

May 25, 2018

***VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY***

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. 18-035-21 – In the Matter of the Application of Rocky Mountain Power for Approval of Solicitation Process for Solar Photovoltaic and Thermal Resources**

Rocky Mountain Power (the “Company”) files its application and supporting pre-filed direct testimony and exhibits of Mr. Mark Tourangeau, seeking approval of the solicitation process for the 2018 Renewable Resource Utah Request For Proposals (“2018R Utah RFP”). As requested by the Commission for filings greater than 100 pages, Rocky Mountain Power is providing seven (7) printed copies of the filing via overnight delivery. The appendices to the draft 2018R Utah RFP referenced in Exhibit RMP___(MRT-1) will be provided electronically.

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

By E-mail (preferred): datarequest@pacificorp.com
utahdockets@pacificorp.com
Jana.saba@pacificorp.com
jacob.mcdermott@pacificorp.com

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, OR 97232

Informal inquiries may be directed to Jana Saba at (801) 220-2823.

Sincerely,



Joelle Steward
Vice President, Regulation

CERTIFICATE OF SERVICE

Docket 18-035-21

I hereby certify that on May 25, 2018, 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
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Attorneys for Rocky Mountain Power

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of)	
Rocky Mountain Power for Approval of)	Docket No. 18-035-21
Solicitation Process for Solar)	APPLICATION FOR APPROVAL OF
Photovoltaic and Thermal Resources)	SOLICITATION PROCESS
)	

I. INTRODUCTION

In accordance with Utah Code Ann. § 54-17-807, Rocky Mountain Power, a division of PacifiCorp (“Company”) submits this application (“Application”) to the Public Service Commission of Utah (“Commission”). The Company respectfully requests that the Commission issue an order approving the Company’s 2018 Renewable Resources Utah Request for Proposals (“2018R Utah RFP”), seeking up to approximately 308,000 megawatt-hours (“MWh”) per year, for up to 25 years, of new geothermal, solar photovoltaic, and/or wind resources that can achieve commercial operation before March 31, 2020.

In support of its Application Rocky Mountain Power states as follows:

1. The Company is a public utility that provides electric service to retail customers through its Rocky Mountain Power division in the States of Utah, Wyoming, and Idaho, and through its Pacific Power division in the states of Oregon, California, and Washington. Rocky Mountain Power is subject to the Commission’s jurisdiction with respect to its prices and terms of

electric service to retail customers in Utah. The Company serves approximately 870,000 customers in Utah Rocky Mountain Power's principal place of business in Utah is 1407 West North Temple, Suite 310, Salt Lake City, Utah 84116.

2. Communications regarding this Application should be addressed to:

Jana Saba
Utah State Regulatory Affairs Manager
Rocky Mountain Power
1407 West North Temple, Suite 330
Salt Lake City, Utah 84116
Telephone: 801-220-2823
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In addition, the Company requests that all data requests regarding this matter be addressed to:

By email (preferred): datarequest@pacificorp.com

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, OR 97232

Informal inquiries may be directed to Jana Saba by telephone at 801-220-2823.

II. BACKGROUND

3. Residential, commercial, industrial, and municipal entities are increasingly interested in meeting part or all of their electric energy requirements with renewable resources. These customers often have sustainability goals or mandates to ensure their facilities operate with

renewable energy. In an effort to meet customers' interests, the Company has expanded its voluntary renewable energy options over the past several years.

4. For example, the Company offers service to qualified customers under Electric Service Schedule 34, Renewable Energy Tariff ("Schedule 34"), which allows the Company to enter into flexible contract structures with these customers to facilitate the timing and process for the acquisition of renewables on their behalf and the customization in the rate determination and design.

5. Electric Service Schedule 73, the Subscriber Solar Program ("Subscriber Solar Program" or "Schedule 73") is another voluntary renewable energy option included in the Company's renewable offerings portfolio. Under this program, customers are able to purchase blocks of electricity from a solar resource at a fixed price. These block purchases are used to offset the customers' actual billed electricity usage at their home or business. The program is already fully subscribed with many interested customers on a waiting list to join.

6. In an effort to continue facilitating customers' desire for more renewable energy, during the 2018 legislative session, the Company supported House Bill 261 (Renewable Energy Amendments) ("HB 261") which, among other things, allows utilities to acquire solar resources using the prevailing market rate under certain circumstances to serve customers, including customers taking service under Schedules 32, 34, and 73. To establish the prevailing market for solar energy project resources, the Company is required to seek approval of for new solar resources. As such, the Company is proposing to issue the 2018R Utah RFP.

7. The Company intends to use the winning bid(s) resources from the 2018R Utah RFP to meet specific customers' sustainability goals, and to expand its Subscriber Solar program offering.

8. First, the Company signed Joint Clean Energy Cooperation Statements with each of Salt Lake City, Utah, Park City, Utah, and Summit County, Utah in 2016, 2017, and 2018, respectively. Salt Lake City has a stated goal of procuring renewable energy for net-50 percent of its municipal operations by 2020. Park City has a stated goal of procuring renewable energy for net-100 percent of its municipal operations by 2022. And Summit County has a stated goal of procuring renewable energy for net-50 percent of its municipal operations by 2025. Also, Vail Resorts, Inc. (parent company of Park City Mountain Resort) has made public commitments to procure renewable energy for net-100 percent of its operations in Utah and other states by 2030. The Company has entered into professional services agreements to allow Salt Lake City, Park City, Summit County, Deer Valley Resort, and Park City Mountain Resort to participate in the 2018R Utah RFP. In addition, the Company is working with Utah Valley University, who qualifies for Schedule 34 service and has similar renewable energy, carbon neutral, and/or sustainability goals, to participate in the 2018R Utah RFP.

9. These customers all qualify for service under Schedule 34. Schedule 34 allows qualifying customers to receive renewable electric service from the Company, while protecting other customers from the financial impact of those decisions. Consistent with HB 261, the facilities supplying the renewable energy can be Company-owned, customer-owned or owned by a third party.

10. Second, the Company is interested in expanding its popular Subscriber Solar Program by adding a resource(s) to open it to new subscriptions.

11. The Company is also considering modifications to the Subscriber Solar program to respond to customer interests in revised pricing and term options for non-residential customers. While large local government and municipal customers, for example, can take service under

Schedule 34, the Company believes additional options and terms can be developed on a subscriber program for sophisticated customers without the need to negotiate an agreement or for customers who do not qualify for Schedule 34. The Company is currently working to develop a new tariff addressing these concerns.

12. The Company anticipates filing a request to expand the current Subscriber Solar program, and to request approval of modifications for a new Subscriber Solar tariff once the 2018R Utah RFP is approved and after it is issued.

13. The 2018R Utah RFP does not set a minimum quantity of energy for the Company to purchase. Since it does not commit the Company to a minimum quantity, if the expansion of the Subscriber Solar Program is not approved by the Commission when selections are made, there will be no adverse impact from including a request for those quantities when the RFP is issued. Conversely, should the Commission approve the Company's requested expansion, the quantities sought under the RFP are sufficient to supply that expansion.

III. REQUEST FOR APPROVAL OF A SOLICITATION PROCESS

14. Utah Code Ann. § 54-17-807 provides that the Company or its customers may acquire solar photovoltaic or thermal solar energy resources using rate recovery based on a competitive market price. The resources acquired may be owned by the Company, solely or jointly, or owned by another entity. The resource acquired must be used to provide renewable service under Schedules 32 and 34. Under Utah Code Ann. § 54-17-807(3)(c), the Company may also use the resources to supply energy to any of its customers, provided that the resource's nameplate capacity or contracted capacity does not exceed 300 megawatts ("MW") ("All Customers Solicitation").

15. To approve an All Customer Solicitation, Utah Code Ann. § 54-17-807(6), requires the Commission to (a) hold a public hearing and provide an opportunity for public comment; and (b) determine that the solicitation and evaluation process “...will create a level playing field in which the qualified utility and other bidders can compete fairly, including with respect to interconnection and transmission requirements imposed on bidders by the solicitation...”

16. An All Customers Solicitation also requires the Company to seek the Commission’s approval of a particular resource under Utah Code Ann. § 54-17-402. Related to this review, Utah Code Ann. § 54-17-807(7) also permits the Company to seek approval of its winning resources through a process involving a public hearing, opportunity for public comment, and determinations whether the process was conducted in accordance with the legal requirements and whether the acquisitions are in the public interest.

17. Utah Code Ann. § 54-17-807(7)(c) also places additional requirements for Commission approval of a resource that will be owned by the Company or that is subject to a Company purchase option. The Commission must determine such resources are the lowest cost ownership options. Any solicitation approved under Utah Code Ann. § 54-17-807(6) that results in the Company not selecting an energy resource requires the Company to file a report with the Commission stating the reasons that the lowest cost bid in the solicitation was not selected.

18. Utah Code Ann. 54-17-807(11) requires the Commission to adopt rules to address applications for approvals, establish criteria to identify the competitive market price and resource selection, and other factors that may be in the public interest. However, HB 261 appears to contemplate that the Company can initiate a proposed solicitation process and proposed criteria, pending rulemaking, as specifically set forth in Utah Code Ann. § 54-17-807 (4)(a) and (b)(i) or (ii), given HB 261 was recently enacted. In addition, the Company is using its experience with the

approval of the solicitation process section under the Energy Resource Procurement Act to adopt any relevant materials in and inform this 2018R Utah RFP.

19. Finally, while the Commission has not yet initiated this rulemaking process, the participating customers have signed professional service agreements with the Company to administer this RFP on their behalf. To meet their deadlines for purchasing renewable energy, it is necessary to issue this 2018R Utah RFP as soon as possible. In light of this, and of the fact that there is nothing in Utah Code Ann. § 54-17-807 that prohibits the Commission from approving a solicitation that meets the requirements of the law in advance of that rulemaking, the Company is seeking approval for the 2018R Utah RFP at this time.

Description of the Solicitation Process

20. The 2018R Utah RFP allows bids from geothermal and wind resources, which do not fall under Utah Code Ann. § 54-17-807. The Company anticipates that a large percentage of bids will be from solar resources and therefore is seeking approval under Utah Code Ann. § 54-17-807.

21. The 2018R Utah RFP seeks up to 308,000 MWh per year, for up to 25 years, of geothermal, solar, and/or wind renewable energy to supply Park City, Utah, Salt Lake City, Utah, Summit County, Utah, Park City Mountain Resort, Deer Valley Resort, and Utah Valley University (“participating customers”), per their request, under Schedule 34, and to expand additional renewable capacity and energy under the Company’s optional Subscriber Solar program. This equates to approximately 40 MW of geothermal capacity or approximately 100 to 126 MW of wind or solar capacity. The participating customers will account for approximately 65 percent of the purchased renewable energy and capacity, while the remainder will be allocated to the Schedule 73 customers.

22. Shortly after the 2018R Utah RFP is issued, the Company plans to seek Commission approval for the expanded Schedule 73 offering.

23. The Company selected non-price criteria to capture elements of the bids that do not translate well into dollar per MWh amounts, but that nevertheless help to ensure that only high quality projects with reasonably low risk levels are in the short list for selection. The price based selection criteria are designed to allow each bid to be evaluated on a total cost basis.

24. The price and non-price selection criteria included in the 2018R Utah RFP operate to ensure a level playing field for all bidders, including those that will or may be owned by the Company, so that participating customers will have the information they need to select the lowest cost resources. The selection criteria in the 2018R Utah RFP meet the requirements of Utah Code Ann. § 54-17-807(6) and (7) and are also designed to minimize the risk that non-participating customers will bear any cost burden related to the solicitation or acquisition of renewable resources under the RFP.

25. The proposed timeline for the 2018R Utah RFP is as follows:

Milestone	Date	Day of Week
RFP issued to market	8/1/18	Wednesday
RFP Bids Due	8/31/18	Friday
Bid Eligibility Screening Completed	9/14/18	Friday
Initial Shortlist (ISL) Evaluation/Scoring Completed	9/19/18	Wednesday
Best and Final Offer (BAFO) Price Update Requested from ISL	9/20/18	Thursday
ISL's submit Pac Trans Consulting Study Requests	9/21/18	Friday
BAFO Due to RMP	11/05/18	Monday
Final Shortlist (FSL) Evaluation Completed	11/09/18	Friday
Execute Agreements	1/15/19	Tuesday

26. The Application is supported by the pre-filed testimony and exhibit of Mr. Mark Tourangeau, Vice President of Customer Solutions and Business Strategy. Mr. Tourangeau's testimony describes the Company's proposed solicitation process, provides a history of the 2018R Utah RFP, explains why the Company filed for approval of the 2018R Utah RFP before the Commission initiates necessary rulemaking, and demonstrates that the 2018R Utah RFP meets the requirements of HB 261. Mr. Tourangeau's testimony also includes the 2018R Utah RFP with appendices as an exhibit.

IV. CONCLUSION

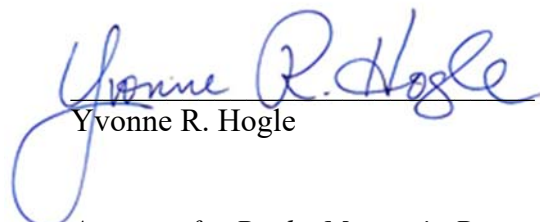
WHEREFORE, based on the foregoing and by this application, the Company respectfully requests that the Commission:

- a) Hold a scheduling conference in this matter as soon as reasonably practicable;
- b) Approve the Company's application by July 31, 2018.
- c) Grant such other relief it deems just and reasonable and in the public interest.

DATED this 25th day of May, 2018.

Respectfully submitted,

ROCKY MOUNTAIN POWER


Yvonne R. Hogle
Attorney for Rocky Mountain Power

Rocky Mountain Power
Docket No. 18-035-21
Witness: Mark Tourangeau

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF UTAH

ROCKY MOUNTAIN POWER

Direct Testimony of Mark Tourangeau

May 2018

1 **Q. Please state your name, business address, and current position with Rocky**
2 **Mountain Power, a division of PacifiCorp (“Company”).**

3 A. My name is Mark Tourangeau. My business address is 1407 W. North Temple, Salt
4 Lake City, Utah 84116. I am employed by Rocky Mountain Power as Vice President
5 of Customer Solutions and Business Development.

6 **Q. Please briefly describe your education and business experience.**

7 A. I received a B.A. in Economics from the University of New Hampshire, and an M.A.
8 in Economics from the University of New Mexico. I also am a Chartered Financial
9 Analyst charter holder. I have been employed by the Company since 2017. Prior to that,
10 I was employed by NextEra Energy, Inc. as Vice President Business Management and
11 Vice President Trading Risk Management; and before that I worked at Morgan Stanley
12 Commodities and Duke Energy.

13 **Q. What are your responsibilities in your current position?**

14 A. I am responsible for execution of Rocky Mountain Power’s Commercial Strategy. I
15 manage our commercial functions within the Company, including Commercial
16 Services, Customer Solutions, Customer and Community Management, and Economic
17 Development.

18 **Q. Have you appeared as a witness in previous regulatory proceedings?**

19 A. Yes. I have filed testimony with the Public Service Commission of Utah.

20 **OVERVIEW OF TESTIMONY**

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

22 A. My testimony supports the Company’s application for approval of the process proposed
23 in the Company’s 2018 Renewable Resources Utah Request for Proposals (“2018R

24 Utah RFP”) to solicit and potentially procure geothermal, solar, and/or wind renewable
25 energy that can achieve commercial operation before March 31, 2020 (“Application”)
26 under two voluntary renewable resource program tariffs, Electric Service Schedule No.
27 34 – Renewable Energy Purchases for Qualified Customers 5000kW and Over, and
28 Electric Service Schedule No. 73. – Subscriber Solar Program. This Application is filed
29 under Utah Code Ann. § 54-17-807, enacted consistent with Utah House Bill 261
30 (2018) (“HB 261”). My testimony also provides a detailed description of the 2018R
31 Utah RFP with a proposed timeline and explains why it is in the public interest.

32 **2018R UTAH RFP BACKGROUND AND HISTORY**

33 **Q. Please describe the 2018R Utah RFP.**

34 A. The Company intends to issue the 2018R Utah RFP to procure up to 308,000 megawatt-
35 hours (“MWh”) per year, for up to 25 years, of geothermal, solar, and/or wind
36 renewable energy to supply Park City, Utah, Salt Lake City, Utah, Summit County,
37 Utah, Park City Mountain Resort, Utah Valley University, and Deer Valley Resort
38 (“Participating Customers”), per their request, under Schedule 34, and to offer a second
39 tranche of renewable capacity and energy under Schedule 73’s optional Subscriber
40 Solar Program. The Company has forecasted demand for this offering to be
41 approximately 110,000 MWh per year of renewable energy and associated capacity.
42 All told, this equates to approximately 40 megawatts (“MW”) of geothermal capacity
43 or approximately 100 to 126 MW of wind or solar capacity. The Participating
44 Customers will account for approximately 65 percent of the purchased renewable
45 energy and capacity, while the remainder will be allocated to the Schedule 73
46 customers. Shortly after the 2018R Utah RFP is issued, the Company plans to seek

47 Commission approval for the expanded Schedule 73 offering. The Company will be
48 administering the 2018R Utah RFP on behalf of the Participating Customers to help
49 them meet their goals, and also to expand the offering under Schedule 73. The
50 Company has developed the RFP with criteria to choose the winning bidder(s) under
51 both of these objectives.

52 **Q. What is the history of 2018R Utah RFP?**

53 A. During the 2018 Utah legislative session, HB 261 was passed by both houses and
54 signed into law. Primarily, HB 261, which will be codified at Utah Code Title 54,
55 Chapter 17, Part 807, grants the Commission authority to approve the acquisition of
56 solar energy projects to offer service to contract customers under Schedules 32 and 34,
57 and to serve any other utility customer so long as the energy resource is not a Significant
58 Energy Resource as defined in Section 54-17-102. HB 261 allows the utility to acquire
59 the solar energy resources using a rate based on the prevailing market for solar
60 resources. To establish the prevailing market for solar energy resources, the utility's
61 application must include a proposed solicitation process and the criteria used, either by
62 the requesting customer(s) or the utility, for the solicitation. The Commission may also
63 hold a public hearing and provide an opportunity for comments. The Company's
64 Application is being filed consistent with HB 261.

65 **Q. Why is the Company filing for approval of its proposed 2018R Utah RFP now?**

66 A. The genesis of the Company's Application is customer-driven. Residential,
67 commercial, industrial, and municipal entities are increasingly expressing interest in
68 meeting part or all of their electric energy requirements with renewable resources.
69 Schedules 34 and 73 allow the Company to work with these customers to help them

70 meet their renewable energy goals, while protecting the interests of non-participating
71 customers from cost shifting. The Participating Customers have goals to purchase
72 certain amounts of renewable energy for their municipal operations by a specific date.

73 **Q. Please describe the Participating Customers on whose behalf the Company seeks**
74 **approval of the 2018R Utah RFP for acquisition of renewable resources.**

75 A. The Participating Customers include Salt Lake City, Park City, and Summit County
76 with whom the Company has been working since 2016, and Park City Mountain Resort,
77 Utah Valley University, and Deer Valley Resort. The Company signed Joint Clean
78 Energy Cooperation Statements with each of Salt Lake City, Park City, and Summit
79 County in 2016, 2017, and 2018, respectively. Salt Lake City has a stated goal of
80 procuring renewable energy for net-50 percent of its municipal operations by 2020.
81 Park City has a stated goal of procuring renewable energy for net-100 percent of its
82 municipal operations by 2022. Summit County has a stated goal of procuring renewable
83 energy for net-50 percent of its municipal operations by 2025. Vail Resorts, Inc. (parent
84 of Park City Mountain Resort) has made public commitments to move to renewable
85 energy for net-100 percent of its operations in Utah and other states by 2030.¹ Salt Lake
86 City, Park City, Summit County, Deer Valley Resorts, and Park City Mountain Resort
87 have signed professional services agreements with the Company to be RFP
88 participants. The Company committed to issue a solicitation to procure renewable
89 resources to help each of them meet their stated goals, upon Commission approval.
90 Under the various agreements, these Participating Customers and the Company also
91 committed to work together to reduce emissions, increase energy efficiency and meet

¹ See <https://www.denverpost.com/2017/07/25/vail-environmental-impact-changes/> (last accessed May 22, 2018).

certain other renewable energy goals for municipal government operations. In addition, Utah Valley University qualifies for Schedule 34 service and has similar renewable energy, carbon neutral, and/or sustainability goals, and will participate in the 2018R Utah RFP.

Q. Do the Participating Customers qualify for service under Schedule 34?

A. Yes. The Participating Customers qualify for service under Schedule 34, a retail service option that is available to any customer served by the Company whose total aggregated electric load is at least 5,000 kilowatts (“kW”), based on annual peak load. It allows a customer to receive electric service from the Company generated by a renewable energy resource from one or more renewable energy facilities under a contract, while protecting other customers from the financial impacts of those decisions. Under Schedule 34, the facilities supplying the renewable energy can be Company-owned, customer-owned, or owned by a third party the utility.²

Q. Please elaborate on your earlier testimony that the Company was also interested in procuring energy through the 2018R Utah RFP to expand its service offering under Schedule 73, Subscriber Solar Program.

A. The Subscriber Solar Program has been a resounding success. The Company’s primary objective of the Subscriber Solar Program was to provide a voluntary new renewable energy option to customers. The Subscriber Solar Program is largely self-funding, self-sustaining, and ratepayer neutral, meaning nonsubscribers are not burdened with any program costs.³ Schedule 73 is fully subscribed by the Company’s retail customers and

² See Schedule 34, Sheet No. 34.1, “Provision”; and Sheet No. 34.4.a.

³ The intent of the program is that nonsubscribers will not be burdened with program costs. However, it is possible that Subscriber Solar costs and the generation charges paid by program subscribers will not exactly

113 additional customers have requested to participate. A second offering is needed given
114 both the waiting list that currently exists, and the feedback from additional customers
115 expressing interest.

116 **Q. How did the Company calculate its estimates for the expansion of its Schedule 73,**
117 **Subscriber Solar Program offering?**

118 A. First, the initial offering under Schedule 73 was fully subscribed in only six months
119 which indicates strong customer demand and interest in the program. As of the
120 Company's March 30, 2018 program update, there were over 2,500 residential
121 customer meters subscribed, more than 650 business/community meters subscribed,
122 and a waitlist with 80 residential and commercial customers requesting
123 73,400 kilowatt-hours per month. The waitlist number is notable, given the Company's
124 marketing of the program has been limited because it is fully subscribed. If the program
125 is expanded the Company plans to resume its marketing efforts, which will also likely
126 reignite the strong demand seen under the initial Schedule 73 offering. The combination
127 of these factors led the Company to its estimate of 110,000 MWh per year.

128 **Q. Why is the Company considering adding a new tariff schedule to the Subscriber**
129 **Solar Program for municipal customers?**

130 A. The Company has learned from discussions with some of its municipal customers that,
131 due to the number of accounts most municipalities have under different rate schedules,
132 the structure of the charges under Schedule 34 makes the program overly complex and
133 cost prohibitive for them. The Company is working to develop a new tariff that will

align. In such a case, the non-material differences will be included in the Company's Energy Balancing Account which will be charged or refunded to all customers. *See e.g.* Docket No. 18-035-01, *In the Matter of the Application of Rocky Mountain Power to Increase the Deferred EBA Rate Through the Energy Balancing Account Mechanism*.

134 address customer concerns. The Company will separately file a request to expand the
135 current Subscriber Solar Program under Schedule 73 and, potentially, for approval of
136 other modifications to Subscriber Solar tariff for new resources to be acquired through
137 the 2018R Utah RFP.

138 **Q. Why is the Company seeking approval in accordance with HB 261 to acquire the**
139 **solar resources under the 2018R Utah RFP based on the prevailing market for**
140 **solar energy projects?**

141 A. While the 2018R Utah RFP is intended to garner bids for geothermal, solar and wind
142 resources, the requirement that the renewable resource(s) be located in Utah will likely
143 lead to more solar bids than any other renewable energy resource. The Company has
144 an interest in competing for ownership of all types of renewable resources that serve
145 our customers, including solar resources. The Company has also worked closely with
146 the Participating Customers to develop a solicitation that meets their requirements for
147 renewable energy. This includes the desire to have the resource(s) located in Utah, to
148 have a highly creditworthy resource developer/owner, to have access to transmission
149 capacity, and to find the lowest cost option to minimize financial impacts to their
150 citizens while meeting their renewable and sustainability goals. This lowest cost
151 option(s) will likely include the costs of network upgrades required to interconnect the
152 renewable energy resource and transmit the power as a PacifiCorp designated network
153 resource, subject to Federal Energy Regulatory Commission approval. The 2018R Utah
154 RFP meets these objectives.

155 **COMPLIANCE WITH UTAH STATUTES AND RULES**

156 **Q. Please describe the criteria the Company proposes to use to evaluate the responses**
157 **to the solicitation as required by Utah Code Ann. § 54-17-807 (5)(b).**

158 A. The Company has developed reasonable price and non-price selection criteria in the
159 2018R Utah RFP to ensure that the resources selected are both low cost, and represent
160 a low risk to the Company, the Participating Customers, and new Subscriber Solar
161 customers. The Company selected non-price criteria to capture objective elements of
162 the bids that do not translate well into dollar per MWh amounts, but that nevertheless
163 help to ensure that only high quality projects with reasonably low levels of risk advance
164 to final selection.

165 **Q. What non-price criteria does the Company propose to use in its evaluation of the**
166 **bids?**

167 A. The first non-price criteria is conformity to the RFP requirements, which helps ensure
168 that all bidders can be scored on a level playing field. Second, the bids will be evaluated
169 on whether the project is likely to meet its deliverability date, which is especially
170 important given the need to meet the Participating Customers' renewable goals in a
171 timely manner. This step will include an analysis of bidders' schedules and
172 documentation demonstrating that the projects are capable of completing their
173 interconnections in a timely manner. The RFP also includes standards for the
174 creditworthiness of potential bidders that ensures only those bidders that have credit
175 ratings from the major credit rating agencies equal to or greater than BBB- or the
176 equivalent will be selected, which minimizes default risk and ensures that bidders are
177 financially capable of seeing their project through to delivery. Finally, the Company

178 will evaluate whether the bids, if selected, have lease or other accounting implications
179 which may have potential tax or other accounting impacts on the Company.

180 **Q. What price-based criteria will be used to evaluate the bids?**

181 A. The price-based selection criteria are designed to allow each bid to be evaluated on a
182 total cost basis. The Company will rank the bids based on the difference between the
183 dollar per MWh price of the proposed resource, and the Proxy/PDDRR method the
184 Company uses for determining the avoided costs for qualifying facilities. Under the
185 2018R Utah RFP, the Company may also use the Schedule 32 pricing methodology to
186 rank bids, because that method places a greater emphasis on the dollar per MWh price
187 and profile relative to a customer's load. The price evaluation will also incorporate any
188 network upgrade costs associated with interconnection and transmission to customers
189 to the extent such costs have not already been incorporated into the bid price. This
190 includes network upgrade costs identified for both interconnection and for transmission
191 service.

192 **Q. Are there other requirements under HB 261 that apply to this 2018R Utah RFP?**

193 A. Yes. The Company plans to select a resource through the RFP to facilitate an expansion
194 of the Subscriber Solar Program under Schedule 73. Because Schedule 73 is available
195 to the general customers of the Company that elect to join the program, Utah Code
196 Ann. § 54-17-807 (3)(c) applies, and RFPs that include a selection of (3)(c) resources
197 ("All Customers Solicitation") must meet several additional requirements under Utah
198 Code Ann. § 54-17-807. The first of these is that the Commission is required to hold a
199 public hearing and provide an opportunity for public comment on the RFP application.
200 The Commission is also required to make a determination "that the solicitation and

201 evaluation process will create a level playing field in which the qualified utility and
202 other bidders can compete fairly, including with respect to interconnection and
203 transmission requirements imposed on bidders by the solicitation...”⁴ If the resource
204 will be owned by the Company, the Company is required to seek approval of its
205 acquisition of the winning resource under an All Customers Solicitation, which the
206 Commission may approve in accordance with Utah laws.

207 **Q. How does the 2018R Utah RFP meet the requirement that the evaluation process**
208 **create a level playing field between the qualified utility and other bidders?**

209 A. As discussed earlier in my testimony, the Company has designed price and non-price
210 criteria that will be applied to all bidders equally. While the RFP’s non-price selection
211 criteria are not translatable into dollar per MWh equivalents, they are objective rather
212 than subjective. For example, the bids will be evaluated based on their progression
213 through the Company’s interconnection process as described above, which can be
214 confirmed using information such as queue position, interconnections studies,
215 transmission service studies, and interconnection agreements. Financial capability is
216 determined based on an investment grade credit rating, which is also an objective
217 standard since the rating is determined by the independent credit rating agencies.
218 Without going through each of the non-price criteria, each is similarly structured to
219 provide an objective measure to justify the scoring of all bids, whether the resources
220 will be owned by the Company or not. Similarly, the price criteria have been designed
221 to enable an objective score for each bid based on a comparison to the Company’s
222 avoided costs. These objective scoring criteria create a level playing field where all

⁴ Utah Code Ann. § 54-17-807 § (6)(b)

223 bidders can compete fairly. Because they are objective measures, there will be a record
224 that supports the scoring for each bid.

225 **Q. Does the Company intend to seek Commission review of any bid selection that will**
226 **be used to supply the planned expansion of the Subscriber Solar Program, under**
227 **Schedule 73?**

228 A. Yes. To the extent the Commission approves the expansion of the Subscriber Solar
229 Program, the Company plans to include solicitation of resources to supply that
230 expansion in the RFP. Inclusion of the Subscriber Solar Program in the RFP means that
231 it will be an All Customers Solicitation. The Company intends to seek the
232 Commission's approval of any resources selected for that purpose to the extent that it
233 intends to own the resource rather than enter into a short-term or long-term power
234 purchase agreement. Also, in accordance with Utah Code Ann. § 54-17-807 (8), if no
235 resource is selected to supply the expansion of the Subscriber Solar Program, the
236 Company will file a report explaining its reasons for not acquiring the lowest cost bid
237 in the solicitation.

238 **Q. Why is the Company initiating the 2018R Utah RFP approval process at this**
239 **time if the rulemaking required under HB 261 has not yet been completed?**

240 A. HB 261 appears to contemplate that the Company can initiate a proposed solicitation
241 process and proposed criteria, pending rulemaking, as specifically set forth in Utah
242 Code Ann. § 54-17-807 (4)(a) and (b)(i) or (ii). In addition, the Company is using its
243 experience with the approval of the solicitation process section under the Energy
244 Resource Procurement Act to adopt any relevant materials in and inform this 2018R
245 Utah RFP. Finally, while the Commission has not yet initiated this rulemaking

246 process, the Participating Customers have signed agreements with the Company to
247 administer this RFP on their behalf. To meet their deadlines for purchasing renewable
248 energy, it is necessary to issue this 2018R Utah RFP as soon as possible. In light of
249 this, and because there is nothing in Utah Code Ann. § 54-17-807 that prohibits the
250 Commission from approving a solicitation that meets the requirements of the law in
251 advance of that rulemaking, the Company is seeking approval for the 2018R Utah
252 RFP at this time.

253 **Q. Have you attached a copy of the proposed solicitation with appendices and draft**
254 **pro forma contracts?**

255 A. Yes. Exhibit No. RMP__(MT-1) is the draft 2018R Utah RFP with associated
256 appendices. The draft 2018R Utah RFP seeks proposals for 308,000 MWh per year of
257 competitively bid geothermal, solar, and/or wind renewable energy located in Utah
258 and interconnecting with or delivering to the Company's system. This equates to
259 approximately 40 MW of geothermal capacity or approximately 100 to 126 MW of
260 wind or solar capacity. Proposals must demonstrate that projects will achieve
261 commercial operation by no later than March 31, 2020 ("COD").

262 Bidders are encouraged to offer two different structures. The first is an up-to
263 25-year power purchase agreement ("PPA") with exclusive ownership by the
264 Company and the Participating Customers of any and all environmental attributes
265 associated with the energy generated. The second is a build-transfer transaction
266 ("BTA") whereby the bidder develops the project, assumes responsibility for
267 construction and ultimately transfers the operating asset to the Company before the
268 COD. Under this structure, the bidder is responsible for all development,

269 construction, commissioning, and performance testing. The Company is also allowing
270 bidders to propose alternative PPA or BTA structures that comply with the
271 restrictions noted in the RFP. Those proposals will be considered at the Company's
272 and Participating Customers' sole discretion and they reserve the right to reject non-
273 compliant bids.

274 **Q. Does the draft 2018R Utah RFP provide a description of the solicitation process?**

275 A. Yes. The draft 2018R Utah RFP provides a description of the solicitation process and
276 contains numerous appendices that provide additional information and instructions to
277 potential bidders regarding the nature of the solicitation process.

278 **Q. Do you believe the 2018R Utah RFP is in the public interest?**

279 A. Yes.

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

281 A. Yes

Rocky Mountain Power
Exhibit RMP___(MT -1)
Docket No. 18-035-21
Witness: Mark Tourangeau

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF UTAH

ROCKY MOUNTAIN POWER

Exhibit Accompanying Direct Testimony of Mark Tourangeau

Draft 2018R Utah RFP

May 2018



Request for Proposals

Renewable Resources

(2018R UTAH RFP)

ISSUED: TBD

DUE DATE: TBD

2018 UTAH RFP Responses:

**Rocky Mountain Power
RFP 2018 UTAH
Commercial Services
1407 West N Temple, Suite 310
Salt Lake City, UT 84116**

2018RUtahRFP@pacificorp.com

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SECTION 1. INTRODUCTION

This 2018 Utah Request for Proposals for renewables energy resources (2018R Utah RFP), administered by PacifiCorp, d.b.a. Rocky Mountain Power (RMP or the Company), is seeking cost-competitive bids for wind, photovoltaic (PV) solar or geothermal renewable energy located in Utah and interconnecting with or delivering to PacifiCorp's system. The renewable energy resources must meet the criteria developed by Rocky Mountain Power and the customers sponsoring this RFP. The customers sponsoring the RFP include Park City, Salt Lake City, Summit County, Park City Mountain Resort, Deer Valley Resort, and Utah Valley University (Participating Customers). The Participating Customers are seeking to purchase renewable energy from renewable resources through Rocky Mountain Power's Utah Electric Service Schedule 32 or Schedule 34 (or any other applicable tariff allowed by Utah laws and regulations). The 2018R Utah RFP is also seeking renewable resource capacity for the Company's next offering of Subscriber Renewables – building off of the success of the initial Subscriber Solar program as sold to Rocky Mountain Power's customers through Utah Electric Service Schedule 73.

The federal tax extender legislation passed in late 2015 provides an opportunity for qualifying renewable energy projects to receive the federal energy investment tax credit (ITC) available under section 48 of the Internal Revenue Code¹, and the production tax credit (PTC) available under section 45 of the Internal Revenue Code.²

The 2018R Utah RFP seeks proposals for competitively-priced renewable energy resource projects. Proposals must demonstrate to the Company and Participating Customers' satisfaction, and as determined in their sole discretion, that the proposed project(s) can successfully interconnect, obtain transmission service, and achieve commercial operation prior to March 31, 2020. The Company and Participating Customers are not bound to accept any bids, and may cancel this solicitation at any time and at their own discretion.

Bids must include a project/projects that are discrete generating assets not located behind any load served by a utility or net-metered, and the project(s) must be individually metered and remotely monitored. Renewable Energy Credits (RECs) associated with the project(s) will become the property of Rocky Mountain Power and its Participating Customers. The minimum discrete project size is 10.0 MW AC, and Rocky Mountain Power is seeking a project or projects that meet the Participating Customers' aggregate average annual forecasted demand of 198,000 MWhs in the project(s)' first full calendar year of operation, as well as an additional 110,000 MWhs annually for the Subscriber Renewables program, for a total of 308,000 MWh annually. Additional consideration will be given to projects

¹ The federal ITC rules currently provide for a 30 percent ITC for solar facilities of which construction begins before January 1, 2020. In the case of solar facilities for which construction begins after December 31, 2019 and before January 1, 2021 the ITC is 26 percent. For solar facilities of which construction begins after December 31, 2020 and before January 1, 2022 the ITC is 22 percent. However, for all solar facilities of which construction begins before January 1, 2022 (including all solar construction starting in 2019 – 2021) and which is not placed in service before January 1, 2024, the ITC is 10 percent.

² 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.

that have the capability of increasing their AC generation capacity by 10 MW or more in future years.

Rocky Mountain Power will accept proposals for new greenfield renewable energy resource projects in Utah capable of directly interconnecting with and delivering energy to PacifiCorp's PACE network transmission system in Utah, or capable of delivering energy to PacifiCorp's transmission system in Utah with the use of third-party firm transmission service.

PacifiCorp will consider proposals for the two following transaction structures, both of which must be submitted by the bidder in their proposal. Additionally, PacifiCorp may submit competing self-build ("Benchmark") options in this RFP:

1. "Build-Transfer" transaction whereby the bidder develops the project, assumes responsibility for construction and ultimately transfers the operating asset to PacifiCorp prior to the Commercial Operation Date (COD), all pursuant to the terms of a build transfer agreement (BTA). Bidder is responsible for all development, design³, generation equipment supply, balance of plant (BOP) equipment, construction, commissioning, and performance testing.⁴
2. Power purchase agreement (PPA) for up to a twenty-five (25) year term with exclusive ownership by RMP and the Participating Customers of any and all environmental attributes associated with all energy generated.⁵ Respondents are urged to include PPA pricing for 15, 20 and 25 year terms for each individual project submitted.

Rocky Mountain Power and the Participating Customers are limiting the requested resource type to solar PV, wind or geothermal energy sources, and will not accept bids that combine these sources with other technologies such as hydro or biomass. However, the Participating Customers are interested in creative proposal options that add value without creating additional technology or development risk. Rocky Mountain Power will allow bidders to propose alternative PPA or BTA structures that are in compliance with the restriction noted in this paragraph, however such proposals will be considered (or not considered) at the Company's and Participating Customers' sole discretion and they reserve the right to reject non-compliant bids.

At the bidder's option, the PPA bid submittal can include the right for Rocky Mountain Power to purchase the project assets during or at the end of the proposed contract term at fair market value (FMV) to retain the value of the site for customers.

For longer-term contract offers (i.e., PPA terms of 20 to 25 years without PPA extensions, or PPA terms that, after consideration of extension options, would result in a PPA term of 20 to 25 years), bidders should carefully consider the potential book and tax lease accounting treatment or Variable Interest Entity (VIE) treatment implications. For these

³ The renewable energy resource design must comply with PacifiCorp's pro forma technical specification as identified in RFP Appendices.

⁴ H.B. 261 (as enacted UC §54-17-807) allows a utility in the state of Utah to acquire a solar resource >2 MW if the resource has been chosen by a customer through a competitive solicitation process and the acquisition is approved by the Public Service Commission of Utah.

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

PPA offers of 20 years or greater (Long Term), bidders that are selected to the initial shortlist will be required, if requested by Rocky Mountain Power, to supply projected cash flows through the life of the underlying asset so that the Company can assess potential accounting implications. Potential accounting treatment impacts will be incorporated into the bid evaluation and selection process. For instance, if Rocky Mountain Power determines that a Long Term PPA offering would be treated as a capital lease for tax purposes, Rocky Mountain Power would be treated as the tax owner for the proposed facility. Please also refer to Section 5.F of this RFP.

The Company is not required to conduct the RFP under the oversight of an independent evaluator (IE).

SECTION 2. PROCEDURAL ITEMS

Bids will be evaluated based on the following:

- Customer cost
- Location within the state of Utah
- Deliverability, including site control, development status (including status for all permits), developer's experience, and demonstration that the project's commercial operation date will be achieved by March 31, 2020
- Transmission access and interconnection status in conformance with the 2018R Utah RFP requirements outlined in Section 5.B. Direct Interconnection or Third-Party Interconnection and Transmission Service
- Bidder must include "Bid-Transfer" pricing as well as PPA pricing for each proposal
- Compliance with and verification of major equipment availability defined in **Appendix A - Technical Specification**, and as outlined in **Appendices A-1 through A-10** for each type of renewable technology
- 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 Rocky Mountain Power. The Company is not liable for any costs incurred by bidders in responding to this RFP, or for any damages arising out of or relating to the Company's rejection of any proposal, or bidder's reliance upon any communication received from Rocky Mountain Power, for any reason. Bidder shall bear all costs, expenses, and bidder fees of any response to Rocky Mountain Power in connection with its proposal for the 2018R Utah RFP, including providing additional information, the bidder fee and the success fee, if project is selected to the final shortlist, and bidder's own expenses in negotiating and reviewing any documentation.

Appendix E-1 - PPA Instructions to bidder provides additional detail on preparation of bid document deliverables.

All proposals belong to Rocky Mountain Power and will not be returned. Confidentiality agreements (CA) and mutual nondisclosure agreements (NDAs) will be executed with

projects as part of this RFP. Rocky Mountain Power will use reasonable efforts to protect information clearly and prominently marked as proprietary and confidential on the page it appears, but the Company reserves the right to release such information to the Participating Customers, 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. Rocky Mountain Power shall not be liable for any damages resulting from any disclosure of such information, howsoever occurring.

Rocky Mountain Power will accept offers that include several different alternatives under the same proposal. For each bid proposal, bidders must submit a bid fee of \$5,000 which allows a bidder to submit a base proposal and two (2) alternatives for the same \$5,000 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 (PROVISIONAL)

Milestone	Date	Day of Week
RFP issued to market	8/01/18	Wednesday
RFP Bids Due	8/31/18	Friday
Bid Eligibility Screening Completed	9/14/18	Friday
Initial Shortlist (ISL) Evaluation/Scoring Completed	9/19/18	Wednesday
Best and Final Offer (BAFO) Price Update Requested from ISL	9/20/18	Thursday
ISL's submit Pac Trans Consulting Study Requests	9/21/18	Friday
BAFO Due to Rocky Mountain Power	11/05/18	Monday
Final Shortlist (FSL) Evaluation Completed	11/09/18	Friday
Execute Agreements	1/15/19	Tuesday

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 Rocky Mountain Power, The Company's evaluation of bidder's creditworthiness, and actions required by any third parties. Rocky Mountain Power accepts no liability to the extent the actual schedule varies from the indicative schedule. The Company is not obligated to develop a shortlist of bidders, to make a final selection, or to initiate or complete negotiations on any transaction.

Bidders should note the condensed schedule and be available for calls and meetings regarding bid submittals and be responsive to questions in a timely manner. Rocky Mountain Power will attempt to complete the bid review and screening as efficiently as possible but may require very short turnaround times on bid clarifications in order to meet the RFP milestones and schedule.

B. SUBMISSION OF QUESTIONS

Interested parties and bidders may submit questions related to this solicitation, and Rocky Mountain Power will respond in a timely fashion. All information, including pre-bid materials, questions, and Rocky Mountain Power's response to questions, will be posted on the PacifiCorp website at www.pacificorp.com/sup/2018rutahrfp/

Email - Communications with Rocky Mountain Power can also be emailed directly at the following email addresses:

Rocky Mountain Power: 2018RUtahRFP@pacificorp.com

C. RFP ROLES AND TEAMS

The RFP teams will be established by Rocky Mountain Power prior to the final approval of the RFP as described in **Appendix N**.

D. SUBMISSION OF BIDS

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

Rocky Mountain Power
2018R Utah RFP
Attention: Commercial Services
1407 West N Temple, Suite 310
Salt Lake City, UT 84116

A signed original hard copy of the bid shall be submitted prepared on standard 8 1/2 inch by 11 inch 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 two (2) 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:
2018RUtahRFP@pacificorp.com

PacifiCorp will respond with a receipt email.

Bids will be accepted until 5:00 p.m. Mountain Prevailing Time on XXXXX, XX, 2018

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

All bid proposals shall have a bid validity date through 5:00 pm MPT, XXXXX, XX, 2018. Bids selected to the initial 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 two copies on USB drives with all 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 sent to each of the two email addresses provided, which should include 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.

For wind, the bidder must provide one (1) electronic and hard copy of an independent third-party wind assessment analysis/report supported by a minimum of (a) two years of wind data for BTA proposals from the proposed site or (b) one year of wind data for PPA proposals 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.

For pv solar, the bidder must provide a solar assessment analysis/report using PVSyst that supports the capacity factor. Bidder must provide a complete set of modeling input files in Microsoft Excel format that PacifiCorp can use to simulate the performance using PVSyst, PacifiCorp's preferred solar performance model. The performance estimation report must meet the requirements in **Appendix A (Solar) - Paragraph A-1.1**. Solar proposals must supply a representative annual hourly (8760 hours) energy profile reflecting expected unit availability, but before accounting for degradation. The hourly energy profile must present performance as alternating current and be 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.

E. BID EVALUATION FEES

Bidders shall pay a non-refundable fee (Bid Fee) of \$5,000 for each base proposal (including up to three different terms of 15, 20, and 25 years) 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, 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 pay one bid fee. Rocky Mountain Power's objective in offering bidders the opportunity to propose multiple alternatives is to allow Rocky Mountain Power 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 Rocky Mountain Power.

Payment of Bid Fees. Non-refundable Bid Fees shall be paid by wire transfer to Rocky Mountain Power. Rocky Mountain Power will email wire transfer instructions to bidders upon request, and such email requesting wire information will signify the bidder's intent to bid. No cashier's checks will be accepted. Bidder shall provide documentation of submitted bid fees, such as a receipt of the wire transfer or wire transfer confirmation number when bid is submitted. Rocky Mountain Power will not refund any bid fees associated with any bid, regardless of the success or failure of that bid.

F. 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 Rocky Mountain Power and/or the Participating Customers, as determined in their sole discretion. If proposals do not comply with these requirements, Rocky Mountain Power has the option to deem the proposal non-conforming 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 March 31, 2020.
4. Failure to permit disclosure of information contained in the proposal to Rocky Mountain Power's agents, contractors, regulators, or non-bidding parties to regulatory proceedings under appropriate confidentiality agreements.
5. Any attempt to influence Rocky Mountain Power/PacifiCorp in the evaluation of the proposals, outside the solicitation process.
6. Failure to provide a firm offer that includes a signed attestation from an officer of the bidder's company 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. Bidder is in current material litigation or has threatened material litigation against PacifiCorp. For the purpose of this provision, material litigation shall mean a dispute in excess of five (5) million dollars in which bidder has issued a demand letter to PacifiCorp, the bidder and PacifiCorp are currently in dispute resolution, the bidder and PacifiCorp have an unresolved dispute pending or bidder has noticed a pending legal action against PacifiCorp. Material litigation excludes bidder complaints before a state regulatory utility commission. PacifiCorp will consider on a case-by-case basis whether the bidder should be excluded if the bidder is threatening litigation against or in active litigation with the company.
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 its PACE balancing areas or capable of delivering energy to PACE 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 PACE system and executed an interconnection feasibility study or system impact study (SIS) 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 PACE system.
12. Failure to provide all interconnection costs and transmission service costs, if applicable, in bid proposal. Costs estimates shall be performed and provided 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 including multiple resource types combined under a single bid.
14. Failure to materially comply with technical specification requirements in **Appendix A**
15. Failure to demonstrate a process to adequately acquire or purchase major equipment (i.e., wind turbine generators and related equipment, solar photovoltaic panels, inverters, tracking system, generator step-up transformers) and other critical long lead time equipment.
16. Failure to demonstrate, to Rocky Mountain Power's and the Customer's satisfaction, that it can meet the credit security requirements for the resource proposed.
17. Failure to submit information required by Rocky Mountain Power to evaluate the price and non-price factors described herein.
18. Failure to or inability 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 a performance model output including hourly output values as identified in **Appendix A**.
27. Failure to provide **Exhibit D - Bidder's Credit Information**, and **Appendix C - Form 1 - Pricing Input Sheet**.
28. Any matter impairing bidder, specified resources or the generation of power or non-power attributes therefrom.
29. Failure to provide documentation of site control for the project excluding right-of-way or easements for transmission, roads, or access to the site.

G. COMPANY RESERVATION OF RIGHTS AND DISCLAIMERS

Rocky Mountain Power, in consultation with the Participating Customers, 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, Rocky Mountain Power 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. Rocky Mountain Power 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 Rocky Mountain Power, and/or any collusive bidding or other anticompetitive behavior or conduct of bidders.

Bidders who submit bid proposals do so without recourse against Rocky Mountain Power, its parent company, its affiliates and its subsidiaries, or against any director, officer, employee, agent, the Participating Customers 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.

H. ACCOUNTING

All proposals will be assessed by Rocky Mountain Power for appropriate accounting and tax treatment. Bidders must supply all information the Company reasonably requires in order to make these assessments if project is selected to the initial shortlist.

I. CONFIDENTIALITY

Rocky Mountain Power 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 Rocky Mountain Power or generated internally by Rocky Mountain Power is and shall remain the property of Rocky Mountain Power. The bidder expressly acknowledges that Rocky Mountain Power may retain information submitted by the bidder in connection with this RFP. To the extent bidder receives information from Rocky Mountain Power, 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 and Participating Customer 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, Rocky Mountain

Power 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 Rocky Mountain Power 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, Rocky Mountain Power 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 Rocky Mountain Power 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 if the bidder does not provide information within 24-hours of a request by Rocky Mountain Power or not relevant as determined by Rocky Mountain Power 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 Rocky Mountain Power in its sole discretion to determine whether these alternatives provide an attractive benefit for the Participating Customers and comply with Rocky Mountain Power's requirement that the bids are renewable only. 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.

	2018R Utah RFP Bid Applicability	PPA	Build/Transfer Agreement
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
<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

	2018R Utah RFP Bid Applicability	PPA	Build/Transfer Agreement
Appendix C	Bid Summary and Pricing Input Sheet for PPA and Other Alternative Structures (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

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 Rocky Mountain Power 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 Rocky Mountain Power that any proposed project will successfully complete construction and achieve full commercial operation by March 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 Rocky Mountain Power to evaluate the alternate language.

The BTA is structured such that Rocky Mountain Power makes progress payments on an agreed-upon schedule in exchange for the developer meeting certain milestones and deliverables. However, Rocky Mountain Power 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). Rocky Mountain Power will only accept BTA proposals in which the final outcome is a purchase by Rocky Mountain Power 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 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 Rocky Mountain Power in its sole discretion.

Bidders should indicate in their bid documents whether a purchase option for a BTA has already been negotiated with the Company.

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 all of the information requested in **Appendix E-1 - PPA Instructions to bidders**. The term of the PPA shall range up to twenty-five (25) years, with or without the right for Rocky Mountain Power to purchase the project assets during or at the end of the proposed contract term at fair market value (FMV) to retain the value of the site for customers. The bidder must agree to meet its contractual obligations within the PPA during the term of the PPA.

For longer-term contract offers (i.e., PPA terms of 20 to 25 years without PPA extensions, or PPA terms that, after consideration of extension options, would result in a PPA term of 20 to 25 years), bidders should carefully consider the potential book and tax lease accounting treatment or Variable Interest Entity (VIE) treatment implications. Bidders that make the initial shortlist and have PPA offers of 20 years or greater (Long Term), will need to supply projected cash flows through the life of the underlying asset so that Rocky Mountain Power can assess potential accounting implications. Potential accounting treatment impacts will be incorporated into the bid evaluation and selection process. For instance, if Rocky Mountain Power determines that a Long Term PPA offering would be treated as a capital lease for tax purposes, Rocky Mountain Power would be treated as the tax owner for the proposed facility. Please also refer to Section 5.F of this RFP.

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 Rocky Mountain Power that any proposed project will successfully complete construction and achieve full operation by March 31, 2020, and that any new resource will be eligible to claim, as applicable, the full or partial federal PTC/ITC as interpreted by applicable guidelines and rules of the Internal Revenue Service. Rocky Mountain Power reserves the right to request bid cash flow information in order to complete its evaluation for capital lease accounting for tax purposes on Long Term PPAs if necessary.

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 Rocky Mountain Power to evaluate the alternate language. Bidders should also submit comments to the pro forma agreement on issues that they have concerns with and identify alternatives to address the issues. Providing a redline is a requirement for eligibility; however, substantive comments should also be provided to provide context to the redlined document.

Bidders should be aware, that if selected, each 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 STRUCTURE PROPOSALS

As noted in Section 1, bidders may propose other alternative structures for sale of the output or the renewable asset to Rocky Mountain Power, such proposals will be considered (or not considered) at Rocky Mountain Power's sole discretion and Rocky Mountain Power reserves the right to reject non-compliant bids. Such bids should not create additional technology or development risk. Rocky Mountain Power is limiting the resource type to wind, pv solar, and geothermal only and will not accept bids that combine these technologies with other technologies such as hydro, or biomass. Bidders must submit the appendices that are relevant to the bidder's proposed structure. Such proposals must include full documentation on the proposed structure.

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 with Purchase Option	Build/ Transfer or Alternative Structures
Term: start and end date of PPA	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 ⁶	X	X	X
Availability rate and degradation assumed in annual dispatch or generation profile data	X	X	X
Designation of firm or unit contingent energy deliveries	X	X	
Energy price (\$/MWh) including fixed price for the term or 1 st year price with escalation for the PPA. Energy price and related costs for each project should be stated using three separate term scenarios: 15, 20 and 25 years	X	X	
Build Transfer price and milestone payment schedule (\$ and dates, as applicable)		X	X
Variable O&M cost (\$/MWh, as applicable) ⁷		X	X
Fixed O&M cost (\$/Year, as applicable) ⁸		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	

⁶ Section 3.E.3 of the 2018R Utah RFP describes the type of generation profiles required.

⁷ PacifiCorp may supply certain operational and maintenance costs for consistency across similar bids.

⁸ PacifiCorp may supply certain operational and maintenance costs for consistency across similar bids.

Information Requested	PPA	PPA with Purchase Option	Build/ Transfer or Alternative Structures
Buyout dates and prices (\$ or “fair market value,” as applicable if purchase option included in PPA)	X	X	
Qualifying costs and term for any incentives that reduce delivered costs, such as federal, state or local incentives including among others; federal ITC, bonus depreciation, property tax exemptions, or local economic incentives	X	X	X

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

Rocky Mountain Power is seeking renewable resources in Utah capable of: (1) directly interconnecting with PacifiCorp’s system in its PACE balancing area or (2) interconnecting with a third-party system and using third-party firm transmission service to deliver to the PACE transmission system. With either method, Rocky Mountain Power 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 transmission system; and (2) PacifiCorp network load. While Rocky Mountain Power 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. 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 transmission system and executed an interconnection feasibility study or system impact study (SIS) 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.

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 firm 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 included in the bids from all bidders will be considered as firm costs and 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, when the Company requests Best and Final Offers we will require a completed interconnection system impact study (SIS) (for directly interconnected projects) or a completed third-party interconnection SIS and a completed third-party transmission service study (for projects using third-party transmission) to determine the actual direct assigned cost for the interconnection or transmission services. Bids will be evaluated based on the direct assigned interconnection costs submitted in the bids and considered firm costs for the initial shortlist evaluation. Bids that are selected to the initial shortlist will be held to their best and final pricing for final shortlist evaluation. If selected to the final shortlist, bidder's agreement with Rocky Mountain Power, any final transaction agreement, will include a condition precedent that states Rocky Mountain Power will compare the actual direct assigned and network upgrade costs associated with the interconnection from the completed SIS with the bidder's firm estimate provided in their best and final price. In the event the actual SIS cost exceeds the bidder's firm interconnection cost in best and final pricing, bidder will be responsible for the cost above their best and final firm price. In the event the actual SIS cost is less than the bidder's firm interconnection cost estimate, Rocky Mountain Power will require an adjustment of the final PPA price to reflect the reduction in interconnection costs. The Company will also compare the commercial operation date in the interconnection SIS and the transmission service study with the commercial operation date in the agreement to confirm operation by March 31, 2020. Rocky Mountain Power will examine critical study information such as: (1) whether the studies support a March 31, 2020 commercial operation date; (2) interconnection direct assigned and network upgrade 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. These costs will not be included in the evaluation of PPA 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 Rocky Mountain Power 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.

All proposals will require firm transmission on PacifiCorp's network transmission system 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

Rocky Mountain Power is seeking new renewable energy resources capable of directly interconnecting and/or delivering energy to PacifiCorp's network transmission system by March 31, 2020. Rocky Mountain Power is limiting the resource type to wind, pv solar, and geothermal only and will not accept bids that combine these technologies with other technologies such as battery storage, hydro, or biomass. These resources must be capable of being interconnected with PacifiCorp's transmission system, or capable of delivering energy to PacifiCorp's transmission system with the use of third-party firm transmission service.

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 investment tax credits, or other identified tax credits/incentives.

Rocky Mountain Power 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 Rocky Mountain Power for appropriate accounting and tax treatment. Bidders shall be required to supply Rocky Mountain Power with any and all information that the Company 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 alternative ownership proposal, accounting and tax rules may require either: (i) a contract be accounted for by Rocky

Mountain Power as a capital lease or operating lease⁹ for book purposes pursuant to ASC 840, (ii) a contract be accounted for by Rocky Mountain Power as a capital lease for tax purposes¹⁰, or (iii) the seller or assets owned by the seller, as a result of an applicable contract, be consolidated as a variable interest entity (VIE) onto Rocky Mountain Power's balance sheet.¹¹

As a result, bidders may be required by Rocky Mountain Power to certify, with supporting information sufficient to enable the Company to independently verify such certification, that their proposals will not be subject to VIE treatment. Bidders should carefully consider the potential book and tax lease accounting treatment or VIE treatment implications associated with a Long Term PPA offers (i.e., PPA terms over 20 years). For these Long Term PPA offers, bidders will need to supply, if selected to the initial short list, projected cash flows through the life of the underlying asset so that Rocky Mountain Power can assess potential accounting implications. Potential accounting treatment impacts will be incorporated into the bid evaluation and selection process. For instance, if Rocky Mountain Power determines that a Long Term PPA offering would be treated as a capital lease for tax purposes, Rocky Mountain Power would be treated as the tax owner for the proposed facility.

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 Rocky Mountain Power 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

Rocky Mountain Power will not take into account potential costs to the Company 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, Rocky Mountain Power may take direct or inferred debt into consideration. In so doing, the Company 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.

⁹ "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.

¹⁰ See IRS Code Section 7701(e) describing the test for capital lease for tax purposes.

¹¹ "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.

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.

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 renewable projects bid into the 2018R Utah RFP that will maximize customer benefits. Rocky Mountain Power will not make any of the evaluation models available to bidders.

The bid evaluation process will occur in two phases. In the first phase, Rocky Mountain Power will establish an initial shortlist based on both price and non-price factors. During this phase of the bid evaluation process, Rocky Mountain Power will not ask for, or accept, updated pricing. Rocky Mountain Power will rely on the pricing and transaction structure as submitted into the 2018R Utah RFP for each bid. However, Rocky Mountain Power 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. 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 Rocky Mountain Power to establish the final shortlist.

After the final shortlist is established Rocky Mountain Power 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 Rocky Mountain Power and the bidder, on terms acceptable to Rocky Mountain Power, 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. Rocky Mountain Power welcomes bidders, at their own discretion, to provide written comments on the PPA or BTA provided in **Appendices E-2** and **F-2** as part of their bid. Rocky Mountain Power 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%)

Rocky Mountain Power will rank bids based on the difference between the \$/MWh price of the PPA and the calculated avoided cost for the renewable energy resource using the revised Proxy/PDDRR method based on Utah Commission Order dated January 23, 2018

in Docket No. 17-035-37. This is the methodology required under the current Utah Schedule 34 to determine the final price existing customers will pay for energy purchased under this schedule. Alternatively, bids may also be ranked using the Schedule 32 pricing methodology, which places a greater emphasis on the absolute \$/MWh price of the renewable resource PPA as well as the generation profile vs the customer's load profile. The Price evaluation will also take into account network upgrade costs associated with the interconnecting the resource if these costs have not already been incorporated into the PPA price and/or BTA bid. The bids will be ranked to determine an initial shortlist, after also taking into account the Non-Price Evaluation, and specifically the impact of network upgrade costs.

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 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. 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 Rocky Mountain Power performing due diligence on any given bid. Bidders that have a demonstrated track record and bids for mature proposals will receive higher scores. It's important to note that the Company's customers are required to be indifferent to the cost of any network upgrades required to bring a renewable energy source online in Utah under Schedule 34. This applies to both network upgrades identified in the interconnection process, or those identified via the request by the Company's merchant function to PacifiCorp transmission to designate the facility as a network resource. Thus, any network upgrade costs that have been identified to date by PacifiCorp Transmission in either a Feasibility or System Impact Study when bids are submitted will be considered in the Non-Price Evaluation. The following table summarizes the basis for weighting each non-price factor.

NON-PRICE FACTOR WEIGHTING

Non-Price Factors	Non-Price Factor Weighting
1. Conformity to RFP Requirements: <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 equivalent scale renewable projects. 	20%

Non-Price Factors	Non-Price Factor Weighting
<p>2. Project Deliverability:</p> <ul style="list-style-type: none"> Bids demonstrated the commercial operation date would be achieved by March 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 	40%
<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 March 31, 2020 commercial operation date. Network upgrade costs associated with either an Energy Resource (ER) or Network Resource (NR) interconnection request 	40%

3. Initial Shortlist Selection

Rocky Mountain Power will seek to establish an initial shortlist that includes up to approximately 500 MW of aggregate renewable capacity. However, Rocky Mountain Power may establish an initial shortlist containing less or more aggregate capacity depending upon the relative total bid score among the bids. Rocky Mountain Power may select the base proposal and one or more bid alternatives proposed with any bid, as applicable, to the initial shortlist.

Rocky Mountain Power will use the combined price and non-price results to rank bids. Based on these rankings, Rocky Mountain Power 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).

Rocky Mountain Power also reserves the right to require ISL bidders to request a transmission consulting study from PacifiCorp transmission to further identify/update any network upgrade costs that are necessary in order for the bidder's facility to be designated as a network resource on PacifiCorp's transmission system. The cost of this study is to be paid by the bidder.

Rocky Mountain Power will assess initial short listed PPA bids for the appropriate accounting and tax treatment. PPA bids will be evaluated for: (i) whether a contract must be accounted for by Rocky Mountain Power as a capital lease or operating lease in accordance with ASC 840 for book purposes, (ii) whether a contract must be accounted for

by Rocky Mountain Power as a capital lease for tax purposes, or (ii) whether 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. For Long Term PPA offers that would result in a PPA term over 20 years, bidders should carefully consider the potential book and tax lease accounting treatment or (VIE) treatment implications. For these Long Term PPA offers that are selected to the initial shortlist, bidders will be required to supply, with their bid, projected cash flows through the life of the underlying asset so that Rocky Mountain Power can assess potential accounting implications. Potential accounting treatment impacts will be incorporated into the bid evaluation and selection process. For instance, if Rocky Mountain Power determines that a Long Term PPA offering would be treated as a capital lease for tax purposes, Rocky Mountain Power would be treated as the tax owner for the proposed facility. Please also refer to Section 5.F of this RFP.

4. Best and Final Pricing

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 project equipment as original proposed. Best and final pricing shall not exceed 10% of the original total bid cost, which Rocky Mountain Power will assess on a nominal levelized present value revenue requirement basis. In the event that best and final pricing increases the total bid cost by more than 10%, Rocky Mountain Power 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, Rocky Mountain Power may request that certain indicative bids, not initially selected to the initial shortlist, remain open after the initial shortlist is established and that those bidders be prepared to provide best and final pricing on an expedited basis.

C. PHASE 2 – FINAL SHORTLIST

1. Processing of Best and Final Bids

After confirming that best and final pricing meets the requirements of the 2018R Utah RFP, as outlined above, Rocky Mountain Power will use the same method used for the initial shortlist price evaluation, with bids updated for best and final pricing, projected performance, and estimated network upgrade costs to process the Best and Final bids.

2. Other Factors: Applicable Law and Statutory Requirements

The bid methodology has been designed to capture applicable law and statutory requirements. Before establishing a final shortlist, Rocky Mountain Power may take into consideration 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.

3. Final Shortlist Selection

Rocky Mountain Power will summarize and evaluate the results of its price and non-price rankings. Based on these data and certain other factors as described above Rocky Mountain

Power may establish a final shortlist. Once the final shortlist is established and bidders notified, Rocky Mountain Power will initiate negotiations with final-shortlist bidders.

SECTION 7. INVITATION TO BID

A. INVITATION

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

Rocky Mountain Power 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 Rocky Mountain Power 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 Rocky Mountain Power upon bid submission, as well as a transmission voluntary consent notice to authorize the release of data to ESM.

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 Rocky Mountain Power.

D. POST-BID NEGOTIATION

Rocky Mountain Power will further negotiate both price and non-price factors during post-bid negotiations. Rocky Mountain Power 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. Rocky Mountain Power will continually update its economic and risk evaluations until both parties execute a definitive agreement acceptable to Rocky Mountain Power in its sole and absolute discretion.

Rocky Mountain Power shall have no obligation to enter into any agreement with any bidder to this RFP and Rocky Mountain Power 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 Rocky Mountain Power from entering into any agreement that Rocky Mountain Power deems prudent, in PacifiCorp's sole discretion, at any time before, during, or after this RFP process is complete. Finally, Rocky Mountain Power reserves the right to negotiate only with those entities who propose transactions that Rocky Mountain Power 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, Rocky Mountain Power does not intend to include a contractual clause whereby Rocky Mountain Power is allowed to adjust contract prices in the event that an entity who has regulatory jurisdiction over Rocky Mountain Power does not fully recognize the contract prices. As of the issuance date for this solicitation, Rocky Mountain Power is unaware of any such actual law or regulatory order.

APPENDICES

RFP APPENDIX A 2018R Utah Renewable Project Technical Specification

RFP APPENDIX B 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 Reserved

RFP APPENDIX M Reserved

**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

2018R Utah Renewable Project Technical Specification

[INCLUDED AS SEPARATE ATTACHMENTS]

RFP APPENDIX B

Information Required in Bid Proposals

Information Required in Bid Proposals

This Appendix B describes PacifiCorp's expectations and requirements for the 2018R Utah 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 if bid is a BTA or non-PPA submittal or one (1) year of data if bid submittal is for a PPA;
- 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 BTA or non-PPA 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.
 - PPA bid submittals must include a minimum of one year of on-site meteorological tower data, converted to an estimated MWh 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

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

- 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.

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 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 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 determine the actual direct assigned cost for the interconnection or transmission services. Bids will be evaluated based on the direct assigned interconnection costs submitted in the bids and considered firm costs for the initial short list evaluation. Bids that are selected to the initial short list will be held to their best and final pricing for final short list evaluation. If selected to the final short list, bidder's agreement with PacifiCorp, whether PPA or BTA, will include a condition precedent that states PacifiCorp will compare the actual direct assigned interconnection cost from the completed SIS with the bidder's firm estimate provided in their best and final price. In the event the actual SIS cost exceeds the bidder's firm interconnection cost in best and final pricing, bidder will be responsible for the cost above their best and final firm price. In the event the actual SIS cost is less than the bidder's firm interconnection cost estimate, PacifiCorp will require an adjustment of the final PPA or BTA price to reflect the reduction in interconnection costs. The company will also compare the commercial operation date in the SIS with the commercial operation date in the agreement to confirm operation by March 31, 2020. PacifiCorp will examine critical study information such as: (1) whether the studies support a March 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 should be aware of any transmission requirements or specifications that could affect their wind turbine or balance of plant selection and costs and take those specifications into consideration in preparing their bid submittal.

Based on technical information received by PacifiCorp Transmission, concerns have been raised with the capability of integrating some types of wind turbine generators in the Aeolus / Freezeout / Shirley Basin / Standpipe area of the Rocky Mountain Power 230 kV Wyoming transmission system. These concerns are:

- The wind turbine generators will be normally operating on a weak transmission system with a steady state short-circuit ratio that is less than 2.0 in the 2020 timeframe and beyond.
- With the eventual completion of the Gateway West and Gateway South Transmission Projects, the wind turbine will be operating on a series-compensated transmission system.

Further questions or clarifications should be directed to PacifiCorp Transmission.

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 of the pro-forma agreements and any comments to terms and conditions that bidder has issues with, 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 March 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 March 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 March 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.

For both PPAs and BTAs, PacifiCorp will also explore with a bidder, if selected, other commercial avenues to reduce security requirements, such as, but not limited to, reduction in security amounts as project development milestones met, 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 March 31, 2020.

Posting of Credit Security

Provisions on the posting of security are set forth in the applicable pro-forma contracts which as noted above can be negotiated relative to milestones and amounts.

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 2018R Utah 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 2018R Utah 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 one (1) year 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 (2) 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 _____, 2018 (the “Effective Date”), by and between PacifiCorp, an Oregon corporation (“PacifiCorp”), and _____ (“Counterparty”).

WHEREAS, Counterparty is submitting a bid in response to PacifiCorp’s 2018R Utah 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 2018R Utah 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:

- 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

Reserved

RFP APPENDIX M

Reserved

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. The evaluation team and the benchmark team will have separate responsibilities and be required to adhere to the self-imposed code of conduct.

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,³ 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.

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.

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.

³ See Appendix I

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.

4. Credit

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

BENCHMARK TEAM

Benchmark Team Resource development, wind operations, financial

PacifiCorp's benchmark team prepares and submits PacifiCorp's benchmark bids into the 2018R 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.

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.

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.