



1407 W North Temple, Suite 310
Salt Lake City, Utah 84114

August 18, 2017

VIA ELECTRONIC FILING

Utah Public Service Commission
Heber M. Wells Building, 4th 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

Pursuant to the June 28, 2017 order of the Public Service Commission of Utah (“Commission”), Rocky Mountain Power (“Company”) hereby provides for filing its Reply Comments in the above referenced matter, along with a copy of the Company’s revised 2017R Request for Proposals. The Company will post an electronic version of the filing to the Commission’s secure website.

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
Portland, OR 97232

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

Sincerely,

Jeffrey K. Larsen
Vice President, Regulation

CC: Parties of Record

R. Jeff Richards (#7294)
Yvonne R. Hogle (#7550)
1407 West North Temple, Suite 320
Salt Lake City, Utah 84116
Telephone: (801) 220-4050
Facsimile: (801) 220-3299
Email: robert.richards@pacificorp.com
yvonne.hogle@pacificorp.com

Attorneys for Rocky Mountain Power

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

<p>IN THE MATTER OF THE APPLICATION OF ROCKY MOUNTAIN POWER FOR APPROVAL OF SOLICITATION PROCESS FOR WIND RESOURCES</p>	<p>Docket No. 17-035-23</p> <p>ROCKY MOUNTAIN POWER’S REPLY IN SUPPORT OF APPLICATION FOR APPROVAL OF SOLICITATION PROCESS</p>
--	---

I. INTRODUCTION

In accordance with Public Service Commission Rule R746-420-1(4)(a), PacifiCorp d/b/a Rocky Mountain Power (“Rocky Mountain Power” or “Company”) submits these reply comments to the Public Service Commission of Utah (“Commission”). The Company respectfully requests that the Commission issue an order approving the Company’s 2017R request for proposals (“RFP”), as modified to respond to the comments of the Independent Evaluator (“IE”), the Division of Public Utilities (“DPU”), Interwest Energy Alliance (“Interwest”), and Utah Association of Energy Users (“UAE”). As outlined below, the 2017R RFP meets the public interest standard under Utah Code Ann. § 54-17-201(2)(c)(ii), and Utah Admin. Code R746-420-3(1)(b)(ii).

II. REPLY COMMENTS

A. The IE Has Endorsed the Fundamentals of the 2017R RFP, and Supports the Company's Post-Filing Revisions.

Based on an extensive review, the IE made numerous positive findings on the 2017R RFP, all of which support Commission approval. Specifically, the IE determined that the 2017R RFP:

- Is generally consistent with Utah laws and regulations applicable to the requirements for the design and development of the competitive bidding process, and adequately addresses most statutory requirements.
- Is reasonably transparent, and provides a significant amount of information to bidders.
- Meets the requirements of Utah Admin. Code R746-420-1(2) and the scheduling order in this docket, with the Company providing the IE data, information, and models necessary for the IE to analyze and verify the models.
- Includes a number of safeguards to ensure all bidders have access to the same information without undue preference to the benchmark options.
- Clearly defines the products sought and specifies the information required for each.
- Clearly describes the bidder requirements, evaluation and selection process, and the risk profile of the buyer.
- Relies on evaluation and selection model methodologies for the initial price screen analysis and for selecting the final short list that are consistent with and likely exceed industry standards.
- Uses portfolio evaluation and risk assessment methodologies that track the requirements of the Energy Procurement Resource Act.¹

After the issuance of the Utah draft 2017R RFP, the Company proposed several important changes to the 2017R RFP to respond to parties' comments and concerns. The IE endorsed these changes as well, which include:

- Revising the 2017R RFP schedule to move Notice of Intent to bid from September 6, 2017, to September 15, 2017, after the bidder's workshop on September 12, 2017.

¹ Report of the Utah Independent Evaluator Regarding PacifiCorp's Draft Renewable Request for Proposals at 3-4 (Aug. 11, 2017) ("IE Report").

- Revising the system impact study (“SIS”) requirement to instead require the bidder to demonstrate that it has initiated the study phase of the interconnection process (*i.e.*, signed agreement and paid deposit to begin feasibility study), and adding a condition requiring a SIS by the initial shortlist to confirm costs and interconnection consistent with the December 31, 2020 commercial operation date (“COD”).
- Re-allocating the weights in the non-price table to put higher weighting on the transmission progress.
- Modifying the requirement that bidders meet 100 percent of the production tax credit (“PTC”), while maintaining the December 31, 2020 COD deadline.
- Revising the Code of Conduct to reflect the presence of a self-build option.²

B. To Facilitate Prompt Commission Approval, the Company Has Accepted Most of the IE’s Proposed Revisions to the 2017R RFP.

The IE has proposed several additional revisions to the 2017R RFP, and suggests that these may ensure a more equitable, transparent and robust solicitation—assuming they could be made without extending the solicitation process schedule, which could jeopardize potential benefits to customers. The Company appreciates the IE’s recognition of the criticality of maintaining the 2017R RFP schedule. To facilitate this goal, the Company has accepted most of the IE’s recommendations, as outlined below and reflected in the attached revised 2017R RFP.

- **Allow bidder redline of Power Purchase Agreement (“PPA”) and Build Transfer Agreement (“BTA”) to mitigate difficulty of addressing comparability of risk.³**

The Company already allows redlines to the PPA and BTA under Appendix B, Section 8 (Contract Terms). To emphasize that the PPA and BTA are negotiated agreements meant to address risk on both sides of the transaction, the Company has added the following clarifying language to the 2017R RFP in Section 4.B and 4.C. The language below is for the PPA and is replicated for the BTA.

² IE Report at 20-21.

³ IE Report at 5. UAE also expressed similar concern regarding comparability of risk between the PPA, BTA and benchmark options. Corrected Initial Comments of UAE at 12-15 (Aug. 7, 2017) (“UAE Comments”).

*Bidders should include a redlined or marked up version of **Appendix E-2 Power Purchase Agreement** showing exceptions to the terms of the pro forma PPA document. Bidders objecting to terms should provide alternate language and context to the objections for PacifiCorp to evaluate the alternate language.*

- **Expand RFP eligibility provisions by removing requirement that only new wind projects which can qualify for the full PTC benefits are eligible.**⁴

The Company has modified the 2017R RFP to reflect this recommendation by expanding the resource type to include both new and repowered existing wind resources – both are considered eligible for PTC benefits under Internal Revenue Service (“IRS”) guidelines. The modifications are scattered through the body of the RFP to reflect the bid eligibility for a repowered existing wind project. Below is the initial reference in the Introduction, Section 1:

*PacifiCorp will accept proposals for new *or repowered existing 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 to PacifiCorp’s transmission system in Wyoming with the use of third-party firm transmission service.*

Bids submitted with repowered wind resources will not be allowed if the existing wind resource currently has a power purchase agreement with PacifiCorp for the offtake of the energy.

- **Remove “new wind resource” requirement and allow repowering of existing projects to be eligible to bid, provided that the projects are not under contract at the time of bid submission.**⁵

The Company has modified the 2017R RFP to reflect this recommendation as noted above and includes the noted addition in several points throughout the RFP.

Bids submitted with repowered wind resources will not be allowed if the existing wind resource currently has a power purchase agreement with PacifiCorp for the offtake of the energy.

⁴ IE Report at 5. UAE also made a similar recommendation. UAE Comments at 15.

⁵ IE Report at 5. UAE also made a similar recommendation. UAE Comments at 24.

- **Grant request for waiver of bid blinding requirement but retain blinding for bidder questions.⁶**

The Company has reflected this modification, which is consistent with the Company's application in this docket, in the 2017R RFP.

- **Change provision that a base bid and one alternative can be submitted for the \$10,000 bid fee to instead allow for the base bid and two alternatives without additional fees.⁷**

The Company has modified the 2017R RFP to reflect this recommendation in Section 3.G: Bid Evaluation Fees.

- **The Company should provide a transmission and interconnection workshop at Bidder's Conference to be held on September 12, 2017.⁸**

The Company has modified the agenda for the 2017R RFP workshop on September 12, 2017 to accommodate a specific discussion on transmission and interconnection. This change is shown in Section 3.C of the 2017R RFP.

A bidder conference will be held on Tuesday, September 12, 2017 in both Utah and Oregon locations. *The bidder conference will cover the 2017R RFP structure, deliverables and schedule as well as allocating specific time to cover interconnection and transmission service requirements.* Additional details on the bidder conference will be posted to the PacifiCorp website. Additional bidder conferences and workshops may be scheduled as needed.

- **Revise non-price factors to include project viability characteristics such as experience of the bidder, access to generating equipment, financing plan, O&M plan, etc.⁹**

In the Non-Price Factor Weighting matrix in Section 6.B of the 2017R RFP, the Company considers the "Bidder's development and construction experience related to wind projects" under Non-Price Factor, Conformity to RFP Requirements. To address the other items in the recommendation, the Company has added an additional bullet to expand and clarify the Non-Price

⁶ IE Report at 6.

⁷ IE Report at 6.

⁸ IE Report at 6.

⁹ IE Report at 6.

Factor, Project Deliverability.

- *Bids demonstrate and provide sufficient detail regarding access to generation equipment and well defined O&M plan and financing plan.*
 - **Either include credit requirements based on \$/kW bid or update the previous credit methodology to allow bidders to reflect the credit requirements in their bids and evaluate how requirements may affect their decision to compete.**¹⁰

The Company has made revisions in the 2017R RFP Appendix D to address credit requirements, including a more detailed credit requirement definition with regard to credit assurance levels and a combination of credit assurance and other risk mitigation considerations to be negotiated and evaluated individually with each bidder.

- **Require documentation if the Company proposes to reject a bid for accounting issues, such as Variable Interest Entity (“VIE”) treatment.**¹¹

The Company has modified the 2017R RFP to reflect this recommendation in Section 4.F and Section 6.B.3 as follows:

All bids selected to the initial shortlist will be assessed by PacifiCorp for appropriate accounting and tax treatment. Bids will be evaluated for: (i) a contract be accounted for by PacifiCorp as a capital lease or operating lease pursuant to ASC 840, or (ii) the seller or assets owned by the seller, as a result of an applicable contract, be consolidated as a variable interest entity (VIE) onto PacifiCorp’s balance sheet.

PacifiCorp is unwilling to be subject to accounting or tax treatment that results from 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.

- **IE will host a website for RFP information exchange between bidders and the Company.**¹²

The Company agrees to this proposal and has discussed its implementation with both the

¹⁰ IE Report at 6.

¹¹ IE Report at 6.

¹² IE Report at 6-7.

Utah and Oregon IEs.¹³ The 2017R RFP was modified to describe this recommendation in Section 3.D regarding communication of questions and information exchange.

IE Website - In addition, the IEs will host a website dedicated to information exchange and archiving between the bidder, IE, and PacifiCorp. The IE site, separate from PacifiCorp's RFP website, will not be used for bid submittal, rather it can be used by the bidder for specific questions related to their bid or the RFP. More details will be posted on PacifiCorp's RFP website.

- **The IE also provided several comments in the draft RFP document which reflect the recommendations provided in the IE's report or are non-substantive comments intended to clarify filing requirements.**¹⁴

The Company has modified the 2017R RFP documents to respond to these comments.

- **Provide equivalent contract terms for PPA bidders, allowing PPA bidders to offer either a 30-year term or a 20-year contract with up to a 10-year extension that is a firm price and would be exercised at the option of the buyer.**¹⁵

The Company agrees to this proposal and will acknowledge and evaluate PPA bidders that offer firm-priced PPAs with contract terms of up to 30 years based on the recommendation of a 20-year base PPA and an option for the Company to extend the PPA at a fixed price for up to 10 years. This recommendation has been included in the 2017R RFP in several places throughout the document. An example of the additional language is shown below from Section 1: Introduction.

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. At the bidder's option, the PPA bid submittal can include *two distinct alternatives*:

- a. the right for PacifiCorp to purchase the project assets during or at the end of the 20-year contract term at fair market value (FMV) to retain the value of the site for customers, or;
- b. *the right for PacifiCorp to extend the term of the PPA at a fixed price (\$/MWh) for up to ten (10) years beyond the 20 year term.*

¹³ As part of the 2017R RFP, both Utah and Oregon require an independent evaluator. PacifiCorp has retained Bates White, on behalf of the Public Utility Commission of Oregon, to perform similar RFP oversight duties for Oregon in compliance with Oregon Competitive Bidding Guidelines.

¹⁴ IE Report at Appendix A, Redline Version of the RFP – Merrimack Energy's Comments.

¹⁵ IE Report at 5. UAE also made a similar recommendation. UAE Comments at 26.

Bidders must clearly articulate in their bid that they are offering the base 20-year PPA bid and the PPA alternatives allowed, if any. 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.

In addition, the Company has modified Appendix E-2, Power Purchase Agreement, to include the PPA extension option. However, PPA contract terms beyond 24 years (assuming a 30-year depreciable life of the asset) may create adverse tax consequences for the Company. For tax purposes, a PPA that covers a majority of the economic life of the asset strongly indicates that the PPA buyer is the actual tax owner of the asset and the PPA seller is just a financing agent. In contrast, the IRS generally respects PPA agreements for 80 percent or less of the economic useful life, with an option to purchase the asset at the appraised fair market value of the asset at the end of a PPA term. Therefore, the Company will include such tax consequences as part of the evaluation of all proposals where a contract term of greater than 24 years applies.

C. The Company Objects to Only One IE Recommendation.

To accomplish the goals of the 2017R RFP, there is one IE recommendation to which the Company objects.

- **Eliminate requirement that the bidder must use the proposed Aeolus-to-Bridger/Anticline (“Gateway Segment D2” or “D2”) transmission facilities or demonstrate they can deliver the power into Wyoming.**¹⁶

As discussed in detail in response to the DPU's comments below, removal of D2 eliminates the value side of the 2017R RFP.

D. The Company is Working to Respond Constructively to the DPU's Limited Proposed Revisions.

The DPU recommends approval of the 2017R RFP subject to two conditions.¹⁷ First, DPU

¹⁶ IE Report at 5. DPU and UAE also made a similar recommendation. Initial Comments of DPU at 7 (Aug. 4, 2017) (“DPU Comments”); UAE Comments at 22-23.

¹⁷ DPU Comments at 7.

asks that the Company clarify whether minimum project size is 10 MW or 20 MW.¹⁸ The Company has modified the 2017R RFP to clarify that 10 MW is the minimum project size.

Second, DPU proposes that the 2017R RFP relax the requirement that bids tie into the Wyoming transmission system.¹⁹ The IE and UAE also recommend eliminating the Wyoming delivery requirement.²⁰ Since the IE and parties filed their comments, the Company has discussed its concerns with the recommendation to eliminate the Wyoming delivery requirement, which are summarized below, with the IE, DPU, and UAE. Through these discussions, the IE and DPU both clarified that their recommendation was limited to geographic scope, and not intended to suggest that the 2017R RFP be broadened to include other renewable resource technologies beyond wind. The DPU further clarified that its primary concern is that the Wyoming delivery requirement could limit market participation.

The 2017R RFP is limited to wind resources tied to the Wyoming system because the Company, through the IRP process, identified the Aeolus-to-Bridger/Anticline transmission facilities coupled with the addition of at least 1,100 MW of new wind resources as part of its least-cost, least-risk plan to meet system load.²¹ The new transmission is needed with or without the new wind. The PTC-eligible wind enabled by the new transmission provides benefits that more than offset the cost of the new wind and transmission projects. Consequently, the new wind and transmission provide all-in economic benefits to customers.²² The customer benefits expected from the new wind and transmission require development of both projects.²³

While there may be opportunities to acquire new renewable resources that can be delivered

¹⁸ DPU Comments at 7.

¹⁹ DPU Comments at 7.

²⁰ IE Report at 5; UAE Comments at 22-23.

²¹ Direct Testimony of Rick T. Link at 3-4, 11.

²² Direct Testimony of Rick T. Link at 7.

²³ Direct Testimony of Rick T. Link at 3.

into other parts of PacifiCorp's transmission system, the 2017 IRP did not identify these opportunities as part of PacifiCorp's least-cost, least-risk plan. All of the resource portfolios produced during the initial stages of the portfolio development phase of the 2017 IRP contained new Wyoming wind resources in 2021, which for modeling purposes was used as a proxy on-line date for PTC-eligible wind achieving commercial operation by the end of 2020. None of the resource portfolios developed during the initial stages of the portfolio development phase of the 2017 IRP indicated that renewable resources delivered into other parts of PacifiCorp's transmission system would provide the economic benefits that are expected with the new wind and transmission projects included in the preferred portfolio.

The 2017 IRP analysis is confirmed by the results of PacifiCorp's 2016R RFP. The 2016R RFP was issued in April 2016 and sought bids for renewable resources that: (1) could potentially be used to meet state renewable portfolio standards; (2) could take full advantage of federal income tax credits; and (3) could deliver energy output to PacifiCorp's west balancing authority area. In May 2016, PacifiCorp received competitive bids for over 6,000 MW of wind, solar, and geothermal projects under a range of commercial structures. The economic evaluation of these bids confirmed that none of the proposals would deliver all-in economic benefits for customers, and the Company closed the 2016R RFP without executing any agreements to procure new renewable resources.

Considering the volume and breadth of bids submitted into the 2016R RFP, the volume of bids expected through the proposed 2017R RFP, and the overall level of renewable resource development activity observed across the Company's system, the Company would expect that a broad solicitation for renewable resources would result in proposals for tens-of-thousands of megawatts. This level of market response would require additional time to review and evaluate

bids and would require extending the RFP schedule. Since announcing its plans to pursue acquisition of new Wyoming wind resources, many different project developers have participated in bidder workshops and several of these developers have communicated their intent to participate in the 2017R RFP. Further, there are thousands of megawatts of Wyoming wind resource capacity seeking interconnection service from PacifiCorp's transmission function, further substantiating that there is adequate wind development activity in Wyoming to support a robust RFP.

Moreover, a broadened scope could require significant revisions to the 2017R RFP. Beyond modifications to the minimum eligibility requirements, the Company would, at minimum, need to revisit its bid evaluation and selection process, pro-forma contracts, technical specifications, the designation of staff assigned to the benchmark team, and default modeling assumptions. This additional work would significantly delay issuance of the 2017R RFP. Consequently, an expanded scope would materially alter the RFP schedule and thereby jeopardize the time-limited opportunity to procure the very wind resources identified in PacifiCorp's least-cost, least-risk plan—resources that when paired with the new transmission, are expected to provide all-in economic benefits to customers.

As noted above, the Company has conferred with the DPU on this issue. The Company explained its concerns that if the 2017R RFP casts too wide a net, the Company may need to delay issuance of the RFP and extend the RFP schedule, which would put the schedule for the time-limited opportunity identified in the 2017 IRP at risk. The Company also noted that notwithstanding the IRP analysis and the results of the 2016R RFP, if parties and the Commission would prefer to test the market and assess a broader scope for potential renewable resource procurement opportunities, this could be achieved through a separate RFP process.

Consideration of this broader RFP can be vetted through the on-going review of the

2017 IRP, and if there is interest in pursuing a broader renewable resource RFP, a second solicitation process could be initiated in the first quarter of 2018. Because this broader solicitation would not be dependent upon a critical-path transmission investment, as is the case in the proposed 2017R RFP, a second RFP process initiated in early 2018 could target renewable resources that can be placed in service by the end of 2020, thereby maximizing opportunities to procure projects that can leverage federal income tax credits. The possibility of procuring additional renewable resources does not need jeopardize the significant opportunity that is being pursued through the proposed 2017R RFP. If additional renewable resources identified through a second solicitation process provide all-in economic benefits for customers, those opportunities can be pursued in addition to, not in lieu of, the wind resource procurement proposed in the 2017R RFP.

E. Interwest Generally Supports the 2017R RFP, and the Company Has Responded to its One Recommended Revision.

Interwest supports the new transmission line and new wind procurement, and because prompt action is necessary, Interwest does not support delay of the RFP proceeding.²⁴ To achieve a fair, open and transparent RFP process, Interwest recommends that the Company revise the requirement for a completed SIS to be submitted with the bid to instead allow for bidders to provide proof that all interconnection requirements may be completed prior to commercial operation, with completion of an SIS no later than January 5, 2018.²⁵ The Company has addressed Interwest's proposal in the revised 2017R RFP, and proposes to require an SIS by the initial short list, which is targeted around November 22, 2017. This allows more time for bidders to comply with the requirement, while still providing the information the Company requires to fairly evaluate bids.

²⁴ Initial Comments of Interwest at 2 (Aug. 4, 2017) ("Interwest Comments").

²⁵ Interwest Comments at 2-3.

F. Contrary to UAE’s Claims, the 2017R RFP is Consistent with the Utah Energy Resource Procurement Act, and is Otherwise in the Public Interest.

UAE claims that the 2017R RFP is inconsistent with the intent and requirements of the Utah Energy Resource Procurement Act (the “Act”).²⁶ This position is contrary to the IE’s conclusion that the 2017R RFP is generally consistent with the Act and the Commission’s rules implementing the Act.²⁷ In addition, the bulk of UAE’s concerns about the 2017R RFP address either the IRP analysis leading to selection of the new wind and transmission resources²⁸ or the prudence of such resources²⁹—neither of which are directly at issue in this case. UAE’s issues regarding the IRP are more appropriately addressed in the on-going IRP proceeding, Docket No. 17-035-16, and its issues regarding prudence belong in the resource pre-approval proceeding, Docket No. 17-035-40.

UAE proposes to limit the reasons available to the Company for rejecting a bid.³⁰ As discussed above, the Company has agreed to address these changes proposed by UAE: (1) Reason #3 - “A new resource that will not qualify for the full PTC;” and (2) Reason # 12: “Failure to provide completed interconnection system impact study (SIS) in bid proposal.” The Company

²⁶ UAE Comments at 5.

²⁷ IE Report at 3.

²⁸ For example, UAE comments (1) that there are timing and transparency concerns with the IRP process, (2) that the new resources are not needed to meet resource need, but instead are proposed for economic benefits alone, (3) that the proposed new resources could involve risk to ratepayers, and (4) approval of the D2 transmission sub-segment may make an economic case for more transmission investment in the future. UAE Comments at 4, 9-10, 19-20. UAE also asserts that the proposed new resources will complicate the Company’s multi-state cost allocation (“MSP”) negotiations because the proposed new resources are all located on the east side, despite an approximate 2,000 MW resource deficit in PacifiCorp West region (“PACW”) and an approximate 2,000 MW resource surplus in the PacifiCorp East region (“PACE”). UAE Comments at 25. The Company disagrees with each of these points, and will respond to them in the IRP docket.

²⁹ For example, UAE argues that the Company’s action during 2016, including investments to acquire wind assets and options on wind assets, acquire strategic wind sites, and submit interconnection requests, should not qualify for pre-approval under Section 3 of the Act. UAE Comments at 8-9. UAE also criticizes the new transmission line on the basis that it will not increase transfer capability west of Bridger, which is a chronically congested path and the only path for the new Wyoming wind to reach Utah loads, and because the Company allegedly did not follow the required Open Access Transmission Tariff (“OATT”) planning and analysis requirements for the D2 segment. UAE Comments at 20-21. The Company disagrees with each of these points and will respond to them in the resource approval docket.

³⁰ UAE Comments at 15-18.

needs to retain the remaining reasons for rejecting a bid, which are designed to provide reasonable protections against uneconomic projects. These off-ramp provisions have been a part of previous RFPs without chilling the bidding process, as alleged by UAE.

UAE argues that the Company's proposed treatment of transmission costs unduly discriminates in favor of benchmark bids. UAE's concerns are unfounded.³¹ 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 included as a system cost when performing the final short list bid evaluation. In the final shortlist evaluation, the Company will assess whether the least-cost, least-risk selection of bids, including the cost of the new transmission investments, provide all-in economic benefits for customers.

The 2017R RFP requires the bidder to break out the costs between those directly assigned to the project for its interconnection and those associated with network upgrades, if any. Direct assigned and network upgrades are necessarily differentiated in the economic evaluation of bids. The direct assigned costs are evaluated on a project basis and are identified in the interconnection studies. The system upgrades costs will be considered as system costs during the price evaluation of bids. The Company will reinforce this point in the bidder conference in September 2017.

UAE recommends that the Company be required to bid each repowering project into an expanded RFP so that repowering can be evaluated on a fair and comparable basis against other alternatives.³² As noted above, the Company has agreed to allow repowering projects to bid into the 2017R RFP provided that they are not already under contract and selling output to PacifiCorp.

UAE suggests that the Commission could require the Company to bid its benchmark resource into the RFP by submitting a "not-to-exceed" benchmark resource bid that it will be

³¹ UAE Comments at 22-23.

³² UAE Comments at 24.

required to live with, like bidders.³³ The Company believes that PPAs, BTAs, and benchmarks all have different risk and reward profiles, which will ultimately be governed by the terms and conditions of contractual arrangements. Because these contracts will all be subject to review by the IE and the Commission for comparability, UAE's proposal is unwarranted.

UAE offers that the Company could be required to sell or allow use of PacifiCorp's sites, interconnection rights and safe-harbor equipment by other bidders.³⁴ UAE's proposal is unworkable because PacifiCorp does not own the benchmark site locations resources in the 2017R RFP, and there are significant legal impediments to transferring the contractual rights that the Company has negotiated with third-party site owners. Lastly, even if such a transfer of rights was plausible, the preparation of site-specific information for bidders to review would delay the current process timeline thereby compromising the RFP schedule and jeopardizing the time-limited wind resource procurement opportunity identified in the 2017 IRP.

Finally, UAE requests that the Commission hold a hearing and delay the schedule in this case.³⁵ In the June 28, 2017 scheduling order, the Commission approved a ten-day extension to the 60-day statutory time period for decision in this case.³⁶ Based on the IE's extensive report and the relatively small number of disputed issues directly pertaining to the 2017R RFP, the Commission has sufficient information to approve the 2017R RFP under the current schedule without a hearing. Maintaining the schedule is essential to the Company's ability to pursue the resources identified in the 2017 IRP and capture significant net power cost reductions and PTC benefits for customers.

The IE noted that the schedule is compressed, but also recognized the time-limited nature of the opportunity associated with the new resources and believed that the process could be

³³ UAE Comments at 25-26.

³⁴ UAE Comments at 26.

³⁵ UAE Comments at 27.

³⁶ Scheduling Order at 3 (June 28, 2017).

completed on time.³⁷ The IE proposed only one minor schedule change to move the Notice of Intent to bid from September 6, 2017 to September 15, 2017 (to take place after the bidder's workshop on September 12, 2017),³⁸ and the Company has agreed to this change. This change will not delay the overall schedule.³⁹

Additionally, UAE states that the Act contemplates that a time-limited opportunity should be addressed through Part 5 of the Act, allowing for waiver of the RFP and/or resource approval process.⁴⁰ UAE suggests that the Company should have requested a waiver rather than rushing the RFP process.⁴¹ The Company's filings in this case and in the resource approval docket are designed to give the Commission and parties the greatest ability possible to review the Company's proposals under the limited time available. This is more consistent with the public interest than UAE's proposal for a waiver and a truncated review process.

III. CONCLUSION

The Company respectfully requests that the Commission issue an order 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.

³⁷ IE Report at 33.

³⁸ IE Report at 33.

³⁹ IE Report at 33.

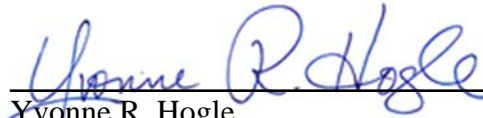
⁴⁰ UAE Comments at 5.

⁴¹ UAE Comments at 5.

DATED this 18th day of August, 2017.

Respectfully submitted,

ROCKY MOUNTAIN POWER



Yvonne R. Hogle

1407 West North Temple, Suite 320

Salt Lake City, Utah 84116

Telephone: (801) 220-4050

Facsimile: (801) 220-3299

Email: Yvonne.hogle@pacificorp.com

Attorney for Rocky Mountain Power



Renewable Request for Proposals

(2017R RFP)

ISSUED: Thursday, August 31, 2017

**DUE DATE: Friday, October 13, 2017
5:00 PM PPT**

2017 RFP Responses:

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

rfp_2017R@pacificorp.com

TABLE OF CONTENTS

	Page
SECTION 1. INTRODUCTION	1
SECTION 2. PROCEDURAL ITEMS	3
SECTION 3. LOGISTICS	4
A. SCHEDULE.....	4
B. INTENT TO BID FORMS	5
C. 20017R RFP BIDDER CONFERENCE.....	5
D. SUBMISSION OF QUESTIONS	5
E. RFP ROLES AND TEAMS.....	6
F. SUBMISSION OF BIDS	8
G. BID EVALUATION FEES	9
H. MINIMUM ELIGIBILITY REQUIREMENTS FOR BIDDERS	9
I. COMPANY RESERVATION OF RIGHTS AND DISCLAIMERS	11
J. ACCOUNTING	11
K. CONFIDENTIALITY.....	11
SECTION 4. RFP CONTENT	12
A. ALL PROPOSALS	12
B. BUILD-TRANSFER AGREEMENT	13
C. POWER PURCHASE AGREEMENT	14
D. ALTERNATIVE BID PROPOSALS	15
A. PRICE INFORMATION	15
B. DIRECT INTERCONNECTION OR THIRD-PARTY INTERCONNECTION AND TRANSMISSION SERVICE.....	16
C. FERC’S STANDARDS OF CONDUCT	18
D. RESOURCE TYPES ELIGIBLE TO BID	18
E. TAX CREDITS AND/OR PROJECT INCENTIVES	18
F. ACCOUNTING	18
G. COST ASSOCIATED WITH DIRECT OR INFERRED DEBT	19
SECTION 6. BID EVALUATION AND SELECTION	20
A. OVERVIEW OF THE EVALUATION PROCESS	20
B. PHASE 1 – INITIAL SHORTLIST	20
C. PHASE 2 – FINAL SHORTLIST.....	24
SECTION 7. AWARDING OF CONTRACTS.....	26
A. INVITATION	26
B. CONFIDENTIALITY AGREEMENT	27
C. NON-RELIANCE LETTER.....	27
D. POST-BID NEGOTIATION	27
E. SUBSEQUENT REGULATORY ACTION	27

Appendices

APPENDIX A	2017R Renewable Project Technical Specification
APPENDIX B	Notice of Intent to Bid and Information Required in Bid Proposals
APPENDIX C	Bid Summary and Pricing Input Sheet (Instructions for PPA and BTA)
APPENDIX D	Bidder's Credit Information
APPENDIX E-1	PPA Instructions to bidders
APPENDIX E-2	Power Purchase Agreement (PPA) Documents
APPENDIX F-1	BTA Instructions to bidders
APPENDIX F-2	Build Transfer Agreement (BTA) Documents
APPENDIX G	Confidentiality Agreement and Non-Reliance Letter
APPENDIX H	Reserved – Intentionally Left Blank - See APPENDIX C for Pricing Input Sheet
APPENDIX I	FERC's Standards of Conduct
APPENDIX J	Qualified Reporting Entity Services Agreement
APPENDIX K	General Services Contract-Operations & Maintenance Services for Project
APPENDIX L	PacifiCorp's Company Alternative (Benchmark Resource)
APPENDIX M	Role of the Independent Evaluator (Oregon and Utah)
APPENDIX N	Code of Conduct Governing PacifiCorp's Intra-Company Relationships for RFP Process
APPENDIX O	Description of PacifiCorp's Proposed Gateway Segment D Transmission Project

SECTION 1. INTRODUCTION

This 2017R Request for Proposals for renewable resources (2017R RFP) is seeking cost-competitive bids for up to 1,270 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 up to December 31, 2020.¹

PacifiCorp (sometimes also referred to herein as the "Company") is seeking proposals for competitively-priced new or repowered existing wind projects to deliver to PacifiCorp's transmission system in Wyoming. Proposals for wind resources must demonstrate as interpreted by applicable guidance of the Internal Revenue Service (IRS), to PacifiCorp's satisfaction, that projects will qualify for 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-metered² and can be individually metered and remotely monitored. The minimum project size is 10.0 MW³. 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 or repowered existing 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 to PacifiCorp's transmission system in Wyoming with the use of third-party firm transmission service⁴.

¹ 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% from projects beginning construction each year thereafter until it expires completely beginning on January 1, 2020.

² 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.

³ Qualifying Facilities (QF) greater than 10.0 MW will be allowed to participate in accordance with Oregon UM 1182, Order 14-149, Competitive Bidding Guideline #6.

⁴ See **Appendix O** for description of proposed Gateway Segment D2 or go to the interactive Gateway project map at <http://www.gatewaywestmaps.com/>.

Bids submitted with repowered wind resources will not be allowed if the existing wind resource currently has a power purchase agreement with PacifiCorp for the offtake of the energy.

PacifiCorp will consider proposals for the two following transaction structures:

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 generated⁵. At the bidder’s option, the PPA bid submittal can include two distinct alternatives:
 - a. the right for PacifiCorp to purchase the project assets during or at the end of the 20-year contract term at fair market value (FMV) to retain the value of the site for customers, or;
 - b. the right for PacifiCorp to extend the term of the PPA at a fixed price (\$/MWh) for up to ten (10) years beyond the 20 year term.

Bidders must clearly articulate in their bid that they are offering the base 20-year PPA bid and the PPA alternatives allowed, if any. 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 four (4) 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 06-046⁶. 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

⁵ As the term, Environmental Attributes, is defined in the pro-forma transaction documents for this RFP.

⁶ Public Utility Commission of Oregon Docket UM 1182, In the Matter of an Investigation Regarding Competitive Bidding, Order 06-046.

manner.⁷ 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 M** for both Oregon and Utah.

Contact information for the IEs is as follows:

Independent Evaluators:
Oregon - Bates White Frank Mossberg (202) 652-2194 frankmossberg@bateswhite.com
Utah – Merrimack Energy Wayne Oliver 603-427-5036 waynejoliver@aol.com

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.

⁷ 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.

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 bid proposal, bidders must submit a bid fee of \$10,000 which allows a bidder to submit a base proposal and two (2) alternatives for the same \$10,000 bid fee. Bidders will also be allowed to offer up to three (3) additional alternatives to the base proposal at a fee of \$3,000 per alternative.

SECTION 3. LOGISTICS

A. SCHEDULE

Milestone	Date	Day of Week
RFP Issued to Market	08/31/2017	Thursday
1st Bidder's Conference	09/12/2017	Tuesday
Notice of Intent to Bid Due	09/15/2017	Thursday
Benchmark Bids Due	10/06/2017	Friday
RFP Bids Due	10/13/2017	Friday
Bid Eligibility Screening Completed	10/20/2017	Friday
Initial Shortlist (ISL) Evaluation/Scoring Completed	11/22/2017	Wednesday
IEs' Review of ISL Completed	12/06/2017	Wednesday
ISL Best and Final Price Update	12/13/2017	Wednesday
Final Shortlist (FSL) Evaluation Completed	01/08/2018	Monday
IEs' Review of FSL Completed	01/15/2018	Monday
FSL submitted to Oregon and Utah Commission	01/16/2018	Tuesday
OR Commission FSL Acknowledgement Order	03/20/2018	Tuesday
UT Commission Order in Pre-approval Proceeding	03/30/2018	Friday
Execute Agreements	04/16/2018	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 must return both the “Intent to Bid Form” (**Appendices B**) and the “Bidder’s Credit Information” (**Appendix D**) as set forth below.

Bidders shall submit an electronic copy to the 2017R RFP mailbox, rfp_2017R@pacificorp.com, 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 Friday, September 15, 2017.**

Oregon and Utah Independent Evaluator
 Bates White and Merrimack Energy
 c/o PacifiCorp
 Attention: 2017R RFP
 825 NE Multnomah, Suite 600
 Portland, Oregon 97232
 Email: rfp_2017R@pacificorp.com

C. 20017R RFP BIDDER CONFERENCE

A bidder conference will be held on Tuesday, September 12, 2017 in both Utah and Oregon locations. The bidder conference will cover the 2017R RFP structure, deliverables and schedule as well as allocating specific time to cover interconnection and transmission service requirements. 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 may be sent to Company via email at rfp_2017R@pacificorp.com or to the Oregon and Utah IEs as described below.

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

Oregon IE: Bates White
 Frank Mossburg – frankmossburg@bateswhite.com

Utah IE: Merrimack Energy
 Wayne Oliver - waynejoliver@aol.com

IE Website - In addition, the IEs will host a website dedicated to information exchange and archiving between the bidder, IE, and PacifiCorp. The IE site, separate from PacifiCorp’s RFP website, will not be used for bid submittal, rather it can be used by the bidder for specific questions related to their bid or the RFP. More details will be posted on PacifiCorp’s RFP website.

E. RFP ROLES AND TEAMS

The RFP teams will be established by PacifiCorp prior to the final approval of the RFP. The RFP teams shall consist of an evaluation team, intent to bid team, benchmark team, and IRP team. The composition of the teams and their primary roles and responsibilities are shown in the following table and further described in **Appendix N**.

Team	PacifiCorp Department	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 Appendix M for the roles of the 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.
	Structuring and pricing and/or third-party consultants as required	Economic analysis and modeling including validation of the inputs to the production cost modeling and risk assessment of the market bids and the benchmark bids. Evaluation of the price components of the analysis.

Team	PacifiCorp Department	Roles
	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).
	Credit	Evaluate credit requirements for final shortlist bidders
	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 Oregon and Utah IEs to ensure that Appendices B and Appendix D are complete.
Benchmark Team	Resource development, wind operations, financial analysis, legal	The benchmark team prepares and submits PacifiCorp's benchmark bids.
IRP Team	IRP workgroup	The IRP team will be treated as a shared resource to perform work for the evaluation team and the benchmark team in running SO and PaR models. Consistent with PacifiCorp's identification of shared employees under FERC's Standards of Conduct, ⁸ the IRP team will not share any information it obtains from either team with the other team and the IRP team will not share any non-public transmission system information with either team at any point in the process.

⁸ See Appendix I

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

A signed original hard copy of the bid shall be submitted prepared on standard 8 1/2 inch by 11 inch recycled paper, duplex printed (2 sided). **THE BID MUST BE ORGANIZED IN THE SAME ORDER AS THE INFORMATION IS REQUESTED IN THIS RFP.** The hard copy bid should also include four (4) copies of the full proposal on individual USB flash drives or disks. PacifiCorp may reject any bid that fails to follow these instructions.

In addition, bidders must submit one (1) electronic copy to PacifiCorp at: rfp_2017R@pacificorp.com.

Bids will be accepted until 5:00 p.m. Pacific Prevailing Time on **Friday, October 13, 2017.** **All bid proposals shall have a bid validity date through 5:00 pm PPT, April 16, 2018.** 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 two (2) alternatives submitted. Bidders will also be allowed to offer up to three (3) additional alternatives to the base proposal at a fee of \$3,000 per alternative. 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 in-service 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) to cover any incremental costs of the Oregon and Utah IEs as well as serve 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. Documentation of the calculation of the success fee will be provided at the time the bidder is selected.

Bid fees shall be paid by wire transfer to PacifiCorp. In response to a bidder sending an email to rfp_2017R@pacificorp.com, no earlier than 5 business days prior to 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 ELIGIBILITY 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. Failure to demonstrate a commercial operation date prior to December 31, 2020.
4. 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.
5. Any attempt to influence PacifiCorp in the evaluation of the proposals, outside the solicitation process.
6. Failure to provide a firm offer through the bid validity date outlined in Section 3.F. of this RFP.

7. Failure to disclose the real parties of interest in the submitted proposal.
8. 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.
9. Failure to clearly specify all pricing terms for each alternative(s).
10. 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 to PacifiCorp's transmission system in Wyoming with the use of third-party firm transmission service (including appropriate contract term lengths and commercial operation dates).
11. Failure to provide evidence that the proposed project has either: (1) requested a direct interconnection with PacifiCorp's Wyoming system and executed an interconnection feasibility study agreement with PacifiCorp's transmission function; or (2) requested interconnection with a third party's system, executed an interconnection feasibility study agreement with the third party transmission provider, and requested long-term, firm third-party transmission service from the resource's point of interconnection with the third party's system to the proposed point of delivery on PacifiCorp's system in its Wyoming service territory.
12. Failure to provide interconnection costs and transmission service costs, if applicable, in bid proposal. Costs estimates shall be performed by the project if a transmission provider study has not been completed or is not available at the time of submittal.
13. Proposal presents unacceptable level of development or technology risk.
14. Failure to materially comply with technical specification requirements in **Appendix A** for proposals involving potential PacifiCorp ownership or operational control.
15. 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.
16. Failure to demonstrate, to PacifiCorp's satisfaction, that it can meet the credit security requirements for the renewable resource proposed.
17. Failure to submit information required by PacifiCorp to evaluate the price and non-price factors described herein.
18. Failure to or unable to abide by the applicable safety standards.
19. Bidder submits an unacceptable contract structure.
20. Collusive bidding or any other anticompetitive behavior or conduct exists.
21. Bidder or proposed project being bid is involved in bankruptcy proceedings.
22. Failure of the bidder's authorized officer to sign the proposal.
23. Misrepresentation or failure to abide by Federal Trade Commission Green guidelines.
24. Any change in regulations or regulatory requirements that make the bidder's proposal non-conforming.
25. Any matter impairing the bidder, the specified resource or the generation of power or environmental attributes of the renewable resource.
26. Failure to provide two years of wind resource data for a proposed wind project, as validated by a third party engineering firm, as applicable.

27. Failure to provide a performance model output including hourly output values as identified in **Appendix A**.
28. Failure to provide **Exhibit D - Bidder's Credit Information**, and **Appendix H - Form 1 - Pricing Input Sheet**.
29. 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.
30. Any matter impairing bidder, specified resources or the generation of power or non-power attributes therefrom.

I. COMPANY RESERVATION OF RIGHTS AND DISCLAIMERS

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 if project is selected to the initial shortlist.

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		
<i>Appendix A-1</i>	<i>Overview of Appendices</i>	--	--
<i>Appendix A-2</i>	<i>Interconnection Agreement</i>	X	X
<i>Appendix A-3</i>	<i>Permit-Matrix</i>	X	X
<i>Appendix A-4</i>	<i>Not used</i>		
<i>Appendix A-5</i>	<i>Project One-line Drawing and Layout</i>	X	X
<i>Appendix A-6</i>	<i>Division of Responsibility</i>		X
<i>Appendix A-7</i>	<i>Owner Standards and Specification</i>		X
<i>Appendix A-8</i>	<i>Performance Summary Report</i>	X	X

	2016R RFP Bid Applicability	PPA	BTA
<i>Appendix A-9</i>	<i>Product Data- Equipment Supply Matrix</i>	X	X
<i>Appendix A-10</i>	<i>Plant Performance Guarantee</i>		X
Appendix B	Intent to Bid and Information Required in Bid Proposal	X	X
Appendix C	Bid Summary and Pricing Input Sheet for PPA and BTA Bids (including term sheets)	X	X
Appendix D	Bidder's Credit Information	X	X
Appendix E-1	PPA Instructions to Bidders	X	
Appendix E-2	PPA and Exhibits	X	
Appendix F-1	BTA Instructions to Bidders		X
Appendix F-2	BTA and Appendices (A-Q)		X
Appendix G	Confidentiality Agreement and Non-Reliance Letter	X	X
Appendix H	Reserved – Intentionally Left Blank - see Appendix C for Pricing Input Sheet		
Appendix I	FERC's Standards of Conduct		
Appendix J	QRE Agreement	X	
Appendix K	General Services Contract-Operations & Maintenance Services or other resource type		X
Appendix L	PacifiCorp's Company Alternative (Benchmark Resource)		
Appendix M	Role of Independent Evaluator	X	X
Appendix N	Code of Conduct Governing PacifiCorp's Intra-Company Relationships with RFP Process	X	X
Appendix O	Description of Gateway Segment D2		

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 commercial operation by December 31, 2020, and that any new wind resource will be eligible to claim, as applicable, the full or partial federal PTC as interpreted by applicable guidelines and rules of the Internal Revenue Service.

The BTA *pro forma* documents are attached as Appendix F-2 - Build Transfer Agreement (BTA). Bidders should include a redlined or marked up version of **Appendix F-2 Build Transfer Agreement** showing exceptions to the terms of the pro forma BTA document. Bidders objecting to terms should provide alternate language and context to the objections for PacifiCorp to evaluate the alternate language.

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” or “commercial operation 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 resource or a repowered wind resource must comply with the applicable 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, but not required to, include a contractual option for PacifiCorp to acquire the facility at fair market value (FMV) 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 FMV purchase option proposals, bidders must indicate how the pricing within the PPA is impacted by inclusion of one or more FMV purchase options.

The bidder may also include an option in the PPA for PacifiCorp to exercise an extension of the PPA at a fixed price for up ten (10) years.

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 or partial federal PTC as interpreted by applicable guidelines and rules of the Internal Revenue Service.

Bidders should include a redlined or marked up version of **Appendix E-2 Power Purchase Agreement** showing exceptions to the terms of the pro forma PPA document. Bidders objecting to terms should provide alternate language and context to the objections for PacifiCorp to evaluate the alternate language.

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.

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 submitted proposals. Price information that must be supplied by the bidder includes:

Information Requested	PPA	PPA (if Purchase Option included)	BTA
Term: start and end date of base PPA and PPA extension, if applicable	X	X	
Transmission cost assumptions	X	X	X
Point of delivery (POD) and Point of receipt (POR)	X	X	X
Expected annual dispatch pattern, or generation profile, that reflects availability ⁹	X	X	X
Availability rate assumed in annual dispatch or generation profile data	X	X	X
Designation of firm or unit contingent energy deliveries	X	X	

⁹ Section 3.F.3 of the 2017R RFP describes the type of generation profiles required.

Information Requested	PPA	PPA (if Purchase Option included)	BTA
Energy price (\$/MWh) including fixed price for the term or 1 st year price with escalation for the base PPA and PPA extension, if applicable	X	X	
Price and milestone payment schedule (\$ and dates, as applicable)		X	X
Variable O&M cost (\$/MWh, as applicable) ¹⁰		X	X
Fixed O&M cost (\$/Year, as applicable) ¹¹		X	X
Ongoing capital (\$/Year, as applicable)		X	X
Other variable costs, <i>i.e.</i> , royalties (% of energy revenue, or \$/MWh, as applicable)		X	X
Variable energy payment, with escalation (\$/MWh escalating at X%/year, as applicable)		X	X
Fixed capacity payment, with escalation (\$/Month growing at X%/year, as applicable)		X	X
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	X	X	X

B. DIRECT INTERCONNECTION OR THIRD-PARTY INTERCONNECTION AND TRANSMISSION SERVICE

PacifiCorp is seeking resources capable of: (1) directly interconnecting with PacifiCorp’s Wyoming system inclusive of the proposed Gateway Segment D2 Aeolus to Bridger Anticline substation and transmission system;¹² or (2) interconnecting with a third-party system and using third-party firm transmission service to deliver to PacifiCorp’s Wyoming system. With either method, PacifiCorp prefers bids that will not face significant transmission costs or constraints between: (1) the resource’s point of interconnection or the resource’s delivery point on PacifiCorp’s Wyoming system; and (2) PacifiCorp network load. While PacifiCorp provides these general guidelines, the available transfer capability from the project or project delivery point to PacifiCorp’s network load cannot be known or estimated until the bidder identifies its proposed point of interconnection/point of delivery.

¹⁰ PacifiCorp may supply certain operational and maintenance costs for consistency across similar bids.

¹¹ PacifiCorp may supply certain operational and maintenance costs for consistency across similar bids.

¹² Further description of the proposed Gateway Segment D2 in the Wyoming transmission system is included in **Appendix O**.

Bidders are thus required to provide as much granularity and documentation as possible regarding their proposed point of interconnection/point of delivery.

As noted above, the minimum eligibility requirements for bidders include the provision of evidence that the proposed project has either: (1) requested a direct interconnection with PacifiCorp's Wyoming system and executed an interconnection feasibility study agreement with PacifiCorp's transmission function; or (2) requested interconnection with a third party's system, executed an interconnection feasibility study agreement with the third party transmission provider, and requested long-term, firm third-party transmission service from the resource's point of interconnection with the third party's system to the proposed point of delivery on PacifiCorp's system in its Wyoming service territory.

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 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.

Although not required for initial bidding eligibility, PacifiCorp will ultimately require a completed interconnection system impact study (for directly interconnected projects) or a completed third-party interconnection system impact study and a completed third-party transmission service study (for projects using third-party transmission) to be factored in when PacifiCorp develops the shortlist. PacifiCorp will examine critical study information such as: (1) whether the studies support a December 31, 2020 commercial operation date; (2) interconnection and/or transmission costs; and (3) whether any third-party transmission arrangements will be available to the bidder during the full term of the offer(s) proposed or include contractual roll-over options if available to the bidder.

Bidders choosing the third-party interconnection and third-party transmission option are responsible for any current or future third-party tariff requirements 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 to the point of delivery on PacifiCorp's system in its Wyoming service territory. These costs will not be included in the evaluation of the proposals as they are assumed to be the responsibility of the bidder.

Bidders that propose bids relying on third-party transmission should also 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 and proposed resources 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.

C. 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 interconnection or 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.

D. RESOURCE TYPES ELIGIBLE TO BID

PacifiCorp is seeking new wind energy resources or repowered existing wind 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 to PacifiCorp's system in Wyoming with the use of third-party firm transmission service. Repower existing wind resources cannot currently have a power purchase agreement with PacifiCorp for the offtake of the energy.

E. 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.

F. 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 if the bid is selected to the initial shortlist. 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 lease¹³ pursuant to ASC 840, or (ii) the seller or assets owned by the seller, as a result of an applicable contract, be consolidated as a variable interest entity (VIE) onto PacifiCorp's balance sheet.¹⁴

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 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.

G. 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.

¹³ "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.

¹⁴ "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 and 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 WEIGHTING

Non-Price Factor	Non-Price Factor Weighting
<p>1. Conformity to RFP Requirements:</p> <ul style="list-style-type: none"> • Bids provided all required RFP information pursuant to RFP instructions and schedule, including the accuracy of such information. • Bids provided complete and accurate required RFP information of but not limited to documentation of site control and permitting process, environmental compliance plan, and interconnection or transmission arrangements. • Bids in compliance with technical specifications as outlined in Appendix A (applicable primarily to BTA bids or PPA bids with a purchase option) • Bidder’s development and construction experience related to large scale wind projects. 	4%
<p>2. Project Deliverability:</p> <ul style="list-style-type: none"> • Bids demonstrated the commercial operation date would be achieved by December 31, 2020. • Bids provided sufficient detail, including schedule(s) and documentation, to demonstrate the ability of meeting all of the project’s environmental compliance, permits, and equipment procurement. • Bids demonstrate and provide sufficient detail regarding access to generation equipment and well defined O&M plan and financing plan. • Bids included documentation that projects qualify for and would receive the full or partial value of the federal PTC as interpreted by applicable guidelines and rules of the Internal Revenue Service at commercial operation. 	8%
<p>3. Transmission Progression:</p> <ul style="list-style-type: none"> • Bids provided sufficient detail, including schedule(s) and documentation for completing project interconnection and securing any required third party transmission service to support December 31, 2020 commercial operation date. 	8%

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 nominal levelized \$/MWh net benefit for each benchmark resource and market bid will be force ranked, with a maximum of 80 points to the evaluated bid with the highest calculated net benefit, a minimum of zero (0) points to the evaluated bid with the lowest calculated net benefit; and the remaining bids scored on the 0 to 80 point scale according to the relationship of their respective calculated net benefits to those of the highest and lowest bids.

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 14-149¹⁵. 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.

All bids selected to the initial shortlit will be assessed by PacifiCorp for appropriate accounting and tax treatment. Bids will be evaluated for: (i) a contract be accounted for by PacifiCorp as a capital lease or operating lease pursuant to ASC 840, or (ii) the seller or assets owned by the seller, as a result of an applicable contract, be consolidated as a variable interest entity (VIE) onto PacifiCorp's balance sheet.

PacifiCorp is unwilling to be subject to accounting or tax treatment that results from 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.

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 short-listed 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

¹⁵ Public Utility Commission of Oregon Docket UM 1182, In the Matter of an Investigation Regarding Competitive Bidding, Order 14-149.

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 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.

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).¹⁶ 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.

¹⁶ 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.

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.¹⁷

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.

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;

¹⁷ 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 95th percentile to the stochastic mean. The risk-adjusted metric incorporates the expected value of low-probability, high-cost outcomes.

- 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 final 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):

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	
Resource type: New wind or repowered existing wind project	
Structure of each bid: BTA or PPA	
If a PPA, indicate term in years (inclusive of PPA extension, if applicable)	
Size of each bid asset in MW capacity (nominal)	
Location (County, State) (GPS coordinates)	
Estimated Commercial Operation Date (month/year) for each bid	

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 _____

Print Name _____

Title _____

Date _____

Bidders who intend to be considered as part of this RFP process must return both the “Intent to Bid Form” (Appendices B) and the “Bidder’s Credit Information” (Appendix D) as set forth below.

Bidders shall submit an electronic copy to the 2017R RFP mailbox, rfp_2017R@pacificorp.com, 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 Friday, September 15, 2017.

Oregon and Utah Independent Evaluator

Bates White and Merrimack Energy

c/o PacifiCorp

Attention: 2017R RFP

Resource & Commercial Strategy

825 NE Multnomah, Suite 600

Portland, Oregon 97232

Email: rfp_2017R@pacificorp.com

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 (2) 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:
 - New or repowered wind resource

- 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
- Status of 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 production¹ 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 Service - 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 interconnection costs and transmission service costs. Costs estimates shall be performed by the project if a transmission provider study has not been completed or is not available at the time of submittal. Copies of all completed interconnection and transmission service studies must be provided.

¹ Expected Annual Energy production must be the same value used in other parts of this proposal.

The minimum eligibility requirements for bidders include the provision of evidence that the proposed project has either: (1) requested a direct interconnection with PacifiCorp's Wyoming system and executed an interconnection feasibility study agreement with PacifiCorp's transmission function; or (2) requested interconnection with a third party's system, executed an interconnection feasibility study agreement with the third party transmission provider, and requested long-term, firm third-party transmission service from the resource's point of interconnection with the third party's system to the proposed point of delivery on PacifiCorp's system in its Wyoming service territory.

Although not required for initial bidding eligibility, PacifiCorp will ultimately require a completed interconnection system impact study (for directly interconnected projects) or a completed third-party interconnection system impact study and a completed third-party transmission service study (for projects using third-party transmission) to be factored in when PacifiCorp develops the shortlist in November 2017. PacifiCorp will examine critical study information such as: (1) whether the studies support a December 31, 2020 commercial operation date; (2) interconnection and/or transmission costs; and (3) whether any third-party transmission arrangements will be available to the bidder during the full term of the offer(s) proposed or include contractual roll-over options if available to the bidder.

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 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:

Tab	Description	PPA	BTA
1	Bid Summary	X	X
2	8760 Energy Production	X	X
3	PPA Pricing	X	
4	Purchase Option	X	
5	BTA Pricing		X

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. In addition, if bidders are including a purchase option then bidders shall 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

- Expected Rate %
- Rate Escalation %
- Initial Cost Assessed Value \$000
- Replacement Cost Escalation %
- Depreciation
- 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 (PPA) or Build Transfer Agreement (BTA), 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
- d) the 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 PPAs, 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 will hold any credit security for a longer period, due to the length of the contract. PacifiCorp has determined the amount of credit assurances required for these types of transactions as **\$200.00/kW**, based upon nameplate project size, to be provided at contract execution. The amount of credit assurances required will be reduced to \$100.00/kW upon the project achieving commercial operation date and will be held until the agreement expires.

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. PacifiCorp has determined the amount of credit assurances required for these types of transactions as **\$200.00/kW**, based upon nameplate project size. The credit assurance requirement will be terminated upon the project achieving commercial operation date with proven production tax credit eligibility of all wind turbine generators.

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.

Posting of Credit Security

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

For a PPA bid, the bidder is to refer to **Appendix E-2**, 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.

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.
Bidder should provide a copy of the available Interconnection Agreement and all available interconnection studies (i.e., Feasibility Study, System Impact Study, and Facility Study).
If interconnected to Other Interconnection Utility, include the transmission service agreement or arrangements to deliver to PacifiCorp's system.
Bidder should provide a copy of the available Transmission Service Agreement, if applicable, and all available 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 short-list.

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
Mutual Confidentiality Agreement shall be executed upon making the initial short-list.
Non-Reliance Letter shall be executed upon notification of making the Final Short-list.
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.
Bidder should provide a copy of the available Interconnection Agreement and all available interconnection studies (i.e., Feasibility Study, System Impact Study, and Facility Study).
If interconnected to Other Interconnection Utility, include the transmission service agreement or arrangements to deliver to PacifiCorp's system.
Bidder should provide a copy of the available Transmission Service Agreement, if applicable, and all available 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 Request 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. Confidential Information. “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 non-confidential 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. Confidentiality; Disclosure.

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

6. Costs and Expenses. 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. Remedies. 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. Venue and Choice of Law. This Agreement is governed by the laws of the State of Oregon. Any suit, action or proceeding arising out of the subject matter hereof, or the interpretation, performance or breach hereof, 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. Miscellaneous. 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

a _____

By: _____
Its: _____

By: _____
Its: _____

Non-Reliance Letter

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

Date

[Name]

[Address]

Re: PacifiCorp's 2017R Request for Proposals Renewable Resources

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 2017²**

[See PPA Exhibit 4.6 (2)]

Not required for BTA.

² 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 develop³.
- 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.

³ Projects # 2, 3, and 4 are projects that PacifiCorp has development rights for but does not preclude the owner of the projects or other developers from submitting separate market bids with the projects.

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.⁴

The Independent Evaluator will facilitate and monitor communications between PacifiCorp and bidders, including PacifiCorp’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 market 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;

⁴ 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 Utah and Oregon 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.
- l. Advise the Commissions 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 Commissions.
- 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 PacifiCorp's benchmark team:
 - a. The evaluation team, may not be members of the 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 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 benchmark team attempt to contact a member of the evaluation team, such bidder or member of the 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 employees who will be responsible for the evaluation of the bids and the development of any company benchmark resource. These employees and teams are also defined and described in Section 3.E of the 2017R RFP. The evaluation team and the 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 employees from several PacifiCorp departments. Consistent with PacifiCorp's identification of shared employees under FERC's Standards of Conduct,⁵ 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 are set forth below, along with the individual member's name and title and information status restrictions.

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

1. Origination

Roles: Members of origination will be responsible for overall coordination of the RFP process, including bid process management for all proposals. Origination will have responsibility to coordinate with the IE and all of the evaluation team. Origination will perform the evaluation of the non-price components of the bid analysis. Origination will participate on the Intent to Bid team.

⁵ See Appendix I

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. Structuring and Pricing

Roles: Members of PacifiCorp's structuring and pricing 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 resources.

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. Environmental

Roles: Environmental 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. Credit

Roles: Credit 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 credit will have 2017R RFP-related contact or communication with any bidder unless the IE is included. Credit will also participate on the Intent to Bid team.

BENCHMARK TEAM

Benchmark Team Resource development, wind operations, financial

PacifiCorp's benchmark team prepares and submits PacifiCorp's benchmark bids into the 2017R RFP. The benchmark team is comprised of employees within PacifiCorp that are assigned to complete all the tasks associated with preparation of the proposals in compliance with the RFP requirements.

1. Resource Development

Roles: Members of resource development will be responsible for overall coordination of preparing the benchmark resource proposal. Resource development will have responsibility to coordinate with the IE and the evaluation 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 benchmark team will have 2017R RFP-related contact or communication with any evaluation team member unless the IE is included.

2. Financial

Roles: Members of PacifiCorp's financial department will be responsible for the economic analysis and modeling tasks associated with preparation of the proposals in compliance with the RFP requirements.

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 benchmark team will have 2017R RFP-related contact or communication with any evaluation team member unless the IE is included.

3. Wind Operations

Roles: Wind operations will be responsible for development of the applicable environmental, siting and facilities permits and other environmental studies associated with preparation of the proposals in compliance with the RFP requirements. Wind operations will also provide O&M costs for the benchmark submittals.

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 benchmark team will have 2017R RFP-related contact or communication with any evaluation team member unless the IE is included.

RFP APPENDIX O

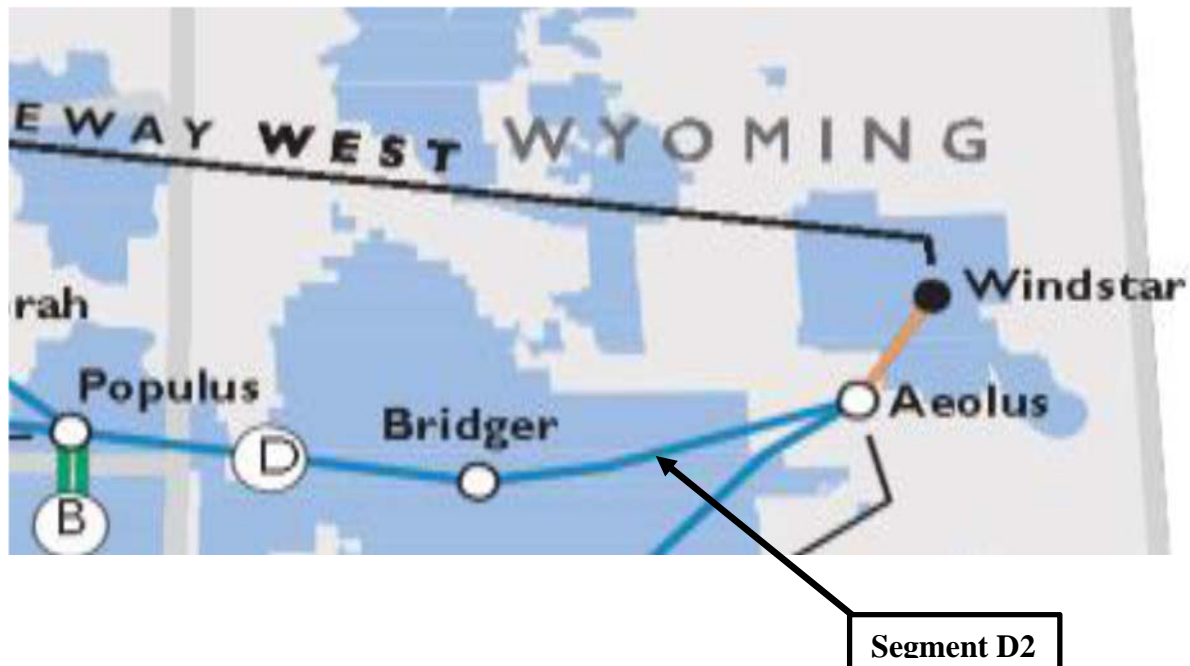
Description of Proposed Gateway Segment D2

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 <http://www.gatewaywestmaps.com/>.



CERTIFICATE OF SERVICE

Docket No. 17-035-23

I hereby certify that on August 18, 2017, a true and correct copy of the foregoing was served by electronic mail and overnight delivery to the following:

Utah Office of Consumer Services	
Cheryl Murray Utah Office of Consumer Services 160 East 300 South, 2 nd Floor Salt Lake City, UT 84111 cmurray@utah.gov	Michele Beck Utah Office of Consumer Services 160 East 300 South, 2 nd Floor Salt Lake City, UT 84111 mbeck@utah.gov
Division of Public Utilities	
Erika Tedder Division of Public Utilities 160 East 300 South, 4 th Floor Salt Lake City, UT 84111 etedder@utah.gov	
Assistant Attorney General	
Patricia Schmid Assistant Attorney General 500 Heber M. Wells Building 160 East 300 South Salt Lake City, Utah 84111 pschmid@agutah.gov	Robert Moore Assistant Attorney General 500 Heber M. Wells Building 160 East 300 South Salt Lake City, Utah 84111 rmoore@agutah.gov
Justin Jetter Assistant Attorney General 500 Heber M. Wells Building 160 East 300 South Salt Lake City, Utah 84111 jjetter@agutah.gov	Steven Snarr Assistant Attorney General 500 Heber M. Wells Building 160 East 300 South Salt Lake City, Utah 84111 stevensnarr@agutah.gov
Utah Association of Energy Users	
Gary A. Dodge HATCH, JAMES & DODGE, P.C. 10 West Broadway, Suite 400 Salt Lake City, UT 84101 gdodge@hjdllaw.com	Phillip J. Russell HATCH, JAMES & DODGE, P.C. 10 West Broadway, Suite 400 Salt Lake City, UT 84101 prussell@hjdllaw.com

Interwest Energy Alliance	
Mitch M. Longson MANNING CURTIS BRADSHAW & BEDNAR PLLC 136 East South Temple, Suite 1300 Salt Lake City, UT 84111 mlongson@mc2b.com	Sarah Cottrell Propst Interwest Energy Alliance 341 East Alameda Santa Fe, NM 87504-8526 propst@interwest.org



Jennifer Angell
Supervisor, Regulatory Operations