

PacifiCorp
REQUEST FOR PROPOSAL
FOR TRADABLE RENEWABLE CREDITS (GREEN TAGS, as defined
herein) FOR OREGON PORTFOLIO RENEWABLE USAGE AND
ENVIRONMENTAL MITIGATION OPTIONS AND RETAIL
MARKETING SERVICES

ISSUE DATE: June 28, 2006

DUE DATE: At or before 2 p.m. PDT on Friday, July 28, 2006

CONTACT: **Oregon SB1149 RFP**
PacifiCorp
1900 SW 4th Avenue – Plaza
Portland, Oregon 97201
OregonSB1149RFP@pacificorp.com

TABLE OF CONTENTS

	Section
• REQUEST FOR PROPOSALS	1
• GENERAL PROCEDURES	2
• DEFINITIONS	3
• SCHEDULE	4
• EVALUATION	5
• DETAILED PROPOSAL REQUIREMENTS	6
• CONTENT OF RESPONSE	7
• DISCUSSIONS AND RIGHT TO REJECT PROPOSALS	8
• INCURRING COSTS	9
• DISPOSITION OF PROPOSALS AND OWNERSHIP OF DATA	10
• CONTRACT PERIOD	11
• SIGNATURES AND DECLARATIONS	12

LIST OF APPENDICES

- Appendix A- Notice of Intent to Respond
- Appendix B- Oregon Public Utility Commission's Definition of Renewable Energy and Portfolio Options
- Appendix C- Example of a Green Tag Attestation
- Appendix D- Background Information

1 REQUEST FOR PROPOSALS (RFP)

PacifiCorp desires to purchase tradable renewable credits, also known as Green Tags (called "Green Tags" herein), for two of our Oregon renewable power options -- Renewable Usage and Habitat options -- sufficient to serve the needs of our customers who select and qualify for these options, and associated retail marketing services (called "RMS" herein).

Under these two customer renewable power options, Green Tags can be used by PacifiCorp to satisfy 100% of the renewable energy component of a subscriber's energy usage, and these Green Tags must consist of 100% "new" generation as defined by Oregon's Electric Industry Restructuring Law¹ (referred to as "SB 1149" herein). "New" renewable resources are generating facilities that first started operation after July 23, 1999 (see Appendix B). This RFP seeks to acquire such Green Tags and the associated RMS. As will be discussed below, the RMS required under the RFP also relates to another PacifiCorp Oregon customer renewable power option. In addition, any proposed generating facilities must meet Western Renewable Energy Generation Information System (WREGIS) standards when they go into effect. Pursuant to OAR 860-038-0220 (4), the Oregon Public Utility Commission (Commission) requires that all tradable renewable certificates purchased for renewable resource portfolio options must be registered with WREGIS beginning January 1, 2008. This is pursuant to a requirement approved at the January 10, 2006 Commission meeting.

With respect to the Renewable Usage and Habitat options, under the Habitat option customers make an additional \$2.50 monthly donation to support salmon habitat restoration. This donation currently goes to The Nature Conservancy (TNC), a non-profit organization dedicated to the restoration of native salmon habitat. TNC administers this element of the program.

These two usage-based renewable resource options have been available to Oregon residential and small non-residential customers since March 1, 2002. A total of 15,926 customers were enrolled in these two programs as of February 28, 2006. Demand over the past 12 months averaged 11,591 MWh per month for the Usage and Habitat options combined.

PacifiCorp also offers a block product to customers as a renewable resource portfolio option. Under the Block option, which is also known as the Fixed Renewable option, a customer purchases 100% "new" renewable resources in fixed 100 kWh block increments. PacifiCorp has offered this option to customers since April 2000 and continues to procure, market, and administer this program under the renewable resource portfolio.

Bids are solicited to supply Green Tags for the Renewable Usage and Habitat options only and RMS for the period January 1, 2007 through December 31, 2009. The RMS provider must also include information and marketing materials to customers about the Block product as well as the two usage-based options.

PacifiCorp has prepared this RFP to solicit Proposals from qualified persons and organizations interested in providing the Green Tags and RMS discussed above. Under OAR 860-038-0220 (6) and Oregon Public Utility Commission (Commission) orders², PacifiCorp has created a neutral and open bidding process for the supply of its Renewable

¹ As revised and implemented under ORS 757.600(21). See <http://www.leg.state.or.us/ors/757.html>

² See, for example, Commission Order 03-208. See <http://apps.puc.state.or.us/orders/2003ords/03-208.pdf>

Usage and Habitat options. See Appendix D for background information regarding the portfolio options and eligible customers.

PacifiCorp will make available to the Commission, 45 days after a contract is awarded, documentation on the evaluation process utilized to determine the winning bid and supporting its selection. This information will be subject to appropriate confidentiality provisions.

Through this RFP process, PacifiCorp will contract for Green Tags from eligible renewable energy sources for the utility's tariffed Renewable Usage and Habitat options and RMS. Green Tags must meet renewable resource standards for the Renewable Usage and Habitat options as adopted by the Commission. The Proposal must address the issues raised in the RFP in a compelling and reasonable manner. PacifiCorp will also be looking for resources that meet the Commission's definition for New Renewable Resource Power (See Appendix B for excerpts from OAR 757.600).

All Proposals must meet the requirements set forth herein. PacifiCorp must receive all Proposals on or before 2:00 p.m. PDT on the Due Date set forth in the cover page of this RFP. Respondents will be screened based on responsiveness to the requirements, creditworthiness, and demonstrated ability to provide adequate verification of Green Tag authenticity and benefits to PacifiCorp and PacifiCorp's customers and comply with applicable requirements, as determined by PacifiCorp in its sole discretion. Bids from qualified Respondents will then be evaluated based on the overall cost, resource mix, RMS approach and demonstrated marketing experience, as well as other evaluation criteria identified in Section 5. Respondents will be advised of the status of their Proposal upon completion of the selection process. PacifiCorp reserves the right, at any time, to reject any or all Proposals as described in Section 8.

NOTE: Age, location and type of Green Tags impact marketability of the renewable portfolio option products. PacifiCorp will favor and give preference to Green Tags generated from resources located within the state of Oregon, then the Pacific Northwest (Oregon and Washington), then the Western Electricity Coordinating Council (WECC). PacifiCorp may also give preference to renewable type (wind, solar, biomass, and geothermal) and age of generation. Content must be 100% "new" renewable resources, and those renewable resources must be capable of complying with WREGIS requirements.

2 GENERAL PROCEDURES

2.1 Notice of Intent to Respond

Respondents are requested to complete the "Notice of Intent to Respond" form, included in Appendix "A", in order to be notified of updates to this RFP. Future correspondence, including any clarifications, related to this RFP will be sent only to Respondents that return the Notice of Intent to Respond.

2.2 Clarifications

To Respondents - Respondents desiring any clarification or explanation regarding this RFP please e-mail: OregonSB1149RFP@pacificorp.com.

Insofar as practicable, questions concerning the RFP should be submitted with the Notice of Intent to Respond. All questions will be answered in writing or over the telephone.

To PacifiCorp - PacifiCorp will perform an initial review of the Proposals to determine if all required information has been provided. Where deficiencies are not material, PacifiCorp may, at its sole discretion, grant a period of five (5) working days to the Respondent to cure such deficiencies.

2.3 Proposal Submittal

Four (4) copies of the Proposal are required and shall be delivered to:

ROUTINE MAIL & OVERNIGHT DELIVERY

PacifiCorp
Attn: Oregon SB1149 RFP 2006
1900 SW 4th Avenue – Plaza
Portland, Oregon 97201

HAND DELIVERY

PacifiCorp
Attn: Oregon SB1149 RFP 2006
1900 SW 4th Avenue – Plaza
Portland, Oregon 97201

The Proposal shall be sealed in an envelope and the exterior marked with the following, to distinguish it from routine mail:

<p>RFP - CONFIDENTIAL TRADABLE RENEWABLE CREDITS AND MARKETING Proposal Due Date and Time: July 28, 2006 – 2:00 p.m. PDT</p>
--

No oral or telephonic Proposals will be considered.

It is the sole responsibility of the Respondent to see that its Proposal is received by the date and time due. Any Proposal received after the stated deadline will be rejected.

All Proposals shall be prepared and submitted in accordance with these instructions and all Proposals submitted shall become the property of PacifiCorp.

Each Proposal must be effective for a minimum of 180 days after the response deadline. Respondents may be requested to extend their Proposal until a final agreement is executed.

3 DEFINITIONS

"Green Tag" means: (i) the Non-Power Attributes associated with a Specified Resource or the generation of power therefrom and (ii) the Green Tag Reporting Rights arising therefrom or connected therewith. One Green Tag represents the Non-Power Attributes and Green Tag Reporting Rights associated with 1 MWh generated by the Specified Resource. All Green Tags must be fully transferable to PacifiCorp, free from any rights of others.

"Customer Care" means direct and indirect contact with customers in response to such items as general information requests, enrollment processing and retention activities. This includes web, written correspondence, phone contact, and face-to-face sales contact at events and functions.

"Green Tag Reporting Right" means the exclusive right of PacifiCorp to report to any agency, authority or other party, including without limitation under Section 1605(b) of the

Energy Policy Act of 1992, or under any present or future domestic, international or foreign emissions trading program, that it holds the Non-Power Attributes.

“Marketing” means all mass media, customer communications and outreach activities associated with maintaining and increasing customer participation levels in these products.

"Non-Power Attributes" are the environmental, power source, and emission characteristics, credits, allowances, reductions, offsets and benefits of a Specified Resource or the generation of power therefrom and include without limitation any avoided emissions of substances to air, soil or water, including without limitation nitrogen oxides (NOx), carbon monoxide (CO), mercury (Hg), carbon dioxide (CO2), methane (CH4), other greenhouse gases (GHGs) designated as such by the United Nations Intergovernmental Panel on Climate Change, and any other pollutant that is now or may in the future be regulated or tradable anywhere, whether or not any such legislation, regulation or trading program is ever enacted, implemented or promulgated. Notwithstanding the foregoing, Non-Power Attributes do not include anything that PacifiCorp, in its sole judgment, deems to expose it to the threat of liability. Non-Power Attributes are expressed in MWh, and are not a calculation of the quantity of avoided emissions.

Program-Dedicated Renewable Resources means Specified Resources (e.g., specifically designated wind turbines) whose entire Green Tag production is supplied by the Respondent under the Proposal.

"Proposal" means a response to this RFP by a Respondent.

"Respondent" means a qualified person or entity proposing to provide Green Tags.

"Specified Resource" means the facility designated by Respondent from which power is to be generated.

NOTE: Sales of Green Tags are not sales of physical power. PacifiCorp is buying only the Green Tags from the Specified Resources. Respondent may use or sell the power from the Specified Resources to third parties, but may not represent such power as possessing its Non-Power Attributes or Green Tag Reporting Rights, and may not resell the Green Tags for the same power to any other parties.

4 SCHEDULE

4.1 Tentative Schedule of Events

An approximate schedule for Proposal evaluation and Respondent selection is as follows:

- RFP release June 28, 2006
- Proposals due July 28, 2006
- Agreements executed by PacifiCorp after obtaining necessary board approval no later than August 30, 2006
- Tariffs filed with Commission, September 1, 2006

5 EVALUATION

5.1 Proposal Evaluation and Discussions

PacifiCorp may award a contract on the basis of Proposals submitted, without discussions, or may negotiate further with those Respondents at its sole discretion.

Proposals should be submitted on the most favorable terms the Respondent can provide.

The authority for any agreement to contract rests with PacifiCorp.

PacifiCorp will perform an initial review of the Proposals to determine if all required information has been provided. Where deficiencies are not material, PacifiCorp may, in its sole discretion, grant a period of five (5) working days to the Respondent to cure such deficiencies.

Proposals should support the Considerations for Designing Portfolio Options adopted by the Portfolio Advisory Committee, be fully compliant with the Commission's WREGIS requirement, and show supply from 100% new renewable resources. As an example, please see Commission Order 03-208 (<http://apps.puc.state.or.us/orders/2003ords/03-208.pdf>).

Respondents will be qualified based on:

- Creditworthiness
- Experience in renewable energy and retail marketing
- Demonstrated ability to provide adequate verification of Green Tag authenticity
- Ability to deliver the proposed product meeting renewable resource standards for the options as adopted by the Commission on March 20, 2001 (Order 01-337), and March 31, 2003 (Order 03-208)

Once qualified, subject to the requirements of this RFP, Proposals will be evaluated based on the following factors:

Weight	Evaluation Factor
35%	Overall price for Green Tags and RMS.
30%	Quality of RMS, including presentation of a practical marketing approach that demonstrates: an understanding of how to effectively sell these products in PacifiCorp's predominately rural Oregon market at a competitive price; a clear plan for expanding the current market share; and ability to work with PacifiCorp and other involved parties. Provide annual marketing budgets.
25%	Green Tags appeal to customers (sources, age, and location of Green Tags) and consequently impact the marketability of the product. PacifiCorp will favor and give preference to Green Tags generated from resources located within the state of Oregon, then the Pacific Northwest (Oregon and Washington), then the WECC. PacifiCorp, may also give preference to renewable type (wind, solar, biomass, and geothermal) and age of generation resource.
5%	Demonstration of experience and ability to address customer care issues.
5%	Risks associated with the Proposal, including exposure to market prices.

After the Proposals have been reviewed and evaluated, selected Respondents may be asked to make presentations of their Proposals to PacifiCorp personnel and field questions concerning them. After the interviews and the evaluation are completed, one or more Respondents may be requested to enter into contract negotiations.

In order to ensure proper consideration to the Proposal, Respondents should explain in detail any provisions that may not be obvious. Clearly mark portions of a Proposal that are variances of a base Proposal. It is critical that Proposals be clear and concise as to what is offered.

5.2 Awards

The successful Respondent will commence the process of contracting to provide Green Tags and RMS to PacifiCorp under the following procedure: PacifiCorp will deliver a form of contract, which the parties will then negotiate. No obligations or legal relations shall exist between PacifiCorp and Respondent until the definitive execution of final documentation acceptable to PacifiCorp in its sole discretion. PacifiCorp intends to file a tariff by September 1, 2006, for its Renewable Usage and Habitat options; this date may require a term sheet between parties on which to base tariff price. Current tariffs for these products can be found on the Pacific Power Web site, www.pacificpower.net.

PacifiCorp will work with the successful Respondent to estimate the total Green Tags and RMS it will need for the 36-month term of the contract, although PacifiCorp will not be obligated to purchase any minimum amount of Green Tags and RMS from anyone. The successful Respondent will be able to deliver attestations for all Green Tags. The Green Tags must match actual customer demand and will not be paid for until PacifiCorp receives required attestations. For an example of an attestation, see Appendix C. WREGIS certified tags should be accompanied by WREGIS verification. Beginning January 1, 2008, tags must be transferred to the designated PacifiCorp WREGIS account prior to payment. The Commission may at a later date modify this requirement if insufficient certificates are registered with WREGIS for the types of energy resources supplying Tradable Renewable Certificates for the portfolio options.

Pursuant to Commission Order No. 05-878, PacifiCorp is required to file with the Commission upon execution of any contracts with renewable tag/marketing suppliers for portfolio options under ORS 757.603(2)(a) which allows the utility to request that the document be treated as a confidential submission under ORS 192.502(4), or other specified exemptions.

6 DETAILED PROPOSAL REQUIREMENTS

6.1 Provide the following information:

Retail Marketing:

- a. Describe your experience in successfully marketing renewable power options to consumers. Provide samples of marketing literature.
- b. Describe your approach to marketing the Oregon portfolio Renewable Usage and Habitat options, along with the Block product. Show the consideration you will give to marketing in PacifiCorp's Pacific Power Oregon non-urban rural markets. What strategies will you use to make renewable energy tangible and more appealing to the mainstream vs. the greenest of consumers? Give specific approaches to retaining and expanding the current market share.
- c. How do you propose working in collaboration with the nonprofit agency that administers the projects that restore native fish habitat for the component of the Habitat option? Provide a general outline of the expected roles and responsibilities of each party. The

Nature Conservancy, a nonprofit conservation group, currently manages the habitat restoration funds.

- d. How do you plan to coordinate with PacifiCorp's Pacific Power customer communication efforts to inform customers about all of their renewable power options?
- e. Describe your marketing/outreach plan – including objectives and goals for each customer segment and your expected use of various marketing channels. Include reasons why or why not you would use one channel over another and estimated budgets (by option if different). Describe approaches to evaluating your marketing efforts for cost-effectiveness and customer segments reached.
- f. Describe your expected participation results by option over the contract period.
- g. Describe how your marketing dollars would be allocated by customer segment and marketing channel, along with what dollar amount would be dedicated to retention and ensuring high customer satisfaction among all participants.
- h. Describe what market research, if any, you plan on executing and how you will evaluate your marketing effectiveness and how this information will be shared with PacifiCorp.
- i. Describe your suggested approach to customer relations, including any training processes and expected ongoing customer contact.
- j. Describe your customer participation tracking needs from PacifiCorp.
- k. Please provide letters of reference, endorsements or a list of references demonstrating support of your work by environmental organizations.
- l. Do you have the proper licensing in place to do business in the State of Oregon?

Green Tags:

- a. Demonstrate certainty of the availability of Green Tags sufficient to meet our customer demand requirements.
- b. Describe any potential constraints to delivery of the Green Tags.
- c. Describe any other operational constraints of which PacifiCorp should be aware.
- d. Describe your process for acquisition of Green Tags and the source (the Specified Resource), whether it is from market purchases and contracts or from owned or shared generation resources.
- e. Describe the contract chain used for demonstrating the Green Tag attestations and the Green Tags Reporting Rights.
- f. Describe your familiarity with WREGIS requirements.
- g. WREGIS requirements begin January 1, 2008.

- h. Provide information regarding your creditworthiness as required by PacifiCorp, including the name of the legal entity making the Proposal, any proposed guarantors, 2 years of financial statements (audited if so available, and to include those of any proposed guarantor) and three credit references.
- i. All Green Tags must meet the renewable resource standards for Renewable Usage and Habitat options as adopted by the Commission and meet SB 1149's definition of New Renewable Resource Power and Renewable Resources requirements (Appendix B).
- j. All Green Tags must contain documented reporting rights for authenticity purposes provided by a third party.
- k. Green Tags must be generated in the calendar year, the first three months of the of the following calendar year, or the last six months of the prior calendar year of the consumer's purchases of energy under the respective portfolio option.
- l. Any Green Tags from Program-Dedicated Resources should be identified, with estimated production quantities, and documentation supporting their identification as Program-Dedicated.

6.2 Pricing

State the price per MWh per Renewable Usage and Habitat option for the entire 36-month term of the Green Tags and RMS contract.

6.3 Guarantees:

- a. Describe any guarantees or other forms of security for performance, such as a bond or similar security.
- b. Performance and other guarantees that are made as part of the RFP may be incorporated into the ultimate contract and used for contract compliance.

7 CONTENT OF RESPONSE

All Proposals should be in the format described herein. All requested information applicable to the Respondent's Proposal should be supplied. Additional or separate information submitted will be accepted without prejudice to the Proposal and will be considered in its applicable context, however, Respondents should avoid including extraneous information.

Proposals should be sure to include the following information in the order listed:

7.1 Letter of Transmittal.

7.1.1 Briefly state the Respondent understands the Proposal and what is being offered to PacifiCorp.

7.1.2 The address used in the Proposal shall be considered the legal address of the Respondent and shall be changed only by written notice to the PacifiCorp. The Respondent shall supply an address to which certified mail can be delivered. The delivery of any communication to the Respondent either personally, or to such address deposited in the United States Mail, registered or certified with postage prepaid, addressed to the Respondent at such address, shall constitute a legal service thereof.

7.2 Table of Contents

Include a clear identification of the Proposal by section and by page number.

7.3 Respondent's Qualifications

Identify the facility(s) or project(s) (the Specified Resource). Briefly describe the facility or project making sure it meets the Commission's Definition of Renewable Energy (included in Appendix "B").

PacifiCorp reserves the right to require, in PacifiCorp's sole opinion, adequate credit assurances which may include, but may not be limited to, a corporate parental guaranty and/or a letter of credit in a form, amount, and from a financial institution acceptable to PacifiCorp.

8 DISCUSSIONS AND RIGHT TO REJECT PROPOSALS

8.1 PacifiCorp's Rights and Options

This RFP contains only an invitation to make Proposals to PacifiCorp. No Proposal is itself a contract binding on PacifiCorp.

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

- a. Determine which Proposals are eligible for consideration in response to this RFP.
- b. Issue additional subsequent solicitations for information, and conduct investigations with respect to the qualifications of each Respondent.
- c. Disqualify Proposals contemplating Specified Resources that will not be able to meet WREGIS requirements, do not meet the Commission's definition of renewable energy products containing new resources, or any other renewable portfolio standards.
- d. Supplement, amend, or otherwise modify this RFP, or cancel this RFP with or without the substitution of another RFP.
- e. Negotiate with Respondents to amend any Proposal.
- f. Select and enter into agreements with the Respondents who, in PacifiCorp's sole judgement, 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.
- g. Issue additional subsequent solicitations for Proposals.
- h. Waive any irregularity or informality on any Proposal to the extent not prohibited by law.
- i. Reject any or all Proposals in whole or in part.
- j. Vary any timetable.
- k. Conduct any briefing session or further RFP process on any terms and conditions.
- l. Withdraw any invitation to submit a response.

- m. Order all or none or part of the Green Tags or RMS, and in any quantity for delivery without providing reasons and without being liable for any compensation to any party except to the extent of the goods and services ordered and satisfactorily provided pursuant to the terms of an executed agreement.

8.2 Basis for Rejection

Proposals may be rejected for any of the reasons including but not limited to:

- a. Receipt of the Proposal by PacifiCorp after the Response Deadline.
- b. Failure to meet the requirements described in this RFP.
- c. Failure to submit a complete Proposal with pertinent information necessary for evaluation.
- d. Failure of the Respondent's authorized officer to sign the Proposal or declaration required in Section 12 below.
- e. Inability or unwillingness of the Respondent to provide the requisite security or surety required for performance.
- f. If the Proposal is not a firm offer for at least 180 days from the Response Deadline.
- g. Misrepresentation or failure to abide by National Association of Attorneys General (NAAG) Environmental Marketing Guidelines (available at http://www.naag.org/issues/pdf/Green_Marketing_guidelines.pdf).
- h. Failure to permit disclosure of information contained in the Proposal to PacifiCorp agents, contractors, the Commission, or to provide such further information as may be requested by PacifiCorp or the Commission.
- i. Any attempt to influence PacifiCorp's evaluation of the Proposals outside the solicitation process.
- j. Any change in regulation or regulatory requirements.
- k. Failure of the Specified Resource to meet the Commission's definition of renewable energy products containing new resources or any other renewable portfolio standards.
- l. Any matter impairing Respondent, Specified Resources or the generation of power or Non-Power Attributes therefrom or the delivery of Green Tags.

9 EXPENSES OF PREPARING PROPOSALS

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

10 DISPOSITION OF PROPOSALS AND OWNERSHIP OF DATA

All Proposals belong to PacifiCorp and will not be returned. PacifiCorp will use reasonable efforts to protect information clearly and prominently marked as proprietary and confidential on the page it appears, but PacifiCorp reserves the right to release such information to agents or contractors to help evaluate the Proposal. PacifiCorp shall not be liable for any damages resulting from any disclosure of such information, howsoever occurring.

11 CONTRACT PERIOD

PacifiCorp wants Green Tags and RMS sufficient to serve the electricity demands of customers who select the Renewable Usage and Habitat portfolio options for the period January 1, 2007 through December 31, 2009. The final contract will include performance requirements to assure compliance with contractual commitments.

12 SIGNATURES AND DECLARATIONS

Proposals must be submitted in the legal name of the Respondent who would be bound by any agreement with PacifiCorp, and must include the following declaration, truthfully made and executed by an authorized Respondent: "This Proposal is genuine, and not sham or collusive, nor made in the interest or on behalf of any person not herein named; the Respondent has not directly or indirectly induced or solicited any other Respondent to put in a sham bid, or any other person, firm, or corporation to refrain from submitting a Proposal; and the Respondent has not in any manner sought by collusion to secure for themselves an advantage over any other Respondent."

Appendix A

Notice of Intent to Propose

This is to declare that the undersigned intends to respond to PacifiCorp's:

REQUEST FOR PROPOSAL FOR TRADABLE RENEWABLE CREDITS (GREEN TAGS) FOR OREGON PORTFOLIO RENEWABLE USAGE AND ENVIRONMENTAL MITIGATION OPTIONS AND RETAIL MARKETING SERVICES.

Please include:

Company _____

Mailing Address/Phone/Fax/Email _____

Contact Person _____

Authorized Signature and Date _____

Return by mail or e-mail within 7 days of the date of this document on the cover page to:

PacifiCorp
Attn: Oregon SB1149 RFP 2006
1900 SW 4th Avenue – Plaza
Portland, Oregon 97201
OregonSB1149RFP@pacificorp.com

Appendix B

New Renewable Resource Power: As defined in SB 1149, new renewable resources are defined as follows: New renewable resources are generating facilities that first started operating after July 23, 1999.

Renewable Resources: Eligible renewable technologies that may be used to supply certified green power marketing programs include those defined in OAR 757.600 in the Oregon Administrative Rules. Renewable energy resources means – electricity generation facilities fueled by wind, waste, solar or geothermal power or by low-emission non-toxic biomass based on solid organic fuels from wood, forest, and field residues; dedicated energy crops available on a renewable basis; landfill gas and digester gas and hydroelectric facilities located outside protected areas as defined by federal law in effect on July 23, 1999.

Appendix C

Example of a Green Tag Attestation

Generator Name	Generator ID Number	Fuel Type	kWh of Energy	Period Delivery

As an authorized agent of Selling Company Name (“the Power Provider”), I declare under penalty of perjury, that the information provided on this form is true and correct to the best of my knowledge. I further declare that the Green Tags (as defined in PacifiCorp’s RFP), a) are from eligible new renewable resource generation delivered to the grid, b) were not sold to any other person or entity, c) were not used for on-site generation, and d) were sold to PacifiCorp and only to PacifiCorp. I attest that the above statements are true and correct.

Signature: _____ Date: _____

Name: _____ Title: _____

Place of Execution: _____

The information provided in this Form may be used by others, including PacifiCorp and PacifiCorp’s auditors, or any other third-party certifier, on a confidential basis, to substantiate and/or verify the accuracy of advertising and/or product content claims of PacifiCorp or its customers. This information will remain confidential to PacifiCorp unless a state or federal government agency specifically requests verification of the accuracy of advertising and/or product content claims of PacifiCorp or its customers. PacifiCorp shall be entitled to disclose publicly the fact that it purchased energy or environmental attributes from the generating units identified herein. For additional release of information in this form, PacifiCorp must obtain the approval from the authorized agent.

Appendix D

Background Information

Oregon's electricity restructuring law went into effect March 1, 2002, and gives customers more energy choices and more influence over the way electricity is delivered and used. The law allows residential (Rate Schedule 4) and small non-residential (Rate Schedules 23 and 41 – defined as less than 30kW of demand according to Senate Bill 1149) customers to choose between a regulated basic service rate and other renewable resource and market-based regulated electricity supply options provided by their local utility.

PacifiCorp (d.b.a. Pacific Power) currently offers three renewable resource options and one Time-of-Use (market-based) option to its Oregon residential and small non-residential customers. Pacific Power serves 456,751 residential, and 83,725 small non-residential customers according to year-end 2005 reports. A typical Oregon household served by Pacific Power uses 981 kilowatt-hours per month. Small non-residential customers use an average of 1,242 kilowatt-hours per month.

The renewable resource options meet the requirements of ORS 757.603 (2) (a). The options include Fixed Renewable (Block product), Renewable Usage (matching 100% of a customer's usage), and Habitat (same as Renewable Usage, plus a contribution for restoring salmon habitat).

It is the role of the Portfolio Options Committee (POC) to develop portfolio options in accordance with Oregon Administrative Rules. The POC makes annual recommendations to the Oregon Public Utility Commission regarding approval of portfolio options. The Committee consists of representatives from the Oregon Department of Energy, the Oregon Public Utility Commission, local governments, public/regional interest groups, electric companies, residential consumers, and non-residential consumers. As directed in Commission Order 03-208 and OAR 860-038-0220 (3) and (9), the commission approved the POC's recommendations to the Commission regarding the portfolio of renewable power options for the period January 2007 through December 2009.

PacifiCorp implemented a comprehensive customer education and awareness program to introduce portfolio options to customers prior to March 1, 2002, and in each successive year an educational mailing has been distributed to customers. In addition, since the initial launch, customers have received information about their renewable power options through a variety of utility, direct response, community, and relationship/affiliation communication channels.

The Renewable Usage option and the Habitat option are both products of PacifiCorp and are marketed under the Blue Sky Usage and Blue Sky Habitat product names. The winning Respondent is not itself providing these products to PacifiCorp's Pacific Power customers, but is supplying Green Tags and retail marketing services to enable PacifiCorp's Pacific Power to offer these options to its customers. Products are to be branded as Pacific Power. In all marketing and communications to PacifiCorp's Pacific Power customers, PacifiCorp graphic standards must be followed and PacifiCorp's Pacific Power logo and all other applicable company branding must be used as defined by PacifiCorp. As the products and customers are PacifiCorp's, and consumer opinion

about communications content and design will reflect on PacifiCorp, approval of marketing tactics and materials by designated PacifiCorp representatives is mandatory. Since PacifiCorp's Pacific Power offers three renewable resource options to its Oregon customers, when performing RMS, customers must be presented with all three options available to them.

The Renewable Usage and Habitat options are currently described to customers as follows:

Renewable Usage – Customers purchase all of the electricity they use each month from 100 percent new renewable resources, consisting of 61 percent wind, 38 percent biomass, and 1 percent solar. The cost is based on actual usage and amounts to less than a penny (\$.0078) more per kWh.

Habitat - Like Renewable Usage, customers purchase all of the energy they use each month from 100 percent new renewable resources, consisting of 61 percent wind, 38 percent biomass, and 1 percent solar, for less than a penny (\$.0078) more per kWh, and they make a \$2.50 monthly donation to The Nature Conservancy, a nonprofit group, to support native fish habitat restoration.

For each of these two options, the environmental attributes may be obtained via the Green Tags sought by this RFP. All Green Tags should follow the NAAG Environmental Marketing Guidelines (available at http://www.naag.org/issues/pdf/Green_Marketing_guidelines.pdf).

It is difficult to predict how many customers will choose the available options, and how long any customer will remain with any particular option. As of February 28, 2006, PacifiCorp's Pacific Power has 12,464 residential customers and 389 non-residential customers on the Renewable Usage option and 2,849 residential customers and 116 non-residential customers on the Habitat option, and 5,240 residential customers and 165 non-residential customers on the Block option.

Bidders can propose changes to the existing product content and price. Such proposed changes should only be to increase the benefits to customers and follow the Oregon Administrative Rules that govern these offerings. PacifiCorp recognizes that the market for renewable resources is dynamic and that new opportunities arise.