission line can accommodate up to approximately 1,270 MW of additional wind resources. In its 2017R RFP, the Company proposes to evaluate, based on actual bids submitted, the level of wind procurement that maximizes customer benefits up to approximately 1,270 MW.

The Transmission Project and the new wind resources are mutually dependent. The new wind resources are not economic without the Transmission Project, which is needed to relieve existing congestion and to interconnect and integrate new PTC-eligible wind resources in high-wind areas of Wyoming. The Transmission Project is not economic without incremental, cost-effective wind resources. This interdependence requires developing these projects together.

The lead time for constructing the Transmission Project is longer than the lead time to construct the wind projects, but the Company recognizes the need for review and approval of its competitive market procurement of the incremental wind resources and their impact on overall

<sup>&</sup>lt;sup>2</sup> For additional information, go to the interactive Gateway project map at <u>http://www.gatewaywestmaps.com/</u>.

project economics before it commits to move forward with construction of the Transmission Project. This dictates that the Company establish a final shortlist of bids from the 2017R RFP by early January 2018 to inform the Utah preapproval filing, the CPCN approval process in Wyoming, and related filings in other states. Approval of a conditional CPCN in Wyoming will allow the Company to begin acquiring the necessary rights of way for the Transmission Project. A delay in establishing the final shortlist could impede construction of the Transmission Project and deprive customers of the time-limited opportunity to cost-effectively acquire the proposed wind resources. Thus, the Company cannot wait until the 2017 IRP is acknowledged before issuing the 2017R RFP, although the Commission's decision on the 2017 IRP should precede the filing of the 2017R RFP shortlist in early 2018.

The time-sensitive opportunity presented by the PTCs and the co-dependencies of the new wind resources and Transmission Project necessitate conducting the solicitation process concurrently with the Company's upcoming request for approval of the "significant energy resource decision" of the proposed wind resources, in accordance with Utah Code Ann. § 54-17-302, and approval of the "resource decision" to construct the Transmission Project, in accordance with Utah Code Ann. § 54-17-402. Upon establishing its final shortlist from the 2017R RFP, the Company plans to supplement its Utah preapproval filing with the winning bids. The Company will request that the Commission issue a final order in the preapproval filing by March 30, 2018, so that the new wind resources and the Transmission Project can achieve commercial operation by the end of 2020.

The concurrent nature of the IRP, solicitation, and preapproval processes is both reasonable and necessary because customers will otherwise forgo the significant benefits that can be achieved through the procurement of the proposed wind resources and Transmission Project. If the three processes were sequential, the Company would not be able to obtain the approvals necessary to construct the Transmission Project in time to have the line in service by the end of 2020. Without the Transmission Project, the wind resources are not economic.

The Commission has consistently recognized that these three processes are distinct. *See, e.g., In the Matter of PacifiCorp's 2006 Integrated Resource Plan*, Docket No. 07-2035-01, Report and Order at 5-6 (Feb. 6, 2008) ("The resource solicitation and acquisition decision approval processes are separate from the IRP acknowledgment process. Therefore, while we may acknowledge the IRP, and may provide guidance on the IRP action plan, any approval of the solicitation and acquisition of specific resources for the implementation of that action plan will be conducted in separate approval processes required under Utah Code §54-17-201 and §54-17-302.").

Concurrent processes will not harm customers or compromise the integrity of any of the three processes. The solicitation process will be conducted in conformance with the Energy Resources Procurement Act and the Commission's rules and will provide for a fair and unbiased evaluation of all potential resources and will be overseen by the Commission and an IE. The fact that the IRP and preapproval dockets are running concurrently will not affect the integrity or fairness of the solicitation process.

Although Utah Code Ann. §54-17-301(1)(a) contemplates that the Company would seek approval of its significant energy resource decision to acquire the wind resources after the completion of the solicitation process, the concurrent nature of these two processes is not inconsistent with the intent of that provision. Here, the solicitation process will be completed before the conclusion of the preapproval process, allowing the Company to update the record in the preapproval docket to reflect the winning bid(s) from the resource solicitation. By the time that the Commission issues its decision in the preapproval docket, it will have a complete record of the resources that will be procured, as required by Utah Code Ann. §54-17-301(1)(a).

### B. The 2017R RFP is Aligned with the Resources, Opportunities Identified, and the Modeling Used in the 2017 IRP.

The action plan in the 2017 IRP advances the Company's commitment to low-cost clean energy with the proposed minimum addition of at least 1,100 MW of new wind resources by the end of 2020. The 2017 IRP demonstrates that these wind resources will provide the cost savings necessary to construct the required Transmission Project and provide economic benefits for customers.

The Company's 2017 IRP reflects a resource plan that provides adequate and reliable electricity supply at a reasonable cost and in a manner consistent with the long-term public interest. The IRP identifies the preferred portfolio as the least-cost, least-risk portfolio that can be delivered through specific action items at a reasonable cost and with manageable risks, while ensuring compliance with state and federal regulatory obligations.

Using a range of cost and risk metrics to evaluate multiple resource portfolios in the 2017 IRP, the Company selected a preferred portfolio reflecting a cost-conscious plan that transitions to a cleaner energy future with near-term investments in both existing and new renewable resources, new transmission infrastructure, and energy efficiency programs. The selection of the preferred portfolio was identified after completing more than 200 modeling studies. Each study includes 50 iterations of system performance, which equates to over 10,000 simulations of potential 20-year system dispatch outcomes.

Assuming the new wind and transmission resources are operational by the end of 2020, and thus eligible for 100 percent PTCs, the Company's IRP analysis demonstrates that the Company can make these investments with all-in economic savings for customers. The 2017 IRP

analysis demonstrates that these projects result in base-case present-value customer savings ranging between \$18 million and \$23 million, without accounting for the expected incremental value of the renewable energy credits ("RECs") that will be generated by the 1,100 MW of new wind.<sup>3</sup>

In addition to being least-cost, the resource acquisitions described in the preferred portfolio, including the 1,100 MW of new wind by 2020, are also least-risk. Based on current load expectations, portfolio modeling performed for the 2017 IRP shows the resource acquisition path in the preferred portfolio is robust among a wide range of policy and market conditions, particularly in the near-term.

The Company has included the 1,100 MW of additional wind resources in its preferred portfolio as cost-effective system resources, and not as resources necessary for renewable portfolio standard compliance. These resources, however, will also contribute to the Company's ability to meet state renewable energy targets in Utah, Oregon, Washington, and California.

#### V. REQUEST FOR APPROVAL OF SOLICITATION PROCESS

Utah Code Ann. § 54-17-201(2)(a) provides that a utility must "conduct a solicitation process that is approved by the commission" before acquiring or constructing a significant energy resource. To obtain approval of the solicitation process, the utility must file a request that includes a description of the solicitation process, a complete proposed solicitation, and the information required by Utah Administrative Code R746-420. Utah Code Ann. § 54-17-201(2)(b). When considering a request to approve a resource decision, the Commission must determine whether the solicitation process is in the public interest, and complies with Utah Code Ann. § 54-17-201(2)(c). As described

<sup>&</sup>lt;sup>3</sup> Present value benefits increase by approximately \$30 million for every dollar assigned to RECs that will be generated by the new wind resources.

below and in the accompanying testimony of Mr. Link, the Company's proposed solicitation process meets these requirements.

#### A. Description of the Solicitation Process.

The 2017R RFP will specifically target resource procurement consistent with the 2017 IRP analysis showing all-in economic customer benefits when PTC-eligible wind is paired with the Transmission Project. Accordingly, the RFP will seek proposals for up to approximately 1,270 MW of competitively priced new wind projects that can deliver energy and capacity to the Company's transmission system in Wyoming. Bids must demonstrate that proposed projects can achieve commercial operation no later than December 31, 2020. Bidders are encouraged to offer proposals under any of three different structures, including power purchase agreements ("PPAs") with or without a purchase option, build-transfer structures in accordance with the terms of an asset purchase and sale agreement ("APSA"), and bidder-proposed alternative ownership structures.

To ensure a transparent and fair process, the proposed RFP will be conducted under the oversight of the IE already approved by the Commission. In addition, an IE approved by the Public Utility Commission of Oregon ("OPUC") will also oversee the RFP to ensure the process is consistent with the OPUC's competitive bidding guidelines as well as transparent and fair to all involved. *See In the Matter of the Public Utility Commission of Oregon, Investigation Regarding Competitive Bidding*, Docket No. UM 1182, Order No. 14-149, Appendix A (Apr. 30, 2014).

The Company intends to propose site-specific, self-build options, referred to as Benchmark Resources, into the 2017R RFP. The Benchmark Resources will ensure there is a sufficient amount of PTC-eligible new wind resource capacity available in the solicitation process, as required to deliver customer benefits identified in the 2017 IRP. All proposals will be evaluated using the same assumptions, modeling, and scoring. The IE will have access to review the reasonableness of all scores, including scores assigned to Benchmark Resources.

The Commission's RFP rules require that the IE "blind" all bids for the evaluation process. Utah Admin. Code R746-420-3(10)(a). The Company requests a waiver of this requirement, consistent with prior waivers provided by the Commission. *See, e.g., In the Matter of the Application of PacifiCorp, by and through its Rocky Mountain Power Division, for Approval of a Solicitation Process for a Flexible Resource for the 2012-2017 Time Period, and for Approval of a Significant Energy Resource Decision, Docket No. 07-035-94, Commission's Suggested Modifications and Order at 18 (May 23, 2008) (granting waiver of blinding requirement after noting that both the IE and the Division of Public Utilities "question the value of blinding bids" because "while the blinding of names of bidders was valuable during the question and answer period, the specific blinding of bids did not have commensurate value given the level of effort."). Here, blinding bids will provide limited value because the detailed project information included in each bid (<i>e.g.*, the proposed location of the resource) will effectively identify the bidder. Blinding bids imposes additional burdens on the IE and the Company that will have no impact on the overall fairness of the solicitation process.

Because of the time-limited nature of this resource opportunity, the Company proposes the following schedule for this docket:

Event	Target Date
File RFP with Commission	June 16, 2017
Stakeholder Comments	July 21, 2017
IE Comments	July 31, 2017
Company Reply Comments	August 10, 2017
Commission decision on Final RFP	August 22, 2017
RFP Issued to Market	August 25, 2017
RFP Bids Due	October 13, 2017
RFP Final Shortlist	January 8, 2018

Mr. Link's testimony provides a more thorough description of the proposed solicitation process and schedule. The Company filed for approval of the 2017R RFP with the OPUC on June 1, 2017, and will provide the Washington Utilities and Transportation Commission information on an informal basis through the Company's ongoing IRP process.

#### B. The Proposed Solicitation Process is in the Public Interest.

To approve a solicitation process, the Commission must determine that it is in the public interest, after considering the following:

- whether the decision will most likely result in the acquisition, production, and delivery of utility services at the lowest reasonable cost to the retail customers of the utility;
- long-term and short-term impacts;
- risk;
- reliability;
- financial impacts on the utility; and
- other factors determined by the Commission to be relevant.

Utah Code Ann. § 54-17-201(2)(c)(ii). *See also* Utah Admin. Code R746-420-3(1)(b)(ii) (setting forth same standard).

This Application and the accompanying testimony of Mr. Link demonstrate that the proposed wind resources are the least-cost, least-risk resource option for the Company and will provide substantial customer benefits, both in the near- and long-term. Moreover, the acquisition of the proposed wind resources will also allow the Company to construct the Transmission Project that will relieve existing transmission congestion and provide additional customer benefits. As discussed above, the wind resources and Transmission Project are mutually dependent and both are integral components of the 2017 IRP's preferred resource portfolio. The proposed wind

resources and Transmission Project will provide significant customer benefits over the long-term. The proposed Transmission Project will also provide substantial reliability benefits.

Mr. Link's testimony further demonstrates that the Company has the financial ability to construct or acquire the proposed wind resources and Transmission Project, and that the procurement of the wind resources will not adversely impact the Company's ability to provide safe and reliable electric service at just and reasonable rates.

The proposed solicitation process is fair and reasonable. Utah Admin. Code R746-420-3(1)(a). The 2017R RFP will be conducted in accordance with the Commission's rules, as described in Mr. Link's testimony. The Commission has approved the selection of the IE. The IE will ensure that the process is transparent, ensure that all bids are treated fairly and scored consistent with the Commission's rules, oversee the bid scoring and evaluation process, independently score and evaluate the Benchmark Resources, and report its findings and conclusions to the Commission. The 2017R RFP will include robust participation by the IE and stakeholder involvement. These facts, coupled with the approvals provided by the Commission throughout the process, will ensure that the 2017R RFP is fair and reasonable.

The proposed RFP process will also be "sufficiently flexible to permit the evaluation and selection of those resources or combination of resources determined by the Commission to be in the public interest," and designed to solicit a robust set of bids. Utah Admin. Code R746-420-3(b)(iii)-(iv). The process will be open to bids offering PPAs, build-transfer structures, and bidder-proposed alternative ownership structures. While the Company will be submitting Benchmark Resources, the process is designed to ensure that those resources are not given an unfair advantage and that every bid is evaluated on the same terms.

The process must also be "commenced sufficiently in advance of the time of the projected resource need to permit and facilitate compliance with the Act and the Commission rules and a reasonable evaluation of the resource options that can be available to fill the projected need" and satisfy the "Commission's criteria for approving a significant energy resource decision." Utah Admin. Code R746-420-3(b)(v). As discussed above, the Company is conducting this solicitation process concurrently with its IRP and acquisition preapproval process because of the time-limited opportunity to obtain substantial customer benefits.

### C. Compliance with Utah Code Ann. § 54-17-101 *et seq.* and Utah Administrative Code R746-420.

Mr. Link's testimony demonstrates that the Company's proposed solicitation process satisfies the requirements of the Energy Resource Procurement Act, Utah Code Ann. § 54-17-101 *et seq.* Specifically, Mr. Link's testimony includes the material required by Utah Admin. Code R746-420-1(1). Utah Code Ann. § 54-17-201(2)(b)(iii). Mr. Link's testimony also describes the pre-bid-issuance process, demonstrating that the Company complied with the requirements of Utah Admin. Code R746-420-1(2). Mr. Link's testimony demonstrates that the solicitation process conforms to the requirements in Utah Admin. Code R746-420-3.

#### **VI. REQUEST FOR RELIEF**

WHEREFORE, the Company requests relief as follows:

That the Commission issue an order by August 22, 2017, pursuant to Utah Code Ann. § 54-17-201, approving the Company's solicitation process for up to approximately 1,270 MW of new wind resources capable of interconnecting to, and/or delivering energy and capacity across, the Company's transmission system in Wyoming. The Company also requests that the Commission waive Utah Admin. Code R746-420-3(10)(a) requiring blinded bids.

DATED this 16th day of June, 2017.

Respectfully submitted,

#### ROCKY MOUNTAIN POWER

R. Jeff Richards Yvonne R. Hogle 1407 West North Temple, Suite 320 Salt Lake City, Utah 84116 Telephone: (801) 220-4050 Facsimile: (801) 220-3299 Email: <u>Robert.Richards@pacificorp.com</u> <u>Yvonne.hogle@pacificorp.com</u>

Attorneys for Rocky Mountain Power

Rocky Mountain Power Docket No. 17-035-23 Witness: Rick T. Link

#### BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF UTAH

#### ROCKY MOUNTAIN POWER

Direct Testimony of Rick T. Link

June 2017

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**O**.

#### Please state your name, business address, and present position with PacifiCorp.

A. My name is Rick T. Link. My business address is 825 NE Multnomah Street, Suite
600, Portland, Oregon, 97232. My current position is Vice President, Resource and
Commercial Strategy.

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**Q**.

#### What are your responsibilities in your current position?

A. I am responsible for PacifiCorp's integrated resource plan ("IRP"), structured
commercial business and valuation activities, long-term commodity price forecasts,
long-term load forecasts, and environmental strategy and policy activities. Most
relevant to this docket, I am responsible for procuring new power purchase
agreements ("PPAs") and generation resources through implementation of
competitive requests for proposals processes consistent with applicable state
procurement rules and guidelines.

#### 13 Q. Please describe your professional experience and education.

14 I joined PacifiCorp in December 2003 and assumed the responsibilities of my A. 15 current position in September 2016. Over this time period, I held several analytical 16 and leadership positions responsible for developing long-term commodity price 17 forecasts, pricing structured commercial contract opportunities, developing 18 financial models to evaluate resource investment opportunities, negotiating 19 commercial contract terms, and overseeing development of PacifiCorp's resource 20 plans. I was responsible for delivering PacifiCorp's 2013, 2015, and 2017 IRPs, 21 have been directly involved with implementing several resource RFP processes, and 22 have performed financial analysis supporting a range of resource investment 23 opportunities. Before joining PacifiCorp, I was an energy and environmental

economics consultant with ICF Consulting (now ICF International) from 1999 to
2003, where I performed electric-sector financial modeling of environmental
policies and resource investment opportunities for utility clients. I received a
Bachelor of Science degree in Environmental Science from the Ohio State
University in 1996 and a Masters of Environmental Management from Duke
University in 1999.

- **30 Overview of Testimony**
- 31 Q. What is the purpose of your testimony?

A. My testimony supports the Application of Rocky Mountain Power for approval of
the solicitation process proposed in PacifiCorp's 2017 Renewable Resources
Request for Proposals ("2017R RFP"). This Application is filed under the Utah
Energy Resource Procurement Act ("Act"), in accordance with Utah Code § 54-17201 *et seq.* and Utah Admin. Code R746-420-1 *et seq.*

37 2017R RFP Background and Procedural History

38 Q. Please explain the scope of the 2017R RFP.

39 A. PacifiCorp intends to issue the 2017R RFP to procure up to approximately 1,270 40 MW of new wind resources capable of interconnecting to, and delivering energy 41 and capacity across its transmission system in Wyoming. To ensure eligibility for 42 the full value of federal production tax credits ("PTCs"), the 2017R RFP seeks bids 43 that can achieve commercial operation no later than December 31, 2020. The 44 2017R RFP seeks wind resources expected to deliver all-in economic benefits for 45 customers when combined with PacifiCorp's plans to build a new 140-mile, 500 kV 46 transmission line segment and associated infrastructure running from the Aeolus 47 substation near Medicine Bow, Wyoming, to a new substation, Bridger/Anticline,
48 located near the existing Jim Bridger substation (the "Transmission Project"). The
49 Transmission Project is necessary to relieve existing congestion, and will enable
50 interconnection and integration of the proposed wind resources into PacifiCorp's
51 transmission system.

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**O**.

#### Why is PacifiCorp proposing to issue the 2017R RFP?

53 A. PacifiCorp is committed to procuring cost-effective renewable resources to meet 54 customers' needs and reduce system emissions. In the 2017 IRP, PacifiCorp 55 identified a time-sensitive opportunity to procure new, zero-emission wind facilities 56 enabled by the Transmission Project. Analysis of this opportunity in the 2017 IRP 57 shows that system costs and risks are reduced when incremental, high-capacity-58 factor wind that qualifies for the full value of federal PTCs is paired with the 59 Transmission Project. This analysis demonstrates that the new wind and 60 Transmission Project will provide customer benefits and are in the public interest. 61 To deliver these customer benefits, it is essential that the new wind and 62 transmission assets achieve commercial operation by the end of 2020 to maximize 63 PTC benefits.

PacifiCorp is initiating the 2017R RFP now because it is a time-sensitive opportunity, driven by the need to qualify new wind projects for the full PTC. To meet the 2020 deadline, PacifiCorp plans to file a request for preapproval of the "significant energy resource decision" related to the winning wind resources and approval of the "resource decision" to construct the Transmission Project. PacifiCorp plans to make that filing on June 30, 2017. Concurrently, PacifiCorp 70 also plans to seek approvals in other states as appropriate, including applications for 71 Certificates of Public Convenience and Necessity ("CPCN") with the Wyoming 72 Public Service Commission ("WPSC") and the Idaho Public Utilities Commission, 73 with the intent of receiving a conditional CPCN from the WPSC (where the 74 Transmission Project will be sited), pending acquisition of transmission rights-of-75 way for the Transmission Project, by March 30, 2018. The conditional CPCN is 76 needed by March 30, 2018, so that PacifiCorp can acquire the transmission rights-77 of-way with sufficient time to achieve the necessary commercial operation date for 78 the Transmission Project. Initiating the 2017R RFP process at this time will allow 79 PacifiCorp to identify the winning bids by early January 2018, which is needed to 80 support the significant energy resource decision application and process, as well as 81 the Wyoming and Idaho CPCN processes.

## Q. Does the fact that the Commission will issue its order in PacifiCorp's 2017 IRP proceeding after the Commission reviews the 2017R RFP impact PacifiCorp's request for approval of the 2017R RFP?

A. No. The Commission's order in the 2017 IRP does not directly impact the 2017R
 RFP. My understanding is that the Commission has recognized that the resource
 solicitation and acquisition decision approval processes are separate from the IRP
 acknowledgment process.<sup>1</sup>

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<sup>&</sup>lt;sup>1</sup> See, e.g. In the Matter of PacifiCorp's 2006 Integrated Resource Plan, Docket No. 07-2035-01, Report and Order at 5-6 (Feb. 6, 2008).

#### 90 Compliance with Utah Statutes and Rules

## 91 Q. Has PacifiCorp provided the 60-day notice required by Utah Admin. Code 92 R746-420-1(3)(a)?

- A. Yes. On April 17, 2017, PacifiCorp provided the required notice to allow the
  Commission to promptly retain an Independent Evaluator ("IE") to monitor the
  2017R RFP, as required by Utah Code § 54-17-203.
- 96 Q. Has PacifiCorp held a pre-issuance bidders conference in Utah, either in97 person or by teleconference, with those who might be interested in
  98 participating in the 2017R RFP?
- A. Yes, as required by Utah Admin. Code R746-420-1(3), PacifiCorp held a preissuance bidders conference on May 31, 2017; the presentation provided at that
  conference is attached as Exhibit No. RMP\_\_\_(RTL-1).
- 102Q.At the conference, did PacifiCorp describe the timeline for the Public Service103Commission of Utah's ("Commission") review of the draft 2017R RFP and104opportunities for providing input, including sending comments and questions

105 to the IE, as required by Utah Admin. Code R746-420-1(3)(c)?

A. Yes. PacifiCorp advised bidders and stakeholders of its plan to file the draft 2017R
RFP by June 16, 2017, reviewed the draft schedule, including the timeline for
review by the Commission, and notified potential bidders of opportunities to
provide input and comments on the draft 2017R RFP.

## 110 Q. Will PacifiCorp provide bidders with questions and answers regarding the 111 2017R RFP, as required by Utah Admin. Code R746-420-1(1)(e)?

A. Yes, PacifiCorp will track and review bidder questions and the company will post
answers to those questions on its website. PacifiCorp will also coordinate with the

114 IE to ensure questions and answers are posted on the IE's website, as necessary. I 115 will discuss the IE and his involvement in this process in more detail later in my 116 testimony.

117 Q. Have you attached a copy of the proposed solicitation with appendices and
118 draft pro forma contracts, as required by Utah Code § 54-17-201(2)(b)(ii) and
119 Utah Admin. Code R746-420-1(1)(b)?

120 Yes. Exhibit No. RMP\_(RTL-2) is the draft 2017R RFP with associated A. 121 appendices, which include a pro forma PPA and a build-transfer agreement 122 ("BTA"), bidder forms and instructions, and other technical information. In general, 123 the 2017R RFP describes: (1) the organization and administration of the 2017R 124 RFP including the schedule, the RFP teams involved in the process, eligibility 125 requirements, bid forms and evaluation fees, and information about how to submit questions; (2) RFP content including a description of bid-proposal structures or 126 127 variations of those structures, proposal instructions, and pro-forma agreements; (3) 128 resource information including pricing, resource characteristics and performance, 129 bid eligibility, tax credits and project incentives, and interconnection, integration 130 and transmission service requirements; (4) bid evaluation and selection; and (5) 131 awarding of contracts.

132 133

Q. Does the draft 2017R RFP provide a description of the solicitation process, as required by Utah Code § 54-17-201(2)(b)(i)?

A. Yes. The draft 2017R RFP provides a description of the solicitation process. The
draft 2017R RFP also contains numerous appendices that provide additional

Page 6 – Direct Testimony of Rick T. Link

information and instructions to potential bidders regarding the nature of thesolicitation process.

## 138 Q. Has PacifiCorp provided a list of potentially interested parties to whom it sent 139 notices of the filing for approval of the 2017R RFP?

A. Yes. PacifiCorp sent notices of the filing for approval of the 2017R RFP to all of
the parties identified in Exhibit No. RMP\_\_\_(RTL-3).

142 Q. Please provide an overview of the solicitation process in the draft 2017R RFP.

- 143A.The draft 2017R RFP is specifically tailored to procure resources consistent with144the 2017 IRP analysis showing all-in economic customer benefits when145PTC-eligible wind is paired with the Transmission Project. Accordingly, the 2017R146RFP seeks proposals for up to approximately 1,270 MW of competitively priced147new wind projects that can deliver energy and capacity to PacifiCorp's transmission148system in Wyoming.<sup>2</sup>149commercial operation no later than December 31, 2020.
- Bidders are encouraged to offer two different structures. The first is a twenty-year PPA with exclusive ownership by PacifiCorp of all environmental attributes associated with all energy generated. The PPA can include an option to purchase the project during, or at the end of, the contract term. The second is a BTA where the bidder develops the project, assumes responsibility for construction, and ultimately transfers the asset to PacifiCorp before, or upon, the in-service date, in accordance with additional terms in the BTA. PacifiCorp may consider any

<sup>&</sup>lt;sup>2</sup> While PacifiCorp's 2017 IRP preferred portfolio includes 1,100 MW of new paired with the Transmission Project, the company estimates that the new transmission line can accommodate up to 1,270 MW of additional wind resources. PacifiCorp will evaluate, based on bids submitted into the 2017R RFP, the level of wind procurement that maximizes customer benefits.

variations of a PPA or BTA at its sole discretion, and it reserves the right to rejectany non-compliant bids.

Q. Does the draft 2017R RFP provide descriptions of the proposed screening and
evaluation criteria and the methodology, including any weighting and ranking
factors to be used to evaluate bids, as required by Utah Admin. Code R746420-3(2) and (5)?

A. Yes. Section 6 (Bid Evaluation and Selection) of the draft 2017R RFP provides a
detailed description of criteria and methodology that will be used to evaluate, rank,
and shortlist bids. As described in the draft 2017R RFP, the screening and
evaluation criteria meet the requirements of the Commission's rule.

#### 167 Q. Does the 2017R RFP contemplate oversight by an IE?

- A. Yes. In order to ensure a transparent and fair process, the 2017R RFP will be
  conducted under the oversight of an IE. In response to PacifiCorp's notice, filed on
  April 17, 2017, I understand that the Commission has already retained the IE who is
  responsible for evaluating and overseeing the 2017R RFP.
- In addition, in accordance with competitive bidding guidelines adopted by the Public Utility Commission of Oregon ("OPUC"), the 2017R RFP will be conducted under the oversight of an IE approved by the OPUC. On behalf of both the Commission and the OPUC, IEs will be involved in overseeing the 2017R RFP process to ensure it is conducted fairly and properly.

#### 177 Q. Does the draft 2017R RFP include Benchmark Options?

A. Yes. The 2017R RFP will include Benchmark Options, as defined by Utah Code §
54-17-102(2). If chosen, these Benchmark Options will be built on either

PacifiCorp-leased property or on property which PacifiCorp has acquired development rights. They will use safe harbor PTC-qualified equipment. PacifiCorp intends to have a separate RFP process to secure firm, fixed pricing to engineer, procure and construct the balance of these plants. The Benchmark Options will also include 30-year, pro-forma estimates for operations, maintenance, and on-going capital expenditures.

## 186 Q. What are some of the benefits of having Benchmark Options in the 2017R 187 RFP?

188 A. Benchmark Options benefit customers by providing a cost-based contracting and 189 implementation option that incorporates competitive market equipment and 190 construction costs, while not precluding market participation from other project 191 delivery structures. While PacifiCorp expects to receive bids in the 2017R RFP 192 under RFP-compliant structures and terms and conditions, including PPAs, BTAs 193 or variations of those structures, the development and submission of the Benchmark 194 Options will expand competitive offerings. Importantly, the Benchmark Options 195 will also help ensure that there is a reasonable amount of PTC-eligible new wind 196 resource capacity available in the solicitation process, as required to deliver 197 customer benefits identified in the 2017 IRP.

198 Q. Are there protections in place to ensure fairness for all bids, including the
199 Benchmark Options and market bids?

A. Yes. PacifiCorp will comply with all applicable Commission rules that are intended
to protect and ensure a fair process including, without limitation, Utah Admin. Code
R746-420-3(4) through (8). For example, the Benchmark Option proposals will be

Page 9 – Direct Testimony of Rick T. Link

evaluated using the same assumptions, modeling, and scoring as the market bids.
This evaluation will occur before market bids are received and opened. The
appointed IE will oversee the review and validate the scoring of the Benchmark
Options to ensure that they receive no preferential treatment before the receipt of
bids under the 2017R RFP.

208 In addition, as required by Utah Admin. Code R746-420-3(8), no individual 209 on the team that evaluates the bids ("Evaluation Team") will be a member of the 210 team that will bid Benchmark Options ("Solicitation Team"). No member of the 211 Evaluation Team will communicate with members of the Solicitation Team, and no 212 member of the Solicitation Team will communicate with members of the Evaluation 213 Team, unless expressly authorized under the applicable rules and in coordination 214 with the IE. Both teams will be identified to the IE, will abide by a code of conduct 215 included in the 2017R RFP, and be required to attend a code of conduct training 216 prior to release of the RFP to market. The 2017R RFP is designed to ensure that the 217 evaluation of all proposals will be compliant with the Commission's rules, and will 218 be on a fair and comparable basis.

## 219 Q. Will the bids be "blinded" as required under Utah Admin. Code R746-420220 3(10)(a)?

A. PacifiCorp is recommending that bids not be "blinded." PacifiCorp is requesting a waiver of this requirement, consistent with similar requests in past RFPs. My understanding is that the Commission has approved such requests based, in part, on recommendations by the IE and the Division of Public Utilities, who have questioned the value of blinding the bids. As in past solicitation processes, blinding

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226		bids will provide limited value in this solicitation because the detailed information
227		that will be included in each bid will effectively disclose the bidder's identity.
228		Therefore, blinding bids will create an administrative burden on the IE and the
229		company, with no commensurate value.
230	Q.	Do you believe that the 2017R RFP is in the public interest?
231	A.	Yes. It is my understanding that Utah Code § 54-17-201(2)(c) provides that the
232		Commission must determine that the proposed solicitation process is in the public
233		interest, after taking into consideration the following factors:
234 235 236		• whether the decision will most likely result in the acquisition, production, and delivery of utility services at the lowest reasonable cost to the retail customers of the utility;
237		• long-term and short-term impacts;
238		• risk;
239		• reliability;
240		• financial impacts on the utility; and
241		• other factors determined by the Commission to be relevant.
242		Based on these factors, the 2017R RFP is in the public interest. First, as
243		described above and in the 2017 IRP, the winning wind resources subject to the
244		2017R RFP will be least-cost, least-risk and, when paired with the Transmission
245		Project, will produce near- and long-term customer benefits. The winning wind
246		resources will be chosen out of a robust solicitation process. Second, PacifiCorp is
247		financially capable of acquiring the winning wind resources and the Transmission
248		Project. It has a variety of funding sources to finance these projects including cash
249		from operations. PacifiCorp currently has access to the capital markets and expects to

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have the ability to borrow any funds necessary to help with financing. Also, PacifiCorp has received cash equity contributions from its parent company in the past and, if necessary, may again in the future. Third, the Transmission Project is necessary to relieve existing congestion, and will enable interconnection and integration of the proposed wind resources into PacifiCorp's transmission system, adding to PacifiCorp's overall system reliability. Thus, I believe that the 2017R RFP is in the public interest and should be approved.

#### 257 Q. Does this conclude your testimony?

258 A. Yes.

Rocky Mountain Power Exhibit RMP\_\_\_(RTL-1) Docket No. 17-035-23 Witness: Rick T. Link

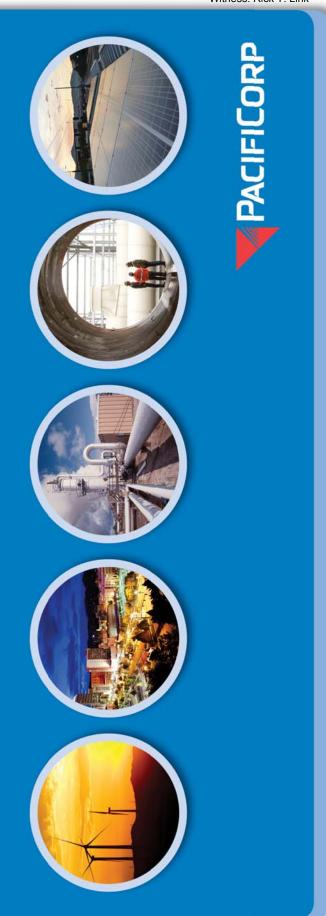
#### BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF UTAH

#### ROCKY MOUNTAIN POWER

Exhibit Accompanying Direct Testimony of Rick T. Link May 31, 2017 Pre-Issuance Bidders Conference Presentation

June 2017

PacifiCorp 2017R Request for Pre-Issuance Bidders' Conference Proposals May 31, 2017



Rocky Mountain Power Exhibit RMP\_\_\_(RTL-1) Page 1 of 13 Docket No. 17-035-23 Witness: Rick T. Link

# Logistics

- Conference Date
- May 31, 2017, 1:00 2:00 PM (Mountain)
- Location
- Rocky Mountain Power, North Temple Office
  - 1407 W North Temple, Salt Lake City, Utah
    - Conference Room 130K
- Call-in Information
- Phone Number = (646) 558-8656
  - Webinar ID = 863 497 342
- Webinar = Zoom Webinar at <u>https://pacificorp.zoom.us/i/863497342</u>

Agenda

- Purpose
- Overview
- Role of Independent Evaluators (IEs)
- Regulatory Process and Schedule
- Resource Requirements
- Bid Structures
- Benchmark Resources
- Evaluation and Selection
- 2017R RFP Proposed Schedule
- Next Steps / Questions and Comments

## Purpose

- As stated in its 2017 IRP, PacifiCorp has identified plans to add new Wyoming wind resources in combination with a new 500 kV transmission line (Aeolus to With full production tax credit (PTC) eligibility the new wind, which requires the new Bridger/Anticline) that can achieve commercial operation by December 31, 2020.<sup>1</sup> transmission line, yields all-in economic benefits for PacifiCorp's customers
- The 2017R request for proposals (RFP) will seek up to approximately 1,270 MW of wind resources that can achieve a commercial operation date of no later than December 31, 2020.
- This Pre-Issuance Bidders' Conference complies with Utah Administrative Code, Rule R746-420-1(3)(b-c), Pre Bid-Issuance Procedures:
- being filed for approval. All questions and answers, made at the pre-issuance Bidders' conference, are provided or recorded in writing to the extent practicable; Hold a pre-issuance Bidders' conference in Utah, at least 15 days prior to the RFP
- Describe to the attendees in attendance; the process, timeline for Commission review of the draft Solicitation and opportunities for providing input, including sending comments and/or questions to the IE <u>с</u>і

<sup>1</sup> Energy Gateway West sub-segment D2 is a new 140 mile 500 kV transmission line running from the Aeolus substation near Medicine Bow, Wyoming to the Jim Bridger power plant

### 2017R RFP Structure

- An independent evaluator (IE) will be retained by PacifiCorp on behalf of Oregon Utility Commission of Oregon. An E will also be retained by Utah Public Service Commission
- PacifiCorp plans to submit self-build ownership bids ("Benchmarks")
- Bid Fee(s) of \$10,000 will be required for each base proposal and one alternative. Bidders will also be allowed to offer up to three (3) additional alternatives at a fee of \$3,000 each.
- Intent to bid form and bidder credit information will be required prior to bid submittal(s)
- Bids will be accepted for build-transfer structures under an asset purchase and sale agreement and for power purchase agreement structures
- Benchmark bids will be scored by PacifiCorp and IEs prior to bid submittals
- Initial shortlist will be determined on price and non-price factors
- Final shortlist will be determined using economic analysis and production cost modeling to determine the least cost/risk adjusted mix of bids in PacifiCorp's resource portfolio
- Post-bid negotiations on price & non-price issues will be limited
- 2017R RFP issuance to market will include pro forma agreements

# Role of Independent Evaluators

- Facilitate and monitor communications between PacifiCorp and bidders
- Review and validate the assumptions and calculations of benchmarks
- Analyze the benchmarks for reasonableness and consistency with the RFP process
- Analyze, operate and validate models, assumptions and inputs used in the RFP process, including the evaluation of bids
- Ensure that all the bids are treated in a fair and non-discriminatory manner
- Monitor, observe, validate and offer feedback to PacifiCorp and the state regulatory commissions (Oregon and Utah)
- Solicit additional information on bids necessary for screening and evaluation purposes
- Perform other evaluations and tasks as directed by state regulatory commissions (Oregon and Utah)

**Regulatory Process and Schedule** 

Proposed schedule (subject to change)

Event / Milestone	State	Date
DED Eilod with Stata Commissions	Utah	June 16, 2017
	Oregon	July 17, 2017
	Utah	July 31, 2017
	Oregon	August 8, 2017
Commission Hearing on RFP	Utah	August 16, 2017
Commission Approache of DED lesioned	Utah	August 22, 2017
	Oregon	August 22, 2017
<b>RFP</b> Issuance to market		August 25, 2017
Eveluation Becults Eiled with State Commissions	Utah	January 16, 2018
	Oregon	January 16, 2018
Commission Public Hearings on Evaluation Results	Oregon	March 13, 2018
Commission Approval/Arbov/adaent	Oregon acknowledgement	March 20, 2018
	Utah order of approval	May 16, 2018

**Resource Requirements** 

- Projects do not necessarily have to qualify for production tax credits (PTCs); however, PacifiCorp's 2017 IRP, it is likely that PTCs are needed to deliver all-in economic benchmark resources are expected to be PTC-eligible and, as informed by benefits for customers.
- Projects must achieve commercial operation no later than December 31, 2020
- Minimum resource size is 20 MW
- transmission line running from Aeolus to Bridger/Anticline, or be able to deliver energy Proposed projects must be capable of interconnecting with the PacifiCorp's Wyoming transmission system inclusive of the Energy Gateway West sub-segment D2 and capacity into PacifiCorp's Wyoming transmission system.
- Bidders can visit interactive maps at the Gateway project website: http://www.gatewaywestmaps.com/

### **Bid Structures**

- and ultimately transfers the asset to PacifiCorp upon or prior to the in-service date, al bids under this structure must be designed and constructed materially compliant with Build-Transfer; Bidder develops the project, assumes responsibility for construction turbine supply, balance of plant (BOP) equipment, construction, and commissioning. pursuant to the terms of an Asset Purchase and Sale Agreement (APSA). Projects PacifiCorp's specifications. Bidder is responsible for all development, design, wind -
- Power Purchase Agreement; a 20-year term with exclusive ownership by PacifiCorp the project during, or at end of the contract term, to retain site value for PacifiCorp's structures can, but are not required to, include an option for PacifiCorp to purchase of any and all environmental attributes associated with all energy generated. PPA customers. 2

	~			
Benchmark Resources	PacifiCorp intends to submit multiple benchmark resources with a combined capacity approximately equivalent to the capacity levels studied in the 2017 IRP. Benchmarks will be new wind resources located in Wyoming Benchmarks will be built on property either currently leased by PacifiCorp or on	<ul> <li>property for which Pacific Orp has acquired development rights</li> <li>Potential benchmark resource sizes, tie-in locations and in-service years:</li> <li>110 MW, Foote Creek substation, 2020</li> <li>250 MW, Aeolus substation, 2020</li> </ul>	<ul> <li>250 MW, Shirley substation, 2020</li> <li>250 MW, Shirley substation, 2020</li> <li>250 MW, Shirley substation, 2020</li> <li>Benchmarks will utilize safe harbor PTC qualified equipment. Company will have a separate RFP process to secure firm fixed pricing to engineer-procure-construct the balance of plant</li> </ul>	Benchmarks will include 30-year pro-forma estimates for operations, maintenance and on-going capital expenditures

## **Evaluation and Selection**

PacifiCorp will evaluate proposals based on the following:

- Customer cost (revenue requirement)
- Deliverability, including demonstration the commercial operation date will be achieved by December 31, 2020
- Transmission access and interconnection status
- Compliance with and verification of major equipment availability
- conformance to the pro forma agreements which will be provided with the RFP when Ability to provide acceptable credit security for the bidder's proposed obligation and issued

# 2017R RFP Proposed Schedule

Event / Milestone	Date
Pre-Issuance Bidders' Conference	May 31, 2017
RFP issued to market	August 25, 2017
Bidder Notice of Intent to Bid	September 25, 2017
Bidder Conference	October 2, 2017
Benchmark bids due	October 6, 2017
RFP proposals due	October 13, 2017
Initial shortlist and review by IE completed	December 6, 2017
Price update from initial shortlist bidders completed	December 13, 2017
Final shortlist and review by IE completed	January 15, 2018
Winning bids filed with Utah Commission	January 16, 2018
Final shortlist filed with Oregon Commission for acknowledgement	January 16, 2018
All Utah and Oregon regulatory requirements prior to execution are completed	March 20, 2018

Next Steps/Questions & Comments

- Questions or comments regarding this pre-issuance bidders' conference should be sent to the following mailbox, even if an answer was provided verbally in today's meeting, to ensure all Bidders receive responses:
- rfp 2017R@pacificorp.com
- Responses will be posted on PacifiCorp's 2017R RFP website by June 7, 2017
- The draft 2017R RFP is scheduled to be filed with Utah Commission by June 16, 2017
- According to Under Utah Administrative Code, Rule R746-420-1(4):
- Upon PacifiCorp filing the RFP (Application) with the Utah Commission, comments on the Application shall be filed with the Utah Commission within 45 days after the filing of the Application. I
- 2017R RFP information, including instructions for providing questions or comments to the independent evaluator, will be provided at **www.pacificorp.com**, as information is developed. From website main page, go to Suppliers, then RFPs, then 2017R RFP.
- www.pacificorp.com/sup/rfps.html

Rocky Mountain Power Exhibit RMP\_\_\_(RTL-2) Docket No. 17-035-23 Witness: Rick T. Link

### BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF UTAH

### ROCKY MOUNTAIN POWER

Exhibit Accompanying Direct Testimony of Rick T. Link Draft 2017R RFP

June 2017

Rocky Mountain Power Exhibit RMP\_\_\_(RTL-2) Page 1 of 75 Docket No. 17-035-23 Witness: Rick T. Link



### **Renewable Request for Proposals**

### (2017R RFP)

- ISSUED: Friday, August 25, 2017
- DUE DATE: Friday, October 13, 2017 5:00 PM PPT

### 2017 RFP Responses:

PacifiCorp RFP 2017R Resource & Commerical Strategy 825 NE Multnomah, Suite 600 Portland, Oregon 97232

rfp\_2017R@pacificorp.com

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- APPENDIX B Notice of Intent to Bid and Information Required in Bid Proposals
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### **SECTION 1. INTRODUCTION**

This 2017R Request for Proposals for renewable resources (2017R RFP) is seeking costcompetitive bids for up to 1270 MW of wind energy resources interconnecting with or delivering to PacifiCorp's Wyoming system. As stated in its 2017 Integrated Resource Plan (IRP), PacifiCorp has identified plans to add at least 1,100 megawatts (MW) of new wind resources that will qualify for full federal production tax credits (PTC) and achieve commercial operation by December 31, 2020, in conjunction with implementation of certain Wyoming transmission infrastructure projects within that same timeframe. Federal tax extender legislation passed in late 2015 provides an opportunity for qualifying renewable energy projects to receive the full value of the federal PTC available under Section 45 of the Internal Revenue Code.<sup>1</sup>

PacifiCorp (sometimes also referred to herein as the "Company") is seeking proposals for competitively-priced new wind projects to deliver to PacifiCorp's transmission system in Wyoming. Proposals for new wind resources must demonstrate, to PacifiCorp's satisfaction, that projects will qualify for the full value of the federal PTC, if applicable. Proposals must further demonstrate to PacifiCorp's satisfaction, and as determined in its sole discretion, that the proposed project can achieve commercial operation prior to December 31, 2020. PacifiCorp is not bound to accept any bids, and may cancel this solicitation at any time and at its own discretion.

Projects must be a discrete generating asset that is not located behind any load served by a utility or net-metered<sup>2</sup> and can be individually metered and remotely monitored. The minimum project size is 20.0 MW. PacifiCorp is not setting a maximum size limit for projects submitted in this RFP, but PacifiCorp will only consider projects that demonstrate a unique value opportunity for its customers and achieve commercial operation by December 31, 2020, without compromising system reliability.

PacifiCorp will accept proposals for new wind resources capable of directly interconnecting and delivering energy to PacifiCorp's network transmission system in Wyoming inclusive of the proposed 500-kV Gateway Segment D2 Aeolus to Bridger Anticline substation and transmission system, or capable of delivering energy into PacifiCorp's transmission system in Wyoming with the use of third-party firm transmission service<sup>3</sup>.

PacifiCorp will consider proposals for the two following proposal transaction structures:

<sup>&</sup>lt;sup>1</sup> As recently extended by Congress, the federal PTC currently provides a \$24 tax credit for each MWh of production from a qualifying renewable energy facility that begins construction (as interpreted by applicable guidance of the Internal Revenue Service) before January 1, 2017. The value of the PTC is reduced by 20% form projects beginning construction each year thereafter until it expires completely beginning on January 1, 2020.

<sup>&</sup>lt;sup>2</sup> Generation cannot offset retail load first and sell excess to PacifiCorp. See Pacific Power's Oregon Schedule 135, *Net Metering Service Optional For Qualifying Customers*, for additional detail on net metering.

<sup>&</sup>lt;sup>3</sup> See **Appendix O** for description of proposed Gateway Segment D2 or go to the interactive Gateway project map at <u>http://www.gatewaywestmaps.com/</u>.

- 1. "Build-Transfer" transaction whereby the bidder develops the project, assumes responsibility for construction and ultimately transfers the operating asset to PacifiCorp upon or prior to December 31, 2020, all pursuant to the terms of a build-transfer agreement (BTA). The asset must be designed, constructed, and operating in compliance with PacifiCorp's specifications. Bidder is responsible for all development, design, wind turbine supply, balance of plant (BOP) equipment, construction, commissioning, and performance testing.
- 2. Power purchase agreement (PPA) for a twenty (20) year term with exclusive ownership by PacifiCorp of any and all environmental attributes associated with all energy generated. PPA can include option to purchase the project during or at end of contract term to retain value of site for customers.<sup>4</sup>

To the extent bidders propose variations of a BTA or a PPA, such proposals will be considered (or not considered) at PacifiCorp's sole discretion and PacifiCorp reserves the right to reject non-compliant bids.

PacifiCorp will submit self-build ownership proposals (benchmark resources) which are further described in **Appendix L.** PacifiCorp benchmark resource bids will be received by the independent evaluator (IE) no later than seven (7) days prior to the receipt of market bids. The market bids will not be opened until such time as PacifiCorp benchmark resource bids have been reviewed, evaluated, and validated by the IE and PacifiCorp's evaluation team.

In order to provide for a transparent and fair process, the RFP will be conducted under the oversight of two IEs. An IE has been retained by PacifiCorp on behalf of the Public Utility Commission of Oregon (Oregon Commission) as required in Order 06-046<sup>5</sup>. The Utah Public Service Commission (Utah Commission) has also retained their own IE consistent with Utah guidelines in Utah Admin. Code R746-420. Both IEs will be involved in development of the RFP and ensuring the RFP process is conducted in a fair and reasonable manner.<sup>6</sup> Potential bidders are invited and encouraged to contact the Oregon or the Utah IE with questions or concerns. More information concerning the role of the IE is provided in **Appendix K** for both Oregon and Utah.

Contact information for the IE is as follows:

Independent Evaluators:
Oregon - To be determined
Utah – Merrimack Energy
Wayne Oliver
603-427-5036
waynejoliver@aol.com

 <sup>&</sup>lt;sup>4</sup> As the term, Environmental Attributes, is defined in the pro-forma transaction documents for this RFP.
 <sup>5</sup> Public Utility Commission of Oregon Docket UM 1182, In the Matter of an Investigation Regarding Competitive Bidding, Order 06-046.

<sup>&</sup>lt;sup>6</sup> A bidder may request the appointment of an independent third-party to assist the Washington Utilities & Transportation staff with review of any utility bids at the expense of the bidder requesting the appointment.

PacifiCorp has the option of seeking regulatory acknowledgement of the final shortlist consistent with Oregon Order No. 06-446. PacifiCorp will seek rate recovery consistent with standard rate making practices in its six state jurisdictions.

### SECTION 2. PROCEDURAL ITEMS

PacifiCorp will evaluate proposals based on the following:

- Customer cost,
- Deliverability, including demonstration that the project's commercial operation date will be achieved by December 31, 2020,
- Transmission access and interconnection status in conformance with the 2017R RFP requirements,
- Compliance with and verification of major equipment availability defined in Appendix A Technical Specification, and as outlined in Appendices A-1 through A-10.
- Ability to provide acceptable credit security for the bidder's proposed obligation and, Conformance to the *pro forma* agreements attached as **Appendices E-2** and **F-2** to this RFP.

Each proposal will be prepared at the sole cost and expense of the bidder and with the express understanding that there will be no claims whatsoever for reimbursement from PacifiCorp. PacifiCorp is not liable for any costs incurred by bidders in responding to this RFP, or for any damages arising out of or relating to PacifiCorp's rejection of any proposal, or bidder's reliance upon any communication received from PacifiCorp, for any reason. bidder shall bear all costs and expenses of any response to PacifiCorp in connection with its proposal, including providing additional information, and bidder's own expenses in negotiating and reviewing any documentation.

Appendix E-1 - PPA Instructions to bidder and Appendix F-1 - BTA Instructions to bidder provide additional detail on preparation of bid document deliverables.

All proposals belong to PacifiCorp and will not be returned. Confidentiality agreements (CA) and mutual nondisclosure agreements (NDAs) will be executed with projects as part of this RFP. PacifiCorp will use reasonable efforts to protect information clearly and prominently marked as proprietary and confidential on the page it appears, but PacifiCorp reserves the right to release such information to agents or contractors to help evaluate the proposal, as well as to its regulators and non-bidding parties to regulatory proceedings subject to standard protective orders or confidentiality arrangements. PacifiCorp shall not be liable for any damages resulting from any disclosure of such information, howsoever occurring.

PacifiCorp is interested in creative proposal options that add value to customers. As a result, PacifiCorp will accept offers that include several different alternatives under the same proposal. For each proposal, bidders must submit a Bid Fee of \$10,000 which allows a bidder to submit a base proposal and one alternative for the same bid fee. bidders will also be allowed to offer up to three (3) additional alternatives at a fee of \$3,000 each.

Rocky Mountain Power Exhibit RMP\_\_\_(RTL-2) Page 7 of 75 Docket No. 17-035-23 Witness: Rick T. Link

### **SECTION 3. LOGISTICS**

### A. SCHEDULE

Milestone	Date	Day of Week
RFP Issued to market	August 25, 2017	Friday
Notice of Intent to bid due	September 6, 2017	Wednesday
Bidder's conference	September 12, 2017	Tuesday
Benchmark resource proposals due	October 6, 2017	Friday
RFP bids due	October 13, 2017	Friday
Bid eligibility screening completed	October 20, 2017	Friday
Initial shortlist (ISL) scoring completed	November 22, 2017	Wednesday
IEs' review of ISL completed	December 6, 2017	Wednesday
ISL price update	December 13, 2017	Wednesday
Final shortlist (FSL) evaluation completed	January 8, 2018	Monday
IEs' review of FSL completed	January 15, 2018	Monday
OR Commission FSL acknowledgement order	March 20, 2018	Tuesday
UT Commission order in preapproval proceedings	March 30, 2018	Friday
Execute agreements	April 16, 2018	Monday

The indicative schedule above is subject to change. Actual dates may vary from the indicative schedule for reasons that include, but are not limited to, negotiation time, availability of key personnel, due diligence, the evaluation or negotiation of any issues unique to any bid, bidder, or project, bidder's willingness to agree to forms of agreements desired by PacifiCorp, PacifiCorp's evaluation of bidder's creditworthiness, and actions required by any third parties. PacifiCorp accepts no liability to the extent the actual schedule varies from the indicative schedule. PacifiCorp is not obligated to develop a short list of bidders, to make a final selection, or to initiate or complete negotiations on any transaction.

### **B.** INTENT TO BID FORMS

Bidders who intend to be considered as part of this RFP process <u>must</u> return both the "Intent to Bid Form" and the "Bidder's Credit Information" (**Appendices B and D**) as set forth below.

Bidders shall submit an electronic copy to the rfp mailbox, <u>rfp\_2017R@pacificorp.com</u>, and two (2) hard copies of the Intent to Bid Form and the bidder's Credit Information to the following address. Hard copies are to be delivered by express, certified or registered mail, or hand delivery no later than 5:00 p.m. Pacific Prevailing Time on September 6, 2017.

### **Oregon Independent Evaluator**

c/o PacifiCorp Attention: RFP 2017R 825 NE Multnomah, Suite 600 Portland, Oregon 97232 Email: <u>rfp\_2017R@pacificorp.com</u>

### C. 20017R RFP BIDDER CONFERENCE

A bidder conference will be held on Tuesday, September 12, 2017 in both Utah and Oregon locations. Additional details on the bidder conference will be posted to the PacifiCorp website. Additional bidder conferences and workshops may be scheduled as needed.

	Oregon	Utah
Day	Tuesday	Tuesday
Date:	September 12, 2017	September 12, 2017
Time:	9:00 am Pacific	10:00 am Mountain
Location:	825 NE Multnomah	North Temple Office
Room		

### D. SUBMISSION OF QUESTIONS

Interested parties and bidders may submit questions related to this solicitation, and PacifiCorp will respond in a timely fashion. All information, including pre-bid materials, questions, and PacifiCorp's response to questions, will be posted on the PacifiCorp website at **www.pacificorp.com/sup/rfps/2017-rfp.html**.

Any questions on the RFP or related documents should be sent to Company via email at **rfp 2017R@pacificorp.com**.

Communications with the Oregon and Utah IE can be emailed to them directly at the following email addresses:

Oregon IE:	To be determined
Utah IE:	Merrimack Energy
	Wayne Oliver - waynejoliver@aol.com

### E. RFP TEAM

A RFP team will be established by PacifiCorp prior to the final approval of the RFP. The RFP team shall consist of an evaluation team and intent to bid team. The composition of the teams and their primary roles and responsibilities are shown in the following table.

Work Group	Roles
IE	The IE will ensure a fair and reasonable process is used in the RFP and will validate that PacifiCorp is following the bidder pre-approval process and monitor and document all material aspects of the solicitation, evaluation and negotiation processes. See <b>Appendix M</b> for the Roles of the Oregon IE.
Evaluation Team: Origination, resource development, and/or third-party consultants as required	Overall coordinator of the process. Bid process management for all proposals and coordination with the IE and all of the work groups. Evaluation of the non- price components of the analysis. Specifying, evaluating and confirming conformity with design specifications; conducting, as needed, technological and operational due diligence, environmental due diligence on all resources.
Evaluation Team: Structuring and pricing and/or third-party consultants as required	Economic analysis and modeling including validation of the inputs to the risk assessment of the bid and the benchmark bids. Evaluation of the price components of the analysis
Evaluation Team: Environmental and wind operations	If applicable, review of local, state, and federal permits, permit applications, and supporting documentation, including: wildlife baseline study (including wildlife habitat mapping, special status species survey, and raptor nest survey); avian and bat use data analysis (including four-season study); avian and bat impact assessments; rare plant habitat assessments; wetlands survey; historic, cultural, and archaeological resources survey; Phase One environmental site assessment; and project mitigation and monitoring plan (including any proposed conservation easements).
Evaluation Team: Credit	Evaluate credit requirements for final shortlist bidders
Evaluation Team: Legal	Legal will confirm 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.
Intent to Bid Team: Origination, legal and credit	Origination, legal and credit will work with the IEs to ensure that <b>Appendices B and D</b> are complete.

### F. SUBMISSION OF BIDS

All submitted bids must be transmitted by express, certified or registered mail, or hand delivery to the following address:

PacifiCorp 2017R RFP Attention: Resource & Commercial Strategy 825 NE Multnomah, Suite 600 Portland, Oregon 97232

Each bid shall be submitted prepared on standard 8 1/2 inch by 11 inch recycled paper, duplex printed (2 sided). Each bid shall be bound separately. THE BID MUST BE ORGANIZED IN THE SAME ORDER AS THE INFORMATION IS REQUESTED IN THIS RFP. The hard copy bid should include the full bid on a USB flash drive. PacifiCorp may reject any bid that fails to follow these instructions.

In addition, bidders must submit one (1) electronic copy to: <u>rfp\_2017R@pacificorp.com</u>.

Bids will be accepted until 5:00 p.m. Pacific Prevailing Time on <u>Friday, October 13, 2017</u>. <u>All bid proposals shall have a bid validity date through 5:00 pm PPT, April 16, 2018</u>. Bids selected to the shortlist will be asked to update their bid prices as part of the negotiation process.

Bidders must submit complete proposals that include the following items:

- 1. One (1) signed original hard copy of each bid and any required forms including all exhibit sheets required in **Appendix A**, and **Appendices E-1** and **E-2 (PPA)** and **Appendices F-1** and **F-2 (BTA)**.
- 2. One (1) electronic copy of the bid and any required forms in PDF format and Microsoft Excel format, as required, including all exhibit sheets required in **Appendix A**.
- 3. One (1) electronic copy of the **Appendix C Bid Summary and Pricing Input Sheet** in original Microsoft Excel format, and a hard copy. The bidder must provide one (1) electronic and hard copy of an independent third-party wind assessment analysis/report supported by a minimum of two years' worth of wind data from the proposed site and one (1) electronic copy of the wind data that support the capacity factor. Wind proposals must supply a representative p-50 annual hourly (8760 hours) energy profile reflecting expected unit availability in Microsoft Excel format.

In the event the bidder chooses to use different performance modeling software than specified, the bidder must provide sufficient data and inputs for PacifiCorp to validate the expected performance of the proposed resource.

PacifiCorp will not accept any late proposals. Any bids received after this time will be returned to the bidder unopened.

### G. BID EVALUATION FEES

Each bidder shall pay a fee (Bid Fee) of \$10,000 for each base proposal and one alternative submitted. Bidders will also be allowed to offer up to three (3) additional alternatives at a fee of \$3,000 each. Alternatives will be limited to different bid sizes, contract terms, in service dates, and/or pricing structures. A bidder may submit more than one proposal. If a bidder submits the same proposal but with three different bid sizes, the proposal will be considered one proposal with two alternatives and the bidder will receive three separate bid numbers for the proposal and pay one bid fee. PacifiCorp's objective in offering bidders the opportunity to propose multiple alternatives is to allow PacifiCorp to optimize the benefits from the solicitation by combining proposals of different sizes, terms and inservice dates. Proposals must be submitted in the legal name of the respondent who would be bound by any agreement with PacifiCorp.

A success fee will be charged to successful winning bid(s) as a bid assurance fee. The success fee will be assessed for the purpose of ensuring that the winning bid(s) price does not change after being awarded the winning bid, provided that in no event shall the success fee exceed \$300,000 dollars per successful bid.

Bid fees shall be paid by wire transfer to PacifiCorp. In response to a bidder sending an email to <u>rfp 2017R@pacificorp.com</u>, no earlier than 5 business days prior to the October 13, 2017, PacifiCorp will email a response with wire transfer instructions. No cashier's checks will be accepted. If a proposal is deemed "Not Complete" and the bidder elects not to cure any identified deficiencies in the allowed period of time, the bid and all bid fees will be returned to the bidder and PacifiCorp will no longer consider that bid(s). Once the bid is deemed "Complete", PacifiCorp will not refund any bid fees associated with any bid, regardless of the success or failure of that bid.

### H. MINIMUM ELIGIBILTY REQUIREMENTS FOR BIDDERS

bidders may be disqualified for failure to comply with the RFP if any of the requirements outlined in this RFP are not met to the satisfaction of PacifiCorp, as determined in its sole discretion. If proposals do not comply with these requirements, PacifiCorp has the option to deem the proposal ineligible and eliminate it from further evaluation. Reasons for rejection of a bidder or its proposal include, but are not limited to:

- 1. Receipt of any proposal after the response deadline.
- 2. Failure to meet the requirements described in this RFP and provide all information requested in **Appendix C Bid Summary and Pricing Input Sheet** of this RFP.
- 3. A new wind resource that will not qualify for the full federal PTC.
- 4. Failure to demonstrate a commercial operation date prior to December 31, 2020.
- 5. Failure to permit disclosure of information contained in the proposal to PacifiCorp's agents, contractors, regulators, or non-bidding parties to regulatory proceedings under appropriate confidentiality agreements.
- 6. Any attempt to influence PacifiCorp in the evaluation of the proposals, outside the solicitation process.
- 7. Failure to provide a firm offer through the bid validity date outlined in Section 3.F. of this RFP.
- 8. Failure to disclose the real parties of interest in the submitted proposal.

- 9. The bidder, or an affiliate of bidder, is in current litigation with PacifiCorp or has, in writing, threatened litigation against PacifiCorp, respecting an amount in dispute in excess of one hundred thousand dollars.
- 10. Failure to clearly specify all pricing terms for each alternative(s).
- 11. Failure to offer unit contingent (as generated) or system firm capacity and energy, directly interconnected with Company's network transmission system in Wyoming inclusive of the proposed Gateway Segment D2 Aeolus to Bridger Anticline substation and transmission system, or capable of delivering energy into PacifiCorp's transmission system in Wyoming with the use of third-party firm transmission service. (including appropriate contract term lengths and commercial operation dates).
- 12. Failure to provide completed interconnection system impact study for a directly interconnected project from transmission provider in bid proposal.
- 13. Failure to provide transmission service study documenting long-term firm thirdparty transmission service to PacifiCorp's Wyoming transmission system, if applicable.
- 14. Proposal presents unacceptable level of development or technology risk.
- 15. Failure to materially comply with technical specification requirements in **Appendix A** for proposals involving potential PacifiCorp ownership or operational control.
- 16. Failure to demonstrate a process to adequately acquire or purchase major equipment (i.e., wind turbines, generator step-up transformers) and other critical long lead time equipment.
- 17. Failure to demonstrate, to PacifiCorp's satisfaction, that it can meet the credit security requirements for the renewable resource proposed.
- 18. Failure to submit information required by PacifiCorp to evaluate the price and nonprice factors described herein.
- 19. Failure to or unable to abide by the applicable safety standards.
- 20. bidder submits an unacceptable contract structure.
- 21. Collusive bidding or any other anticompetitive behavior or conduct exists.
- 22. bidder or proposed project being bid is involved in bankruptcy proceedings.
- 23. Failure of the bidder's authorized officer to sign the proposal.
- 24. Misrepresentation or failure to abide by Federal Trade Commission Green guidelines.
- 25. Any change in regulations or regulatory requirements that make the bidder's proposal non-conforming.
- 26. Any matter impairing the bidder, the specified resource or the generation of power or environmental attributes of the renewable resource.
- 27. Failure to provide two years of wind resource data for a proposed wind project, as validated by a third party engineering firm, as applicable.
- 28. Failure to provide a performance model output including hourly output values as identified in **Appendix A**.
- 29. Failure to provide Exhibit D Bidder's Credit Information, and Appendix H Form 1 Pricing Input Sheet.
- 30. Failure to submit an operations and maintenance agreement materially compliant with **Appendix K** for proposals involving PacifiCorp ownership or operational control upon the commercial operation or substantial completion date.
- 31. Any matter impairing bidder, specified resources or the generation of power or non-power attributes therefrom.

### I. COMPANY RESERVATION OF RIGHTS AND DISCLAMERS

PacifiCorp reserves the right, without limitation or qualification and in its sole discretion, to reject any or all bids, and to terminate or suspend this RFP in whole or in part at any time. Without limiting the foregoing, PacifiCorp reserves the right to reject as non-responsive any or all bid proposals received for failure to meet any requirement of this RFP outlined herein. PacifiCorp further reserves the right without qualification and in its sole discretion to decline to enter into any agreement with any bidder for any reason, including, but not limited to, change in regulations or regulatory requirements that impact PacifiCorp, and/or any collusive bidding or other anticompetitive behavior or conduct of bidders.

Bidders who submit bid proposals do so without recourse against PacifiCorp, 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, rejection of any bid proposal, failure to enter into an agreement, or for any other reason relating to or arising out of this RFP. Bidders will be required to execute **Appendix G** - **Confidentiality Agreement** after the initial shortlist is identified and **Appendix G** - **Non-Reliance Letter** after being selected to the final shortlist, prior to entering into final negotiations.

### J. ACCOUNTING

All proposals will be assessed by PacifiCorp for appropriate accounting and tax treatment. Bidders must supply all information PacifiCorp reasonably requires in order to make these assessments.

### K. CONFIDENTIALITY

PacifiCorp will attempt to maintain the confidentiality of all bids submitted, to the extent consistent with 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 an 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 PacifiCorp or generated internally by PacifiCorp is and shall remain the property of PacifiCorp. The bidder expressly acknowledges that PacifiCorp may retain information submitted by the bidder in connection with this RFP. To the extent bidder receives information from PacifiCorp, Bidder shall maintain the confidentiality of such information and such information shall not be available to any entity before, during or after this RFP process unless required by law or regulatory order.

Only those Company employees who are directly involved in the RFP 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 information supplied by bidders may be requested and supplied during regulatory proceedings, subject to appropriate confidentiality provisions applicable to that particular proceeding. This means that parties to regulatory proceedings may request and view confidential information. If such a request occurs, PacifiCorp will attempt to prevent such confidential bidder information from being supplied to intervening parties who are also bidders, or who may be providing services to a bidder, but PacifiCorp cannot promise success in that endeavor and accordingly cannot be held liable for any information that it is ordered to be released or that is inadvertently released.

Lastly, PacifiCorp intends to utilize its internal, proprietary models in its evaluation process. These models, the assumptions used in these models, and the bid evaluation results will not be shared with entities external to PacifiCorp or its consultants, including bidders, unless required to support regulatory proceedings, required by law, or required by regulatory order.

### **SECTION 4. RFP CONTENT**

### A. ALL PROPOSALS

This section outlines the content and format requirements for all proposal structures and alternative proposal structures. Proposals that do not include the information requested and in a form described in this section may be deemed ineligible for further evaluation unless the information is not relevant as determined by PacifiCorp in its sole discretion. All sections must be complete and in compliance with the RFP in order for the bid to be accepted. In addition to the requirements listed here, bidders must meet the requirements of **Appendix B - Information Required in Bid Proposals**.

While bidders may submit alternative ownership proposals, such alternative ownership proposals will be considered by PacifiCorp in its sole discretion to determine whether these alternatives provide an attractive benefit for customers. Each bidder must provide complete information as requested in all appendices, forms and attachments outlined in the table below that is relevant to its proposal and for any alternative, as applicable.

	2016R RFP Bid Applicability	PPA	BTA
Appendix A	Renewable Resource Technical Specification		
Appendix A-1	Overview of Appendices		
Appendix A-2	Interconnection Agreement	Х	Х
Appendix A-3	Permit-Matrix	Х	Х
Appendix A-4	Not used		
Appendix A-5	Project One-line Drawing and Layout	Х	Х
Appendix A-6	Division of Responsibility		Х
Appendix A-7	Owner Standards and Specification		Х
Appendix A-8	Performance Summary Report	Х	Х
Appendix A-9	Product Data- Equipment Supply Matrix	Х	Х
Appendix A-10	Plant Performance Guarantee		Х
<u> </u>	ř.		
Annondin D	Intent to Bid and Information Required in Bid	Х	x
Appendix B	Proposal	Λ	X
Appendix C	Bid Summary and Pricing Input Sheet for PPA and	Х	x
Appendix C	BTA Bids (including term sheets)	Λ	Λ
Appendix D	Bidder's Credit Information	Х	Х
Appendix E-1	PPA Instructions to Bidders	Х	
Appendix E-2	PPA and Exhibits	Х	
Appendix F-1	BTA Instructions to Bidders		Х
Appendix F-2	BTA and Appendices (A-Q)		Х
Appendix G	Confidentiality Agreement and Non-Reliance Letter	Х	Х
Appendix H	Reserved – Intentionally Left Blank - see Appendix	х	x
Appendix II	C for Pricing Input Sheet	Λ	Λ
Appendix I	FERC's Standards of Conduct		
Appendix J	QRE Agreement	Х	
Appendix K	General Services Contract-Operations &		X
Appendix K	Maintenance Services or other resource type		Λ
Appendix L	PacifiCorp's Company Alternative (Benchmark		
	Resource)		
Appendix M	Role of Independent Evaluator	Х	Х
Appendix N	Code of Conduct Governing PacifiCorp's Intra-	Х	x
The second secon	Company Relationships with RFP Process	11	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~

### B. BUILD-TRANSFER AGREEMENT

**Appendix C** - **Bid Summary and Pricing Input Sheet** shows the form of project information required if a bidder proposes a "Build-Transfer" transaction whereby the bidder develops the resource, assumes responsibility for construction and then ultimately transfers the project to PacifiCorp upon or prior to the operation date, all pursuant to the terms of a build transfer agreement. This is an Excel-based worksheet that covers bid summary information, energy production profile, and pricing for the BTA. The bidder's proposal must contain the information requested in **Appendix F-1** - **BTA Instructions to bidders**. The bidder must provide information, representations, and warranties sufficient to assure PacifiCorp that any proposed project will successfully complete construction and achieve full operation by December 31, 2020, and that any new resource will be eligible to claim, as applicable, the full federal PTC.

The BTA *pro forma* documents are attached as **Appendix F-2** - **Build Transfer Agreement (BTA)**. The BTA is structured such that PacifiCorp makes progress payments on an agreed-upon schedule in exchange for the developer meeting certain milestones and deliverables. However, PacifiCorp is also receptive to a single lump sum payment due at a defined substantial completion date. All bidders in this category must complete the information requested in **Appendix C** - **Bid Summary and Pricing Input Sheet** (BTA tab). PacifiCorp will only accept BTA proposals in which the final outcome is a purchase by PacifiCorp of a fully completed project at the "substantial completion date."

The bidder will be responsible for all aspects of the development and construction of the facility, including, but not limited to, permitting, engineering, procurement, construction, interconnection and all related costs up to achieving commercial operation. Without limiting the foregoing, the bidder will be responsible for obtaining all permits, rights and resources required to construct and provide an operational generation resource consistent with the bidder's proposal.

Bidders will be responsible for submitting an operation and maintenance (O&M) service proposal as part of the overall BTA bid submittal consistent with **Appendix K**, **General Services Contract for Operation and Maintenance Services**. Any proposal that does not include an O&M proposal that provides pricing, scope and other key terms will be rejected as a nonconforming proposal.

Bidders should note that any proposal submitted in this category that proposes new construction of a wind must comply with the technical and construction specifications contained in **Appendix A** and must utilize the services of a single primary contractor.

To the extent the bidder uses a contractor or a separate legal entity other than the bidder itself, this entity must be experienced with the type of facility being proposed and meet credit criteria, all as deemed acceptable to PacifiCorp in its sole discretion.

### C. POWER PURCHASE AGREEMENT

**Appendix C Bid Summary and Pricing Input Sheet** (PPA tab) shows the form of project information required for a bidder offering a PPA option. This is an Excel-based worksheet that covers bid summary information, energy production profile, and pricing for the PPA. Bidder's proposal must contain the information requested in **Appendix E-1 - PPA Instructions to bidders.** The term of the PPA shall be twenty (20) years. The bidder must agree to meet its contractual obligations within the PPA during the term of the PPA. Bidders submitting PPA proposals are requested to include a contractual option for PacifiCorp to acquire the facility either during or upon the end of the term of the PPA (*i.e.*, following full realization of the PTC (if applicable), and/or at the end of the 20-year PPA term). When providing such purchase option proposals, bidders must indicate how the pricing within the PPA is impacted by inclusion of one or more purchase options.

The bidder will be required to complete **Appendix J** - **Qualifying Reporting Entity** (**QRE**) **Services Agreement** as part of the PPA which establishes WREGIS registration and reporting obligations for both parties. The bidder's proposal must contain the information requested in **Appendix E-1 PPA Instructions to bidders**. The bidder must provide documentation and information, representations, and warranties sufficient to assure PacifiCorp that any proposed project will successfully complete construction and achieve full operation by December 31, 2020, and that any new resource will be eligible to claim, as applicable, the full federal PTC.

### D. ALTERNATIVE BID PROPOSALS

As noted in Section 1, bidders may propose variations of a BTA or a PPA, such proposals will be considered (or not considered) at PacifiCorp's sole discretion and PacifiCorp reserves the right to reject non-compliant bids. Bidders must submit the appendices that are relevant to the bidder's alternative bid proposal, which will typically correspond to the requirements for a build-transfer proposal as noted herein. Such proposals must include full documentation on the proposed financing structure and the pricing associated with PacifiCorp's contemplated ownership.

### SECTION 5. RESOURCE INFORMATION

### A. PRICE INFORMATION

Bidders must supply **Appendix C** – **Bid Summary and Pricing Input Sheet** in its original Microsoft Excel format with all proposals. Price information that must be supplied by the bidder includes:

		PPA & Purchase	
Information Requested	PPA	Option	BTA
Term: start and end date	Х	X	
Transmission cost assumptions	Х	X	Х
Point of delivery (POD) and Point of receipt (POR)	Х	X	Х
Expected annual dispatch pattern, or generation profile, that reflects availability <sup>7</sup>	Х	X	Х
Availability rate assumed in annual dispatch or generation profile data	Х	X	Х
Designation of firm or unit contingent energy deliveries	Х	X	
Price and milestone payment schedule (\$ and dates, as applicable)		X	Х
Variable O&M cost (\$/MWh, as applicable) <sup>8</sup>		X	Х
Fixed O&M cost (\$/Year, as applicable) <sup>9</sup>		X	Х
Ongoing capital (\$/Year, as applicable)		X	Х
Other variable costs, <i>i.e.</i> , royalties (% of energy revenue, or \$/MWh, as applicable)		X	Х
Variable energy payment, with escalation (\$/MWh escalating at X%/year, as applicable)		X	Х
Fixed capacity payment, with escalation (\$/Month growing at X%/year, as applicable)		X	Х
Other fixed charges, <i>i.e.</i> land leases, with escalation (\$/MWh, \$/MW or \$/Year growing at X%/year, as applicable)		X	
Buyout dates and prices (\$ or "fair market value," as applicable)		X	
Qualifying costs and term for any incentives that reduce delivered costs, such as federal, state or local incentives including among others; federal PTC, bonus depreciation, property tax exemptions, or local economic incentives	Х	X	Х

<sup>&</sup>lt;sup>7</sup> Section 3.F.3 of the 2017R RFP describes the type of generation profiles required.

<sup>&</sup>lt;sup>8</sup> PacifiCorp may supply certain operational and maintenance costs for consistency across similar bids.

<sup>&</sup>lt;sup>9</sup> PacifiCorp may supply certain operational and maintenance costs for consistency across similar bids.

### **B. DIRECT INTERCONNECTION AND POINT OF DELIVERY**

PacifiCorp is seeking resources located in specific areas that can deliver into or in PacifiCorp's network transmission system in Wyoming. Delivery to customer load could occur via a direct interconnection with PacifiCorp's transmission system, or via delivery to PacifiCorp customer load with third-party transmission service. With either delivery method, PacifiCorp prefers bids that will not face significant transmission costs or constraints between the resource and PacifiCorp load. While PacifiCorp provides these general guidelines, the available transmission capacity from the project to PacifiCorp's network transmission system in Wyoming is not known until the bidder identifies its proposed point of delivery/point of integration. Bidders are required to provide as much granularity and documentation as possible regarding their proposed point of delivery, transmission service requirements, and available transmission capacity. Specifically, PacifiCorp will accept proposals for wind resources capable of directly interconnecting and delivering energy to PacifiCorp's network transmission system in Wyoming inclusive of the proposed Gateway Segment D2 Aeolus to Bridger Anticline substation and transmission system. PacifiCorp will require a completed interconnection system impact study for directly interconnected projects in the bid proposal.

Further description of the proposed Gateway Segment D2 in the Wyoming transmission system is included in **Appendix O**.

If the resource does not interconnect directly with PacifiCorp's network transmission system in Wyoming the bidder must demonstrate and document that it has secured tariff services from the applicable transmission service provider, including interconnection, transmission, balancing, reserve or other applicable service from the resource to the Wyoming delivery point to be able to schedule to the point(s) of interconnection to PacifiCorp's Wyoming service territory and that such transfer limitations are not exceeded.

### C. THIRD-PARTY INTERCONNECTION, INTEGRATION AND TRANSMISSION SERVICE

PPA bidders are responsible for any current or future tariffs or tariff changes including, but not limited to, interconnection, variable energy resource, electric losses, reserves, transmission, integration, imbalance, scheduling, and ancillary service arrangements required to deliver the proposed capacity and associated energy to the bid-specified Point(s) of Delivery on a firm basis. These costs will not be included in the evaluation of the PPA proposals as they are assumed to be the responsibility of the bidder. All proposals must identify all third-party interconnection, electric losses, transmission and ancillary service products, and provider of reserves. Bidders must provide a complete description of these service agreements, and provide documentation that such service(s) will be available to the bidder during the full term of offer(s) proposed or include contractual roll-over options if available to the bidder.

Bidders that propose bids relying on third-party transmission should be aware that the use of transmission that is interruptible within the hour in any segment of the schedule or tagged from the source to the point(s) of delivery will require PacifiCorp to evaluate the cost and need to carry reserves against the schedule, which can be up to 100% in the case

of electricity moved from a third party control area to PacifiCorp's network transmission system in Wyoming.

All proposals will require firm transmission to PacifiCorp's network transmission system in Wyoming system and must be able to be designated by PacifiCorp's Energy Supply Management (ESM) function as a Network Resource under the network service contract between PacifiCorp Transmission (www.oasis.pacificorp.com) and PacifiCorp ESM.

### D. FERC'S STANDARDS OF CONDUCT

Each bidder responding to this RFP must conduct its communications, implementation and operations in compliance with FERC's Standards of Conduct for Transmission Providers (see **Appendix I**), requiring the separation of its transmission and merchant functions. Any third-party transmission service is NOT a transmission service agreement with PacifiCorp's ESM merchant function; rather, it is with PacifiCorp's transmission function or other third-party transmission provider. As such, the bidder must follow the transmission provider's OASIS process. If requested, bidders shall execute a customer consent form consistent with FERC requirements that enables PacifiCorp's ESM merchant function to discuss the bidder's interconnection and/or transmission service application(s) with the transmission interconnection or transmission service provider.

### E. INTERCONNECTION AND TRANSMISSION SERVICES

All BTA proposals that will require a new electrical interconnection or an upgrade to an existing electrical interconnection, regardless of the project's interconnection to either PacifiCorp's system or to another utility's system, must include a statement of the cost of interconnection (broken out between network upgrade costs and facility specific or direct assigned interconnection costs), together with a diagram of the interconnection facilities. The bidder will be required to provide a system impact study as defined in the transmission provider's OATT as part of the proposal, documenting cost and schedule of the interconnection. The bidder will be responsible for, and is required to include in its bid, all costs to interconnect to the transmission provider's system. The bidder is responsible to make application to the transmission provider for the appropriate Interconnection Agreement. The interconnection costs from all bidders will be included in the bid evaluation. Interconnection costs should be clearly identified in the resource cost proposal and differentiate the portion of costs associated with network upgrades and that portion that are facility-specific. Bidders are encouraged to contact the applicable transmission provider (PacifiCorp's transmission function is at www.oasis.pacificorp.com) for information related to their system interconnection request.

If a BTA proposal is selected through this RFP, the applicable transmission function typically has the option of funding the interconnection network upgrades or requiring the bidder to fund network upgrades and then receive revenue credits per the applicable OATT. Any such refunds shall be assigned to PacifiCorp directly or through a three-party contract, with the transmission provider treated as an independent third party; provided, however, if the bidder is interconnecting to a third party and is scheduling power for delivery to PacifiCorp's control area using third party transmission, then the refund shall remain with the bidder.

### F. PACIFICORP TRANSMISSION INTEGRATION SERVICE

Notwithstanding the foregoing, **bidders should not factor in the cost of integrating the proposed resource from bid-specified points of delivery into PacifiCorp's system.** However, bidders should include in their bids any Direct Assigned costs as applicable and defined by the PacifiCorp Transmission. Such transmission integration costs and other integration costs, as applicable, will be factored in by PacifiCorp for determination of the shortlist. Integration costs consistent with PacifiCorp's 2017 IRP will be added to all bids.

### G. **RESOURCE TYPES ELIGIBLE TO BID**

PacifiCorp is seeking new wind energy resources capable of directly interconnecting and/or delivering energy to PacifiCorp's network transmission system in Wyoming by December 31, 2020. These resources must be capable of being interconnected with the Wyoming system inclusive of the proposed Gateway Segment D2 Aeolus to Bridger Anticline substation and transmission system, or capable of delivering energy into PacifiCorp's system in Wyoming with the use of third-party firm transmission service.

### H. TAX CREDITS AND/OR PROJECT INCENTIVES

Bidders must bear all risks, financial and otherwise, associated with bidder's or the facility's eligibility to receive any state or federal energy tax credits, sales tax waivers or exemptions or any other identified tax credit or incentive, or qualify for accelerated depreciation for bidder's accounting, reporting or tax purposes, as applicable. The obligations of the bidder to perform under any executed agreement as a result of this solicitation shall be effective and binding regardless of whether the sale of or output from the bidder's facility under such agreement is eligible for, or receives production or investment tax credits, or other identified tax credits/incentives.

PacifiCorp will require written documentation of the amount, timing and control of any and all available tax credits/incentives that the bidder's facility is eligible for, applied for, and/or received. Such documentation shall include but not be limited to ownership rights to the credit, grant or incentive, timing including expiration dates and milestones to achieve the credit, grant, or incentive.

### I. ACCOUNTING

All contracts proposed to be entered into as a result of this RFP will be assessed by PacifiCorp for appropriate accounting and tax treatment. Bidders shall be required to supply PacifiCorp with any and all information that PacifiCorp reasonably requires in order to make these assessments. Specifically, given the term length of the PPA, or the useful life of the asset to be acquired under an asset acquisition or alternative ownership proposal, accounting and tax rules may require either: (i) a contract be accounted for by PacifiCorp as a capital lease or operating lease<sup>10</sup> pursuant to ASC 840, or (ii) the seller or assets owned

<sup>&</sup>lt;sup>10</sup> "Capital Lease" and "Operating Lease" - shall have the meaning as set forth in the Accounting Standards Codification (ASC) 840 as issued and amended from time to time by the Financial Accounting Standards Board.

by the seller, as a result of an applicable contract, be consolidated as a variable interest entity (VIE) onto PacifiCorp's balance sheet.<sup>11</sup>

PacifiCorp is unwilling to be subject to accounting or tax treatment that results from VIE treatment. As a result, after bidders are selected for the shortlist, if required by PacifiCorp accounting department, bidders will be required to certify, with supporting information sufficient to enable PacifiCorp to independently verify such certification, that their proposals will not be subject to VIE treatment. Bids that result in VIE treatment will be rejected after they are given an opportunity to provide an alternate structure that does not trigger a VIE.

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 PPA or BTA that PacifiCorp requires to determine potential accounting impacts. Such information may include, but is not 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 proposal. Financial data contained in the bidder's financial statements (e.g., income statements, balance sheets, etc.) may also be required to be supplemented.

### J. COST ASSOCIATED WITH DIRECT OR INFERRED DEBT

PacifiCorp will not take into account potential costs to PacifiCorp associated with direct or inferred debt (described below) as part of its economic analysis in the shortlist evaluation. However, after completing the shortlist and before the final resource selections are made, PacifiCorp may take direct or inferred debt into consideration. In so doing, PacifiCorp may obtain a written advisory opinion from a rating agency to substantiate PacifiCorp's analysis and final decision regarding direct or inferred debt.

Direct debt results when a contract is deemed to be a capital lease pursuant to ASC 840 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.

<sup>&</sup>lt;sup>11</sup> "Variable Interest Entity" or "VIE" - shall have the meaning as set forth in ASC 810 as issued and amended from time to time by the FASB.

### SECTION 6. BID EVALUATION AND SELECTION

### A. OVERVIEW OF THE EVALUATION PROCESS

PacifiCorp's bid evaluation and selection process is designed to identify the combination and amount of new wind projects bid into the 2017R RFP that will maximize customer benefits when paired with the proposed Aeolus to Bridger/Anticline transmission project. The method used to evaluate and select bids is consistent with the methods that were used to evaluate new wind resources and transmission infrastructure in PacifiCorp's 2017 IRP. The same method will be used to evaluate benchmark resources and market bids. PacifiCorp will not make any of the evaluation models available to bidders. The IEs will have full access to the inputs an all models used during the evaluation process.

The bid evaluation process will occur in two phases. In the first phase, PacifiCorp will establish an initial shortlist based on both price and non-price factors. During this phase of the bid evaluation process, PacifiCorp will not ask for, or accept, updated pricing. PacifiCorp will rely on the pricing and transaction structure as submitted into the 2017R RFP for each benchmark resource and market bid. However, PacifiCorp will contact bidders to confirm and clarify information presented in each proposal. Bids selected to the initial shortlist will be given an opportunity to provide best and final pricing, subject to certain limits as described later in this section.

In the second phase, initial-shortlist bids, with updated pricing, will be analyzed with the same production cost models that were used to develop PacifiCorp's 2017 IRP preferred portfolio. These production cost models will be used to perform a net customer benefit analysis by simulating PacifiCorp's system costs with and without initial-shortlist bids paired with the Aeolus to Bridger/Anticline transmission project. PacifiCorp's production cost modeling will be used to calculate the expected net present value revenue requirement impacts, accounting for risk. The customer cost and risk analysis, along with any other factors not expressly included in the formal evaluation process, but required by applicable law or commission order, will be used by PacifiCorp, in consultation with the IEs, to establish the final shortlist.

After the final shortlist is established, PacifiCorp will initiate negotiations with bidders that submitted proposals for projects selected to the final shortlist. Selection of a bid to the final shortlist does not constitute a winning bid. Only execution of a definitive agreement between PacifiCorp and the bidder, on terms acceptable to PacifiCorp, in its sole and absolute discretion, will constitute a winning bid proposal. Any definitive PPA or BTA will be in the form of the PPA or BTA contracts provided in **Appendices E-2** and **F-2**, respectively. If the bidder alters the PPA or BTA, or does not use it as the underlying agreement, bid evaluation and selection can be affected. PacifiCorp has no legal obligation to enter into any agreement of any kind with any bidder.

### **B. PHASE 1 – INITIAL SHORTLIST**

### 1. **Price Evaluation (up to 80%)**

PacifiCorp will use proprietary models to perform financial analysis and rank benchmark resources and market bids. PacifiCorp will use a proprietary spreadsheet model to calculate the delivered revenue requirement cost of each benchmark resource and market bid, inclusive of any applicable carrying cost and net of production tax credit benefits, as applicable. The delivered revenue requirement cost will be netted against energy, capacity, and terminal value benefits, as applicable, to calculate the net cost of each benchmark resource and market bid.

In developing revenue requirement costs, PacifiCorp will use cost data for each benchmark resource and market bid. Any internal assumptions for key financial inputs (i.e., inflation, discount rates, marginal tax rates, asset lives, AFUDC rates, etc.) and PacifiCorp carrying costs (i.e., integration costs, owner's costs, etc.) will be applied consistently to benchmark resources and market bids, as applicable. The cost of the Aeolus to Bridger/Anticline transmission project will not be directly assigned to specific benchmark resources or market bids during the initial-shortlist price evaluation. These costs will be considered as system costs during the financial evaluation performed to establish the final-shortlist, as described later in this section. All internal assumptions needed to calculate revenue requirement costs will be provided to the IEs and locked down before benchmark resource bids and market bids are received and opened.

PacifiCorp will also apply consistent assumptions associated with bid benefits (i.e., energy, capacity, terminal value, etc.), as applicable. Energy and capacity value will be based on two production cost model runs—one with proxy wind resources and new transmission at a zero cost and one without proxy wind resources and new transmission. The differential in system fixed and variable costs between the two production cost model simulations will serve as the basis for expected energy and capacity benefits. All energy, capacity, and terminal value assumptions will be provided to the IEs and locked down before benchmark resource bids and market bids are received and opened.

The net cost calculation will be used to assign a price score to each benchmark resource and each market bid. This will be achieved by calculating the nominal levelized (discounted) revenue requirement cost and the nominal levelized (discounted) benefit for each benchmark resource and market bid, where revenue requirement costs are reported as a negative value and customer benefits are reported as a positive value.

### 2. Non-Price Evaluation (Up To 20%)

The non-price analysis will gauge the relative development, construction and operational characteristics and associated risks of each benchmark resource and market bid. A matrix will be used for each non-price factor. For each non-price factor, proposals will be assigned one of three discrete scores: (1) 100% of the percentage weight; (2) 50% of the percentage weight; or (3) 0% of the percentage weight. Benchmark and market bids will be evaluated based on their ability to demonstrate the proposal is thorough, comprehensive and provides limited risk to the buyer prior to PacifiCorp performing due diligence on any given bid. Bidders that have a demonstrated track record and bids for mature proposals will receive

higher scores. The following table summarizes the basis for weighting each non-price factor.

Non-Price Factor	Non-Price Factor Weighting
<ol> <li>Conformity to RFP Requirements:         <ul> <li>Bids provided all required RFP information pursuant to RFP instructions and schedule, including the accuracy of such information.</li> <li>Bids provided complete and accurate of the required RFP information provided by bidder, including documentation of site control and permitting process, environmental compliance plan, and interconnection or transmission arrangements.</li> <li>Bids in compliance with technical specifications as outlined in Appendix A (applicable primarily to BTA bids or PPA bids with a purchase option)</li> </ul> </li> </ol>	5%
<ul> <li>2. Project Deliverability:</li> <li>Bids demonstrated the commercial operation date would be achieved by December 31, 2020.</li> <li>Bids provided sufficient detail, including schedule(s) and documentation, to demonstrate the ability of meeting all of the project's environmental compliance, permits equipment procurement and interconnection and/or transmission arrangements.</li> <li>Bids included documentation that projects qualify for and would receive the full value of the federal PTC at commercial operation.</li> </ul>	10%
<ul> <li>3. Transmission Interconnection Progression:</li> <li>Bids will be evaluated based on demonstration of completing project interconnection and securing any required third party transmission service.</li> </ul>	5%

### NON-PRICE FACTOR WEIGHTING

### 3. Initial Shortlist Selection

PacifiCorp will seek to establish an initial shortlist that includes up to approximately 2,000 MW of aggregate capacity. However, PacifiCorp, in consultation with the IEs, may establish an initial shortlist containing less or more aggregate capacity depending upon the relative total bid score among benchmark resources and market bids. PacifiCorp, in consultation with the IEs, may select the base proposal and one or more bid alternatives proposed with any benchmark resource or market bid, as applicable, to the initial shortlist.

PacifiCorp will use the combined price and non-price results to rank benchmark resources and market bids. Based on these rankings, PacifiCorp will select an initial shortlist based on total bid score (maximum at 100%, with a maximum of 80% for price and a maximum of 20% for non-price factors).

The calculated net benefit for each benchmark resource and market bid will be force ranked based for the \$/MWh price category with an upper boundary of 80%, or 80 points. Force ranked bids grant the maximum of 80 points to evaluated bidder with the highest calculated

net benefit and the lowest evaluated bidder zero (0) points. The non-price score will not be force ranked. Each bid will have its forced rank price points added to the non-price score. The bidders with the highest point summed totals, and representing 2,000 MWs of aggregate capacity bid, will be considered for the initial shortlist.

PacifiCorp will engage an independent third-party expert to evaluate proposed wind generation data for each benchmark resource and market bid selected to the initial shortlist in compliance with Guideline 10(f) in Oregon Order 14-149<sup>12</sup>. In consultation with the IEs, PacifiCorp may use information provided by the independent third-party expert to adjust proposed wind generation data and projected capacity factors during the final shortlist selection process.

### 4. Best and Final Pricing

Benchmark and market bids notified of their selection to the initial shortlist will be given an opportunity to provide best and final pricing. Best and final pricing must be provided for the same site using the same or similar technologies as original proposed. Best and final pricing, shall not exceed 10% of the original total bid cost, which PacifiCorp will assess on a present value revenue requirement basis. In the event that best and final pricing increases the total benchmark resource or market bid cost by more than 10%, PacifiCorp reserves the right to either (a) reject the best and final proposal or, (b) replace the shortlisted bid or bid alternative with a final proposal solicited from another bid not originally selected to the initial shortlist. Accordingly, PacifiCorp may request that certain indicative bids, not initially selected to the initial shortlist, remain open after the initial shortlist is established and that those bidders be prepared to provide best and final pricing on an expedited basis.

### C. PHASE 2 – FINAL SHORTLIST

### 1. Processing of Best and Final Bids

After confirming that best and final pricing meets the requirements of the 2017R RFP, as outlined above, PacifiCorp will use the same proprietary models used for the initial shortlist price evaluation, with bids updated for best and final pricing and projected performance, to process bid costs for input into IRP production cost models. In processing benchmark resource and market bid costs, PacifiCorp will convert the calculated revenue requirement associated with capital costs (i.e., return on investment, return of investment, and taxes, net of PTCs, as applicable) to first-year-real-levelized costs, consistent with the treatment of capital revenue requirement in PacifiCorp's IRP modeling. All other benchmark resource and market bid costs will be summarized in nominal dollars and formatted for input into to the IRP models, consistent with the treatment of non-capital revenue requirement in PacifiCorp's IRP modeling. Projected wind resource performance data (expected hourly capacity factor information) will also be processed for input into the IRP models.

<sup>&</sup>lt;sup>12</sup> Public Utility Commission of Oregon Docket UM 1182, In the Matter of an Investigation Regarding Competitive Bidding, Order 14-149.

#### 2. Bid Resource Portfolio Development

PacifiCorp will use the System Optimizer (SO) model—the same model used by PacifiCorp to develop resource portfolios in the 2017 IRP—to develop a resource portfolio containing 2017R RFP bids with the Aeolus to Bridger/Anticline transmission project. For purposes of the 2017R RFP, the SO model will be used to select the combination of wind projects from the initial shortlist, up to approximately 1,270 MW, that minimizes system costs among a range of different environmental policy and market price scenarios (policy-price scenarios).<sup>13</sup> For each of these portfolios, the SO model will be configured to include the cost and incremental transfer capability associated with the Aeolus to Bridger/Anticline transmission project. The SO model will also be used to establish least cost resource portfolios for each policy-price scenario without any new wind and without the Aeolus to Bridger/Anticline transmission project.

For each policy-price scenario, PacifiCorp will calculate the present value revenue requirement differential (PVRR(d)) between the portfolio containing 2017R RFP wind resources with the Aeolus to Bridger/Anticline project, inclusive of the transmission project costs, and the portfolio without 2017R RFP wind resources and without the Aeolus to Bridger/Anticline transmission project.

#### 3. Stochastic Risk Analysis

PacifiCorp will also evaluate each of the resource portfolios developed with the SO model using Planning and Risk (PaR)—the same model used in PacifiCorp's 2017 IRP to analyze stochastic resource portfolio risk. PaR captures stochastic risk in its production cost estimates, without altering the resource portfolio, by using Monte Carlo sampling of stochastic variables, which include: load, wholesale electricity and natural gas prices, hydro generation, and thermal unit outages. For purposes of the 2017R RFP, PaR will be used to calculate the stochastic mean PVRR(d) and the risk-adjusted PVRR(d) for each policy-price scenario.<sup>14</sup>

#### 4. Identifying Top-Performing 2017R RFP Wind Resource Portfolios

PacifiCorp will summarize and evaluate the 2017R RFP wind resource portfolios to identify the specific benchmark resources and market bid resources that are most consistently selected among the policy-price scenarios and that deliver economic benefits for customers. Based on these data, and in consultation with the IEs, PacifiCorp will select one or more 2017R RFP wind resource portfolios for further scenario risk analysis.

<sup>&</sup>lt;sup>13</sup> Policy-price scenarios will be conceptually consistent with those used in the 2017 IRP (i.e., alternative environmental policy assumptions among low, medium, and high price scenarios), but updated to reflect PacifiCorp's assessment of the most current information. Policy-price scenario assumptions will be established and reviewed with the IEs before updated bids with best and final pricing are received and opened.

<sup>&</sup>lt;sup>14</sup> The stochastic mean metric is the average of system net variable operating costs among 50 iterations, combined with the real-levelized capital costs and fixed costs taken from the SO model. The risk-adjusted metric adds 5% of system variable costs from the 95<sup>th</sup> percentile to the stochastic mean. The risk-adjusted metric incorporates the expected value of low-probability, high-cost outcomes.

#### 5. Scenario Risk Analysis

This step of the evaluation process will help identify whether top-performing portfolios exhibit especially poor performance under a range of future policy-price scenarios. PacifiCorp will develop new system resource portfolios around the top-performing 2017R RFP resource portfolios and calculate a system PVRR(d) for each policy-price scenario. Similarly, the portfolios developed in the SO model will be evaluated in PaR, and PacifiCorp will calculate a stochastic mean PVRR(d) and a risk-adjusted PVRR(d) for each policy price-scenario.

#### 6. Other Factors

Before establishing a final shortlist, PacifiCorp may take into consideration, in consultation with the IEs, other factors that are not expressly or adequately factored into the evaluation process outlined above, particularly any factor required by applicable law or Commission order to be considered.

The Utah Energy Resource Procurement Act requires consideration of at least the following factors in determining whether a resource selected by PacifiCorp should be approved as in the public interest:

- Whether it will most likely result in the acquisition, production, and delivery of electricity at the lowest reasonable cost to the retail customers of an affected electrical utility located in this state;
- Long-term and short-term impacts;
- Risk;
- Reliability;
- Financial impacts on the affected electrical utility; and
- Other factors determined by the Commission to be relevant.

Oregon Order No. 06-446, Guideline 10(d) as modified by Order 14-149, requires, among other things, that the Oregon IE evaluate the unique risks and advantages associated with the benchmark resource, including the regulatory treatment of costs or benefits related to actual construction cost and plant operation differing from what was projected for the RFP. The IE may apply those same risks and advantages in review of the market bids.

#### 7. Final Shortlist Selection

PacifiCorp will summarize and evaluate the results of its scenario risk analysis, considering PVRR(d) results and annual customer impacts, to identify the specific benchmark resources and market bid resources that maximize customer benefits. Based on these data and certain other factors as described above, and in consultation with the IEs, PacifiCorp will establish a final shortlist to be submitted for approval or acknowledgement. Once the final shortlist is established and bidders notified, PacifiCorp will initiate negotiations with final-shortlist bidders.

## SECTION 7. AWARDING OF CONTRACTS

#### A. INVITATION

This RFP contains only an invitation to make proposals to PacifiCorp. No proposal is itself a binding contract unless the parties execute definitive and complete documentation providing otherwise.

PacifiCorp may in its sole discretion do any one or more of the following:

- 1. Determine which proposals are eligible for consideration in response to this RFP.
- 2. Issue additional subsequent solicitations for information, and conduct investigations with respect to the qualifications of each bidder.
- 3. Supplement, amend, or otherwise modify this RFP, or cancel this RFP with or without the substitution of another RFP.
- 4. Negotiate with bidders to amend any proposal.
- 5. Select and enter into agreements with the bidders who, in PacifiCorp's sole judgment, are most responsive to the RFP and whose proposals best satisfy the interests of PacifiCorp and its customers, and not necessarily on the basis of price alone or any other single factor.
- 6. Issue additional subsequent solicitations for proposals.
- 7. Waive any irregularity or informality on any proposal to the extent not prohibited by law.
- 8. Reject any or all proposals in whole or in part.
- 9. Vary any timetable.
- 10. Conduct any briefing session or further RFP process on any terms and conditions.
- 11. Withdraw any invitation to submit a response.

#### **Basis for Rejection**

Proposals may be rejected for any reason including but not limited to not meeting the minimum eligibility requirements identified in Section 3.H of this RFP.

#### **B.** CONFIDENTIALITY AGREEMENT

In addition to the confidentiality provisions set forth herein, bidders should note that all parties will be required to sign **Appendix G** - **Confidentiality Agreement** with PacifiCorp if they qualify for the initial shortlist.

#### C. NON-RELIANCE LETTER

All parties will be required to sign **Appendix G** - **Non-Reliance Letter** if they qualify for the final shortlist prior to entering into negotiations with PacifiCorp.

#### D. POST-BID NEGOTIATION

PacifiCorp will further negotiate both price and non-price factors during post-bid negotiations. PacifiCorp will also include in its evaluation any factor that may impact the total cost of a resource, including but not limited to all of the factors used in the Shortlist

cost analysis plus consideration of accounting treatment and potential effects due to rating agency treatment, if applicable. Post-bid negotiation will be based on PacifiCorp's cost assessment. PacifiCorp will continually update its economic and risk evaluations until both parties execute a definitive agreement acceptable to PacifiCorp in its sole and absolute discretion.

PacifiCorp shall have no obligation to enter into any agreement with any bidder to this RFP and PacifiCorp may terminate or modify this RFP at any time without liability or obligation to any bidder. In addition, this RFP shall not be construed as preventing PacifiCorp from entering into any agreement that PacifiCorp deems prudent, in PacifiCorp's sole discretion, at any time before, during, or after this RFP process is complete. Finally, PacifiCorp reserves the right to negotiate only with those entities who propose transactions that PacifiCorp believes in its sole discretion to have a reasonable likelihood of being executed.

#### E. SUBSEQUENT REGULATORY ACTION

Unless mutually agreed between the parties or unless required by actual (or proposed) law or regulatory order, at the time of contract execution, PacifiCorp does not intend to include a contractual clause whereby PacifiCorp is allowed to adjust contract prices in the event that an entity who has regulatory jurisdiction over PacifiCorp does not fully recognize the contract prices in determining PacifiCorp's revenue requirement. As of the issuance date for this solicitation, PacifiCorp is unaware of any such actual law or regulatory order.

## APPENDICES

**RFP APPENDIX A 2017R Renewable Project Technical Specification** 

**RFP APPENDIX B** Notice of Intent to Bid and Information Required in Bid Proposals

**RFP APPENDIX C** Bid Summary and Pricing Input Sheet (Instructions)

**RFP APPENDIX D Bidder's Credit Information** 

**RFP APPENDIX E-1 PPA Instructions to Bidders** 

**RFP** Appendix E-2 Power Purchase Agreement (PPA) Documents

**RFP APPENDIX F-1 BTA Instructions to Bidders** 

**RFP APPENDIX F-2** Build Transfer Agreement (BTA) Documents

**RFP APPENDIX G** Confidentiality Agreement and Non-Reliance Letter

**RFP APPENDIX H [RESERVED – INTENTIONALLY LEFT BLANK]** 

**RFP APPENDIX I FERC's Standards of Conduct** 

**RFP APPENDIX J** Qualified Reporting Entity Services Agreement

**RFP APPENDIX K** General Services Contract-Operations & Maintenance Services for Project

**RFP APPENDIX L PacifiCorp's Company Owned Self-Build Alternatives** (Benchmark Resource)

**RFP APPENDIX M** Role of the Independent Evaluator

**RFP APPENDIX N** Code of Conduct Governing PacifiCorp's Intra-Company Relationships for RFP Process

**RFP APPENDIX O Description of Proposed Gateway Segment D2** 

## **RFP APPENDIX A**

## 2017R Renewable Project Technical Specification

# [INCLUDED AS SEPARATE ATTACHMENTS]

## **RFP APPENDIX B**

#### Notice of Intent to Bid and Information Required in Bid Proposals

This is to declare that the undersigned intends to respond to PacifiCorp's Request for Proposals, Renewable Resources (2017R RFP):

Bidder Company (legal entity of intended signatory to a	
contract)	
Company Ownership (direct and indirect owners of	
Company; include organizational chart)	
Contact Person	
Mailing Address	
Phone(s)	
Fax	
Email	
Number of Bids	
Structure of each bid: BTA or PPA	
If a PPA, indicate term in years	
Size of each bid asset in MW capacity (nominal)	
Location (County, State) (GPS coordinates)	
Estimated Commercial Operation Date	
(month/year) for each bid	

#### Request for Proposals, Renewable Resources (2017R RFP)

#### PacifiCorp Affiliate Certification

By signing below Bidder represents that (a) neither Bidder Company nor any affiliate of Bidder Company has an affiliate relationship (whether by ownership, joint venture or other association) with PacifiCorp or any PacifiCorp affiliate; (b) the proposed bid(s) is for power generated by facilities that are not owned by, or otherwise associated with PacifiCorp, or any PacifiCorp affiliate. For purposes of this certification, PacifiCorp affiliates include any affiliates of Berkshire Hathaway, Inc., A list of Berkshire Hathaway, Inc., affiliates will be provided upon request.

Authorized	Signature
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Print Name	 
Title	
Date	 

#### <u>Bidder must submit Appendix D – Bidder's Credit Information as part of the Intent to Bid</u> <u>submittal.</u>

Return by mail, email, or fax by 5:00 PM Pacific Prevailing Time September 25, 2017 to:

#### 2017R RFP

PacifiCorp Resource & Commercial Strategy 825 NE Multnomah St., Suite 600 Portland, OR 97232

E-mail: <u>rfp\_2017R@pacificorp.com</u> Fax: 503-813-6260

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

This Appendix B describes PacifiCorp's expectations and requirements for the 2017R RFP bids. In general, PacifiCorp expects bidders to provide any information that could impact the cost, reliability, dispatch frequency, or output capability of a resource. **RFP Appendix E-1 - PPA Instructions to Bidder** and **RFP Appendix F-1 – BTA Instructions to Bidder** provide additional detail on bid document deliverables. Due to differences between PPA and BTA bids and the other alternative ownership structures, bidders should pay strict attention to instructions to ensure bids are in compliance with the instructions as outlined. For example, certain items in RFP Appendix B will only apply to BTA proposals (as explained in the instruction document).

PacifiCorp believes the resource attributes that will define a renewable wind resource project consist of, but may not be limited to, the following information categories:

**Impact of Ambient Conditions on Output** – Bidder must provide the expected performance of the resource as it varies with ambient conditions and other factors that will impact the performance of the resource. Bidder will provide the following:

- 1) Resource Performance Summary Report;
- 2) Two years of meteorological tower data from the site;
- 3) 12 month x 24 hourly profile (in Excel); and
- 4) 8760 hourly profile (in Excel) performance (**RFP Appendix A-8**).

To the extent pricing, capability and/or availability vary based on specific characteristics of the facility and/or ambient conditions, the bidder must clearly identify that relationship in tabular form.

**Impact of Other Factors on Output** - PacifiCorp prefers generation facilities designed, permitted, and operated so that the proposed facility and related energy and Renewable Energy Credits (RECs) are provided to PacifiCorp without restriction related to:

- Environmental permits or other environmental limitations or environmental forfeitures;
- Hours of operation;
- Sales to other parties;
- Any other factor relevant to the technology (e.g., agreements with neighbors, etc.);
- Non-environmental or technology factors that could encumber the facility; and
- Failure to meet the target commercial operation date.

Bidders must describe in detail any such limitations in their proposal.

**Siting -** Bidders are responsible for all construction and coordination with the applicable service provider(s) for any new electrical transmission or distribution service required in response to this RFP. Bidders are responsible for satisfying all zoning, permitting and environmental requirements.

**Facility Information** – To the extent applicable, the bidder should clarify the following information with respect to any proposed facility site (see **RFP Appendix A (Wind) - Technical Specifications** for additional detail):

- 1. List of studies conducted; required environmental, construction and other regulatory permits and timelines.
- 2. Prevailing noise ordinance at the site and expected sound level (A-weighted) at the site boundary.
- 3. Proposed site plans, layouts, elevations or other aspects of the facility.
- 4. Types of transportation access required.
- 5. 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.).
- 6. Proximity and extent of nearest wetlands and description of types of all types of all nearby wetlands and water bodies, including any proposed impacts.
- 7. Information on fish, avian species and other wildlife and vegetation inhabiting the area of the project.
- 8. Proximity to nearest endangered or threatened or critical species habitat and information on all nearby endangered or threatened species which could potentially be impacted, including species protected under the federal Bald and Golden Eagle Protection Act and the federal Migratory Bird Treaty Act.
- 9. Proximity to nearest historical or archaeological resources and all nearby historical or archaeological resources which could potentially be impacted.
- 10. Location and distance to population centers which could be impacted.
- 11. Expected site ambient temperature extremes and verification that freeze protection will be provided if necessary.

**Proposal Format** – PacifiCorp is requesting that bidders conform 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 must state the period under which the terms and conditions of their Proposal will remain effective. Failure of a bidder to honor the terms and conditions of its Proposal for the period stated in its executive summary may result in the bidder being disqualified as a bidder in future RFPs. The executive summary must be accompanied by one or more completed tabs in **RFP Appendix C Bid Summary and Pricing Input Sheet**, characterizing the bid or bid options.

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

- Description of technology and configuration including:
  - Type of generation equipment and description

- Manufacturers of major equipment (Bidders should complete **RFP** Appendix A-9 Product Data Equipment Supply Matrix).
- Date of manufacture or age of major equipment
- Hours of operation and major maintenance performed for any previously owned/operated equipment
- Description of financing plan, if any
- Description of operation and maintenance plan and services
- Estimated annual availability and any guaranteed minimum annual availability
- Site control, and, if not yet obtained, the plan and schedule for obtaining site control (provided that a bid will be non-conforming if the plan provided by Bidder does not demonstrate, in the case of private land, at least substantial progress in obtaining necessary land options, and in the case of public lands, at least an application for rights-of-way or similar land rights submitted to the applicable state or federal land use agency(ies))
- Site layout description and location including GPS coordinates
- Operating limits or any limits on the number of hours the resource may be operated per year or unit of time
- Expected and guaranteed annual energy production in megawatt-hours (MWh)
- Expected generation in average megawatt (aMW) on a 12 month by 24 hour basis (i.e. a representative day for each month of the year)
- Guaranteed output (minimum annual energy production in MWh)
- Performance estimate analysis prepared by an independent third party engineering firm.
  - All bid submittals must include a minimum of two years of on-site meteorological tower data, converted to an estimated MWh of production on an hourly time scale.
- Status of interconnection arrangements (location, transmission provider and control area), including copies of all interconnection studies completed for the proposed facility and any draft or final interconnection agreement
- Transmission service agreement, if applicable
- Information regarding location and transmission availability
- Project schedule, listing tasks and milestones with estimated completion dates
- Terms of warranties and/or guarantees on major equipment

Section 3 - Bidder's Qualifications – Information in this section should be submitted with information that the bidder supplies from RFP Appendix D – Bidder's Credit Information. This section should include, but not be limited to, the following information:

- Corporate structure and primary and secondary businesses including all legal entity names.
- Location of offices

- Biographies of key officers
- Developer projects and independent power supply ventures participated in the last three to five years.
- At least one primary contact and one back-up contact (name, telephone number and e-mail address) for each project or power supply venture referenced in the Bidder's Proposal (for reference purposes).
- 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.
- 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.

**Section 4 - Financial Information** – Briefly summarize information provided pursuant to **RFP Appendix D – Bidder's Credit Information**.

**Section 5 - Pricing Proposal and Pro Forma Project Financing** – Describe in detail the pricing proposal, including the use of any index, escalation factors, or other costs to PacifiCorp. Provide pro forma financial projections showing cash flow, income statement, and balance sheet, application of tax credits, incentives or grants, sources and uses of funds, construction draw schedule, and including all financing assumptions. At a minimum the pro forma financial projections should include the following:

- Expected annual energy production<sup>1</sup> and revenue
- Annual operating expenses including operations and maintenance costs, G&A expenses, land leases, royalty payments, property taxes, insurance and other expenses
- Transmission and ancillary services costs (if any)
- Debt service
- Debt coverage ratios (by year)
- Depreciation
- Taxes and tax credits, incentives, grants
- Working capital requirements
- Net income
- Equity rate of return

**Section 6 – Interconnection & Transmission -** Each Proposal must include a description of the location of its proposed interconnection facilities, distribution or transmission facilities, including proposed delivery points, and must specify the interconnection and transmission provider and identify all applicable costs. Copies of all completed interconnection and transmission studies must be provided, and bidder is expected to have completed at least a system impact study (SIS) for the proposed interconnection at the time of submittal of the bid.

**Section 7** – **Environmental and Siting -** The bidder is exclusively and entirely responsible for meeting and satisfying all federal, state and local permits, licenses, approvals and/or

<sup>&</sup>lt;sup>1</sup> Expected Annual Energy production must be the same value used in other parts of this proposal.

variances required to assure physical delivery of energy in accordance with any PPA or BTA. Bidder must identify all applicable permits that bidder has secured or will be required to receive in order to construct and operate the facility (bidder must submit this information in **RFP Appendix A-3**). Bidders must furnish applicable detailed project site, interconnection and electric distribution/transmission information, a description of all required permits (See **RFP Appendix A-3**), and a project timeline so PacifiCorp can assess site suitability, schedule risk, and project viability. The proposed site(s) must clearly be shown on a United States Geological Survey (USGS) 7.5-minute series map.

Bidder must provide information on any scoping, feasibility and other associated studies conducted to assess environmental impacts and to obtain necessary permits. This information must include all studies related to wildlife (including protected species, such as those protected under the federal Endangered Species Act, federal Bald & Golden Eagle Protection Act, federal Migratory Bird Treaty Act and applicable state laws), archeological, vegetation, hydrological, geotechnical, visual, noise, air quality, and other environmental impacts related to the project. Impacts to designated wilderness, national and state parks, and other protected areas should be noted. The studies provided by Bidder should describe the methodologies for such studies and identify the person(s) or firm(s) who conducted and completed the work. If such studies are in progress, Bidder should describe the scope and schedule for completion and identify the person(s) or firm(s) doing the studies and methodologies to be employed. Bidder should describe measures that will be taken to minimize the potential for environmental, wildlife, visual and cultural impacts of the project. Finally, bidder should discuss plans to engage community and environmental stakeholders to support the proposed project.

Section 8 – Contract Terms - Bidder must identify with specificity any exceptions to the terms of the form of PPA or BTA, as applicable, as provided in **RFP Appendix E-2 (PPA)** or **RFP Appendix F-2 (BTA)**. Bidder should include a mark-up of either pro-forma agreement, although conformity to those documents is strongly encouraged and significant revisions to the pro-forma agreements will impact PacifiCorp's evaluation of the bid. Bidders objecting to terms are encouraged to provide suggested alternate language and provide context to the objection for PacifiCorp to evaluate the alternate language.

Section 9 – O&M Services Contract Terms (BTA Option Only) – BTA bidders must provide a comprehensive listing/description of all contract terms that the bidder would seek during contract negotiations regarding operating and maintenance services for the asset. Bidder may supply a markup of the documents found in RFP Appendix K - O&M Services Contract with their proposal, although conformity to those documents is strongly encouraged. Bidders objecting to terms are encouraged to provide suggested alternate language and provide context to the objection for PacifiCorp to evaluate the language.

## **RFP APPENDIX C**

## **Bid Summary and Pricing Input Sheet (Instructions)**

#### **General Bid Summary Instructions for PPA and BTA.**

Bidder should complete and submit **RFP Appendix C - Bid Summary and Pricing Input Sheet**. This is an Excel-based worksheet that covers bid summary information, energy production profile, and pricing for both the PPA and the BTA. There are five (5) tabs on this worksheet:

Tε	ıb	Description	PPA	BTA
1	Bid Summary	General description of project detail	Х	Х
2	8760 Energy Production	Expected 8760 net energy delivered to	Х	Х
		PacifiCorp at p50 production		
3	PPA Pricing	Power Purchase Agreement pricing by year	Х	
4	Purchase Option	Power Purchase Agreement – purchase option	Х	
5	BTA Pricing	Build Transfer Agreement pricing		Х

For both PPA and BTA bids, bidders shall provide the completed Bid Summary and 8760 Energy Production tabs. Bidders should also provide a copy of the project's energy analysis completed by an independent third party.

#### **Power Purchase Agreement**

Bidder's submitting PPA bids shall provide the information requested in **tabs 1, 2 and 3 in the Appendix C** spreadsheet. <u>In addition, if bidders are including a purchase option then bidders shall</u> complete tab 4.

In addition to completing the spreadsheet, the Bidder shall submit an Energy Analysis for the project that provides a detailed explanation on how the energy projection was prepared; this should address the following:

- 1. General Site Data
  - a. How was the wind data collected, certified and correlated to the reference points?
  - b. Who provided the wind data analysis service?
  - c. What is reference height, or heights, of the meteorological data?
  - d. How was the wind data adjusted for the turbine hub height?
  - e. What is the estimated wind shear and how was the wind shear calculated?
  - f. What is the accuracy of the wind and energy forecast?
  - g. What is the basis year of the underlying data? Are the references years high, low, or average years?
  - h. How was generation output calculated from the meteorological data?
  - i. Identify the specific de-ratings included in the energy forecast (wind array losses, line losses, blade degradation, site elevation, etc.)?
- 2. Energy Production Estimate
  - a. Predicted hub height mean wind speed and gross and net energy production for the full project

- b. Predicted long-term site air density
- c. Turbine power curve employed and description of any adjustments made to the power curve
- d. Description of methodology employed to calculate energy losses due to array effects
- e. Clear breakdown of applied energy loss factors
- f. Monthly and diurnal pattern of predicted energy production with an explanation of the variation
- g. Analysis of the uncertainty associated with the predictions provided in the assessment

Bidders may be asked to provide the following:

- 1. Site Wind Data
  - a. Raw hourly or ten-minute wind speed and direction data
  - b. Description of equipment used to record data
  - c. Calibration certificates for equipment
  - d. Conversion factors (e.g. m/s per Hz) applied in recording wind speeds
  - e. Maintenance records for the monitoring equipment
  - f. Location, height and orientation relative to mast of all sensors
- 2. Reference Wind Data
  - a. Hourly or ten-minute wind speed and direction data
  - b. Description of equipment used to record data
  - c. Calibration certificates for equipment
  - d. Maintenance records for the monitoring work
  - e. Location, height and orientation relative to mast of all sensors
- 3. Wind Project Information
  - a. Layout of wind project turbine array using latitude and longitude co-ordinates
  - b. Detailed topographic maps of project area with all mast and turbine locations
- 4. Verification and Analysis
  - a. Details of instrument configurations and measurement periods for each site mast and reference station
  - b. Summary of mast maintenance records and explanations for significant periods of missing data
  - c. Data recovery rates and measured monthly means for masts employed in the assessment
- 5. Prediction of Wind Regime
  - a. Description of methodology employed to adjust measured wind speeds on site to the long-term
  - b. Correlation plots and coefficients for relevant correlations in the assessments
  - c. Predicted long-term mean wind speeds at measurement heights and hub height at all masts employed in the assessment
  - d. Annual wind speed and direction frequency distribution for long-term site masts
  - e. Plot of annual wind rose for long-term site masts
  - f. Description of methodology employed to extrapolate mean wind speeds at measurement heights to hub height
- 6. Prediction of Wind Speed Variations

- a. Description of methodology employed to predict wind speed variations across the site
- b. Details of wind flow modeling employed and any inputs to the model (where applicable)

#### **Build-Transfer Agreement**

For BTA, bidders shall complete **tabs 1, 2 and 5 in Appendix C Bid Summary and Pricing Input Sheet**. Bidders shall provide the information requested on all three tabs.

In addition to completing the spreadsheet, and provide a copy of the project's independent third party energy analysis for the project that provides a detailed explanation on how the energy projection was prepared; this should address the following:

- 1. General Site Data
  - a. How was the wind data collected, certified and correlated to the reference points?
  - b. Who provided the wind data analysis service?
  - c. What is reference height, or heights, of the meteorological data?
  - d. How was the wind data adjusted for the turbine hub height?
  - e. What is the estimated wind shear and how was the wind shear calculated?
  - f. What is the accuracy of the wind and energy forecast?
  - g. What is the basis year of the underlying data? Are the references years high, low, or average years?
  - h. How was generation output calculated from the meteorological data?
  - i. Identify the specific de-ratings included in the energy forecast (wind array losses, line losses, blade degradation, site elevation, etc.)?
- 2. Energy Production Estimate
  - a. Predicted hub height mean wind speed and gross and net energy production for the full project
  - b. Predicted long-term site air density
  - c. Turbine power curve employed and description of any adjustments made to the power curve
  - d. Description of methodology employed to calculate energy losses due to array effects
  - e. Clear breakdown of applied energy loss factors
  - f. Monthly and diurnal pattern of predicted energy production with an explanation of the variation
  - g. Analysis of the uncertainty associated with the predictions provided in the assessment

Bidders may be asked to provide the following:

- 1. Site Wind Data
  - a. Raw hourly or ten-minute wind speed and direction data
  - b. Description of equipment used to record data
  - c. Calibration certificates for equipment
  - d. Conversion factors (e.g. m/s per Hz) applied in recording wind speeds
  - e. Maintenance records for the monitoring equipment

- f. Location, height and orientation relative to mast of all sensors
- 2. Reference Wind Data
  - a. Hourly or ten-minute wind speed and direction data
  - b. Description of equipment used to record data
  - c. Calibration certificates for equipment
  - d. Maintenance records for the monitoring work
  - e. Location, height and orientation relative to mast of all sensors
- 3. Wind Project Information
  - a. Layout of wind project turbine array using latitude and longitude co-ordinates
  - b. Detailed topographic maps of project area with all mast and turbine locations
- 4. Verification and Analysis
  - a. Details of instrument configurations and measurement periods for each site mast and reference station
  - b. Summary of mast maintenance records and explanations for significant periods of missing data
  - c. Data recovery rates and measured monthly means for masts employed in the assessment
- 5. Prediction of Wind Regime
  - a. Description of methodology employed to adjust measured wind speeds on site to the long-term
  - b. Correlation plots and coefficients for relevant correlations in the assessments
  - c. Predicted long-term mean wind speeds at measurement heights and hub height at all masts employed in the assessment
  - d. Annual wind speed and direction frequency distribution for long-term site masts
  - e. Plot of annual wind rose for long-term site masts
  - f. Description of methodology employed to extrapolate mean wind speeds at measurement heights to hub height
- 6. Prediction of Wind Speed Variations
  - a. Description of methodology employed to predict wind speed variations across the site
  - b. Details of wind flow modeling employed and any inputs to the model (where applicable)

# **Operating Expenses: Please provide complete information on the following, including any assumptions made on a forward basis (e.g., escalation rates)**

Bidder shall provide the following information:

#### **Operating Expense Assumptions**

- Warranty Period and Characteristics for the overall project and the major equipment
- Annual O&M Facilities, \$ per year
- Annual O&M Substation/Interconnection, \$ per year
- Auxiliary services electric energy costs, \$ per year
- Land Lease costs (describe), \$ per year
- Royalty payments (describe), \$ per year and/or \$/MWh
- Property Tax

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- o Expected Rate %
- Rate Escalation %
- o Initial Cost Assessed Value \$000
- o Replacement Cost Escalation %
- Depreciation
- o Method

#### **Additional Information**

Bidder should provide any other information considered to be germane to PacifiCorp's analysis of bidder's submittal.

## **RFP APPENDIX D**

## **Bidder's Credit Information**

Please provide the following information to enable PacifiCorp to evaluate the financial viability of the bidder and any entity(ies) providing credit assurances on behalf of the bidder, if applicable.

#### **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.

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(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 its ability and/or the ability of its credit support provider 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 its 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 that 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, cash deposit, or a letter of credit from an acceptable financial institution). Bidder must provide to Company a letter of commitment acceptable to Company 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 senior unsecured long term 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.

E. Pending 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 REQUIREMENTS**

The bidder may be required to post credit assurances for the applicable bid categories of Power Purchase Agreement or Build Transfer Agreement, each of which will be expected to have a commercial operation date of no later than December 31, 2020.

If necessary, the bidder will be required to demonstrate the ability to post any required credit assurances in the form of a commitment letter from a proposed guarantor or from a financial institution that would be issuing a Letter of Credit. PacifiCorp will require each bidder to provide an acceptable commitment letter(s), if applicable, twenty (20) business days after the bidder is notified that the bidder has been selected for the Shortlist. Bidder will be required to provide any necessary guaranty commitment letter from the entity(ies) providing guaranty credit assurances on behalf of the bidder and/or any necessary letter of credit commitment letter from the financial institution providing credit assurances in the form of a Letter of Credit. Forms of commitment letters are part of this **RFP Appendix D**. The timing of when credit security must be posted is detailed in the Credit Security Requirements Methodology section, which is also part of this **RFP Appendix D**.

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 expected energy delivery start date, and c) type of resource agreement. In addition, please note that a financial institution providing credit assurances on behalf of the bidder must be a major U.S. commercial bank and have at all times 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. Should the financial institution providing credit assurances on behalf of the bidder fail to meet these minimum requirements PacifiCorp will require credit assurances from a replacement financial institution that does meet the requirements.

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) 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) or y) is 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.

#### Amount of Credit Assurances to be Posted

The RFP selected resources have the potential to expose PacifiCorp and its ratepayers to credit risk in the event a selected bidder is unable to fulfill its obligations pursuant to the terms of an executed agreement. The credit risk profile is a function of several factors:

- 1. Type of resource agreement
- 2. Size of resource
- 3. Expected energy delivery start date

- 4. Term of underlying contract
- 5. Creditworthiness of bidder and bidder's credit support provider, if applicable

#### Power Purchase Agreement

For Power Purchase Agreements, PacifiCorp views its potential credit exposure as the cost it would incur in the event the resource failed to reach commercial operation by December 31, 2020 or the bidder failed at any time during the life of the contract. The potential for this cost to change is greater for this resource group due to the term of the underlying contract. PacifiCorp may hold any credit security for a longer period, due to the length of the contract. Depending on the credit risk profile of the bidder, amount of credit exposure requiring securitization and the capitalization/credit of the bidders under review, PacifiCorp will determine the amount of credit assurances required for these types of transactions as a \$\_\_\_\_/kW, based upon nameplate project size.

#### Build Transfer Agreement

For all resources that involve a physical asset with appropriate step-in rights, PacifiCorp views potential credit exposure as the cost it would incur in the event the resource failed to reach commercial operation by December 31, 2020. If the failure occurred near the expected commercial operation date, PacifiCorp would also potentially have to procure energy and other environmental attributes associated with the energy in the open market at then-prevailing market prices. Depending on the credit risk profile of the bidder, amount of credit exposure requiring securitization and the capitalization/credit of the bidders under review, PacifiCorp will determine the amount of credit assurances required for these types of transactions as a \$\_\_\_\_/kW, based upon nameplate project size.

PacifiCorp will also explore with bidder other commercial avenues to reduce security requirements, such as, but not limited to, a stipulated acceleration of commercial operation date(s) (i.e., prior to October 2020) or PacifiCorp's review of bidder's underlying third party contractual terms, provisions and/or incentives that further support bidder achieving commercial operations prior to December 31, 2020<del>.</del>

#### Posting of Credit Security

Provisions on the posting of security are set forth in the applicable pro-forma contracts.

For a Power Purchase Agreement (PPA) bid, the Bidder is to refer to Appendix E, the PPA, for the types and amounts of credit assurances required – these are outlined in sections 8 and 11 of the PPA.

If applicable, the Bidder will be required to demonstrate the ability to post any required credit assurances in the form of a commitment letter from a proposed guarantor or from a financial institution that would be issuing a Letter of Credit. Forms of commitment letters are a part of this Appendix D.

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## FORM OF GUARANTY COMMITMENT LETTER

(Must be on letterhead of bidder's guarantor)

PacifiCorp 825 NE Multnomah Street, Suite 700 Portland, OR 97232 Attn: Credit Department

To Whom It May Concern:

[NAME OF GUARANTOR] ("Guarantor") is [INSERT RELATIONSHIP TO BIDDER] ("Bidder").

In connection with Bidder's submittal in PacifiCorp's 2017R Request for Proposals ("RFP"), this commitment letter contains Guarantor's assurance to PacifiCorp that, should PacifiCorp enter into a transaction with Bidder arising out of any bid submitted by Bidder in the RFP, with terms and conditions mutually acceptable to PacifiCorp and Bidder, Guarantor will at that time issue an unconditional guaranty in form and substance reasonably satisfactory to PacifiCorp, and that Guarantor will guarantee all obligations of payment and performance of Bidder to PacifiCorp as Guarantor's independent obligation (up to a maximum amount of \$\_\_\_\_\_, plus expenses of enforcing the guaranty).

Guarantor understands that PacifiCorp will not enter into a transaction with Bidder without said guaranty. Guarantor further understands that PacifiCorp is under no obligation to enter into any transaction with Bidder, under the RFP or otherwise.

Yours truly,

(name of committing guarantor) (name and title of authorized officer)

## FORM OF LETTER OF CREDIT COMMITMENT LETTER

(Must be on letterhead of entity(ies) providing the letter of credit on behalf of the bidder)

PacifiCorp 825 NE Multnomah Street, Suite 700 Portland, OR 97232 Attn: Credit Department

To Whom It May Concern:

In connection with Bidder's submittal in PacifiCorp's 2017R Request for Proposals ("RFP"), this commitment letter contains [ISSUING BANK]'s assurance to PacifiCorp that, should PacifiCorp enter into a transaction with Bidder arising out of any bid submitted by Bidder in the RFP, with terms and conditions mutually acceptable to PacifiCorp and Bidder, [ISSUING BANK] will at that time issue an irrevocable standby letter of credit in form and substance reasonably satisfactory to PacifiCorp, up to a maximum amount of \$\_\_\_\_\_.

[ISSUING BANK] understands that PacifiCorp will not enter into a transaction with Bidder without said letter of credit. [ISSUING BANK] further understands that PacifiCorp is under no obligation to enter into any transaction with Bidder, under the RFP or otherwise.

Yours truly,

(name of entity(ies) providing the letter of credit) (name of authorized officer)

## **RFP APPENDIX E-1**

### **PPA Instructions to Bidders**

Items identified in italics below are actions/documents that Bidders should submit as part of Bidder's PPA proposal.

#### **General Proposal Description**

- 1. RFP Appendix B Information Required in Bid Proposal Bidder shall provide the project description as identified in Appendix B as it applies to a PPA.
- 2. RFP Appendix C Bid Summary and Pricing Input Sheet (Excel spreadsheet) Bidder shall complete forms in Appendix C. Note: there are four tabs in this worksheet applicable to a PPA; Bid Summary, 8760 Energy Production, PPA Pricing, and Purchase Option (optional). Bidder should complete each tab.
- 3. Legal Description of Site Bidder should provide a legal description of the site as well as conditional use permits, endangered species studies, historical artifacts reports and environmental assessments.
- 4. BTA Appendix B Critical Path Schedule

Bidder should provide a preliminary critical path schedule.

RFP Appendix A

#### **PPA bidders shall also provide the following:**

1. RFP Appendix A-2: Interconnection Agreement with PacifiCorp or Other Interconnection Utility. If Interconnection Agreement is not finalized, minimum requirement is a completed System Impact Study. If interconnected to another utility, include the transmission service agreement or arrangements to deliver to PacifiCorp's system

Bidder should provide a copy of the Interconnection Agreement and all interconnection studies (i.e., Feasibility Study, System Impact Study, and Facility Study).

Bidder should provide a copy of the Transmission Service Agreement, if applicable all transmission service studies.

2. RFP Appendix A-3: Permit Matrix

*Provide the completed permit matrix applicable to the project.* 

3. RFP Appendix A-5: Project Single-Line Drawing and Layouts

Provide the electrical single-line drawings and site layout applicable to the project.

- 4. RFP Appendix A-8: Wind Performance Summary Report
  - a) A copy of Bidder's wind performance report prepared by an independent third party engineer which is supported by a minimum of two years' worth of wind data,
  - b) 12 month x 24 hourly profile (in Excel) and
  - c) an 8760 hourly profile (in Excel) performance.

Bidder should clearly identify any (un)availability loss factor assumptions.

5. RFP Appendix G: Mutual Confidentiality Agreement & Non-Reliance Letter Mutual Confidentiality Agreement shall be executed upon making the initial shortlist. Non-Reliance Letter shall be executed upon notification of making the Final Short-list.

## **RFP Appendix E-2**

## Power Purchase Agreement (PPA) Documents Including PPA Appendices

## [INCLUDED AS A SEPARATE ATTACHMENT]

## **RFP APPENDIX F-1**

## **BTA Instructions to Bidders**

Items identified in italics below are actions/documents that Bidders should submit as part of Bidder's BTA proposal.

#### **General Proposal Description**

- 1. RFP Appendix B Information Required in Bid Proposal Bidder shall provide the project description as identified in Appendix B as it applies to a BTA.
- 2. RFP Appendix C Bid Summary and Pricing Input Sheet (Excel spreadsheet) Bidder shall complete Appendix C. Note: there are three tabs in this worksheet applicable to a BTA; Bid Summary, 8760 Energy Production, and BTA Pricing. Bidder should complete each tab.

#### Appendices to the **BTA**

- 1. BTA Appendix B Critical Path Schedule Bidder should provide the preliminary critical path schedule.
- 2. BTA Appendix C Approved Subcontractors Bidder should provide list of proposed major suppliers and subcontractors to be used on the project.
- 3. BTA Appendix E Asset Equipment Warranties Bidder should provide the equipment warranties for the major system equipment as identified in this Appendix.
- 4. BTA Appendix H Project Management Team Bidder should identify the key members of the proposed project management team to be used on the project.
- 5. BTA Appendix I Legal Description of Site Bidder should provide a legal description of the site as well as conditional use permits, endangered species studies (including studies of species protected under the federal Bald and Golden Eagle Protection Act and federal Migratory Bird Treaty Act), historical artifacts reports and environmental assessments.
- 6. BTA Appendix M Critical Milestones Bidder should provide a milestone schedule as described in this Appendix.
- 7. RFP Appendix G: Mutual Confidentiality Agreement & Non-Reliance Letter Submit a completed Mutual Confidentiality Agreement and executed Non-Reliance Letter.
- 8. RFP Appendix K: General Services Contract Operations & Maintenance Services For Project

Submit pricing and any changes to O&M contract (Exhibit A to Appendix K).

RFP Appendix A

- 1. RFP Appendix A-1: For information only.
- 2. RFP Appendix A-2: Interconnection Agreement with PacifiCorp or Other Interconnection Utility. If Interconnection Agreement is not finalized, minimum requirement is a completed System Impact Study. If interconnected to another utility, include the transmission service agreement or arrangements to deliver to PacifiCorp's system

Bidder should provide a copy of the Interconnection Agreement and all interconnection studies (i.e., Feasibility Study, System Impact Study, and Facility Study).

Bidder should provide a copy of the Transmission Service Agreement, if applicable, and all transmission service studies.

3. RFP Appendix A-3: BTA Permit Matrix Provide the permit matrix applicable to the project.

4. RFP Appendix A-5: Project Single-Line Drawing and Layouts Provide the electrical single-line drawings and project site layout applicable to

- the project.
  5. RFP Appendix A-6: Division of Responsibility Complete the Division of Responsibility matrix as it applies to the project.
- 6. RFP Appendix A-8: Wind Performance Summary Report
  - a) Provide a copy of Bidder's wind performance report supported by a minimum of two years' worth of wind data,
  - b) 12 month x 24 hourly profile (in Excel) and
  - *c)* an 8760 hourly profile (in Excel) performance. Bidder should clearly identify any (un)availability loss factor assumptions.
- 7. RFP Appendix A-9: Product Data Equipment Supply Matrix-Wind.xlsx) Submit a completed Equipment Supply Matrix.
- 8. RFP Appendix A-10: Performance Guarantee

Submit a completed performance guarantee.

## **RFP APPENDIX F-2**

## Build Transfer Agreement (BTA) Documents Including BTA Appendices

## [INCLUDED AS SEPARATE ATTACHMENTS]

## **RFP APPENDIX G**

## **Confidentiality Agreement and Non-Reliance Letter**

## MUTUAL CONFIDENTIALITY AGREEMENT

This MUTUAL CONFIDENTIALITY AGREEMENT (this "Agreement") is entered into as of the \_\_\_\_\_ day of \_\_\_\_\_\_, 2017 (the "Effective Date"), by and between PacifiCorp, an Oregon corporation ("PacifiCorp"), and \_\_\_\_\_\_ ("Counterparty").

WHEREAS, Counterparty is submitting a bid in response to PacifiCorp's 2017R Requests for Proposals (the "Bid"), and in connection therewith the parties wish to exchange certain Confidential Information (as hereinafter defined).

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

1. <u>Confidential Information</u>. "Confidential Information" means information made available by one party (the "Disclosing Party") to the other (the "Recipient") on or after the Effective Date, that is in a writing marked conspicuously as "CONFIDENTIAL," and is any of the following in relation to the Bid or PacifiCorp's evaluation of the Bid: (a) non-public financial information of the Disclosing Party or its proposed guarantor, if any, (b) the specifics of the price and business terms and conditions of the Bid; or (c) documentation exchanged between the parties pertaining to PacifiCorp's evaluation of the Bid or negotiation with Counterparty on a definitive agreement in relation to the Bid. Confidential Information does not include information which at the time of disclosure: (x) is generally available to the public (other than as a result of disclosure by Recipient), (y) was available to Recipient on a nonconfidential basis from a source other than a Disclosing Party not actually known by Recipient to be under a duty of confidentiality to a Disclosing Party, or (z) independently developed by Recipient without reliance on the Confidential Information.

#### 2. <u>Confidentiality; Disclosure</u>.

(a) Until the establishment of a docket or proceeding relating to the Bid before any public service commission, public utility commission, or other agency having jurisdiction over PacifiCorp, the Confidential Information will be kept confidential by Recipient and will not be used knowingly for any purpose by Recipient other than for the purpose set forth above and Recipient must restrict the dissemination of the Confidential Information to its employees who have a need to see it.

(b) Upon the establishment of a docket or proceeding relating to the Bid before any public service commission, public utility commission, or other agency having jurisdiction over PacifiCorp, Recipient's obligations to Disclosing Party with respect to the Confidential

Information will automatically be governed solely by the rules and procedures governing such docket and not by this Agreement.

3. Protective Order. Except as provided in Section 2(b) of this Agreement, if Recipient becomes legally compelled to disclose any Confidential Information, it must provide Disclosing Party with prompt prior written notice so that Disclosing Party may seek a protective order or other appropriate remedy. If such protective order or other remedy is not obtained, Recipient must (i) furnish only that portion of the 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. Notwithstanding the foregoing, and without limiting Section 2(b), the parties acknowledge that PacifiCorp is required by law or regulation to report certain information that could embody Confidential Information from time to time, and may do so from time to time without providing prior notice to Counterparty. Such reports include models, filings, and reports of PacifiCorp's net power costs, general rate case filings, power cost adjustment mechanisms, FERC-required reporting such as those made on FERC Form 1, Form 12, or Form 714, market power and market monitoring reports, annual state reports that include resources and loads, integrated resource planning reports, reports to entities such as the North American Electric Reliability Corporation, Western Electricity Coordinating Council, Pacific Northwest Utility Coordinating Committee, Western Regional Generation Information System, or similar or successor organizations, or similar or successor forms, filings, or reports, the specific names of which may vary by jurisdiction, along with supporting documentation. Additionally, in regulatory proceedings in all state and federal jurisdictions in which it does business, PacifiCorp will from time to time be required to produce Confidential Information, and may do so without prior notice and use its business judgment in its compliance with all of the foregoing and the appropriate level of confidentiality it seeks for such disclosures.

4. <u>Conduct of Process</u>. Neither PacifiCorp nor Counterparty is under any obligation, and each party is free to elect not to consummate an agreement or to furnish or receive information. Nothing contained in this Agreement will prevent PacifiCorp from negotiating with or entering into a definitive agreement with any other person or entity without prior notice to Counterparty. Until PacifiCorp and Counterparty enter into a definitive agreement, no contract or agreement or other investment or relationship is deemed to exist between them 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 may be relied upon as the basis for an implied contract or a contract by estoppel.

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

6. <u>Costs and Expenses</u>. Except as otherwise provided in any other written agreement between the parties, the parties will bear their own costs and expenses, including without limitation fees of counsel, accountants and other consultants and advisors.

7. <u>Remedies</u>. Disclosing Party is entitled to equitable relief, including injunction and specific performance, in the event of any breach hereof, in addition to all other remedies available

to it at law or in equity. In no event will any party be liable to the other for punitive or consequential damages for any alleged breach hereof. No failure or delay by a party 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. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF THE PARTIES HERETO WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT. EACH PARTY FURTHER WAIVES ANY RIGHT TO CONSOLIDATE ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. SUCH WAIVERS WILL SURVIVE THE EXPIRATION OR TERMINATION OF THIS AGREEMENT.

8. <u>Venue and Choice of Law</u>. 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, will 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 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.

9. <u>Miscellaneous</u>. The term of this Agreement is two years from the date hereof. 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 must be in writing and become effective when actually delivered. This Agreement may be executed in counterparts, each of which, when taken together, will constitute one and the same original instrument. Neither party may assign or otherwise transfer its rights or delegate its duties hereunder without the prior written consent of the other party, and any attempt to do so is void.

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

PACIFICORP an Oregon corporation

By:	
Its:	

By:	
Its:	

Rocky Mountain Power Exhibit RMP\_\_\_(RTL-2) Page 62 of 75 Docket No. 17-035-23 Witness: Rick T. Link

### **Non-Reliance Letter**

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

Date

[Name] [Address]

#### Re: <u>PacifiCorp's 2017R Request for Proposals Renewable Resources</u>

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") (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 will not obligate PacifiCorp to accept or to proceed further with the Project. The acceptance of any proposal and the commencement of the 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 will 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 this RFP 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 this RFP, and to pursue any other course it deems appropriate, including without limitation the development of a cost-based, self-build alternative.

PacifiCorp will 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 will 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, 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 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 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 this letter in the space indicated below.

Sincerely,

PacifiCorp

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

Name:	

Title:		

Date:	

## ACCEPTED AND AGREED:

[Insert Name of Party]		
By:		
Name:		
Title:		
Date:		

## **RFP APPENDIX H**

# [RESERVED – INTENTIONALLY LEFT BLANK]

# **RFP APPENDIX I**

## **FERC's Standards of Conduct**

As a transmission provider, PacifiCorp is required to comply with FERC's Standards of Conduct which govern interactions between PacifiCorp's Transmission Function and its Marketing Function. Under the Standards of Conduct, PacifiCorp's Transmission Function employees must function independently of PacifiCorp's Marketing Function employees. Marketing Function employees cannot have access to transmission control center or other transmission facilities or information systems that differ in any way from the access provided to non-affiliated transmission customers. The Standards of Conduct prohibit Marketing Function employees from gaining access to any information about PacifiCorp's transmission system that is not posted on the OASIS or otherwise made publicly-available to all other market participants.

Under the Standards of Conduct, FERC will allow certain non-operating employees to be shared between the Transmission Function and Marketing Function. Under FERC's "no-conduit rule", shared employees may receive confidential transmission system or marketing information, but they are prohibited from sharing such information with Marketing Function employees through any non-public or off-OASIS communications.

### **Market Function Employees**

PacifiCorp has identified the following business groups as Marketing Function Business Units of PacifiCorp:

PacifiCorp, Energy Supply Management Energy Trading Origination

### **Transmission Function Employees**

PacifiCorp's Transmission Function includes: employees, contractors, consultants or agents of PacifiCorp who conducts transmission system operations or reliability functions, including, but not limited to, those who are engaged in day-to-day duties and responsibilities for planning, directing, or carrying out transmission-related operations.

### **Shared Employees**

PacifiCorp has identified Integrated Resource Planning, Resource Development, Structuring and Pricing, Contract Administration, Environmental, Credit, Legal and Risk Management as shared employee functions under FERC's Standards of Conduct.

### **Information Status**

PacifiCorp's Marketing Function (as defined above) will not be involved in a Bidder's transmission interconnection request and integration with the balancing authority area. PacifiCorp's employees will at all times abide by FERC's Standards of Conduct. If an issue arises about compliance with FERC's Standards of Conduct, PacifiCorp's FERC Standards of Conduct Compliance Officer, Colt Norrish at 503-813-5545, should be contacted immediately.

# **RFP APPENDIX J**

# Qualified Reporting Entity Services Agreement C & T Master v4.1a dated May 10 2017<sup>2</sup>

# [See PPA Exhibit 4.6 (2)]

Not required for BTA.

<sup>&</sup>lt;sup>2</sup> Most current version would be included in any execution-ready PPA.

# **RFP APPENDIX K**

# **General Services Contract-Operations & Maintenance Services for Project**

# **INCLUDED AS SEPARATE ATTACHMENTS:**

# **RFP APPENDIX K WIND O&M SERVICES CONTRACT**

Not required for PPA

# **RFP APPENDIX L**

## PacifiCorp's Company Owned Self-Build Alternatives (Benchmark Resource)

## Proposed 2017R RFP Company Benchmark Resources

- PacifiCorp intends to submit four (4) individual wind Benchmark Resources to satisfy approximately 860 MW of targeted wind resources.
- These will be new greenfield wind resources that will be constructed in Wyoming.
- Projects will be built on property either currently leased by PacifiCorp or that PacifiCorp has acquired rights to develop.
- Prospective Benchmark Resource sizes, tie-in locations and in-service years:
  - 1. 110 MW nominal, Foote Creek substation, 2020
  - 2. 250 MW nominal, Aeolus substation, 2020
  - 3. 250 MW nominal, Shirley Basin substation, 2020
  - 4. 250 MW nominal, Shirley Basin substation. 2020
- Benchmark Resources will utilize safe harbor PTC-qualified equipment. PacifiCorp will administer a hold a competitive supply solicitation(s), on a case-by-case basis, for the remaining wind turbines required for the Benchmark Resources.
- PacifiCorp will have administer a separate competitive solicitation(s) to secure firm fixed pricing to engineer-procure-construct and commission the balance of plant for the Benchmark Resources.
- The Benchmark Resources will be constructed in compliance with PacifiCorp's wind farm specification and PacifiCorp's technical standards.
- The Benchmark Resources will also include an operations and maintenance (O&M) building at each site or an addition to an existing PacifiCorp wind farm O&M facility.
- Benchmark Resources will include 30-year pro-forma estimates for operations, maintenance and on-going capital expenditures.
- The Benchmark Resources costs will include allocated development costs, fees, permitting, project management and safe harbor equipment costs.

# **RFP APPENDIX M**

## **Role of the Independent Evaluator**

1) The general role and function of the Independent Evaluators ("IE") are outlined as follows. A more detailed description of the IE's role and function are included in the competitive bidding guidelines for Utah and Oregon.<sup>3</sup>

The Independent Evaluator will facilitate and monitor communications between PacifiCorp and bidders, including the Company's Benchmark Team.

- a. Review and validate the assumptions and evaluation calculations of any company Benchmark Resources.
- b. Analyze and evaluate PacifiCorp's Benchmark Resources, if any, for reasonableness and consistency with the solicitation process.
- c. Access all important models in order to analyze, operate and validate all important models, modeling techniques, assumptions and inputs utilized by PacifiCorp in the solicitation process, including the evaluation of Bids and Benchmark Resources.
- d. Receive Benchmark Resource and market bid responses.
- e. Provide input to PacifiCorp on:
  - i. the development of screening and evaluation criteria, ranking factors and evaluation methodologies that are reasonably designed to ensure that the solicitation process is fair, reasonable and in the public interest in preparing a solicitation and in evaluating the Benchmark Resources and market bids;
  - ii. the development of initial screening and evaluation criteria that take into consideration the assumptions included in the PacifiCorp's most recent IRP, any recently filed IRP Update, any Commission order on the IRP or IRP Update;
  - iii. whether a bidder has met the criteria specified in any bidding process and whether to reject or accept non-conforming bid responses;
  - iv. whether and when data and information should be distributed to bidders and the Benchmark Team when it is necessary to facilitate a fair and reasonable competitive bidding process or has been reasonably requested by bidders;
  - v. whether to reject non-conforming bids for any reason or accept conforming changes;

<sup>&</sup>lt;sup>3</sup> For Utah, see Utah Admin. Code R746-420-6. For Oregon, see UM 1182 Order 06-446 and Order 14-149.

- vi. whether to return bid fees.
- f. Ensure that all bids are treated in a fair and non-discriminatory manner.
- g. Monitor, observe, validate and offer feedback to PacifiCorp and the Commissions on all aspects of the solicitation and solicitation process, including:
  - i. content of the solicitation;
  - ii. evaluation and ranking of bid responses;
  - iii. creation of a short list(s) of bidders for more detailed analysis and negotiation;
  - iv. post-bid discussions and negotiations with, and evaluations of, shortlisted bidders; and
  - v. negotiation of proposed contracts with successful bidders.
- h. The IE will evaluate the unique risks and advantages associated with any PacifiCorp Benchmark Resources, including the regulatory treatment of costs or benefits related to actual construction cost and plant operation differing from what was projected for the RFP.
- i. Once the competing bids have been evaluated by PacifiCorp and the IEs, PacifiCorp and the IE will compare results.
- j Offer feedback to PacifiCorp on possible adjustments to the scope or nature of the solicitation or requested resources in light of bid responses received.
- k. Solicit additional information on bids necessary for screening and evaluation purposes.
- 1. Advise the Commission at all stages of the process of any unresolved disputes or other issues or concerns that could affect the integrity or outcome of the solicitation process.
- m. Analyze and attempt to mediate disputes that arise in the solicitation process with PacifiCorp and/or bidders, and present recommendations for resolution of unresolved disputes to the Commission.
- n. Participate in and testify at Commission hearings on approval of the Solicitation and Solicitation Process and/or acknowledgement of the final shortlist.
- o. Coordinate as appropriate and as directed by the Commissions with staff or evaluators designated by regulatory authorities from other states served by PacifiCorp.

- 2) The communications between the IEs, PacifiCorp and the bidders shall be conducted in the following manner:
  - a. the IE will be included in the communications between the parties as described in Appendix N.
- 3) The IEs shall prepare at least the following confidential reports and provide them to the Commissions and the PacifiCorp:
  - a. Final reports as soon as possible following the completion of the solicitation process. Final reports shall include analyses of the solicitation, the solicitation process, the PacifiCorp's evaluation and selection of bids and resources, the final results and whether the selected resources are in the public interest.
- 4) Communication between the Evaluation Team and the Company's Benchmark Team:
  - a. The Evaluation Team, may not be members of the Company Benchmark Team, nor communicate with members of such team during the solicitation process about any aspect of the solicitation process except in the presence of the IEs, except that internal company attorneys and credit analysis personnel may deliver legal or credit advice, as applicable, to either or both teams, or except as authorized herein.
  - b. The IE must participate in any communications between members of the Company Benchmark Team and Evaluation Team and must retain a copy of all such correspondence to be made available in future Commission proceedings.
  - c. The Evaluation Team shall have no direct or indirect contact or communication with any bidder except in the presence of an IE until such time as a final shortlist is selected by the PacifiCorp.
  - d. Should any bidder or a member of the Company Benchmark Team attempt to contact a member of the Evaluation Team, such bidder or member of the Company Benchmark Team shall be directed to the IE for all information and such communication shall **promptly** be reported to the IE by the Evaluation Team.

# **RFP APPENDIX N**

## Code of Conduct Governing PacifiCorp's Intra-Company Relationships for RFP Process

As part of the RFP process, PacifiCorp will commit to abide by a self-imposed code of conduct which will govern PacifiCorp's intra-company business relationships in order to ensure a fair and unbiased RFP evaluation and selection process. As part of the RFP process, PacifiCorp has identified various teams and work groups who will be responsible for the evaluation of the bids and the development of any company benchmark resource. These work groups and teams are defined and described in Section 3.E of the 2017R RFP. The Evaluation Team and the Company Benchmark Team will have separate responsibilities and be required to adhere to the self-imposed code of conduct.

Bidders will provide an Intent to Bid Form that will not be blinded. The Evaluation Team and the Benchmark Team will comply with this code of conduct during the RFP evaluation process.

## **EVALUATION TEAM**

The Evaluation Team will be made up of several separate work groups. Consistent with PacifiCorp's identification of shared employees under FERC's Standards of Conduct,<sup>4</sup> the IRP work group will be treated as a shared resource to perform work for the Evaluation Team and the Benchmark Team. The IRP work group will not share any information it obtains from either Team with the other Team and the IRP work group will not share any non-public transmission system information with either Team at any point in this process.

As set forth below in the Information Status, no members of the Evaluation Team will have contact or 2017R RFP-related communication with any bidder or the Benchmark Team unless the IE is included. If any bidder or member of the Benchmark Team attempts to contact a member of the Evaluation Team, such member of the Evaluation Team will only respond if the IE is included.

The roles and responsibilities of the members of the Evaluation Team work groups are set forth below, along with the individual member's name and title and information status restrictions for each work group.

## Evaluation Team: Origination, Structuring and Pricing, Environmental and Credit

## 1. Origination

*Roles*: Members of the Origination work group will be responsible for overall coordination of the RFP process, including bid process management for all proposals. The Origination work group will also have responsibility to coordinate with the IE and all of the Evaluation Team work groups.

<sup>&</sup>lt;sup>4</sup> See Appendix I

The Origination work group will also perform the evaluation of the non-price components of the bid analysis. The Origination group will also participate on the Intent to Bid Team.

*Individual Members and Titles*: To be submitted to the IEs upon issuance of the RFP and updated if there are any changes.

*Information Status*: No members of the Evaluation Team will have 2017R RFP-related contact or communication with any bidder unless the IE is included.

## 2. <u>Structuring and Pricing</u>

*Roles*: Members of the Structuring and Pricing work group will be responsible for the economic analysis and modeling for the initial shortlist including the validation on the inputs to the risk assessment of the bid and the initial evaluation of the benchmark resource.

*Individual Members and Titles*: To be submitted to the IEs upon issuance of the RFP and updated if there are any changes.

*Information Status*: No members of the Evaluation Team will have 2017R RFP-related contact or communication with any bidder unless the IE is included.

## 3. <u>Environmental</u>

*Roles*: The Environmental work group will be responsible for evaluation of the applicable environmental, siting and facilities permits and other environmental reviews of the project bid.

*Individual Members and Titles*: To be submitted to the IEs upon issuance of the RFP and updated if there are any changes.

*Information Status*: No members of the Evaluation Team will have 2017R RFP-related contact or communication with any bidder unless the IE is included.

## 4. <u>Credit</u>

*Roles*: The Credit work group will be responsible for credit screening, evaluation and monitoring throughout the entire RFP process.

*Individual Members and Titles*: To be submitted to the IEs upon issuance of the RFP and updated if there are any changes.

*Information Status*: No members of the Credit Team will have 2017R RFP-related contact or communication with any bidder unless the IE is included. The Credit group will also participate on the Intent to Bid Team.

# **RFP APPENDIX O**

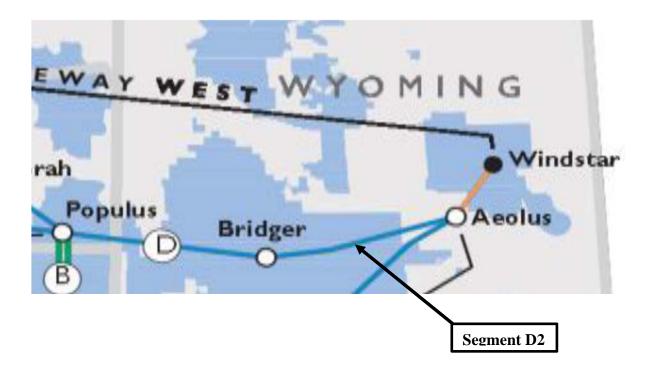
# **Description of Proposed Gateway Segment D2**

### Windstar to Populus (Gateway Segment D)

The Windstar to Populus transmission project known as Gateway Segment D consists of three (3) key sections:

- D1 A single-circuit 230 kV line that will run approximately 75 miles between the existing Windstar substation in eastern Wyoming and the planned Aeolus substation near Medicine Bow, Wyoming;
- D2 A single-circuit 500 kV line running approximately 140 miles from the planned Aeolus substation to a new annex substation (Anticline) near the existing Bridger substation in western Wyoming; and
- D3 A single-circuit 500 kV line running approximately 200 miles between the new annex substation (Anticline) and the recently constructed Populus substation in southeast Idaho.

Only the Section D2 is proposed for construction at the current time as identified on the map below. Bidders can also visit the interactive maps at the Gateway project website <a href="http://www.gatewaywestmaps.com/">http://www.gatewaywestmaps.com/</a>.



Rocky Mountain Power Exhibit RMP\_\_\_(RTL-3) Docket No. 17-035-23 Witness: Rick T. Link

## BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF UTAH

## ROCKY MOUNTAIN POWER

Exhibit Accompanying Direct Testimony of Rick T. Link Parties Notified of Filling for Approval of the 2017R RFP

June 2017

Rocky Mountain Power Exhibit RMP\_\_\_(RTL-3) Page 1 of 3 Docket No. 17-035-23 Witness: Rick T. Link

#### 2017R RFP Contact List

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