



Request for Proposal (“RFP”) for Unbundled Renewable Energy Credits (RECs)

Issue Date: March 15, 2017
Due Date: April 3, 2017

PacifiCorp is seeking proposals (bids) from parties interested in providing firm unbundled Renewable Energy Credits (“RECs”) that qualify for compliance with the California Renewables Portfolio Standard (RPS).¹ The RECs must also be generated from a facility located in the Western Electricity Coordinating Council’s (“WECC”) territory and the facility must be registered or must register and comply with Western Renewable Energy Generation Information System (“WREGIS”) requirements. The RECs must also be from resources certified as RPS-eligible by the California Energy Commission (“CEC”). The offered quantity of RECs for each vintage period must be firm and not unit contingent.

PacifiCorp’s goal in issuing this RFP is to acquire unbundled RECs at competitive prices to enable PacifiCorp to meet its California RPS requirements.

Interested sellers should provide PacifiCorp with the Bid Submittal Requirements (below) by 1:00 p.m. Pacific Prevailing Time (PPT) of Due Date with e-mail to:

RFP-REC@pacificorp.com

Bids will be reviewed and a final selection determined. Bidder will be notified by April 13, 2017 if they have been selected for negotiation of a REC purchase agreement. REC purchase agreements are subject to review and approval by the California Public Utilities Commission (“CPUC”).

REC RFP TERMS:

Seller: Counterparty (“Bidder”)

Buyer: PacifiCorp

Product(s): Firm, unbundled RECs from Eligible Renewable Resources, and eligible for meeting compliance requirements of the California Renewables Portfolio Standard Program.

RECs must be sourced from facilities already certified by the CEC tracked in WREGIS and generated in WECC territory.

Tracking System: WREGIS; all RECs offered must be registered in WREGIS.

¹ An unbundled REC is one that conforms to California Public Utilities Code 399.16(b)(3) Portfolio Content Category.

Underlying Agreement:

Existing enabling agreement, or PacifiCorp’s Pro Forma Renewable Energy Credit Purchase and Sale Agreement (Appendix A).

Effective Date:

The effective date of transaction will be the first day following the date on which CPUC Approval becomes final.

CPUC Approval:

Means a final and non-appealable order of the CPUC, without conditions or modifications unacceptable to the Parties, or either of them, which contains the following terms: (a) approves this Agreement in its entirety, including payments to be made by the Buyer, subject to CPUC review of the Buyer’s administration of the Agreement; and (b) finds that any procurement pursuant to this Agreement is procurement from an eligible renewable energy resource for purposes of determining Buyer’s compliance with any obligation that it may have to procure eligible renewable energy resources pursuant to the California RPS (Public Utilities Code Section 399.11 *et seq.*), Decision 03-06-071, or other applicable law. CPUC Approval will be deemed to have occurred on the date that a CPUC decision containing such findings becomes final and non-appealable.

REC Quantity:

Quantity of RECs delivered; the minimum amount of RECs offered by a prospective seller shall be, for each vintage calendar year, at least 1,000 RECs.

Vintage Period(s):

Period in which the RPS-eligible energy is generated.

REC Delivery Term:

REC Delivery Term for each proposal by a Bidder shall begin from the Effective Date and shall continue until completion of REC delivery and payment.

REC Price:

\$/REC

REC Quantity	REC Vintage Period	Price	Delivery Deadline
Up to 50,000	Oct 2014 – Dec 2016	\$/REC	June 15, 2017

RFP SCHEDULE:

PacifiCorp intends to proceed as quickly as possible with evaluating the responses to this RFP and entering into contract negotiations with a preferred Bidder(s). The indicative schedule is subject to change. PacifiCorp accepts no liability to the extent the actual schedule varies from the indicative schedule. PacifiCorp is not obligated to develop a shortlist of Bidders, to make a final selection, or to initiate or complete negotiations on any transaction.

The current indicative schedule is:

Event	Date
PacifiCorp issuance of RFP	March 15, 2017
RFP proposals due	April 3, 2017
Bidders notified if they have been selected for negotiation of an Underlying Agreement	April 13, 2017
Estimated filing for CPUC approval	April 21, 2017
Finalize contract negotiations	May 22, 2017
Estimated decision of agreement approval from CPUC	June 5, 2017
Underlying agreement and or confirmation agreement executed	June 6, 2017
REC delivery deadline	June 15, 2017

Interested parties and Bidders may submit questions, which will be addressed in a timely fashion. Any questions on the RFP or related documents should be sent to the Company via email at:

RFP-REC@pacificorp.com

EVALUATION OF RESPONSES:

PacifiCorp will evaluate bids based on assessment of the merits of proposals with regard to meeting its need. Each proposal will be evaluated based on its compliance with this RFP and according to the following information:

- REC Price
- REC Quantity
- Firm offer to sell RECs
- REC Delivery Term of proposed contract
- WREGIS account holder status
- Financial viability of Bidder
- Reliability of REC supply and delivery
- CEC certification for the generation facility(ies)
- Regulatory Continuing or Non-Regulatory Continuing
- References/experience

MINIMUM ELIGIBILITY REQUIREMENTS FOR BIDDERS

A. DISQUALIFICATIONS

Bidders may be disqualified for failure to comply with any of the requirements of this RFP. To the extent proposals do not comply with these requirements, PacifiCorp has the option to deem the proposal ineligible and eliminated from further evaluation. Reasons for rejection of a Bidder or its proposal include:

1. Bid proposal(s) do not comply with the instructions or requirements specified in this RFP.
2. RFP Bid Submittal Form received after the RFP proposals due date.
3. Upon being selected to negotiate an Underlying Agreement, Bidder fails to provide, in timely manner, Bidder's Credit Information specified below.
4. Bidder fails to demonstrate, to PacifiCorp's satisfaction, that it can meet the security requirements, if any, for the Underlying Agreement and or confirmation agreement selected.
5. Any attempt to influence PacifiCorp in the evaluation of the proposals, outside the solicitation process.
6. Any failure to disclose the real parties of interest in the proposal submitted.
7. Bidder fails to demonstrate, to PacifiCorp's satisfaction, that it can meet the security requirements for the renewable resource proposed.

B. BIDDER'S CREDIT INFORMATION

Upon being selected to negotiate an Underlying Agreement, the Bidder must provide the following information to enable PacifiCorp to evaluate the financial viability of the Bidder and any entity providing credit assurances on behalf of the Bidder, as applicable.

1. Credit information for Bidder

- a. Exact legal name and address of Bidder.
- b. Debt Ratings from S&P and/or Moody's (please provide senior unsecured long term debt rating or corporate rating if a debt rating is unavailable). Please indicate type of rating, rating, and source.
- c. Please attach copies of audited financial statements (including balance sheet, income statement, and cash flow statement) for the three most recent fiscal years.
- d. Identify pending legal disputes (describe).
- e. Please state whether the Bidder is or has within the past five (5) years been the debtor in any bankruptcy proceeding.
- f. If the Bidder is unable to provide audited financial statements or is relying upon another entity to provide credit assurances on its behalf, the Bidder must indicate

whether (i) the Bidder is unable to provide audited financial statements and, (ii) the Bidder is relying upon another entity(ies) to provide credit assurances on its behalf.

- g. The Bidder should demonstrate its ability (and/or the ability of its credit support provider to provide the required security, including its plan for doing so, including the type of security, sources of security, and a description of its credit support provider).

2. Credit information for entity(ies) providing credit assurances on behalf of Bidder (as applicable)

- a. Exact legal name and address of entity(ies) providing credit assurances on behalf of Bidder.
- b. Describe the relationship to the Bidder and describe the type of credit assurances to be provided (e.g., parental guaranty, cash deposit, or letter of credit, etc.). The Bidder must provide to PacifiCorp a letter(s) of commitment acceptable to PacifiCorp from the entity(ies) providing the credit assurances on behalf of the Bidder executed by an authorized signatory and indicating the amount and form of credit assurances it will provide. More than one commitment letter, or more than one form of commitment letter, may be necessary.
- c. Debt Ratings from S&P and/or Moody's (please provide senior unsecured long term debt rating or corporate rating if a debt rating is unavailable). Please indicate type of rating, rating, and source.
- d. Please attach copies of audited financial statements (including balance sheet, income statement, and cash flow statement) for the three most recent fiscal years.
- e. Pending legal disputes (describe).
- f. Please state whether entity(ies) providing credit assurances on behalf of the Bidder is or has within the past five (5) years been the debtor in any bankruptcy proceeding.

The Bidder may be required to post credit assurances for the applicable bid. PacifiCorp will not accept collateral thresholds, credit ratings triggers, general adequate assurances language or similar language that might require the PacifiCorp to provide performance assurances to the Bidder. PacifiCorp may require the Bidder to provide a commitment letter(s) from a proposed guarantor(s) and/or from a financial institution(s) that would be issuing a letter of credit as performance assurances on behalf of the Bidder. The amount of performance assurances to be provided will be determined based upon factors which include the following:

- a. The credit rating of the Bidder and the entity(ies) providing credit assurances on behalf of the Bidder, as applicable.
- b. Terms of the underlying contract.
- c. The volume to be delivered.

The credit rating is defined as the lower of: x) the most recently published senior, unsecured long term debt rating (or corporate rating if a debt rating is unavailable) from Standard & Poor's (S&P) and/or y) the most recently published senior, unsecured debt rating (or corporate rating if a debt rating is unavailable) from Moody's Investor Services. If option x) and y) are not available, the credit rating will be determined by PacifiCorp through an internal process review utilizing a proprietary credit scoring model developed in conjunction with a third party. All Bidders will receive a credit rating which will be used in determining the amount of any credit assurances to be posted. With few exceptions, PacifiCorp will expect Bidders with sub investment-grade credit ratings (or being of similar creditworthiness) to provide performance assurances acceptable to PacifiCorp.

A financial institution providing a letter of credit as performance assurances on behalf of the Bidder must be a major U.S. commercial bank and have at all times a credit rating of at least 'A' and 'A2' from S&P and Moody's, respectively, and have assets (net of reserves) of at least \$10,000,000,000. Should the financial institution providing credit assurances on behalf of the Bidder fail to meet these minimum requirements PacifiCorp will require credit assurances from a replacement financial institution that does meet the requirements.

CONFIDENTIALITY, COMPANY RESERVATION OF RIGHTS AND DISCLAIMERS

A. CONFIDENTIALITY

PacifiCorp will attempt to maintain the confidentiality of all bids submitted, to the extent consistent with law or regulatory order, as long as such confidentiality does not adversely impact a regulatory proceeding. It is the Bidder's responsibility to clearly indicate in its proposal what information it deems to be confidential. Bidders may not mark an entire bid proposal as confidential, but must mark specific information on individual pages to be confidential in order to receive confidential treatment for that information.

All information supplied to PacifiCorp or generated internally by PacifiCorp shall remain the property of PacifiCorp. The Bidder shall maintain the confidentiality of such information and such information shall not be available to any entity before, during or after this RFP process unless required by law or regulatory order. The Bidder expressly acknowledges that PacifiCorp may retain information submitted by the Bidder in connection with this RFP.

Only those PacifiCorp employees who are directly involved in this RFP process or with the need to know for business reasons will be afforded the opportunity to view submitted bids or Bidder information.

Bidders should be aware that information they supply may be requested and supplied during regulatory proceedings, subject to appropriate confidentiality provisions applicable to that particular proceeding. This means that parties to regulatory proceedings may request and view confidential information. If such a request occurs, PacifiCorp will attempt to prevent confidential

Bidder information from being supplied to intervening parties who are Bidders or who may be providing services to a Bidder, but PacifiCorp cannot promise success in that endeavor and accordingly cannot be held liable for any information that it is ordered to be released or that is inadvertently released.

Lastly, PacifiCorp intends to utilize its internal, proprietary, models and assumptions during its evaluation process. The resulting evaluations will not be shared with entities external to PacifiCorp or its consultants, including with Bidders, unless required by law or regulatory order.

B. COMPANY RESERVATION OF RIGHTS AND DISCLAIMERS:

PacifiCorp reserves the right, without qualification and in its sole discretion, to reject any or all bids, and to terminate this RFP in whole or in part at any time. Without limiting the foregoing, PacifiCorp reserves the right to reject as non-responsive any or all bid proposals received for failure to meet any requirement of this RFP outlined in Section 2 and Section 3. PacifiCorp further reserves the right without qualification and in its sole discretion to decline to enter into any agreement with any Bidder for any reason, including, but not limited to, change in regulations or regulatory requirements that impact PacifiCorp and/or any collusive bidding or other anticompetitive behavior or conduct of Bidders.

Bidders who submit bid proposals do so without recourse against PacifiCorp, its parent company, its affiliates and its subsidiaries, or against any director, officer, employee, agent or representative of any of them, for any modification or withdrawal of this RFP, rejection of any bid proposal, failure to enter into an agreement, or for any other reason relating to or arising out of this RFP.