Logistics

• Conference Date
  – May 31, 2017, 1:00 – 2:00 PM (Mountain)

• Location
  – Rocky Mountain Power, North Temple Office
  – 1407 W North Temple, Salt Lake City, Utah
  – Conference Room 130K

• Call-in Information
  – Phone Number = (646) 558-8656
  – Webinar ID = 863 497 342
  – Webinar = Zoom Webinar at https://pacificorp.zoom.us/j/863497342
Agenda

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

- As stated in its 2017 IRP, PacifiCorp has identified plans to add new Wyoming wind resources in combination with a new 500 kV transmission line (Aeolus to Bridger/Anticline) that can achieve commercial operation by December 31, 2020. With full production tax credit (PTC) eligibility the new wind, which requires the new transmission line, yields all-in economic benefits for PacifiCorp’s customers.

- The 2017R request for proposals (RFP) will seek up to approximately 1,270 MW of wind resources that can achieve a commercial operation date of no later than December 31, 2020.

- This Pre-Issuance Bidders’ Conference complies with Utah Administrative Code, Rule R746-420-1(3)(b-c), Pre Bid-Issuance Procedures:

  1. Hold a pre-issuance Bidders’ conference in Utah, at least 15 days prior to the RFP being filed for approval. All questions and answers, made at the pre-issuance Bidders’ conference, are provided or recorded in writing to the extent practicable;

  2. Describe to the attendees in attendance; the process, timeline for Commission review of the draft Solicitation and opportunities for providing input, including sending comments and/or questions to the IE

1 Energy Gateway West sub-segment D2 is a new 140 mile 500 kV transmission line running from the Aeolus substation near Medicine Bow, Wyoming to the Jim Bridger power plant.
2017R RFP Structure

- An independent evaluator (IE) will be retained by PacifiCorp on behalf of Oregon Utility Commission of Oregon. An IE will also be retained by Utah Public Service Commission.

- PacifiCorp plans to submit self-build ownership bids (“Benchmarks”).

- Bid Fee(s) of $10,000 will be required for each base proposal and one alternative. Bidders will also be allowed to offer up to three (3) additional alternatives at a fee of $3,000 each.

- Intent to bid form and bidder credit information will be required prior to bid submittal(s).

- Bids will be accepted for build-transfer structures under an asset purchase and sale agreement and for power purchase agreement structures.

- Benchmark bids will be scored by PacifiCorp and IEs prior to bid submittals.

- Initial shortlist will be determined on price and non-price factors.

- Final shortlist will be determined using economic analysis and production cost modeling to determine the least cost/risk adjusted mix of bids in PacifiCorp’s resource portfolio.

- Post-bid negotiations on price & non-price issues will be limited.

- 2017R RFP issuance to market will include pro forma agreements.
Role of Independent Evaluators

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

- Proposed schedule (*subject to change*)

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<thead>
<tr>
<th>Event / Milestone</th>
<th>State</th>
<th>Date</th>
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<tbody>
<tr>
<td>RFP Filed with State Commissions</td>
<td>Utah</td>
<td>June 16, 2017</td>
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<tr>
<td></td>
<td>Oregon</td>
<td>July 17, 2017</td>
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<tr>
<td>Stakeholder Comments to RFP Filings</td>
<td>Utah</td>
<td>July 31, 2017</td>
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<tr>
<td></td>
<td>Oregon</td>
<td>August 8, 2017</td>
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<tr>
<td>Commission Hearing on RFP</td>
<td>Utah</td>
<td>August 16, 2017</td>
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<tr>
<td>Commission Approvals of RFP Issuance</td>
<td>Utah</td>
<td>August 22, 2017</td>
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<td></td>
<td>Oregon</td>
<td>August 22, 2017</td>
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<tr>
<td><strong>RFP Issuance to market</strong></td>
<td></td>
<td><strong>August 25, 2017</strong></td>
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<tr>
<td>Evaluation Results Filed with State Commissions</td>
<td>Utah</td>
<td>January 16, 2018</td>
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<td></td>
<td>Oregon</td>
<td>January 16, 2018</td>
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<tr>
<td>Commission Public Hearings on Evaluation Results</td>
<td>Oregon</td>
<td>March 13, 2018</td>
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<tr>
<td>Commission Approval/Acknowledgement</td>
<td>Oregon acknowledgement</td>
<td>March 20, 2018</td>
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<td></td>
<td>Utah order of approval</td>
<td>May 16, 2018</td>
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Resource Requirements

• Projects do not necessarily have to qualify for production tax credits (PTCs); however, benchmark resources are expected to be PTC-eligible and, as informed by PacifiCorp’s 2017 IRP, it is likely that PTCs are needed to deliver all-in economic benefits for customers.

• Projects must achieve commercial operation no later than December 31, 2020

• Minimum resource size is 20 MW

• Proposed projects must be capable of interconnecting with the PacifiCorp’s Wyoming transmission system inclusive of the Energy Gateway West sub-segment D2 transmission line running from Aeolus to Bridger/Anticline, or be able to deliver energy and capacity into PacifiCorp’s Wyoming transmission system.

• Bidders can visit interactive maps at the Gateway project website: http://www.gatewaywestmaps.com/
1. **Build-Transfer**: Bidder develops the project, assumes responsibility for construction and ultimately transfers the asset to PacifiCorp upon or prior to the in-service date, all pursuant to the terms of an Asset Purchase and Sale Agreement (APSA). Projects bids under this structure must be designed and constructed materially compliant with PacifiCorp’s specifications. Bidder is responsible for all development, design, wind turbine supply, balance of plant (BOP) equipment, construction, and commissioning.

2. **Power Purchase Agreement**: a 20-year term with exclusive ownership by PacifiCorp of any and all environmental attributes associated with all energy generated. PPA structures can, but are not required to, include an option for PacifiCorp to purchase the project during, or at end of the contract term, to retain site value for PacifiCorp’s customers.
Benchmark Resources

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

PacifiCorp will evaluate proposals based on the following:

• Customer cost (revenue requirement)

• Deliverability, including demonstration the commercial operation date will be achieved by December 31, 2020

• Transmission access and interconnection status

• Compliance with and verification of major equipment availability

• Ability to provide acceptable credit security for the bidder’s proposed obligation and conformance to the pro forma agreements which will be provided with the RFP when issued
## 2017R RFP Proposed Schedule

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

• Questions or comments regarding this pre-issuance bidders’ conference should be sent to the following mailbox, even if an answer was provided verbally in today’s meeting, to ensure all Bidders receive responses:
  - rfp_2017R@pacificorp.com

• Responses will be posted on PacifiCorp’s 2017R RFP website by June 7, 2017

• The draft 2017R RFP is scheduled to be filed with Utah Commission by June 16, 2017

• According to Under Utah Administrative Code, Rule R746-420-1(4):
  – Upon PacifiCorp filing the RFP (Application) with the Utah Commission, comments on the Application shall be filed with the Utah Commission within 45 days after the filing of the Application.

• 2017R RFP information, including instructions for providing questions or comments to the independent evaluator, will be provided at www.pacificorp.com, as information is developed. From website main page, go to Suppliers, then RFPs, then 2017R RFP.
  - www.pacificorp.com/sup/rfps.html