

## Attachment 2



## 2022 All-Source Request for Proposals

(2022AS RFP)

**ISSUED:** Tuesday April 26, 2022

**DUE DATES:**

**Benchmark Bids:** Monday November 21, 2022 5:00 PPT

**Market Bids:** ~~Monday January 16~~ Tuesday February 14,  
2023 5:00 PM PPT

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RFP 2022AS  
Resource & Commercial Strategy  
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## Appendices

- APPENDIX A Technical Specifications and Required Submittals
- APPENDIX B-1 Notice of Intent to Bid
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- APPENDIX C-1 Bid Summary and Pricing Input Sheet Instructions
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<sup>1</sup> Changes to Appendix B-2 and other appendices have been provided as redlines to the Appendix Umbrella document based on stakeholder feedback and Washington Utilities and Transportation Commission Docket UE-210979, Order 02, Approving Proposed Request for Proposals Subject to Conditions, on March 10, 2022.

<sup>2</sup> The following updates will be made to the proforma PPAs: 1) development security for resources bid with 2027 and 2028 commercial online dates will be increased; 2) the curtailment language will be adjusted o further clarify that curtailments as a result of PacifiCorp's market scheduling and economic dispatch will be compensable; 3) Sellers will be required to provide quarterly reports detailing the number of local and state workers employed during construction projects, and incident notices when construction contractors commit health and safety environmental infractions; 4) updated cyber security requirements, and 5) other conforming changes consistent with the 2020AS RFP negotiations.

<sup>3</sup> The BTAs term sheet will be updated to reference cyber security requirements which are evolving and may also be reflected in the Appendix A technical requirements.

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APPENDIX L Non-Price Scoring Matrix<sup>4</sup>

APPENDIX M Role of the Independent Evaluator

APPENDIX N PacifiCorp's Organization for RFP Process

APPENDIX O PacifiCorp's Company Alternative (Benchmark Resource)

APPENDIX P Equity Questionnaire<sup>5</sup>

APPENDIX Q 2021 Demand Response RFP – Requirements for Demand-side Bids<sup>6</sup>

APPENDIX Q-1 Professional Services Contract

APPENDIX R Bid Scoring and Modeling

APPENDIX R-1 Bid Scoring Example

APPENDIX S Berkshire Hathaway Energy Cyber Security Requirements

APPENDIX S-1 Berkshire Hathaway Energy Cyber Security Attestation

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<sup>4</sup> Additional questions have been added and limited changes have been made to Appendix L based on stakeholder feedback and Washington Utilities and Transportation Commission Docket UE-210979, Order 02, Approving Proposed Request for Proposals Subject to Conditions, on March 10, 2022 and in response to evolving concerns about cyber security.

<sup>5</sup> Additional questions have been added to Appendix P based on stakeholder feedback and Washington Utilities and Transportation Commission Docket UE-210979, Order 02, Approving Proposed Request for Proposals Subject to Conditions, on March 10, 2022.

<sup>6</sup> The Appendix Q demand response price/non-price score will be updated to be consistent with the 2022AS RFP 75/25 split. A third category will be added for a total of five points for Bid Submittal Completeness (new), to be consistent with supply-side resource non-price score categories. By September 1, 2022, PacifiCorp will update its all-source RFP to incorporate necessary changes and relevant updates to all relevant documentation (including, but not limited to, procurement specifications, evaluation methodology, and scoring rubric) if incremental demand response resources are identified in Washington as the Company finishes contracting for its 2021 demand response RFP.



# SECTION 1. OVERVIEW

## A. PURPOSE AND SCOPE OF RFP

PacifiCorp established an action item out of PacifiCorp's 2021 Integrated Resource Plan (IRP) to conduct an all-source request for proposals (2022AS RFP) and acquire new resources. The 2021 IRP preferred portfolio includes the following incremental resources:<sup>7</sup>

1. 1,345 megawatts (MW) of new proxy supply-side wind and solar generation resources and 600 MW of collocated energy storage resources with commercial operation date ("COD") by December 31, 2026.<sup>8</sup>
2. ~~274 MW of~~ new proxy demand side response resources.<sup>9</sup>

The 2022AS RFP will accept and evaluate all resource types<sup>10, 11</sup> including small-scale and distributed resources, which meet the minimum criteria of this RFP listed in Section 3.I. Prior to the determination of the final shortlist bids in ~~April~~ July 2023, the 2022AS RFP will incorporate the results of ~~any~~ separate voluntary targeted demand side response RFP, ~~where the~~ The two RFPs will dovetail and be evaluated ~~in parallel at the same time~~ using the IRP portfolio optimization models. Resource procurement to be pursued as part of the 2022AS RFP process timeline include:

1. This all-source RFP (2022AS RFP) released in April 2022 with market bids due ~~January 16~~ February 14, 2023, and

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<sup>7</sup> [2021 IRP Volume I \(pacificorp.com\):](https://www.pacificorp.com/content/dam/pcorp/documents/en/pacificorp/energy/integrated-resource-plan/2021-irp/Volume%20I%20-%209.15.2021%20Final.pdf)

<https://www.pacificorp.com/content/dam/pcorp/documents/en/pacificorp/energy/integrated-resource-plan/2021-irp/Volume%20I%20-%209.15.2021%20Final.pdf>

<sup>8</sup> The figures for solar and wind exclude resource capacity added to meet assumed customer preference targets that are included in the 2021 IRP preferred portfolio.

<sup>9</sup> 274 MW of proxy demand response resources were selected between 2022-2026 in the 2021 IRP. The Company is currently expanding its existing programs and contracting for new demand response resources identified in the 2021 demand response RFP, therefore total demand response resources needed may differ prior to the issuance of any further demand side RFP.

<sup>10</sup> ~~WAC 480-107-009 107-009 Required all-source RFPs and conditions for targeted RFPs. (1) All-source RFP requirements. All source RFPs must allow bids from different types of resources that may fill all or part of the characteristics or attributes of the resource need. Such re-source types include, but are not limited to, unbundled renewable energy credits, conservation and efficiency resources, demand response or other distributed energy resources, energy storage, electricity from qualifying facilities, electricity from independent power producers, or other resources identified to contribute to an equitable distribution of energy and nonenergy benefits to vulnerable populations and highly impacted communities.~~

<sup>11</sup> WAC 480-107-009 Required all-source RFPs and conditions for voluntary targeted RFPs. (1) All-source RFP requirements. All-source RFPs must allow bids from different types of resources that may fill all or part of the characteristics or attributes of the resource need. Such re-source types include, but are not limited to, unbundled renewable energy credits, conservation and efficiency resources, demand response or other distributed energy resources, energy storage, electricity from qualifying facilities, electricity from independent power producers, or other resources identified to contribute to an equitable distribution of energy and nonenergy benefits to vulnerable populations and highly impacted communities.

2. In the event additional demand response resource need is identified through Company planning processes, a voluntary targeted demand-side resource RFP ~~to~~will be issued ~~in Q3~~by August 31, 2022.

Demand-side response bidders may bid into one, ~~but not or~~ both, of the RFPs. ~~Demand-side bidders are encouraged to bid into the targeted RFP to be issued separately in Q3 2022.~~<sup>12</sup>

Bidders bidding into the 2022AS RFP will be required to pay a bid fee and provide firm pricing at the time of bid and hold bids through November 21, 2023.

PacifiCorp will use the results of this 2022AS RFP as well as ~~the~~any voluntary targeted demand-side response RFP to fulfil resource needs for system customers and state compliance obligations. The resource valuation and selection process will be based on PLEXOS, the portfolio optimization tool used for the IRP to ensure process consistency and fairness to the customers across PacifiCorp's six state territory.

After PacifiCorp selects the least cost, least risk resources on behalf of all system customers consistent with the resource need identified in the 2021 IRP <sup>13</sup>, PacifiCorp may find it requires additional resources to comply with regulations in one or more of its six states.<sup>14</sup> Following the selection of system resources for the final shortlist on behalf of PacifiCorp's six-state customers, PacifiCorp will consider additional compliance requirements for specific states with clean energy compliance obligations, and potentially add state-specific resources to ensure those compliance obligations are met. This secondary, discretionary process will not impact the outcome of the least-cost, least-risk resources chosen for system customers and state regulatory requirements. Any additional acquisitions, in order to meet Washington CETA compliance obligations for example, will be allocated to the state(s) where the obligation requires additional resources.

Following PacifiCorp's selection of resources for system customers and any additional resources required to meet specific state compliance obligations, PacifiCorp may conduct a secondary process to match renewable resource bids not chosen to the final shortlist with customers interested in voluntary renewable programs. This secondary, discretionary process will not impact

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<sup>12</sup> The Company is currently in the process of contracting demand response resources from the 2021 DR RFP. The company also has significant DR resources on the system that can be expanded to meet certain resource needs. Thus, while the 2021 IRP identified additional demand response resource needs, the Company may or may not have an incremental need beyond existing programs and ongoing procurement efforts. In the event additional demand response resource need is identified, PacifiCorp will issue a voluntary targeted RFP by August 31, 2022 outlining the specific remaining incremental resource needs, including type, location and timing.

<sup>13</sup> The estimated avoided cost will be based on the values determined through the IRP modeling process. Values can be found in Volume I, Chapter 8 (Modeling and Portfolio Evaluation Approach) and Chapter 9 (Modeling and Portfolio Selection). PacifiCorp provides a preliminary determination of accrual of energy and non-energy benefits within Volume II, Appendix O (Washington Clean Energy Action Plan).

<https://www.pacificorp.com/content/dam/pcorp/documents/en/pacificorp/energy/integrated-resource-plan/2021-irp/Volume%20I%20-%209.15.2021%20Final.pdf>

<sup>14</sup> Washington CETA and Oregon HB2021

the outcome of the least-cost, least-risk resources chosen for system customers and state regulatory requirements.

The 2022AS RFP will consider new and existing resources so long as they can achieve commercial operation and/or begin deliveries to PacifiCorp by December 31, ~~2026-2027~~; however, PacifiCorp has a preference for bids which can come online by the end of 2025 or during 2026. PacifiCorp will also consider bids for long-lead time resources,<sup>15</sup> so long as commercial operation can be achieved by December 31, 2028. Bidders who may have questions about resource eligibility should submit a question to PacifiCorp for clarification along with documentation supporting their contention that the resource would qualify as a long-lead time resource. Resources bid into the 2022AS RFP must be capable of timely interconnecting with PacifiCorp's transmission system (PACE or PACW) or, in the case of resources interconnecting to a third-party transmission system, delivering to PacifiCorp's transmission system prior to the bidder's proposed COD.

This document outlines the 2022AS RFP rules and processes. PacifiCorp is not bound to accept any bids and may cancel this solicitation at any time and at its own discretion.

## **B. INTERCONNECTION REQUIREMENTS AND EXISTING CONSTRAINTS**

Resources bid into the 2022AS RFP must demonstrate their ability to interconnect with or, in the case of resources interconnecting to a third-party transmission system, deliver to PacifiCorp's transmission system. Bids must include at least a completed interconnection study by the applicable interconnection provider (PacifiCorp Transmission or the applicable third-party transmission provider if the project is or will propose to be interconnected to a third-party system), which may include a i) completed fast track interconnection study,<sup>16</sup> ii) completed PacifiCorp Transmission cluster study, or iii) signed interconnection agreement. In the case of proposed projects that have or propose to interconnect with a third-party transmission system, bids must further provide satisfactory evidence of firm point-to-point transmission rights sufficient to deliver the full output of the project to PacifiCorp's transmission system on or before December 31, ~~2026~~2027, or December 31, 2028, for long-lead time resources and must detail all actual or estimated transmission costs.

The 2021 IRP included a schedule of potential transmission upgrades provided in **Appendix H-1 – 2021 PacifiCorp IRP Preferred Portfolio Transmission Upgrade Selections**,<sup>17</sup> and the IRP preferred portfolio picked proxy resources in the locations enabled by associated transmission

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<sup>15</sup> Nuclear or pumped storage hydro for example. Nuclear, geothermal or pumped storage hydro for example. Other long-lead resources approved on a case-by-case basis via request to the RFP inbox and in consultation with the IEs. Resources are considered long-lead time resources if they require a state or federal licensing process and a prolonged construction cycle outside the normal scope of wind/solar renewable development cycle projects. Such federal licensing requirement do not include pursuing federal (BLM) land rights.

<sup>16</sup> Section 50 in the OATT (V. SMALL GENERATION INTERCONNECTION SERVICE)

<sup>17</sup> August 27, 2021 IRP meeting, slide 8: [8.27.2021 PacifiCorp IRP PIM](#)

upgrades selected by the 2021 IRP preferred portfolio as summarized in **Appendix H-2 2021 PacifiCorp IRP Preferred Portfolio Proxy Resource Selections**.

Bidders are encouraged to research the publicly available information related to executed LGIAs, PacifiCorp Transmission's Transition Cluster Study, and PacifiCorp Transmission's Cluster Study I available on PacifiCorp's Open Access Same-time Information System (OASIS). In **Appendix H-3 - PacifiCorp Transmission: Summary of OASIS queue positions**, PacifiCorp has provided a summary of the following OASIS reports at the time of RFP issuance:

1. Active Serial Queue Positions
2. Executed Interconnection Agreements – Not in Service
3. Transition Cluster Study
4. First Annual Cluster Study (Cluster Study 1)

The signed LGIAs are binding contractual agreements with PacifiCorp's Transmission function, and therefore, reflect reserved interconnection capacity in certain locations on PacifiCorp's transmission system. Such LGIAs may be updated from time-to-time subject to the Open Access Transmission Tariff (OATT) rules as requests may be withdrawn and consequently areas and individual resources may be restudied.

[PacifiCorp will conduct a Workshop or Technical Conference for bidders regarding the interconnection process and transmission assessment shortly after issuance of the RFP on May 4, 2022.](#)

### **C. TRANSACTION TYPE**

PacifiCorp is accepting qualified proposals for i) existing resources from bidders who currently own or have legally binding rights to operate existing resources, and ii) new resources from bidders with development rights to construct new resources. [PacifiCorp will accept bids in the 2022AS RFP from existing operating facilities subject to the following conditions:](#)

- [Bidder cannot terminate an existing contract to bid into the 2022AS RFP;](#)
- [The existing contract must expire before the required on-line date as proposed in a bidder's bid but no later than December 31, 2027; and](#)
- [Bid must meet all other requirements in the 2022AS RFP.](#)

Resources must be individually metered and remotely monitored. PacifiCorp has a preference for resources which can be dispatched but will also accept non-dispatchable resources.

PacifiCorp will consider proposals with the following transaction structures:

1. [Benchmark transaction](#) whereby the utility proposes to develop, construct, own and operate a bid project. Under this transaction structure, PacifiCorp will be responsible for all required development, design, equipment supply, construction, commissioning, and performance testing.
2. [Build-transfer transaction](#) whereby the bidder develops the project, assumes responsibility for construction and ultimately transfers the asset to PacifiCorp in accordance with the terms of a build-transfer agreement (BTA). Under this transaction

structure, the bidder will be responsible for all development, design, equipment supply, construction, commissioning, and performance testing, and will be required to design and construct the resource in conformance with PacifiCorp's specifications. PacifiCorp will only be acquiring the bidder's assets under the BTA structure and will not consider BTA bids that involve the ultimate transfer of a project company to PacifiCorp. PacifiCorp provides a term sheet with this RFP that must guide any BTA bid. PacifiCorp will accept BTA offers for all resource types but only resources interconnecting directly to PacifiCorp's transmission system.

3. Power-purchase agreement (PPA) transaction with exclusive ownership by PacifiCorp of any and all energy, capacity, ancillary services and environmental attributes associated with the generation. PacifiCorp will consider PPA terms between 5 and 30 years.<sup>18</sup> PacifiCorp provides two forms of PPA: generation-only resources and generation resources collocated with a battery energy storage system (BESS) resource. With respect to collocated resources, the term length must be the same term for both the generation and the storage resource. PacifiCorp is requiring full dispatch control of the collocated or standalone battery (charge and discharge) as addressed in contractual terms in the applicable appendices to this 2022AS RFP.
4. Tolling Agreement, transaction whereby PacifiCorp controls the output of a standalone storage resource (BESS, Pumped storage hydro (PSH) or other). PacifiCorp will consider Tolling Agreement terms between 5 and 30 years, or for PSH bids up to the term of the operating license.
5. Professional Services Contract for demand-side bids included in **Appendix Q-1 – Professional Services Contract.**

~~PacifiCorp will accept bids in the 2022AS RFP from existing operating facilities subject to the following conditions:~~

- ~~• Bidder cannot terminate an existing contract to bid into the 2022AS RFP.~~
- ~~• The existing contract must expire before the required on-line date as proposed in a bidder's bid but no later than December 31, 2026.~~
- ~~• Bid must meet all other requirements in the 2022AS RFP.~~

#### **D. BENCHMARK RESOURCES AND AFFILIATE TRANSACTIONS**

PacifiCorp may submit one or more self-build ownership proposals (benchmark resources) which are further described in **Appendix O - PacifiCorp's Company Alternative (Benchmark Resource)**. Benchmark bids will be required to submit all of the same RFP requirements as third-party BTA bids, as listed in Appendix F-1 BTA Instructions to Bidders with the exception of Appendix D, Appendix E-2, Appendix F-2, Appendix G-1, Appendix J, Appendix K, and Appendix S-1. As discussed in more detail in Section 6.F below, any PacifiCorp benchmark resource bids will be reviewed and evaluated by PacifiCorp's evaluation team, and both PacifiCorp and the IE(s) will have filed their evaluations of such benchmark resource bids with the Commission(s) consistent

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<sup>18</sup> Longer terms matching a bidder's operational license will be accepted.

with the rules in each state, prior to PacifiCorp commencing review and evaluation of the non-market bids.

In order to provide for a transparent and fair process, the RFP will be conducted under the oversight of three IEs as further described in Section 2.A. The IEs will have been involved in the development of the RFP and will ensure the RFP process is conducted in a fair and reasonable manner. Potential bidders are invited and encouraged to contact the Oregon, Utah or Washington IE with questions or concerns. More information concerning the role of the IE is provided in **Appendix M - Role of the Independent Evaluator**.

## **E. OPERATING CAPABILITIES OF THE RESOURCE**

PacifiCorp has a preference for dispatchable, renewable energy resources, standalone energy storage and collocated BESS with renewable energy generating resources. With respect to bids including storage, PacifiCorp is requiring full dispatch control of the collocated or standalone battery (charge and discharge) as addressed in contractual terms in the applicable appendices to this 2022AS RFP. All collocated storage bids shall be i) AC-coupled, ii) sized so that the storage power capacity rating is nominally greater than 50% of the nameplate capacity of the collocated generating resource, and iii) four-hour duration or longer, ~~and iv)~~. All PPAs should be bid as an augmented system capable of maintaining the original storage power capacity and duration rating for the contract term, or otherwise able to maintain original capability, as bid. BTAs should offer unaugmented storage bids; however the storage facility should be developed and designed to allow for future augmentation in accordance with the specifications in Appendix A – Technical Specifications and Required Submittals. Benchmark resources shall be bid consistent with Appendix O - PacifiCorp’s Company Alternative (Benchmark Resource).

All bids should comply with technical and operating specifications for Automated Generation Control (AGC) for automated signal operation and Automatic Voltage Regulation functionality and **be capable of following a four second signal**. Bidders should review and understand the North America Electric Reliability Corporation (NERC) guidelines regarding technical requirements.<sup>19</sup> A more detailed description of operating requirements and specifications is included in **Appendix A – Technical Specifications and Required Submittals** by resource type.

Bidders must provide a description of the plant communications and control plan as part of their **Appendix C-3 – Energy Performance Report** response. The plan shall include a description and diagrams (as applicable) that demonstrate how bidder will provide BESS systems data, including state of charge, power charge/discharge status, and asset health indicators (temperature, HVAC alerts, emergency status, etc.) as well as BESS system control, including limitation of charging only from renewable energy production, if applicable, charge/discharge scheduling, and station service load<sup>20</sup>.

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<sup>19</sup> Please refer to NERC, Improvements to Interconnection Requirements for BPS-Connected Inverter-Based Resources, September 2019.

<sup>20</sup> All station service must be metered and purchased via retail tariff with load serving utility. Standalone and collocated BESS systems may not use charging energy or stored energy for station service.

All forms of storage systems (Lithium Ion, Flow Battery, Pumped Storage Hydro etc.) are eligible to bid into its 2022AS RFP; ~~however, When offered as part of a collocated renewable generating resource, PacifiCorp has a preference for BESS that has a power capacity rating that is 100% of the nameplate capacity of a collocated renewable generating resource and with duration of four hours or longer. <sup>21</sup> however, PacifiCorp’s preferences have no impact on the final bid scoring. Both~~ collocated or standalone BESS BTA bid must conform to both the generating resource specifications and the BESS specifications in **Appendix A – Technical Specifications and Required Submittals**. Bids should ensure the BESS specifications are consistent between **Appendix B-2 – Bid Proposal Instructions and Required Information, Appendix C-2 – Bid Summary and Pricing Input Sheet and Appendix C-3 – Energy Performance Report** responses.

~~Collocated storage bids should comply with Table 1 which summarizes PacifiCorp’s 2022AS RFP guidelines regarding collocated battery storage bids.~~

**Table 1. RFP Guidelines for Collocated BESS bids**

Battery Type	Installed Capacity as % of Collocated Renewable Resource <sup>22</sup>	Minimum Storage Duration (hours) at Guaranteed Capacity	Augmented Throughout Contract Life	Coupling
Lithium Ion	50% Minimum, Preference for 100%	4	Yes	AC-coupled
Flow batteries	50% Minimum, Preference for 100%	4	Yes	AC-coupled
All other types	50% Minimum, Preference or 100%	4	Yes	AC-coupled

~~Collocated storage bids must be AC-coupled with centralized storage designs. PPAs with collocated batteries should be bid with augmentation, whereas BTAs should offer unaugmented bids based on designs which allow for augmentation at PacifiCorp’s election. Benchmark resources should be bid consistent with **Appendix O - PacifiCorp’s Company Alternative (Benchmark Resource)**. Battery augmentation is the replacement or addition of new batteries to an existing battery resource to assure performance based on contractual requirements. For more guidance on PacifiCorp’s storage need, bidders are encouraged to review **Appendix A-1.6 Battery Storage Specification** and also review resource selection in PacifiCorp’s most recent 2021 IRP.~~

Generation and storage resources that are bid as a BTA must meet both the general technical specifications and the resource-specific technical specifications defined in **Appendix A – Technical Specifications and Required Submittals**.

<sup>21</sup> PacifiCorp’s preferred portfolio is shown in Table 9.17 of Volume I of its 2021 IRP. The reasons for storage sizing in the preferred portfolio are discussed in Chapters 5 and 8.

<sup>22</sup> ~~All collocated bids with energy storage installed capacity equal to or greater than 50% of the underlying generating resource will be accepted.~~



Demand-side resources: Bidders must comply with technical specifications listed in **Appendix Q – 2021 Demand Response RFP - Requirements for Demand-side Bids.**

## SECTION 2. PROCEDURAL ITEMS

PacifiCorp will evaluate proposals based on the following:

- Conformance with the RFP minimum eligibility requirements,
- Cost to customers, which is modeled by PacifiCorp as associated with the bid,
- The deliverability – or viability – of the resource including: ability to interconnect or otherwise deliver to PacifiCorp by the proposed COD, site control, development maturity (status of site studies (geotechnical/cultural/environmental/avian/wildlife/fish), permitting status, developer’s experience, procurement and supply chain plan, and demonstration that the project’s COD will be achieved by December 31, ~~2026~~2027, or in the case of long-lead time resources, the ability to ~~issue notice to proceed for construction by 2023 and~~ reach commercial operation by 2028,
- Conformance with the 2022AS RFP requirements related to transmission and interconnection (see Section 5.D and 5.E),
- Technical design, feasibility, and compliance with **Appendix A – Technical Specifications and Required Submittals.**
- Ability to provide acceptable credit security as determined per **Appendix D – Bidder’s Credit Information.**<sup>23</sup>
- Ability to reach a mutually agreeable contract generally in conformance with the terms attached in **Appendix E-2 – PPA Documents, Appendix E-3 – Tolling Agreement Documents, or Appendix F-2 – BTA Documents, or Appendix Q-1 – Professional Services Contract** for Demand-side Bids.
- Resources allocated to the state of Washington will be further evaluated according to WAC 480-107-035, including risks and benefits to vulnerable populations<sup>24</sup> and highly impacted communities (“equity” criteria).
- Resources located and delivered to PacifiCorp’s system in California will be further evaluated according to Rulemaking 18-07-003.
- Demand-side resources will be evaluated according to **Appendix Q – 2021 Demand Response RFP - Requirements for Demand-side Bids.** For the purposes of the all-source

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<sup>23</sup> Security in Appendix D and Appendix E-2, E-3 and F-2 proforma agreements to be updated to reflect potential for higher security requirement for resources proposed with 2027 and 2028 online dates.

<sup>24</sup> As defined in WAC 480-100-605.



RFP, demand-side resources are asked to follow the same process and complete the similar documents as the 2021 demand response RFP.<sup>25</sup>

Bidder is responsible for all bidder fees and all costs and expenses of any response to PacifiCorp in connection with its proposal for the 2022AS RFP. Such expenses may include but are not limited to i) bidders cost of providing additional information, ii) a required success fee if project is selected to the final shortlist, and iii) bidder's own expenses in negotiating and reviewing any documentation. PacifiCorp will have no liability arising out of or relating to PacifiCorp's rejection of any proposal, or bidder's reliance upon any communication received from PacifiCorp, for any reason.

**A. INDEPENDENT EVALUATOR**

PacifiCorp is conducting the 2022AS RFP under the oversight of three independent evaluators (IEs). An IE has been retained by PacifiCorp on behalf of the Public Utility Commission of Oregon (Oregon Commission) as required by Oregon Administrative Rules § 860-89-200.<sup>26</sup> A second IE has been retained by PacifiCorp on behalf of Washington Utilities and Transportation Commission (UTC) as required by WAC 480-107-023. The Utah Public Service Commission (Utah Commission) has also retained their own IE consistent with Utah guidelines in Utah Admin. Code R746-420. The IEs will be involved in development of the RFP and provide oversight to ensure the RFP process is conducted in a fair and reasonable manner. Potential bidders are invited and encouraged to contact the Oregon IE, the Washington IE and/or the Utah IE with questions or concerns. More information concerning the role of the IE is provided in **Appendix M – Role of the Independent Evaluator** for each of the states.

Contact information for each IE is as follows:

<b>Independent Evaluators:</b>
OREGON – PA Consulting Group, Inc. Charles Janecek 2022as_ie@paconsulting.com 303-250-5060
WASHINGTON – Bates White, LLC Frank Mossburg frank.mossburg@bateswhite.com 202-652-2194
UTAH <sup>27</sup> - Merrimack Energy Wayne Oliver _____ <a href="mailto:MerrimackIE@merrimackenergy.com">MerrimackIE@merrimackenergy.com</a> 781-856-0007 _____

<sup>25</sup> PacifiCorp conducted a demand response RFP in 2021 and intends to issue a demand-side RFP in Q3 2022. Please reference **Appendix Q - 2021 Demand Response RFP - Requirements for Demand-side Bids**.

<sup>26</sup> Oregon's competitive bidding rules were adopted in Public Utility Commission of Oregon Docket AR 600, *In the Matter of Rulemaking Regarding Allowances for Diverse Ownership of Renewable Energy Resources*, Order 18-324 (August 30, 2018).

<sup>27</sup> ~~To be updated prior to RFP issuance.~~

## B. PACIFICORP RFP ORGANIZATION AND ROLES

The RFP organization and roles were established by PacifiCorp before issuance of this RFP. The RFP teams shall consist of i) an RFP evaluation team, ii) a project development (benchmark) team, and iii) other general support, shared resource teams such as but not limited to the IRP, engineering and customer solutions teams. Members of the evaluation and benchmark teams will work in separate physical locations to protect the integrity of the RFP process and will not be allowed to confer on items related to the 2022AS RFP, proposed benchmark resources, or other market bids. Prior to the benchmark bid deadline, benchmark bids shall be saved in drives that the evaluation team is not able to access. Following receipt of the benchmark bids, the RFP evaluation team will save all market bids, price and non-price scorecards and other evaluation documents to drives which the project development (benchmark) team does not have access to. Results Non-price scores and the results of initial PLEXOS analyses and pricing against proxy resources conducted by the RFP evaluation team ~~prepared for use in Plexos~~ compliance with OAR 860-089-0350, including bid preparation models, will be submitted to the IEs for their retention prior to ~~Plexos~~ PLEXOS modeling.

Members of the RFP Evaluation Team, Project Development (Benchmark) Team, and Shared Resource teams will be allowed to communicate and collaborate on work unrelated to the selection of bids in the 2022AS RFP, such as, for example, engineering and technical support for ongoing contractual negotiations.

- RFP Evaluation Team — — Valuation and Commercial Business (Origination and Structuring and Pricing)
  - Responsible to coordinate with the IE and all of the RFP Evaluation Team members, and perform the evaluation of the non-price components of the bid analysis.
  - Responsible for evaluation of the benchmark and market resource bids.
  - Responsible for overseeing the modeling and preparation of bid inputs to the IRP models. Responsible for preparing bid inputs for the IRP modeling.
  - Responsible for evaluation of the applicable environmental, siting and facilities permits and other environmental studies for the project bid and coordination with the Environmental group as needed.
  - Responsible for overseeing the credit screening, evaluation and monitoring throughout RFP process.
  - Responsible for confirming compliance and legal review of submitted bid documents.
- Project Development (Benchmark) Team - PacifiCorp employees isolated from the RFP Evaluation Team in RFP bid review and selection
  - Responsible for development and submittal of any Benchmark Resource Bid(s)
- Shared Resources Teams:
  - Shared resource teams will perform specific portions of the benchmark and market bid evaluation with oversight by the RFP Evaluation team and ultimately the IEs. Members of the Shared Resources team will not share information to the Project Development (benchmark) Team related to market bids or bidders.
  - Engineering Team

- PacifiCorp employees responsible for evaluating technical assumptions, including compliance with **Appendix A - Technical Specifications and Required Submittals** and validation of **Appendix C-3 Energy Performance Report** in conjunction with 3<sup>rd</sup> party consultant.
- Customer Solutions Team
  - PacifiCorp employees responsible for evaluating demand-side resources including distributed energy and demand response bids and who ~~will~~may also be issuing voluntary targeted request for proposals in Q3 2022.
- Credit
  - Responsible for assessing bidder organization and creditworthiness qualifications.
- Compliance, Permitting and Safety
  - Responsible for evaluating bids with respect to siting, cultural, avian, wildlife, fish, environmental, permitting and safety criteria.
- Legal
  - Responsible for general legal support, including supporting the RFP Evaluation Team in evaluating bidder comments and redlines to pro forma contract forms and term sheets.
- Regulatory
  - Responsible for ensuring compliance with state procurement rules and other requirements such as Washington CETA, Oregon HB2021, etc.
- PacifiCorp Transmission
  - Responsible for providing general subject matter expert support. PacifiCorp Transmission may also be consulted by the RFP Evaluation Team regarding interconnection and transmission information pertinent to a bid, subject to a bidder-signed and posted waiver on OASIS for bid specific discussions.
- ~~○ Structuring & Pricing~~
  - ~~▪ Responsible for preparing bid inputs for the IRP modeling.~~
- IRP Team
  - The IRP Team will be treated as a shared resource to perform work for the RFP Evaluation Team ~~and the Project Development (Benchmark) Team~~ in running ~~Plexos~~PLEXOS models. The IRP Team will not share any information it obtains from the RFP Evaluation Team with the Project Development (Benchmark) Team, ~~and vice-versa~~, and the IRP Team will not share with either the RFP Evaluation Team or Project Development (Benchmark) Team, any non-public transmission system information at any point in the process.

More information related to primary roles and responsibilities may be found in **Appendix N – PacifiCorp’s Organization for RFP Process**.

### C. STANDARDS OF CONDUCT; SEPERATION OF FUNCTIONS

Each bidder responding to this RFP must conduct its communications and activities in recognition of PacifiCorp’s obligation to comply with the Federal Energy Regulatory Commission (FERC)’s Standards of Conduct for Transmission Providers (see **Appendix I – Standards of Conduct; Separation of Functions**), which require the functional separation of PacifiCorp’s transmission

and merchant functions. Interconnection with or transmission service on PacifiCorp's system is arranged through PacifiCorp's transmission function, and not PacifiCorp's merchant function that administers this RFP. Similarly, with respect to any necessary interconnection and transmission arrangements on a third-party transmission system, the bidder must coordinate with and refer to the requirements of the third-party transmission provider. As part of a bid submittal, bidders will be requested to execute a customer consent form provided in **Appendix J – PacifiCorp Transmission Waiver** that enables PacifiCorp's merchant function to discuss the bidder's interconnection and/or transmission service application(s) with PacifiCorp's transmission function.

#### **D. CONFIDENTIALITY**

As described in Section 3.C. below, before bid submittal, bidders will be required to execute a confidentiality agreement in the form provided in **Appendix G-1 – Confidentiality Agreement**. As provided in the form of confidentiality agreement, PacifiCorp will attempt to maintain the confidentiality of all bids submitted, to the extent consistent with law or regulatory order. Washington state requires that within thirty days after the close of the bidding period, the utility must post on its public website a summary of each bid the utility has received. PacifiCorp will endeavor to post a generic but complete description and protect confidential data to the extent Washington procurement rules allow.<sup>28</sup> It is the bidder's responsibility to clearly indicate in its proposal what information it deems to be confidential and subject to the terms of the executed confidentiality agreement. Bidders may not mark an entire proposal as confidential, but bidders must mark specific information on individual pages to be confidential to receive confidential treatment for that information under the terms of the executed confidentiality agreement.

All information supplied to PacifiCorp or generated internally by PacifiCorp is and will remain the property of PacifiCorp. To the extent bidder receives information from PacifiCorp, bidder must maintain the confidentiality of such information and such information may not be provided to any third-party before, during or after this RFP process unless required by law or regulatory order.

#### **E. PACIFICORP'S RESERVATION OF RIGHTS AND DISCLAIMERS**

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

Bidders who submit bid proposals do so without recourse against PacifiCorp, its parent company, its affiliates and its subsidiaries, against any director, officer, employee, agent or representative of any of them, or against the Independent Evaluators, for any modification or withdrawal of this

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<sup>28</sup> WAC 480-107-035(5)

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.

### SECTION 3. GENERAL INFORMATION AND LOGISTICS

#### A. SCHEDULE

The proposed 2022AS RFP schedule is shown below.

Milestone	Date
2022AS RFP Issued to market	04/26/2022
<del>Demand-side Targeted RFP Issued to Market</del> <u>Interconnection and Transmission Workshop</u>	<del>03-05/04/2022</del>
<u>First Bidders Conference</u>	<u>05/06/2022</u>
PacifiCorp OATT - Cluster Study Request Window closes (deadline)	05/16/2022
<u>Demand-side Voluntary Targeted RFP Issued to Market, as necessary</u>	<u>08/31/2022</u>
<u>Demand-side RFP notice of intent to bid due</u>	<u>09/30/2022</u>
Second Bidder Workshop	10/20/2022
Last day for RFP questions to IEs for Q&A	11/01/2022
Cluster study results posted to OASIS / bidders notified by PacifiCorp Transmission	11/12/2022
Notice of Intent to Bid due	11/17/2022
Benchmark bids due	11/21/2022
<u>Demand-side Voluntary Targeted RFP bids due</u>	<u>11/30/2022</u>
PacifiCorp completes <u>non-price scoring, bid preparation models and initial price scoring of benchmark bid-evaluations</u> resources in accordance with OAR 860-089-0350 (1)	<del>01/12/14/2022</del> <u>2023</u>
<del>IE completes</del> <u>IEs complete</u> review of benchmark bid evaluations, including non-price scores, bid preparation models, and indicative pricing in comparison with proxy resources	<del>01</del> <u>02/13/2023</u>
PacifiCorp files benchmark bid evaluation <u>in accordance with OAR 860-089-0350 (1)</u>	<del>01</del> <u>02/13/2023</u>
RFP bids due from market	<del>01/16</del> <u>02/14/2023</u>
Capacity factor and BESS evaluation of bids started	<del>01/18</del> <u>02/16/2023</u>
PacifiCorp completes bid eligibility screening	<del>02/15</del> <u>03/16/2023</u>
IE completes review of bid eligibility screening	<del>02/22</del> <u>03/23/2023</u>
PacifiCorp completes bid preparation <del>and provides</del> <u>models for supply-side and demand-side bid</u> market bids and provides all inputs to <del>IRP modeling</del> <u>portfolio optimization</u> team for upload into PLEXOS alongside benchmark resources files previously provided and uploaded	<del>02/23</del> <u>03/24/2023</u>
Capacity factor and BESS evaluation of bids completed	<del>02/23</del> <u>03/24/2023</u>

PacifiCorp completes due diligence and non-price scoring <u>of market bids</u>	<del>03/15</del> 04/13/2023
IEs complete review of non-price scoring	<del>03/29</del> 04/27/2023
<del>IRP model</del> PLEXOS generates price score and preferred portfolio <u>for each benchmark and market bid in consideration of all bids</u>	<del>04/14</del> 05/13/2023
Final Shortlist (FSL) selected	<del>04/24</del> 05/23/2023
IEs' review of FSL Completed	<del>05/05</del> 06/03/2023
Complete negotiation of T&Cs for resource agreements	<del>10/13</del> 11/11/2023
Execute Agreements	11/21/2023
Bid validity date	11/21/2023
Winning Bid Guaranteed COD	12/31/ <del>2026</del> 2027

Bidders seeking an interconnection study via the 2022 PacifiCorp Transmission Cluster Study shall be responsible for working with PacifiCorp Transmission to ensure that all cluster study requirements included in the Open Access Transmission Tariff (OATT) have been met by May 16, 2022 when, according the current OATT as of the date of this issuance, the Cluster Request Window closes.

The schedule above is subject to change. Actual dates may vary 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. PacifiCorp is not responsible for any costs or damages to bidders alleged to be attributable to changes in the RFP schedule stated above. PacifiCorp 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 firm nature of the schedule and be available for calls and meetings with PacifiCorp and the IE regarding bid submittals and be responsive to questions in a timely manner.**

**BIDDERS WILL BE REQUIRED TO RESPOND TO BID QUESTIONS AND CURE ANY BID DOCUMENT DEFICIENCIES WITHIN TWO (2) BUSINESS DAYS OF BID REVIEW AND REQUESTS.**

#### **B. 2022AS RFP BIDDER CONFERENCE**

Due to the extended timeframe between the RFP issuance and bidder deadlines, two bidder conferences will be scheduled, the first to be held on **May 6, 2022 and the second on October 20, 2022**. The bidder conference will be scheduled from 9:30 AM to 1:00 PM PT (10:30 AM to 2:00 PM MT) and will cover the 2022AS RFP structure, deliverables, schedule, requirements, energy performance analysis, required forms and interconnection requirements. The bidder conference will be scheduled as a Microsoft Teams meeting for remote attendance. Additional details on the bidder conference will be posted to the PacifiCorp website.

Day: Thursday  
Date: May 6, 2022 and October 20, 2022

#### **Time and Agenda:**

9:30 AM to 11:00 AM Pacific (10:30 AM to 12:00 PM Mountain)	General RFP Structure, deliverables, schedule, requirements and energy performance analysis
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11:30 AM to 1:00 PM Pacific (12:30 PM to 2:00 PM Mountain)	RFP forms and bid preparation
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Location: Teams Meeting (Details to be provided on PacifiCorp RFP webpage)

### C. INTENT TO BID FORMS

Parties that intend to submit bids for consideration in this RFP process are requested to return the following completed documents<sup>29</sup> in an electronic copy to the following PacifiCorp and IE's email addresses, no later than **5:00 p.m. Pacific Prevailing Time on November ~~June~~ 17, 2022**, to be accepted as a bidder in the 2022AS RFP:

1. **Appendix B-1 – Notice of Intent to Bid**
2. **Appendix D – Bidder's Credit Information**
3. **Appendix G-1 – Confidentiality Agreement**

Email: 2022AS\_RFP@PacifiCorp.com  
frank.mossburg@bateswhite.com (Washington IE)  
2022as\_ie@paconsulting.com (Oregon IE)  
MerrimackIE@merrimackenergy.com (Utah IE)

After PacifiCorp receives the Intent to Bid form, an acknowledgment of receipt and directions for bid submittal fees will be provided.

### D. SUBMISSION OF QUESTIONS

Bidders may submit questions related to this solicitation, and PacifiCorp will respond in a timely fashion. While PacifiCorp will maintain the confidentiality of the party posing questions, all questions as well as PacifiCorp's response to questions will be posted on the PacifiCorp website at <https://www.pacificorp.com/suppliers/rfps/all-source-rfp.html>. PacifiCorp requests that bidders copy the IEs on all questions to the RFP mailbox. Bidders may also submit questions confidentially through one or more of the IEs at the following email addresses:

Washington IE: frank.mossburg@bateswhite.com  
Oregon IE: 2022as\_ie@paconsulting.com  
Utah IE: MerrimackIE@merrimackenergy.com

PacifiCorp: 2022AS\_RFP@PacifiCorp.com

**All questions submitted to either PacifiCorp or an individual IE will be shared with the IEs in each of the three states.**

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<sup>29</sup> Documents not completed may be grounds for disqualification of a bid.

## E. SUBMISSION OF BIDS

Proposals must be submitted with a cover letter that includes all signatures necessary to approve and submit bidder's proposal by one or more representatives having necessary corporate or other organizational authority.<sup>30</sup> Additionally, the cover letter must also include the following declaration, which may not be edited without the express approval of PacifiCorp:

"[Insert legal name of Bidder] (the "Bidder") acknowledges receipt of PacifiCorp's 2022AS All-Source Request for Proposals on or about April 26, 2022. Bidder makes the following representations to PacifiCorp:

1. All of the statements and representations, including bidder's self-scored non-price scoring, made in this proposal are true to the best of Bidder's knowledge and belief;
2. Bidder possesses a legally binding agreement(s) or option(s) to possess all necessary land rights for sufficient site control to undertake development of the project as set forth in the proposal, including ingress and egress to and from the site;
3. Bidder agrees to comply with Berkshire Hathaway Energy's cyber security requirements.
- ~~3.4.~~ Bidder possesses or will possess all necessary and appropriate water rights for construction and ongoing maintenance of the project through the term of the agreement;
- ~~4.5.~~ Bidder i) possesses or intends to obtain all necessary eagle studies and agency coordination required to apply with the United States Fish & Wildlife Service for an eagle take permit, consistent with such regulatory requirements or agency guidance, and bidder possess or intends to obtain all necessary avian, wildlife and fish studies for construction and ongoing maintenance of the project throughout the term of the agreement; ii) agrees to obtain apply for an Eagle Take Permit ~~as necessary or recommended by applicable regulatory agency rules or guidance, including from~~ the United States Fish & Wildlife Service; for the construction, commissioning, and operations of a wind project and for other energy sources or associated infrastructure that may have eagle impacts, iii) agrees to identify and implement, voluntarily or as agreed upon with applicable agency, cut-in speed adjustment, curtailment strategy, and/or bat deterrent systems to address bat impacts at wind projects, iv) has included within its bid an appropriate deduction to its resource production estimates (which would be ~~noncompensable~~ non-compensable curtailment in any contract executed with bidder in this RFP) to account for potential voluntary outages, cut-in speed adjustments and/or curtailment due to impacts to avian, wildlife and fish species; including eagles and bats; and v) agrees to utilize applicable wildlife siting guidance and meaningful coordination with state/federal wildlife agencies to avoid, minimize, and/or mitigate potential impacts to wildlife and their habitat from project development, construction, and operations.

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<sup>30</sup> If the proposal is being bid under a partnership, the partnership must be fully established, including a legally binding agreement among the partners (not a letter of intent), before submission of a proposal under this RFP. Each partner must be bound to comply with the terms of this RFP and the proposal. The signature of each partner must be included on the cover letter, along with their contact information (i.e., company name, phone number, email address, etc.). The proposal must include evidence documenting the legal and binding partnership.





PacifiCorp will respond with receipt email(s).

**Benchmark bids will be due 5:00 p.m. Pacific Prevailing Time on Monday, November 21, 2022.**

**All other market bids will be accepted until 5:00 p.m. Pacific Prevailing Time on ~~Monday, January 16~~ Tuesday, February 14, 2023.** PacifiCorp 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 PPT, November 21, 2023.**

Bidders must submit complete proposals that include the following items:

1. Via email, one (1) electronic copy of the bid,<sup>33</sup> sent to the RFP email addresses<sup>34</sup> provided, which should include any required forms in PDF format and Microsoft Excel format, as required, including all appendices and exhibit sheets.
2. ~~Appendix sheets in the~~ Each bid submission should include all of the requirements listed in Section 4 of this RFP document and **Appendix B-2 – Bid Proposal Instructions and Required Information**, including<sup>35</sup>:
  - a. Technical submittal requirements from **Appendix A – Technical Specifications and Required Submittals**
  - b. The main bid document (proposal) as organized in **Appendix B-2 – Bid Proposal Instructions and Required Information**,
  - c. An excel version and also PDF print outs of the required tabs from **Appendix C-2 – Bid Summary and Pricing Input Sheet**,
  - d. Redlines or comments to the contract documents reflecting the resource type and structure contained in the bid:
    - i. **Appendix E-2 – PPA Documents**
    - ii. **Appendix E-3 – Tolling Agreement Documents**
    - iii. **Appendix F-2 – BTA Documents**
    - iv. **Appendix Q-1 – Professional Services Contract**
  - e. **Appendix Q - 2021 Demand Response RFP – Requirements for Demand-side Bids** as required for Demand-side bids

## **F. PACIFICORP'S POSTING OF SECURITY**

PacifiCorp will not post security to support its obligations under any definitive agreement. Bidders who will require such security from PacifiCorp should not submit a proposal under this RFP.

## **G. BID EVALUATION FEES**

All bidders proposing bids greater than 5 MW, including Benchmark bids, must pay a fee (Bid Fee) of \$15,000 for each Proposal. All bidders proposing bids less than or equal to 5 MW must pay a Bid Fee of \$1,000 per MW for each proposal. A "Bid" is defined by the following Bid Attributes. **A**

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<sup>33</sup> Large bid submittals may require being sent in multiple emails due to 25 MB size limitation of email transmittals.

<sup>34</sup> The IEs should be copied on emailed bid submissions.

<sup>35</sup> Demand-side resource bids shall include the requirements listed in **Appendix Q – 2021 Demand Response RFP - Requirements for Demand-side Bids** including the redline to PacifiCorp's General Services Agreement if applicable.

**bidder may submit more than one Bid per project site subject to the following caveats and limitations. Each Bid requires a separate fee. Each combination of different Bid Attributes is considered a separate Bid and subject to the bid fee requirement:**

Bid Attribute	Bid Limitations
Project Site	Multiple project sites may be bid as individual Bids or as a combined Bid; however, 1) a bid fee is required for each Bid variation; 2) contingent Bids are not allowed, 3) the COD and term length for all sites in any single Bid must be the same, and 4) the bid package and bid documents for each Bid (including nameplate capacity size, layouts, resource estimates, Appendix C-2s, interconnection studies etc.) must be consistent with the Bid and clearly articulated. Confusing and ambiguous Bids will be given two (2) days to cure and then deemed ineligible.
Technology	A Bid may include multiple collocated technologies; however, the bid package and bid documents for each Bid (including capacity size, layouts, resource estimates, Appendix C-2s, interconnection studies etc.) must be consistent with the Bid and clearly articulated. Confusing and ambiguous Bids will be given two (2) days to cure and then deemed ineligible. Contingent Bids are not allowed. If a generating resource is collocated with BESS, 1) the BESS must be AC-coupled and 2) the COD and term of the generating resource and BESS must be the same.
Nameplate (MW)	<p>The nameplate capacity size of a Bid(s) must be consistent and supported by the interconnection agreement(s).</p> <p>For generating resources collocated with BESS, the Storage Power Capacity Rating must be equal to or greater than 50% of the generating resource Nameplate. Bids with BESS sizes less than 50% will not be accepted.</p> <p>Bidders with multiple executed LGIAs and/or completed interconnection studies may combine multiple LGIAs and/or interconnection studies; however, 1) a bid fee is required for each Bid variation; 2) contingent bids are not allowed, and 3) all required bid documents including layouts, resource estimates, Appendix C-2s, interconnection studies etc. must be clearly articulated and delineated. Confusing and ambiguous Bids will be given 2 days to cure and then deemed ineligible.</p>
BESS Duration	All BESS Bids must have a duration of at least 4 hours.

Term, Start Date and End Date	Bids may be for term lengths between 5-30 years. <sup>36</sup> Multiple Bids may also bid for the same resource with different start and end dates subject to separate bid fees.
Price Structure	<p><del>Bids</del>PPAs may be bid as fixed price or variable (escalating) price structures. Multiple Bids may also bid for the same resource with different price structures subject to separate bid fees.</p> <p><del>All</del>PPA bids offering collocated generating resource plus BESS offerings will assume <u>battery</u> augmentation <u>in their offered price</u> (no decline in capacity over contract term) and maintain the Storage Power Capacity Rating. <u>BTA pricing shall be for resources which are developed and designed for future augmentation at PacifiCorp's option.</u></p> <p><u>Pricing shall include the cost of the security included in the Appendix E-2, E-3 and F-2 pro forma agreements.</u></p>
Transaction Structure	<p>Generating resource-only Bids may be bid as a PPA or a BTA contractual agreement. PPAs shall be bid with a \$/MWh price structure.</p> <p>Bids offering collocated generating resource plus BESS may be offered either as a PPA with BESS or a BTA contractual agreement. For a PPA with BESS, the generating resource will be priced on a \$/MWh basis and the BESS will be priced as a \$/MW-month toll payment.</p> <p>Bids offering standalone storage proposals may be bid as a Tolling (contractual) Agreement or a BTA. Standalone storage pricing will be bid on a \$/MW-month toll payment.</p> <p>BTA bids shall include a proposed milestone payment schedule showing the timing and amount of all payments from PacifiCorp.</p> <p>A Bid may also include multiple transaction structures, for example a 50% PPA and 50% BTA Bid; however, 1) the Bids must be <del>bid</del>offered as a single combined Bid and not separately as multiple "contingent" Bids, and 2) all required bid documents including layouts, resource estimates, Appendix C-2s, interconnection studies etc. must support the transaction structure and be clearly articulated and delineated with respect to the PPA resource vis-à-vis the BTA resource. Confusing and ambiguous Bids will be given 2 days to cure and then deemed ineligible.</p>

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<sup>36</sup> Longer terms matching a bidder's operational license will be accepted.

Labor Standard and/or Workforce Approach	<b>For the purposes of determining bid fees, bidder may provide one free alternative Bid per Project Site.</b> An alternative Bid may be submitted via a separate Appendix C-2 showing alternative pricing based on different subcontracting and hiring strategy consistent with certain state practices as described below.
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The Bid Fees will be used to cover the costs incurred by PacifiCorp in analyzing the proposals, including the costs of the Washington, Oregon and Utah IEs, the technical consultants, and legal advisors.

As mentioned above in the Bid Attribute section, Bidders will be allowed one free alternative Bid to provide alternative pricing for a different supplier, contractor/subcontractor strategy, labor standards or workforce and apprenticeship approaches consistent with one or more of the following, as applicable: California’s Rulemaking 18-07-003, Oregon’s HB2021, Washington’s RCW 82.08.962 and 82.12.962, and PacifiCorp’s Supplier Diversity goals.<sup>37</sup> Note that the State of Washington Clean Energy Transformation Act (CETA) includes certain tax incentives related to diversity hiring, and Oregon’s HB2021 requires a person who constructs or repowers a large-scale project sited in Oregon to provide a signed attestation of certain labor standards or project labor agreement at the time of contract finalization for development or construction of the project. Bidders may offer a second price for i) an alternative percentage of employees or labor during construction and ongoing operations, and/or ii) an alternative percentage of suppliers, contractors, subcontractors and that are veteran-owned and women-owned, minority-owned and LGBT-owned business enterprises.

In addition to the Bid Fees, a success fee ***may*** be charged to successful Bid(s) selected for the final shortlist. Success fees will only be required in the event Bid Fees are not sufficient to cover the incremental costs of the IE and other external consultants and service providers required in the contract development process. In no event may the success fee exceed the lesser of \$5,000 dollars per megawatt for each successful Bid or a capped at \$300,000 per Bid. The success fee applies to both benchmark and market bids. In the event success fees are required, documentation of the calculation of the success fee will be computed in cooperation with the IEs and provided to the bidder at the time the bid is selected to the final shortlist.

**Payment of Bid Fees.** Bid Fees must be paid by wire transfer to PacifiCorp. PacifiCorp will email wire transfer instructions to all bidders who have submitted a notice of intent to bid. Instructions will be emailed at least five (5) business days before the bid deadline. No cashier’s checks will be accepted. As a bid requirement, when the bid is submitted, Bidder ***must provide documentation*** of submitted Bid Fees, such as a pdf receipt of the wire transfer or wire transfer confirmation number. **The bid fee is non-refundable. After submission of bidder’s Bid, the bid fee will only be refunded if i) the Bid is withdrawn before the submittal due date, ii) the Bid does not meet the minimum eligibility requirements and the deficiency cannot be cured, or iii) the Bid is rejected for any other non-conformance before commencement of the evaluation and selection process.**

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<sup>37</sup> Supplier Diversity (pacificorp.com): <https://www.pacificorp.com/suppliers/supplier-diversity.html>

## H. BID NUMBERING AND FILE NAMING CONVENTION

Bid numbers will be self-assigned by bidder in accordance with the directives below. There is no limit to the number of Bids that may be submitted, subject to having paid the applicable Bid Fee in accordance with Section 3.G.

Bid numbers must be expressed as a whole number followed by one decimal place, beginning with the number 1.0. Each subsequent Bid will have a separate sequential bid number (i.e., 2.0, 3.0, etc.). Each Bid, and corresponding bid number, must be accompanied by a corresponding **Appendix C-2 – Bid Summary and Pricing Input Sheet**. For example, the initial Bid will be identified as “1.0” and the second Bid variation would be “2.0.”

File names should be kept short by using abbreviations wherever possible. All required documents must use the following naming convention:

*[Abbreviated Bidder name]\_[Bid number]\_[Abbreviated\_File\_Description]*

## I. MINIMUM ELIGIBILITY REQUIREMENTS FOR BIDDERS

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

1. Receipt of any Bid after the bid submittal deadline.
2. Failure to submit the required Bid Fee when due.
3. Failure to meet the requirements described in this RFP and provide all information requested in **Appendix C-2 – Bid Summary and Pricing Input Sheet** of this RFP.
4. Failure to adequately demonstrate the viability of a COD on or before December 31, ~~2026~~2027, with the exception of long-lead resources as described in Section 1.A.
5. Failure to execute **Appendix G-1 – Confidentiality Agreement** and permit disclosure of information contained in the proposal to PacifiCorp’s agents, contractors, regulators, or non-bidding parties to regulatory proceedings consistent with terms of executed confidentiality agreement.
6. Any attempt to influence PacifiCorp in the evaluation of the proposals outside the solicitation process.
7. Failure to provide a firm offer through the bid validity date outlined in Section 3.E of this RFP.
8. Failure to disclose a commitment of any portion of the proposed resource to another entity.
9. Failure to disclose the real parties of interest in any submitted proposal.

10. Failure to clearly specify all pricing terms for each proposal.
11. Failure to offer product delivered to a point of interconnection or point of delivery on Company's transmission system in either its PACE and PACW balancing areas.
12. For any bid that is proposing to interconnect to a third-party transmission system and secure transmission service to deliver the output of the resource to PacifiCorp at PACE or PACW, failure to provide a system impact study by the third-party transmission provider as well as satisfactory evidence<sup>38</sup> that firm point-to-point transmission rights are already secured in bidder or project owner's name or readily obtainable by bidder to deliver the full output of the resource to PacifiCorp on or before December 31, ~~2026~~2027, detailing all actual or estimated transmission costs.
13. Failure to materially comply with technical specification requirements in **Appendix A – Technical Specifications and Required Submittals** for BTA proposals involving potential PacifiCorp ownership or operational control.
14. Failure to demonstrate a process to adequately acquire or purchase major equipment (i.e., wind turbines, solar photovoltaic panels, inverters, tracking system, generator step-up transformers, batteries) and other critical long-lead time equipment.
15. Failure to demonstrate or represent compliance with PacifiCorp's prohibited vendors list.
16. Failure to demonstrate that it can meet the credit security requirements for the resource and commercial online date proposed.
17. Failure to submit information required by PacifiCorp to evaluate the price and non-price factors described herein.
18. Failure or inability to abide by the applicable safety standards.
19. Failure to submit an acceptable contract structure.
20. A determination by PacifiCorp that collusive bidding or any other anticompetitive behavior has occurred.
21. Bidder or proposed project being bid is involved in bankruptcy proceedings.
22. Failure of the bidder's authorized officer to sign the proposal cover letter as required in this document and without edits.

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<sup>38</sup> Transmission service documentation to PacifiCorp's system is two-fold; firm capacity is available on third-party transmission provider and bidder has made a request to the third-party transmission provider to acquire firm point-to-point transmission service to PacifiCorp's system. Documentation should include copies of direct, dated correspondence from transmission service provider to bidder, showing evidence a request for transmission service was in fact made, and transmission provider is indicating to bidder that firm, uninterruptible transmission service will be available for bidder to procure, for a specified OATT service, and identified MW capacity, POR, POD, and term. Dated correspondence should be at least within 6 months of bid submittal.

23. Misrepresentation or failure to abide by Federal Trade Commission Green guidelines for renewable projects, if applicable.
24. Any change in law 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, if applicable, environmental attributes from the specified resource.
26. Failure to provide the minimum resource performance estimate information as described in Section 5.B. of the RFP.
27. Failure to provide a performance report and model output including hourly output values as identified in **Appendix C-3 – Energy Performance Report.**
28. Failure to provide **Appendix D – Bidder's Credit Information.**
29. Any bid that includes a requirement that PacifiCorp provide credit assurances.
30. In the case of a BTA bid, failure to submit an operations and maintenance proposal materially compliant with the applicable form included in **Appendix K – Operations and Maintenance Services.**
31. Failure to satisfy the requirements as set forth in Section 3.E.4, related to ~~potential eagle take~~eagle and wildlife studies, agency coordination, eagle take permit(s), bat impacts/curtailment, deduction to resource production estimates, and/or general avoidance, minimization, and mitigation for ~~protected species~~wildlife impacts.
32. Failure to provide documentation of binding, exclusive site control for the project including the facility but excluding right-of-way or easements for interconnection, transmission or roads.<sup>39</sup>
33. Failure of the ~~bid interconnection project~~project description ~~and capacity in the bid~~ to be consistent with project description in existing interconnection studies and/or executed LGIAs, ~~including. In the event changes have been made to the proposed project bid as compared to what is described in the current interconnection documentation, bidder will need to provide~~ documentation from PacifiCorp Transmission ~~confirming any, or the applicable interconnection provider, that a material modification or interconnection re-study is not required that could materially impact the project costs or estimated in-service date.~~
34. In the case of a demand-side bid, failure to meet the requirements of PacifiCorp's 2021 Demand Response RFP included in **Appendix Q – 2021 Demand Response RFP - Requirements for Demand-side Bids.**

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<sup>39</sup> Site control for the 2022AS RFP requires a definitive, exclusive and binding lease or purchase agreement or option agreement.



35. Failure of an Oregon-sited resource bidder to agree to provide attestations or Project Labor Agreements as specified by HB2021 and provisions in the pro forma contract agreements.
36. Failure to report, disclose and comply with OFAC Sanctions Lists and Government-Owned Enterprises, as set forth in the applicable provisions in the attached pro forma contract agreements.
37. Failure to agree to track and report to PacifiCorp bidder's use of diverse businesses including, but not limited to, women-, minority-, disabled-, and veteran-owned businesses, and for resources in Washington state, failure to track and report to the utility the firm's application of the labor standards in RCW 82.08.962 and 82.12.962.<sup>40</sup>

38. Bidders agree to comply with Berkshire Hathaway Energy's Cyber Security Requirements, which may include prohibited vendors and compliance with enterprise security requirements as may evolve over the life of the proposed bid term.

## **SECTION 4. RFP CONTENT AND SUBMITTAL INSTRUCTIONS**

### **A. ALL PROPOSALS**

This section outlines the content and format requirements for all proposal structures. Bids that do not include the information requested as described in this section may be deemed ineligible for further evaluation if the bidder does not provide information within ~~24-hour~~two (2) business days of a request by PacifiCorp in its sole discretion. PacifiCorp may deem information not relevant as determined by PacifiCorp in its sole discretion. All sections must be complete and in compliance with the RFP for the bid to be accepted.

### **B. GENERAL ORGANIZATION OF THE BID SUBMITTAL**

All generation and storage resource bids must contain the following information and, to facilitate timely evaluation, must be organized as indicated below. The sections of each bid proposal must be as follows and are further described in this Section 4 and **Appendix B-2 – Bid Proposal Instructions and Required Information**:

- Section 1 - Executive Summary of Proposal
- Section 2 - Resource Description
- Section 3 - Bidder's Qualifications
- Section 4 - Financial Information
- Section 5 - Pricing Proposal and ~~Pro-Forma~~ Project Financing strategy, including tax credit strategy
- Section 6 - Interconnection & Transmission Service
- Section 7 - Environmental and Siting
- Section 8 - Contract Terms
- Section 9 - O&M Services Contract Terms (BTA Bid Only)

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<sup>40</sup> WAC 480-107-075(3)

## Section 10 - Equity Summary

Demand-side bids must contain the information required in PacifiCorp's 2021 Demand Response RFP included in **Appendix Q – 2021 Demand Response RFP - Requirements for Demand-side Bids**.

### C. PPA AND TOLLING AGREEMENTS PROPOSALS

For new or existing generating and storage resources, PacifiCorp will consider transaction structures whereby the bidder develops the resource, assumes responsibility for construction and sells the power (and non-power attributes) to PacifiCorp on a long-term basis, pursuant to the terms of a PPA and/or a Tolling Agreement, which will include certain performance guarantees. 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 long-term asset management and operational costs. Without limiting the foregoing, the bidder will be responsible for obtaining all permits, rights and resources required to construct and operate the generation resource consistent with the bidder's proposal.

For existing resources, PacifiCorp will consider PPA transactions whereby the bidder sells the power (and non-power attributes) to PacifiCorp on a long-term basis, pursuant to the terms of a PPA, which will include certain performance guarantees. The bidder will be responsible for all aspects of the project's interconnection and the long-term asset management and operational costs. Without limiting the foregoing, the bidder will be responsible for obtaining all permits, rights and resources required to operate the generation resource consistent with the bidder's proposal.

If a proposed resource intends to interconnect to a third-party transmission system, the bidder will be responsible under the PPA to arrange and maintain firm point-to-point transmission service to deliver the full output of the PPA to a designated point of delivery on PacifiCorp's transmission system. Bidders must clearly articulate the point of delivery in their bid and include wheeling costs in their PPA price (see Section 3.I.12 of Minimum Eligibility Requirements FOR Bidders).

Tolling Agreements for standalone storage resources interconnecting with third-party systems will not be accepted.

Bidders interconnecting to PacifiCorp's transmission system shall demonstrate the facility's interconnection studies and interconnection agreement are consistent with the proposed renewable resource equipment, capacity, and configuration and will not require a material modification<sup>41</sup> or interconnection re-study such as, for example, a proposal to add a BESS to a project for which the existing interconnection materials do not contemplate incorporation of such a system.

Specific bid instructions are included in the RFP Appendices. In addition to the bid narrative and bid organization instructions in **Appendix B-2 – Bid Proposal Instructions and Required Information**, PPA and Toll bidders should reference the submittal checklist in **Appendix E-1 – PPA and Tolling Agreement Instructions to Bidders**.

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<sup>41</sup> As defined in PacifiCorp Transmission's OATT.

The bidder's proposal must contain their redline to the applicable pro forma documents based on the specific bid: **Appendix E-2 – PPA Documents or Appendix E-3 Tolling Agreement Documents**. Note that the pro forma agreements are tailored for new resources and specific technologies; conforming changes may be required for existing resources or other types of resources. The redline should contain all of Bidder's exceptions to the terms and conditions of the pro forma document. Bidders objecting to terms should provide alternate language and context to the objections for PacifiCorp to evaluate the alternate language. Bidders should submit comments to the pro forma agreement on issues that they have concerns with and identify alternatives to address the issues.

All bidders in this category must complete the information requested in **Appendix C-2 – Bid Summary and Pricing Input Sheet** (PPA tabs listed in Appendix C-1).

PacifiCorp will accept transactions with generating and storage resources for 5 to 30 years. Pumped storage hydro and nuclear bids may submit a contract term longer than 30 years to match the bidder's operational license.

PacifiCorp reserves the right to request a bid's cash flow projection, if necessary, in order to evaluate the bid for capital lease accounting for tax purposes. Similarly, Bidder shall agree to providing certain financial and accounting information as stated in the pro forma documents included in **Appendix E-2 – PPA Documents** and **Appendix E-3 – Tolling Agreement Documents**.

#### **D. BUILD TRANSFER AGREEMENT (BTA) PROPOSALS**

PacifiCorp will consider build-transfer transactions whereby the bidder develops the resource, assumes responsibility for the development, construction and then ultimately transfers the project to PacifiCorp, pursuant to the terms of a BTA. 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.

BTA bids will only be accepted for proposed resources that directly interconnect to PacifiCorp's system. BTA bids interconnecting with third-party systems will not be accepted. A bidder's interconnection study, or LGIA, if already executed, shall be consistent with the proposed renewable resource equipment and configuration, or else bidder's bidder shall provide documentation from PacifiCorp Transmission that a material modification will not be required.

Specific instructions are included in the **RFP Appendices**. In addition to the bid narrative and bid organization instructions in **Appendix B-2 – Bid Proposal Instructions and Required Information**, BTA bidders should reference the submittal checklist in **Appendix F-1 – BTA Instructions to Bidders**.

The bidder's proposal must contain their redline or other substantive comments to the BTA term sheet provided in **Appendix F-2 – BTA Documents**. Conforming changes may be required in **Appendix F-2 – BTA Documents** to reflect specific resource types. Bidders objecting to terms should provide alternate language and context to the objections for PacifiCorp to evaluate the alternate language. For the purpose of non-price scoring, PacifiCorp will consider the completeness of the BTA term sheet comments and redline, and more substantive comments will be addressed after selection to a final shortlist.

All bidders in this category must complete the information requested in **Appendix C-2 – Bid Summary and Pricing Input Sheet** (BTA tabs listed in Appendix C-1).

BTA bidders will be required to provide an attestation letter signed by an officer representing and warranting certain bid assumptions. For example, BTA bidders must provide sufficient information, representations, and warranties sufficient to assure PacifiCorp that any proposed project will successfully complete construction and achieve full commercial operation by the required deadline. BTA projects must provide documentation that the proposed resource will be eligible to claim any applicable federal or state tax credits or other benefits<sup>42</sup> as interpreted by applicable guidelines and rules of the federal Internal Revenue Service or applicable state revenue authority.

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

Bidders should note that any proposal submitted in this BTA category must comply with the applicable technical and construction specifications contained in **Appendix A – Technical Specifications and Required Submittals**<sup>43</sup> and must use 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 which may include a requirement for a parental guarantee, all as deemed acceptable to PacifiCorp in its sole discretion.

## **E. DEMAND-SIDE RESOURCE PROPOSALS**

PacifiCorp recently conducted a demand response RFP in 2021 and intends working to contract and stand up significant demand response resources from that solicitation. In the event additional demand response resource need is identified, the Company may issue a voluntary targeted demand-side RFP in Q3 2022. For the purposes of the all-source RFP, demand-side response resources are asked to follow the same process and complete the same documents as required by the 2021 demand response RFP in **Appendix Q – 2021 Demand Response RFP - Requirements for Demand-side Bids**. The non-price score and minimum criteria used to evaluate demand-response resources bid into the 2022AS RFP are the same as that used

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<sup>42</sup> Bidders should provide specific details of claims for tax credits including legal opinions, equipment supply agreements, and documentation of ability to meet tax credit guidelines and rules.

<sup>43</sup> PacifiCorp has included only common technical specifications and resource specifications for wind, solar, and BESS for BTA proposals. For other renewable resources, PacifiCorp will work through the resource specifications on an as needed basis.

for the 2021 demand response RFP, which is anticipated to be the same as that which would be used for the voluntary targeted demand response RFP.<sup>44</sup>

Prior to issuing the voluntary targeted demand-side RFP ~~in Q3 2022~~, PacifiCorp will update and refine its requirements and scoring description of resource need stemming from the 2021 IRP and evaluation process incorporating incorporate learnings from the 2021 demand response RFP ~~and in response to the 2021 IRP~~. PacifiCorp does not plan to re-procure resources that were contracted from the 2021 demand response RFP. Demand response resources that bid into any voluntary targeted RFP would only be evaluated based on what is incremental to the Company's existing demand side resources. The Company will identify resources that are of particular interest to the Company at the time of issuance of ~~the Demand-side Targeted~~ any voluntary targeted RFP ~~to be issued~~ in Q3 2022 and provide guidance to bidders. PacifiCorp anticipates that the ~~demand-side~~ voluntary targeted RFP ~~will~~ would include many of the same general requirements as the All-Source RFP, though, it may contain some additional requirements specific to customer located resources and evolving state-specific requirements. In the event incremental demand response resource need is identified in Washington state, PacifiCorp, in coordination with the IE, will update the all-source RFP Appendix Q to be consistent with the subsequently issued voluntary targeted RFP.

~~Bidders responding to the 2022 AS RFP will be evaluated against the requirements and scoring and evaluation processes outlined in the 2021 demand response RFP, whereas bidders responding to the 2022 demand-side RFP will be evaluated against the requirements and scoring and evaluation processes outlined in the upcoming, demand-side RFP.~~

As part of the evaluation process, both the supply-side RFP and ~~the~~ any demand-side response RFP bids will be input into ~~Plexos~~ PLEXOS and included in the final IRP portfolio analysis to determine ~~the~~ a final shortlist.

## SECTION 5. RESOURCE INFORMATION

### A. BID INFORMATION AND PRICING INPUTS

**Appendix C-2 – Bid Summary and Pricing Input Sheet** is an Excel-based worksheet that covers bid summary information, energy production profile, and pricing requirements for various bid types. Bidders should reference the instructions in **Appendix C-1 – Bid Summary and Pricing Input Sheet Instructions** which provides detailed directions on each tab. Bidders are required to complete and submit **Appendix C-2 – Bid Summary and Pricing Input Sheet**.

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<sup>44</sup> The non-price scoring in Appendix Q will be adjusted to be consistent with the 75/25 split in the Section 6 of the all-source RFP and will be consistent with any voluntary targeted RFP. To increase demand-side non-price scores from 20- to 25-points, an additional 5-point category for "Bid Submittal Completeness" will be added to the non-price scoring criteria in Appendix Q.

## **B. TECHNICAL SPECIFICATIONS**

BTA Bidders are required to comply with technical specifications provided in **Appendix A – Technical Specification and Required Submittals** for BTAs.

## **C. RESOURCE PERFORMANCE ESTIMATE INFORMATION**

Bidders are required to provide a resource performance estimate prepared by a third-party expert. PacifiCorp may accept in-house energy performance report contingent upon PacifiCorp being able to replicate the results.

**Appendix C-3 – Energy Performance Report** provides detailed directions for resource performance information by resource type.

## **D. DIRECT INTERCONNECTION TO PACIFICORP'S SYSTEM (ON SYSTEM BIDS)**

All bidders are required to have completed an interconnection study. PacifiCorp requires that bidders submit all available interconnection studies and agreements, and any other required supporting documentation such as confirmations related to material modifications received from PacifiCorp Transmission. Off-system bidder requirements for interconnections are discussed in section 5.E below. PacifiCorp will review the bidder's interconnection documentation to confirm it aligns with the bidder's bid.

On-system bidders shall document in their bid and otherwise provide all estimated interconnection costs identified in their interconnection studies and agreements, including direct assigned and network upgrade costs. Bid prices shall include any estimated direct-assigned interconnection costs but shall exclude the estimated network upgrades costs. Although the network upgrade costs are not to be included in the bid price, the network upgrade costs will be provided to PacifiCorp and included in the utility's valuation models.

## **E. TRANSMISSION SERVICE FOR DELIVERY TO PACIFICORP'S SYSTEM (OFF SYSTEM BIDS)**

**PacifiCorp will not accept BTA bids for off-system bids.** For off-system bid locations, PacifiCorp will only accept PPA or Tolling Agreement bids. PacifiCorp will consider new and existing resources, capable of interconnecting with a third-party transmission system and using firm point-to-point transmission service to deliver to PacifiCorp's transmission system at the bid's identified point of delivery. The minimum eligibility requirements for off-system bidders include an unredacted interconnection system impact study with the third-party transmission provider and documentation<sup>45</sup> of the availability of, and request for, long-term, firm point-to-point

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<sup>45</sup> Transmission service documentation to PacifiCorp's system is two-fold; firm capacity is available on third-party transmission provider and bidder has made a request to the third-party transmission provider to acquire firm point-

transmission service from the resource's point of interconnection with the third-party's transmission system to the bidder's designated point of delivery on PacifiCorp's system. Such identified arrangements must reasonably demonstrate that the full proposed output of the resource, as identified in the bid, can be delivered by December 31, ~~2026~~2027, or December 31, 2028, for long-lead time resources.

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 related to, but not limited to, any of the following: interconnection, variable energy resource, electric losses, reserves, transmission, integration, imbalance, scheduling, and ancillary service arrangements required to deliver to the bidder's selected 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.

Bid pricing for off-system bids on third-party transmission: Off-system bidders shall submit bid prices including all interconnection costs from the third-party interconnection provider, whether from a study or a signed interconnection agreement. Off-system bidders must also include in their bid price their estimated cost for wheeling energy to the proposed point of delivery on PacifiCorp's transmission system.

In the event an off-system resource is awarded a PPA or Tolling Agreement, the contract will include appropriate provisions reflecting the Seller's obligation to timely arrange and maintain the necessary firm point-to-point transmission service facilitating delivery of the full output of the resource to the identified point of delivery, including associated events of default for failure to comply with such requirements.

## **F. NETWORK TRANSMISSION SERVICE ON PACIFICORP'S SYSTEM**

All proposals will require firm transmission on PacifiCorp's network transmission system to deliver energy to load. Proposed resources must be able to be designated by PacifiCorp's merchant function as a network resource and eligible for inclusion in PacifiCorp's network integration transmission service agreement with PacifiCorp's transmission function ([www.oasis.pacificorp.com](http://www.oasis.pacificorp.com)). The terms and conditions specific to PacifiCorp's network transmission service request are further discussed in the pro forma PPA in **Appendix E-2 – PPA Documents**, the pro forma Tolling Agreement Term Sheet in **Appendix E-3 – Tolling Agreement Documents**, and the BTA term sheet in **Appendix F-2 – BTA Documents**.

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to-point transmission service to PacifiCorp's system. Documentation should include copies of direct, dated correspondence from transmission service provider to bidder, showing evidence a request for transmission service was in fact made, and transmission provider is indicating to bidder that firm, uninterruptible transmission service will be available for bidder to procure, for a specified OATT service, and identified MW capacity, POR, POD, and term. Dated correspondence should be at least within 6 months of bid submittal.



## **G. TAX CREDITS AND/OR PROJECT INCENTIVES**

Bidders bear all risks, financial and otherwise, associated with their - or their facility's - eligibility to receive any state or federal energy tax credits, sales tax waivers or exemptions, payment in lieu of tax (PILOT), or any other identified tax- or accounting-related, incentive, or benefit. The obligations of a bidder to perform under any executed agreement resulting from this solicitation remain effective and binding regardless of whether a bidder or facility is eligible for or receives tax credits or other tax- or accounting-related incentives or benefits.

For build-transfer (BTA) transactions, PacifiCorp will require written attestation by an officer of the bidding entity including documentation of the amount, timing and control of any and all available tax credits/incentives that the bidder's facility is eligible for, has applied for, and/or has received. Such documentation must include but not be limited to i) ownership rights to the credit, grant or incentive, and ii) timing including expiration dates and milestones to achieve the credit, grant, or incentive.

## **H. ACCOUNTING**

All contracts proposed to be entered into as a result of this RFP will be assessed by PacifiCorp for appropriate accounting and tax treatment. Bidders are required to supply, upon request by PacifiCorp, any and all information that PacifiCorp reasonably requires in order to make these assessments if the bid is selected to the ~~initial~~final shortlist. Specifically, given the term length of the PPA or Tolling Agreement, or the useful life of the asset to be acquired under an asset acquisition, accounting and tax rules may require either: (i) a contract be accounted for by PacifiCorp as a financial lease or operating lease<sup>46</sup> for book purposes pursuant to ASC 842, (ii) a contract be accounted for by PacifiCorp as a capital lease for tax purposes,<sup>47</sup> or (iii) assets owned by the seller, as a result of an applicable contract, be consolidated as a variable interest entity (VIE).<sup>48</sup> Potential accounting or tax treatment impacts may be incorporated into the bid evaluation and selection process. For instance, if PacifiCorp determines that a long term PPA or Tolling Agreement offering would be treated as a capital lease for tax purposes, PacifiCorp would be treated as the tax owner for the proposed facility. In the event PacifiCorp is required to consolidate the entity, PacifiCorp would contractually require sufficient financial information to be provided to do so.

## **I. COST ASSOCIATED WITH DIRECT OR INFERRED DEBT**

PacifiCorp will not take into account potential costs to PacifiCorp associated with direct or inferred debt (described below) as part of its economic analysis in the ~~initial~~final shortlist evaluation. However, after completing the final shortlist and before the final resource selections are made,

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<sup>46</sup> The terms "Financial Lease" and "Operating Lease" have the meaning assigned to such terms in the Accounting Standards Codification (ASC) 842 as issued and amended from time to time by the Financial Accounting Standards Board (FASB).

<sup>47</sup> See IRS Code Section 7701(e) describing the test for capital lease for tax purposes.

<sup>48</sup> The term "Variable Interest Entity" or "VIE" - has the meaning assigned to such term in ASC 810 as issued and amended from time to time by the FASB.



PacifiCorp may take direct or inferred debt into consideration. In so doing, PacifiCorp may obtain a written advisory opinion from a rating agency to substantiate PacifiCorp's analysis and final decision regarding direct or inferred debt.

Direct debt results when a contract is deemed to be a lease pursuant to ASC 842.

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

### OVERVIEW OF THE EVALUATION PROCESS

PacifiCorp's bid evaluation and selection process is designed to identify the combination and amount of new resources that will maximize customer benefits through the selection of bids that will satisfy projected capacity and energy needs while maintaining reliability. The method for evaluating benchmark resources will be transparent, fair, and consistent with how market bids are evaluated with additional oversight by the IEs.

The 2021 IRP selected individual resources and optimized a preferred portfolio from a list of generic "proxy" resources to reliably meet PacifiCorp's energy and capacity needs across its six-state service territory. The PLEXOS portfolio optimization model that PacifiCorp will use to evaluate the 2022AS RFP bids and select the best combination and amount of bids is the same model that was used to evaluate proxy resources in PacifiCorp's 2021 IRP with limited updates for market conditions conducted with IE oversight. PacifiCorp uses PLEXOS to serve as a decision support tool that can be used to guide prudent resource acquisition paths that maintain system reliability at a reasonable cost.

At a high level, the 2022AS RFP evaluation process involves multiple phases:

1. Minimum criteria and bid eligibility.
2. Due diligence and non-price scoring.
3. Bid preparation for input into PLEXOS, including resource shaping.
4. PLEXOS modeling, including bid selection, portfolio optimization, reliability testing, price-policy scenario analysis, stochastic risk analysis and price scoring.
5. Combination of price and non-price scoring and ranking of preferred resources.
6. Sensitivities may be run as part of the state regulatory approval process.
7. Finally, state-specific resource analyses to comply with evolving regulations. Specifically, Specific examples include: i) resources allocated to Washington will be measured by certain non-energy benefits and community benefit indicators in compliance with CETA, and ii) small-scale renewables (under 20 MW) will be considered for purposes of satisfying AR 622 Small Scale Renewable Standard in Oregon.

The final shortlist will be selected following a series of PLEXOS model analyses based on a combination of price and non-price factors as weighted in Table 2.

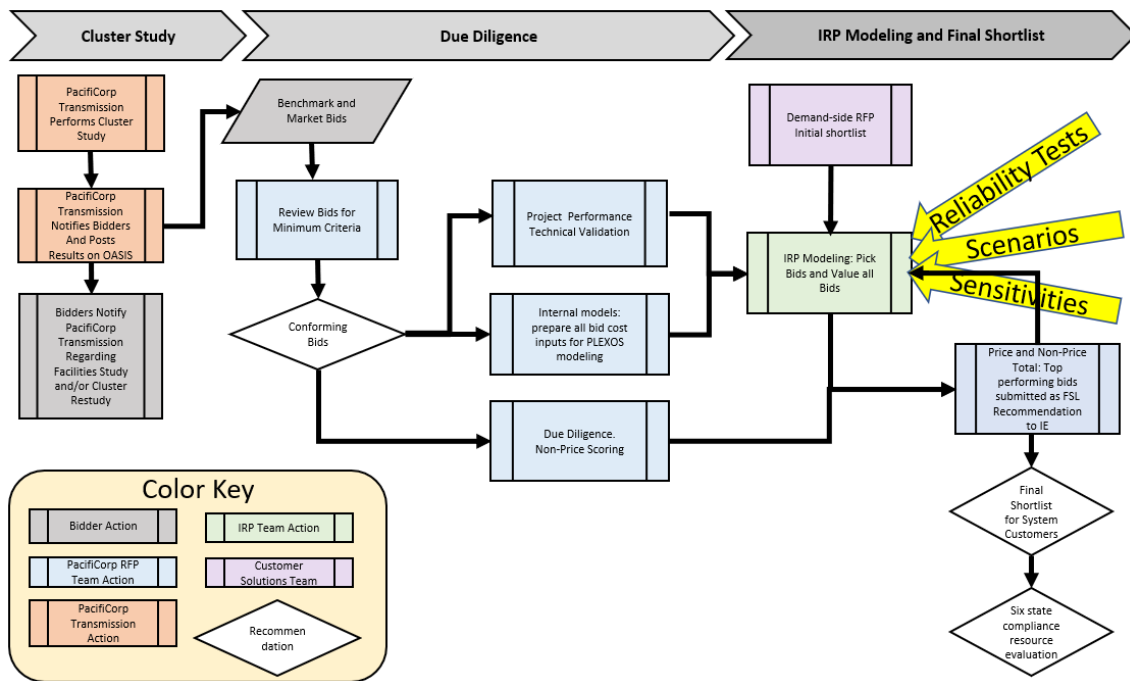
**Table 2. Scoring to Determine the Final Shortlist**

	Maximum Score
1. Price	75 points
2. Non-price score	25 points

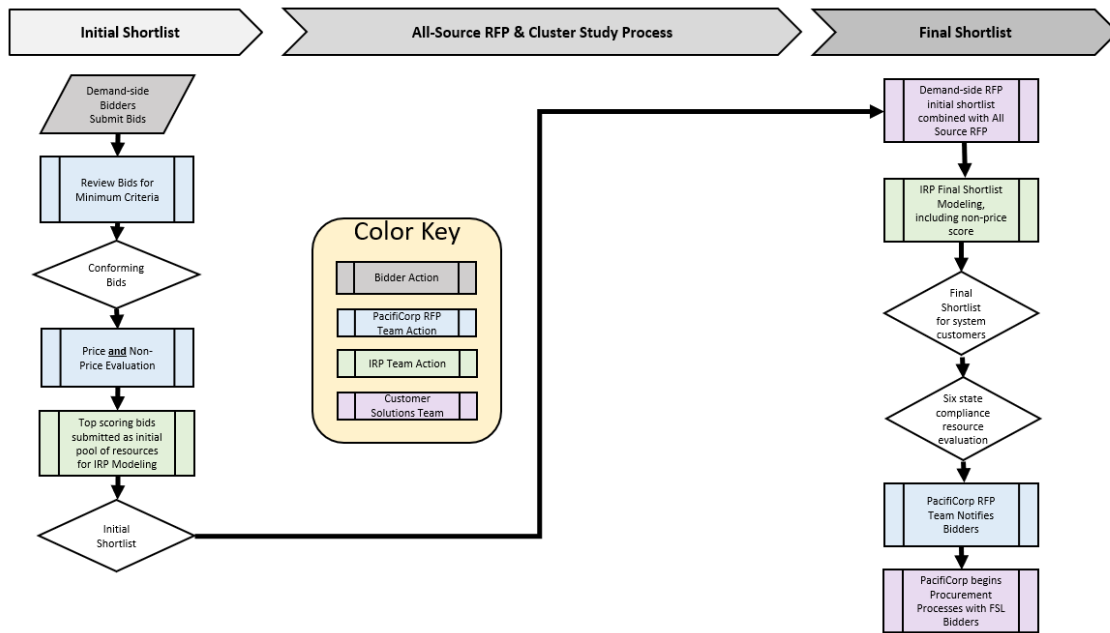
Price scores are determined using PLEXOS model outcomes- in accordance with Appendix R - Bid Scoring and Modeling. Non-price scores are determined using a non-proprietary, self-scoring matrix. Developers will be asked to grade themselves as part of their bid package, which PacifiCorp will audit before determining a final non-price score for each bid.

The 2022AS RFP evaluation process is shown in Figure 1 and Figure 2. More detail on the price and non-price score methodology is provided below.

**Figure 1. Bid Evaluation and Selection Process – Generation and Storage Resources**



**Figure 2. Bid Evaluation and Selection Process – Demand-side Resources**



**A. BID ELIGIBILITY: CONFORMANCE TO MINIMUM REQUIREMENTS**

Benchmark and market bids will initially be screened after receipt against minimum requirements to determine RFP conformance and eligibility. After IE review and consultation, non-conforming bids will be notified to correct their bid within two (2) business days or be removed from the RFP. Consistent with OR 860-089-0400 (2), non-price score criteria that seek to identify minimum thresholds for a successful bid have been converted into minimum bidder requirements.

**B. DUE DILIGENCE AND NON-PRICE SCORING**

After PacifiCorp has screened for eligibility, conforming bids will be evaluated according to the non-price criteria in Table 3. PacifiCorp’s review will focus on i) identifying bid attributes that would prevent PacifiCorp from reaching a contract with Bidder and ii) identifying bid deficiencies that would prevent the resources from coming online by the required deadline.

**Table 3. Non-Price Factor Weighting**

Non-Price Factors	Maximum Non-Price Factor Points
1. Bid Submittal Completeness	5 points
2. Contracting Progress and Viability	5 points
3. Project Readiness and Deliverability	15 points
<b>TOTAL NON-PRICE SCORE</b>	<b>25 points</b>

Bidders will have, asAs part of their bid, response, bidders will have self-scored their bids using the non-price scorecard, which will be audited and verified by PacifiCorp prior to giving each bid a non-price score. PacifiCorp reserves the right to contact a bidder to seek clarification and support for the bidder’s self-score. Bidders will have two business days to provide information requested by PacifiCorp to verify the self-scores.

A maximum of 25 points will be allocated for non-price score<sup>49</sup>. The non-price evaluation rubric is included in **Appendix L – Non-Price Scoring Matrix**.<sup>50</sup> For each non-price factor, proposals will be assigned a one or a zero. PacifiCorp’s non-price scoring model evaluates whether bids are thorough and comprehensive, whether the proposed resource is viable, and whether the bidder is likely to achieve commercial operation by December 31, ~~2026~~2027 (or December 31, 2028, for long-lead time resources), or the proposed COD. The non-price rubric is designed to be objective, intuitive, and self-scoring. As a bid requirement, bidders are required to score themselves based on the completeness of RFP bid requirements, the ability to contract with the resource, and the maturity of the project and ability of the bidder to deliver the resource by the commercial operation deadline.

The first section of non-price scoring model is similar to a check list and grades bids based on completion of bid requirements such as providing complete, thorough and consistent responses. The second section grades bidders based on the ability to contract the resource bid. The third section of the non-price scoring model assesses each bid’s development status and viability. Points are earned based on degree of site control, permits attained, completed equipment sourcing strategy and other development and operational characteristics such as dispatchability and having a reasonable construction schedule.

~~In compliance~~PacifiCorp confirms that the non-price scoring is compliant with OAR 860-089-0400(2), non-price factors ~~have been converted to price factors where practicable.~~ Non-price scores primarily relate to resource characteristics identified in the– Company’s most recent acknowledged IRP Action Plan and reflect standard form contracts. Non-price scoring criteria is objective and reasonably subject to self-scoring analysis by bidders. Non-price score criteria that seek to identify minimum thresholds for a successful bid have been converted into minimum bidder requirements.

PacifiCorp requests that all resources complete the equity questionnaire in **Appendix P – Equity Questionnaire- tabs 1 and 2**. Bids located in PacifiCorp’s California, Washington and Oregon service territory will earn points in the non-price scorecard consistent with the following state policies:

- For resources located in California, PacifiCorp has a preference for renewable energy projects that provide environmental and economic benefits to communities afflicted with poverty or high unemployment, or that suffer from high emission levels of toxic air contaminants, criteria air pollutants, and greenhouse gases when ranking projects. As described in Section 3.G of the RFP, bids located in PacifiCorp’s California service territory may provide a free bid alternative meeting a supplier diversity target for women-owned, minority-owned, disabled veteran-owned and LGBTQ-owned business enterprises and we encourage the bidder to register with California’s supplier clearing house.

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<sup>49</sup> The same weighting for price and non-price scoring will be used for demand and supply-side bids. Non-price scores will be worth up to 25 points and price scores will be up to 75 points. All references in Appendix Q will be updated to reflect the 75/25 weighting.

<sup>50</sup> OAR 860-089-400-2(b).

- Resources in Oregon will be required to provide attestations consistent with HB2021 in order to demonstrate their intent to meet the requirements of HB2021, including but not limited to apprenticeship and workforce requirements.
- Small-scale and distributed supply-side renewable resources under 20 MW which contribute to Washington’s CETA goals and PacifiCorp’s requirement under the AR 622 Small Scale Renewable Standard.
- When considering resources allocated to Washington customers, PacifiCorp has a preference for projects that provide environmental and economic benefits to highly impacted communities and vulnerable populations. When considering resources to be allocated to Washington customers, **Appendix P – Equity Questionnaire** responses will be used in the final phase of the evaluation process to measure Washington customer benefit indicators as part of Washington’s CETA. As resource allocations are not yet known, PacifiCorp requests that all bidders complete Tab 2 of Appendix P- Equity Questionnaire to the best of their knowledge and ability.

**C. BID PREPARATION INTO PLEXOS AND RESOURCE SHAPING**

Both supply-side and demand-side resources will be prepared and uploaded into PLEXOS. PacifiCorp uses its proprietary excel models to process bid costs for input to PLEXOS modeling with oversight by the IEs. PacifiCorp’s proprietary excel file will be used to prepare supply side bids by creating leveled costs for each eligible bid to be included in PLEXOS.

Consistent with the treatment of capital revenue requirement in PacifiCorp’s IRP modeling, PacifiCorp will convert any calculated revenue requirement associated with capital costs, as applicable (i.e., return on investment, return of investment, and taxes, net of tax credits, as applicable) to first-year-real-leveled costs. Consistent with the treatment of non-capital revenue requirement in PacifiCorp’s IRP modeling, all other bid costs will be summarized in nominal dollars and formatted for input into to the IRP models.

PacifiCorp’s proprietary excel model will calculate the delivered revenue requirement cost of each bid, inclusive of any applicable carrying cost and net of tax credit benefits, all operations and maintenance expenses, property taxes, generation taxes, direct assigned interconnection costs and PacifiCorp Transmission estimated network upgrade costs, as applicable (see Table 4). In developing the delivered cost for each bid, PacifiCorp requires certain cost data as inputs to the bid preparation model. Table 4 contains a summary of the cost / benefit components included in PacifiCorp’s bid preparation model by bid structure.

Table 4. Summary of Net Cost/Benefit Components by Bid Structure

Component	PPA	Tolling	BTA	Bench- mark
Initial Capital Revenue Requirements (net of ITC, if solar)	-	-	(X)	(X)
Ongoing Capital Revenue Requirements	-	-	(X)	(X)
PTC Schedule Benefit (if wind)	-	-	<del>ZX</del>	<del>ZX</del>

Terminal Value <sup>51</sup>	-	-	ZX	ZX
O&M, Lease/Royalty, Insurance	-	-	(X)	(X)
Property Taxes	-	-	(X)	(X)
State Generation Tax (if Wyoming or Montana)	-	-	(X)	(X)
Network Upgrade Revenue Requirements	(X)	(X)	(X)	(X)
PPA Price Schedule <sup>52</sup>	(X)	-	-	-
Storage Costs (Toll or Call Option Price Schedule for PPA/Tolls, or capital cost schedule for BTAs)	(X)	(X)	(X)	(X)
Integration Cost	(X)	-	(X)	(X)

\*Demand-side resources will be evaluated on a cost of capacity basis net of benefits specific to state cost-effectiveness requirements.

Z	Benefit
(X)	Cost

Any internal assumptions for key financial inputs (*i.e.*, inflation, discount rates, marginal tax rates, asset lives, AFUDC rates, *etc.*) and PacifiCorp carrying costs (*i.e.*, integration costs, owner’s costs, *etc.*) will be applied consistently to all bids, as applicable, and reviewed by the IEs prior to finalizing the bid preparation model for PLEXOS. Bids with different price structures and terms will be normalized prior to uploading into PLEXOS.<sup>53</sup>

~~As part of this bid preparation effort, PacifiCorp may screen proposals and prioritize bids when the same resource is bid with multiple Proposal Attributes related to term length, start and end date, and pricing structure (fixed and escalating prices). In coordination with the IEs, PacifiCorp will submit to PLEXOS the proposals with the COD, term and price structure offering the lowest levelized cost by calculating the net present value using PacifiCorp’s discount rate.~~

Projected renewable resource performance data (expected hourly capacity factor information) and degradation schedules will also be processed for input into the PLEXOS model. PacifiCorp will process verified capacity factors for inclusion in the production cost models. Upon determination of bid eligibility, PacifiCorp will engage a third-party subject matter expert to verify the capacity factor of the proposed wind and solar resources meeting the RFP eligibility criteria, consistent with Oregon rule 860-089-0400 5(a), so that technical due diligence is completed in parallel with the non-price scoring effort and so that validated resource estimates are ready and available to be input into PLEXOS.

<sup>51</sup> The terminal value assumptions included in the evaluation of utility-owned resources are limited to three components: 1) the remaining usable life for transmission assets (62-year useful life); 2) the remaining usable life of non-transmission assets (land and improvements) (30 year life); and 3) the remaining value of development rights (30 year life)

<sup>52</sup> Price scheduled included in Appendix C-2 shall include all development, financing, construction, operations and maintenance costs, including the cost of providing security required in the proforma agreements.

<sup>53</sup> R746-420-3(4)(c)

As part of the preparation for inputting bid results into PLEXOS, bidder's resource estimates by hour (i.e., 8760s) will be re-shaped based on a similar technology and location present in the 2018 reference year, consistent with the methodology used in the 2021 IRP.

#### **D. PLEXOS ANALYSIS: BID SELECTION AND PORTFOLIO OPTIMIZATION**

The IRP team will evaluate the bids using PLEXOS, the same production cost models used in the 2021 IRP. The IRP production cost models will select the optimized portfolio of resources proposed as part of the 2022AS RFP as well as ~~the any~~ demand-side bids received as part of the voluntary targeted demand-side RFP issued by Q3 2022. The IRP modeling tools will select from the supply-side and demand-side bids the least cost resources based on bid cost and performance data.

PacifiCorp will not make any of the IRP evaluation models available to the IEs, bidders, or stakeholders. However, PacifiCorp will summarize for the IEs how the IRP evaluation models function, and the IEs will be provided with the inputs and outputs of PLEXOS model runs used during the evaluation process.

##### **1. Bid Resource Portfolio Development**

The PLEXOS model is used to develop an optimized portfolio of resources and candidates for the final shortlist. PacifiCorp uses PLEXOS to develop, test and evaluate the cost of multiple resource portfolios including sensitivities to understand the relative performance of portfolio and resource alternatives under certain conditions.

##### **2. Reliability Tests**

PacifiCorp will perform a reliability assessment to ensure that the selected portfolio of resources can meet all hourly load and operating reserve requirements with sufficient margin<sup>54</sup> to account for other system uncertainties such as non-normal weather events. Should incremental flexible resource capacity be required to maintain system reliability, additional resources will be selected from the bids that are capable of providing incremental flex capacity to hit the targeted reliability requirements.

##### **3. Price Policy Scenarios and Risk Analysis**

PacifiCorp evaluates portfolios under a range of different environmental policy and market price scenarios (policy-price scenarios).<sup>55</sup> PLEXOS calculates the stochastic mean present value revenue requirement (PVRR) and the risk-adjusted PVRR for various policy-price

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<sup>54</sup> Consistent with the reserve requirements in the 2021 IRP.

<sup>55</sup> Policy-price scenarios will be conceptually consistent with those used in the 2021 IRP (i.e., alternative environmental policy assumptions among low, medium, and high price scenarios), but updated to reflect PacifiCorp's assessment of the most current information. Policy-price scenario assumptions will be established and reviewed with the IE before updated benchmark bids ~~with updated pricing~~ are received and opened.

scenarios<sup>56</sup> to help identify whether top-performing portfolios exhibit especially poor performance under the range of scenarios. PacifiCorp summarizes and analyzes the portfolios to identify the specific bid resources that are most consistently selected among the policy-price scenarios.

In this way, PacifiCorp uses PLEXOS to optimize its selection of bid resources to identify the lowest cost, reliable portfolio under multiple scenarios for further consideration as part of the final shortlist process. PacifiCorp may select one or more 2022AS RFP resource portfolios for further scenario risk analysis.

PacifiCorp uses PLEXOS to test each portfolio and evaluate its ability to perform under dynamic weather and market conditions. PLEXOS measures the stochastic risk of each portfolio through its production cost estimates. By holding a resource portfolio fixed and using Monte Carlo simulations of stochastic variables, including load, wholesale electricity and natural gas prices, hydro generation, and thermal unit outages, PLEXOS can measure the expected cost of each portfolio in an uncertain future.

#### **4. Price Scoring**

PLEXOS will calculate the relative system costs and benefits of each resource included in the model for evaluation. The operational characteristics of every bid will be included in the model so that PLEXOS will generate a value stream specific to each bid that will then be used to calculate a price score in accordance with Appendix R - Bid Scoring and Modeling.

More information about bid modeling techniques and price scoring, including an example of how the bid scoring will work, may be found in Appendix R.

#### **E. FINAL SCORING AND RANKING TO RECOMMEND FINAL SHORTLIST**

Following the PLEXOS analysis to select resources and determine price scores for each of the bids, PacifiCorp will combine the price and non-price scores to generate a total final bid score and ranking for each bid (both supply side and demand side bids). In the event that the ranked bids are inconsistent with the selected resources and preferred portfolio resulting from the PLEXOS performance optimization models, in coordination with the IEs, PacifiCorp will investigate the discrepancy(ies) and may add or remove resources and run additional iterations of PLEXOS including, but not limited to, reliability tests and price-policy scenarios.

When considering tiebreakers for inclusion in the final shortlist, PacifiCorp will give preference to renewable energy and demand-side resources that provide environmental and economic benefits to communities afflicted with poverty or high unemployment, or that suffer from high emission

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<sup>56</sup> The stochastic mean metric is the average of system net variable operating costs among 50 iterations, combined with the real-levelized capital costs and fixed costs taken from PLEXOS. The risk-adjusted metric adds 5% of system variable costs from the 95<sup>th</sup> percentile to the stochastic mean. The risk-adjusted metric incorporates the expected value of low-probability, high-cost outcomes.



levels of toxic air contaminants, criteria air pollutants, and greenhouse gases when ranking projects.<sup>57</sup>

Similarly, before establishing a final shortlist, PacifiCorp will hold regular meetings with the IEs both in the preparation process for preparing model inputs and analyses and after proposals are received during the evaluation and selection process. Before establishing a final shortlist, the IEs will be provided all bid preparation files and all of the PLEXOS outputs in order to evaluate the scoring and selection process. PacifiCorp may take into consideration, in consultation with the IEs, other factors that are not expressly or adequately factored into the evaluation process outlined above, particularly any factor required by applicable law or Commission order to be considered.<sup>58</sup>

PacifiCorp will summarize and evaluate the results of its scenario risk analysis, considering PVRR results, to identify the specific least-cost, least-risk bids in consideration of non-price scores. Based on these data and certain other factors as described above, and in consultation with the IEs, PacifiCorp may establish a final shortlist.

**Selection of the final shortlist will not be conditioned on the results of any future restudy arising out of the applicable PacifiCorp Transmission cluster study process.**

After the final shortlist is established and approved, PacifiCorp will engage in negotiations with the selected bidders to finalize their contract and prepare the contract for execution. Selection of a bid to the final shortlist does not constitute a winning bid. Only execution of a definitive agreement between PacifiCorp and the bidder, on terms acceptable to PacifiCorp, in its sole and absolute discretion, will constitute a winning bid proposal.

**F. BENCHMARK BID CONSIDERATIONS**

In compliance with Oregon rule 860-089-0350, prior to receiving and evaluating market bids, PacifiCorp will i) complete due diligence and non-price scoring for all benchmark bids and forward such models and result to the IEs, ii) complete the bid preparation models for each benchmark resource and upload them into PLEXOS and iii) run the performance optimization and provide initial pricing for each benchmark bid relative to proxy resources. The non-price scores, bid preparation model inputs, PLEXOS output, and initial price scores will be provided to the IE and filed with the Commission prior to opening market bids.

After PacifiCorp received market bids, PLEXOS will be re-run comparing all benchmark and market bids to provide a final price score for each benchmark and market bid. PacifiCorp will apply the same assumptions and bid scoring and evaluation criteria to the benchmark bids that are used to score other bids. Prior to opening and scoring the market bids, PacifiCorp will file have filed with the Commission, and submit submitted to the IEs for review and comment, its detailed bid

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<sup>57</sup> Pub. Util. Code § 399.13(a)(5)(7)(A) requires the following: “In soliciting and procuring renewable energy resources for California based projects, each electrical corporation shall give preference to renewable projects that provide environmental and economic benefits to communities afflicted with poverty or high unemployment, or that suffer from high emission levels of toxic air contaminants, criteria air pollutants and greenhouse gas emissions.”

<sup>58</sup> Will provide footnote to UT, OR, WA, and CA requirements prior to RFP issuance.

preparation models and non-price scores for the benchmark resources developed in consultation with the IEs and any other supporting cost or related information.

The Benchmark bids will be validated by the IEs and no changes to any aspect of the Benchmark bids by PacifiCorp will be permitted after the filing and receipt of market bids. All relevant costs, assumptions, model inputs and characteristics of the Benchmark bids will be validated by the IEs prior to receiving any of the bids and are not subject to change during except as provided herein.

Benchmark bids will not be subject to change unless updates to other bids are permitted. If, during the course of the RFP process, the Commission or the IEs determines that it is appropriate to update any bids, PacifiCorp will make the equivalent update to the score of the benchmark resource.

PacifiCorp and the IEs will file under protective order(s) an assessment of the benchmark scores as well as cost and other information as required.

In this way, in compliance with Washington rule 480-107-024(3), PacifiCorp will not disclose the contents or results of competing market bids to personnel involved in developing the utility's benchmark bids. Further in compliance with Utah rule R746-420-3(3)9e), by completing the due diligence and scoring of Benchmark bids prior to accepting market bids, PacifiCorp assures that resource evaluations will be conducted in a fair and non-preferential manner.

## **G. STATE REGULATORY CONSIDERATIONS**

Following the final shortlist selection, PacifiCorp may consider resources additions and changes required for state compliance purposes.

For example, to address Washington's CETA requirements, in consultation with the IE, PacifiCorp will evaluate the final shortlist bids designated in part to serve Washington customers. As part of the Section 6 Evaluation and Selection Process, PacifiCorp will have established a price and non-price score for each bid. A bidder may have offered an alternative diversity strategy with a different supplier, contractor or workforce diversity target and a different price for a proposed resource. PLEXOS, during the price scoring step of the evaluation process will have established a price score for each bid alternative. Similarly, each of the alternatives may have a different non-price score based on the unique diversity strategy and other attributes. In the event that the total ranking (combination of price and non-price score) for one of the bid alternatives for the resource is selected for the final shortlist based on its total score and ranking in consideration of the PLEXOS portfolio optimization recommendations, then PacifiCorp will consider the bid alternatives. In the event that one of the bid alternative offered a diversity strategy more compatible with CETA goals, PacifiCorp would, in coordination with the IE, analyze the incremental cost of the preferred bid alternative and may recommend moving forward with a higher cost, more favorable resource bid alternative to address Washington's CETA goals, with the understanding that any incremental cost will be allocated to Washington customers.

It is in this state regulatory consideration step that PacifiCorp will review the recommended list of renewable and non-emitting resources to be assigned to Washington customers and consider the Appendix B-2, Section 10 bid narrative responses as well as the Appendix P Equity

Questionnaire responses. In accordance with WAC 480-107-035, PacifiCorp will review the Equity Questionnaire for each resource and evaluate the associated risks and benefits to vulnerable populations and highly impacted communities associated with those bids. PacifiCorp, in consultation with the IE, may add or replace resources allocated to Washington customers in order to meet CETA goals. Per CETA rules, the incremental cost associated with those resources would later be assigned to Washington customers. If for example, a demand-side bidder offers a program to increase the number of households/businesses who will participate/enroll in demand response, load management, and behavioral programs as a result of this proposed resource, and if the bid offered a unique opportunity to contribute to PacifiCorp's customer benefit indicators in Washington, yet was not recommended to the final shortlist due to its price and non-price score ranking, then PacifiCorp, in coordination with the IE, may recommend adding such a resource on behalf of Washington customers, so long as the incremental cost would be assigned to Washington customers.

As part of the state regulatory consideration step related to Oregon, PacifiCorp will consider small-scale and distributed supply-side resources under 20 MW which were not selected to the final shortlist but which might be purchased on behalf of Oregon customers to contribute to the Company's AR 622 requirements.

## **H. RESOURCES NOT SELECTED TO FINAL SHORTLIST**

Following PacifiCorp's selection of resources for system customers and any additional resources required to meet specific state compliance obligations, PacifiCorp may conduct a secondary process to match renewable resource bids that are not chosen to the final shortlist to customers interested in voluntary renewable programs. This secondary, discretionary process shall have no bearing on the outcome of the least-cost, least-risk resources chosen for system customers and state regulatory requirements.

# **SECTION 7. AWARDING OF CONTRACTS**

## **A. INVITATION**

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

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

1. Determine which proposals are eligible for consideration in response to this RFP.
2. Issue additional subsequent solicitations for information, and conduct investigations with respect to the qualifications of each bidder.
3. Supplement, amend, or otherwise modify this RFP, or cancel this RFP with or without the substitution of another RFP.
4. Negotiate with bidders to amend any proposal.
5. Select and enter into agreements with the bidders who, in PacifiCorp's sole judgment, are most responsive to the RFP and whose proposals best satisfy the interests of PacifiCorp

and its customers, and not necessarily on the basis of price alone or any other single factor.

6. Waive any irregularity or informality on any proposal to the extent not prohibited by law.
7. Reject any or all proposals in whole or in part.
8. Vary any timetable.
9. Conduct any briefing session or further RFP process on any terms and conditions.
10. Withdraw any invitation to submit a response.

#### **B. BASIS OF REJECTION**

Proposals may be rejected for any reason including but not limited to not meeting the minimum eligibility requirements identified in Section 3.1 of this RFP.

#### **C. NON-RELIANCE LETTER**

All parties will be required to sign **Appendix G-2 - Non-Reliance Letter** if they qualify for the final shortlist.

#### **D. POST-BID NEGOTIATION**

PacifiCorp will negotiate final contract terms following issuance of the final shortlist. PacifiCorp will include in its final evaluation prior to contract execution 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.

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

#### **E. SUBSEQUENT REGULATORY ACTION**

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

#### **F. RFP RESULTS**

PacifiCorp will comply with Washington and Oregon rules for posting of the RFP results. Washington ~~requires~~ a summary of each bid be posted within thirty (30) days after the close of the bidding period. Oregon requires after execution of all contracts or cancellation of the RFP,

that 1) individual bidder's score be made available to the bidder, upon request,<sup>59</sup> and 2) a publicly available filing be made in the Oregon RFP docket providing the average bid score and the average price of the final shortlist by resource type.<sup>60</sup>

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<sup>59</sup> OAR 860-089-500(6)

<sup>60</sup> OAR 860-089-500(5)