



Request for Proposals

Oregon Community Solar Resources

(2018OCS RFP)

ISSUED: Tuesday, July 17, 2018

DUE DATE: 5:00 PM PPT, Tuesday, August 23, 2018

2018 Oregon Community Solar RFP:

**PacifiCorp
RFP 2018OCS
Resource & Commercial Strategy
825 NE Multnomah, Suite 600
Portland, Oregon 97232**

RFP_2018OCS@pacificorp.com

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SECTION 1. INTRODUCTION

Under this 2018 Oregon Community Solar Request for Proposals for solar photovoltaic (PV) resources (2018OCS RFP) PacifiCorp¹ is seeking cost-competitive bids for individual projects up to 3.0 megawatts (MW) of new greenfield, alternating current (AC)² solar energy directly interconnecting with PacifiCorp's distribution or transmission system and located in PacifiCorp's Oregon service territory. PacifiCorp is limiting the resource type to solar PV and will not accept bids that combine solar PV with other technologies such as battery storage, wind, geothermal, or hydro. Projects must be a discrete generating asset that is not located behind any load served by a utility or net-metered and the project must be individually metered and remotely monitored. In this 2018OCS RFP, PacifiCorp is seeking up to 6.0 MW total, comprising of two or more individual solar PV projects.

Any project submitted in this 2018OCS RFP must demonstrate ability to obtain Qualifying Facility (QF) status as defined by Oregon Commission rules, Federal Energy Regulatory Commission rules, and the Public Utility Regulatory Policies Act of 1978 (PURPA).³

The minimum individual project size for bids is 360 kW and the maximum size limit is 3.0 MW. Co-location of projects bid in this 2018OCS RFP is not permitted within a five-mile radius unless: (a) the aggregate nameplate capacity of the co-located projects is three megawatts or less; or (b) the co-located projects are all sited within a single municipality or urban area as defined in the Program Implementation Manual.⁴ As used in this 2018OCS RFP, "co-location" means two or more projects that exhibit characteristics of a single development, such as common ownership structure, an umbrella sale arrangement, revenue-sharing arrangements, or common debt or equity financing. Projects are not considered co-located solely because the same person provides tax equity financing for the projects.

PacifiCorp is seeking proposals for a twenty (20) year fixed price power purchase agreement (PPA), with exclusive ownership by PacifiCorp of any and all environmental attributes associated with all energy generated.⁵ In addition, PacifiCorp is requesting that each proposal include an irrevocable firm fixed price purchase option for PacifiCorp, exercisable by PacifiCorp prior to the project's commercial operations date. A PPA proposal does not have to include this requested purchase option, and a purchase option will not be considered an alternative bid for purposes of this RFP. Failure to include a purchase option in favor of PacifiCorp will also not adversely impact the scoring of any bids submitted in this 2018OCS RFP.

PacifiCorp will not be submitting a self-build, or Benchmark, option in this RFP or accepting bids from any PacifiCorp affiliate in this RFP. PacifiCorp is also not accepting

¹ PacifiCorp is participating as a Project Manager under the Oregon's Community Solar Program.

² All references to capacity in this document will be alternating current (AC) unless specifically identified and noted in document.

³ Please refer to section 201 and 210 of the Public Utility Regulatory Policies Act of 1978 (PURPA), 16 U.S.C. 796 and 824a-3.

⁴ See Oregon Public Commission of Oregon, Order No. 17-232 entered June 29, 2017.

⁵ As the term "Environmental Attributes" is defined in the pro-forma PPA included with this RFP.

“build-transfer” structures under the RFP at this time, or any commercial structures other than a PPA.

Proposals will be considered (or not considered) at PacifiCorp’s sole discretion and PacifiCorp reserves the right to reject non-compliant bids.

SECTION 2. PROCEDURAL ITEMS

PacifiCorp will evaluate proposals based on the following:

- Customer cost,
- Deliverability, including site control, development status, developer’s experience, and demonstration that the project’s commercial operation date will be achieved by May 31, 2020,
- Transmission / distribution access and interconnection status with PacifiCorp in conformance with the 2018OCS RFP requirements,
- Compliance with and verification of major equipment availability defined in **Appendix A – Technical Specification**, and as outlined in **Appendices A-1 through A-10**.
- Ability to provide acceptable credit security for the bidder’s proposed obligation and conformance to the *pro forma* PPA attached as **Appendix E-2** to this RFP.

Each proposal will be prepared at the sole cost and expense of the bidder and with the express understanding that there will be no claims whatsoever for reimbursement from PacifiCorp. PacifiCorp is not liable for any costs incurred by bidders in responding to this RFP, or for any damages 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. Bidder shall bear all costs, expenses, and fees of any response to PacifiCorp in connection with its proposal for the 2018OCS RFP, including providing additional information if project is selected to the shortlist, and bidder’s own expenses in negotiating and reviewing any documentation.

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

All proposals belong to PacifiCorp and will not be returned. PacifiCorp will require that each bidder execute a non-disclosure agreement, substantially in the form attached as Appendix G, at the time their bid is selected for the initial short list. Prior to the initial shortlist, 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 bidder information to agents or contractors to help evaluate proposals, as well as to its regulators and non-bidding parties to regulatory proceedings subject to standard protective orders or confidentiality arrangements. PacifiCorp shall not be liable for any damages resulting from any disclosure of such information, howsoever occurring.

SECTION 3. LOGISTICS

A. SCHEDULE

Milestone	Date	Day of Week
Solar RFP Issued to Market	July 17, 2018	Tuesday
Solar RFP Bidder Conference	August 8, 2018	Wednesday
Solar RFP Notice of Interest	August 8, 2018	Wednesday
Solar RFP Bids Due	August 23, 2018	Tuesday
Solar Shortlist Completed / Bidders Notified	September 14, 2018	Friday
Solar Shortlist Price Update Due	September 20, 2018	Thursday
Solar Shortlist Evaluation Completed	October 4, 2018	Thursday
Execution Ready Agreements Completed	November 28, 2018	Wednesday

The indicative schedule above 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.

B. SUBMISSION OF QUESTIONS

Interested parties and bidders may submit questions related to this solicitation. All information, including pre-bid materials, questions, and PacifiCorp's response to questions, will be posted on the PacifiCorp website:

www.pacificorp.com/sup/rfps/2018OCS-rfp.html

Communications with PacifiCorp can be emailed directly at the mail address below. Bidder questions that are requested to be addressed at the RFP Bidder Conference can be sent in advance at this same email address:

RFP_2018OCS@pacificorp.com

C. RFP BIDDER CONFERENCE

A bidder conference will be held on **Wednesday, August 8, 2018, at 10:00 AM, Pacific Prevailing Time (PPT)**. The bidder conference will cover the RFP structure, deliverables and schedule. The bidder conference is scheduled for one (1) hour at the location below and will also be set up as a webinar and phone teleconference for remote attendance. Additional details on the bidder conference will be posted to the PacifiCorp website. **Bidders who plan to attend the conference in person are asked to please RSVP by Monday August 6, 2018.**

Day	Wednesday
Date:	August 8, 2018
Time:	10:00 am Pacific
Location:	PacifiCorp Offices in Lloyd Center Tower (LCT) 825 NE Multnomah Portland, OR 97232

Room	Suite 720 PacifiCorp escort required, so please RSVP
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To join the meeting and audio through your computer:

<https://pacificorp.zoom.us/j/934223528>

To join by telephone: 1- 646-558-8656, or 1-669-900-6833: meeting ID: 934 223 528

D. RFP NOTICE OF INTEREST

PacifiCorp requests all interested parties and bidders to provide a “notice of interest” to the email address, RFP_2018OCS@pacificorp.com, by Wednesday, August 8, 2018. Such notice of interest should include following information:

- Company name
- Company address
- Contact name
- Contact phone number
- Contact email address
- Project location (county, at minimum)
- Project size

PacifiCorp will use this information for purposes of providing notice of any changes to the RFP or other details pertaining to the RFP.

E. SUBMISSION OF BIDS AND DUE DATE

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

PacifiCorp 2018OCS RFP
Attention: Resource & Commercial Strategy
825 NE Multnomah, Suite 600
Portland, Oregon 97232

An original hard copy of the bid signed by an officer of the bidding company shall be submitted, prepared on standard 8 1/2 inch by 11 inch recycled paper, duplex printed (2 sided). **THE BID MUST BE ORGANIZED IN THE SAME ORDER AS THE INFORMATION IS REQUESTED IN THIS RFP.** The hard copy bid should also include one (1) copy of the full proposal on an individual USB flash drive. PacifiCorp may reject any bid that fails to follow these instructions.

In addition, bidders must submit one (1) electronic copy to PacifiCorp at: rfp_2018OCS@pacificorp.com.

Bids will be accepted until 5:00 PM PPT on Tuesday, August 23, 2018.

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, Wednesday, November 28, 2018. Bids selected to the shortlist will be asked to update their bid prices as part of the negotiation process.

Bidders must submit complete proposals that include the following items:

1. One (1) signed original hard copy of each bid and a single copy on a USB drive with all required forms.
2. One (1) electronic copy of the bid sent to the email address provided, which should include any required forms in PDF format and Microsoft Excel format, as required.
3. One (1) electronic copy of the **Appendix C – Bid Summary and Pricing Input Sheet** in original Microsoft Excel format, and a hard copy. The bidder must provide a solar assessment analysis/report using PVSyst that supports the capacity factor. The performance estimation report must meet the requirements in **Appendix A (Solar) – Paragraph A-1.1**. Proposals must supply a representative annual hourly (8760 hours) energy profile reflecting expected unit availability, but before accounting for degradation. The hourly energy profile must present performance as alternating current, exclude station service when solar is not operating, and be in Microsoft Excel format.

F. NON REFUNDABLE BID EVALUATION FEES

Bidders shall pay a **non-refundable** fee (Bid Fee) of \$1,000 for each base proposal and up to two (2) alternatives submitted. Alternatives are limited to changes in bid size and in-service date. A PPA bid, with or without a fixed price purchase option, is considered a base proposal. For example, a 3 MW PPA proposal that also includes a 2 MW alternative and a 1 MW alternative would be assessed a \$1,000 bid fee (as this scenario involves one base proposal and two alternatives that are limited to modification of the project size). The same proposal that also includes a 0.5 MW alternative would be assessed a total \$2,000 bid fee (as this scenario involves a third alternative to the base proposal and the \$1,000 Bid Fee is limited to two alternatives). A bidder proposing a 3 MW project on one site and 3 MW project on another site would be assessed a total \$2,000 bid fee (as this scenario involves two base proposals since changes in project location do not qualify as “alternatives” to a base proposal). Only fixed pricing terms for the twenty year period will be accepted. A bidder may submit more than one proposal. Proposals must be submitted in the legal name of the respondent who would be bound by any agreement with PacifiCorp.

Payment of Bid Fees. Bid fees shall be paid by wire transfer to PacifiCorp. PacifiCorp will email wire transfer instructions to bidders on the day of the 2018OCS RFP Bidders’ Conference. No cashier’s checks will be accepted. Bidder shall provide documentation of submitted bid fees, such as a receipt of the wire transfer or wire transfer confirmation number when the bid is submitted.

G. 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 proposals do not comply with these requirements, PacifiCorp has the option to deem the proposal non-conforming and eliminate it from further evaluation. Reasons for rejection of a bidder or its proposal include, but are not limited to:

1. Receipt of any proposal after the response deadline.
2. Failure to meet the requirements described in this RFP and provide all information requested in **Appendix C – Bid Summary and Pricing Input Sheet** of this RFP.
3. Failure to permit disclosure of information contained in the proposal to PacifiCorp’s agents, contractors, regulators, or non-bidding parties to regulatory proceedings under appropriate confidentiality agreements.
4. Any attempt to influence PacifiCorp in the evaluation of the proposals, outside the solicitation process.
5. Failure to provide a firm offer through the bid validity date outlined in Section 3.E. of this RFP.
6. Failure to disclose the real parties of interest in the submitted proposal.
7. Bidder is in current material litigation or has threatened material litigation against PacifiCorp. Material litigation excludes bidder complaints before a state regulatory utility commission.
8. Failure to offer unit contingent (as generated) or system firm capacity and energy, directly interconnected with Company’s network distribution or transmission system in Oregon.
9. Failure to provide evidence that the proposed project has sought interconnection service with PacifiCorp’s system as a qualifying facility, which shall include at a minimum an executed interconnection feasibility study agreement or system impact study agreement with PacifiCorp’s transmission function.
10. Failure to materially comply with technical specification requirements in **Appendix A**
11. Failure to demonstrate a process to adequately acquire or purchase major equipment (i.e., solar photovoltaic panels, inverters, tracking system, generator step-up transformers) and other critical long lead time equipment.
12. Failure to demonstrate, to PacifiCorp’s satisfaction, that it can meet the credit security requirements for the solar resource proposed.
13. Failure to submit information required by PacifiCorp to evaluate the price and non-price factors described herein.
14. Failure or inability to abide by the applicable safety standards.
15. Failure to submit an acceptable contract structure.
16. Collusive bidding or any other anticompetitive behavior or conduct.
17. A determination that the bidder or the proposed project being bid is involved in bankruptcy proceedings.
18. Failure of the bidder’s authorized officer to sign the proposal.
19. Facility renewable energy attributes have been claimed already by seller or any other entity.
20. Any change in regulations or regulatory requirements that make the bidder’s proposal non-conforming.

21. Any matter impairing the bidder, the specified resource or the generation of power or environmental attributes of the renewable resource.
22. Failure to provide a performance model output including hourly output values as identified in **Appendix A**.
23. Failure to provide **Exhibit D – Bidder’s Credit Information**.
24. Any matter impairing bidder, specified resources or the generation of power or non-power attributes therefrom.
25. Failure to provide sufficient documentation demonstrating the ability to obtain site control for the project.

H. COMPANY 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 outlined herein. 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.

I. 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 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 is and shall remain the property of PacifiCorp. The bidder expressly acknowledges that PacifiCorp may retain information submitted by the bidder in connection with this RFP. To the extent bidder receives information from PacifiCorp, 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.

Bidders should be aware that information supplied by bidders may be requested and supplied during regulatory proceedings, subject to appropriate confidentiality provisions applicable to that particular proceeding. This means that parties to regulatory proceedings may request and view confidential information. If such a request occurs, PacifiCorp will attempt to prevent such confidential bidder information from being supplied to intervening parties who are also bidders, or who may be providing services to a bidder, but 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 in its evaluation process. These models, the assumptions used in these models, and the bid evaluation results will not be shared with entities external to PacifiCorp or its consultants, including bidders, unless required to support regulatory proceedings, required by law, or required by regulatory order.

SECTION 4. RFP CONTENT

A. ALL PROPOSALS

This section outlines the content and format requirements for all proposals. Proposals that do not include the information requested and in a form described in this section may be deemed ineligible for further evaluation if the bidder does not provide information within 24 hours of a request by PacifiCorp. All sections should be complete and in compliance with the RFP in order for the bid to be accepted.

Each bidder must provide complete information as requested in all appendices, forms and attachments outlined in the table below that is relevant to its proposal and for any alternative, as applicable.

	2018OCS RFP Bid Applicability
Appendix A	2018OCS Renewable Project Technical Specification
<i>Appendix A-1</i>	<i>Overview of Appendices</i>
<i>Appendix A-2</i>	<i>Interconnection Agreement</i>
<i>Appendix A-3</i>	<i>Permit-Matrix</i>
<i>Appendix A-4</i>	<i>Not used</i>
<i>Appendix A-5</i>	<i>Project One-line Drawing and Layout</i>
<i>Appendix A-6</i>	<i>Division of Responsibility</i>
<i>Appendix A-7</i>	<i>Owner Standards and Specification</i>
<i>Appendix A-8</i>	<i>Performance Summary Report</i>
<i>Appendix A-9</i>	<i>Product Data- Equipment Supply Matrix</i>
<i>Appendix A-10</i>	<i>Plant Performance Guarantee</i>
Appendix B	Information Required in Bid Proposals
Appendix C	Bid Summary and Pricing Input Sheet for PPA
Appendix D	Bidder's Credit Information
Appendix E-1	PPA Instructions to Bidders
Appendix E-2	Form of Power Purchase Agreement (PPA)
Appendix F-1	Reserved
Appendix F-2	Reserved
Appendix G	Mutual Non-Disclosure Agreement
Appendix H	Reserved
Appendix I	FERC's Standards of Conduct
Appendix J	Qualified Reporting Entity (QRE) Services Agreement

B. POWER PURCHASE AGREEMENT

Appendix C Bid Summary and Pricing Input Sheet (PPA tab) shows the form of project information required for a bidder. This is an Excel-based worksheet that covers bid summary information, energy production profile, and pricing for the PPA. Bidder's proposal must contain all of the information requested in **Appendix E-1 – PPA Instructions to bidders**. The term of the PPA shall be a twenty (20) year term.

Bidders should include a redlined or marked up version of **Appendix E-2 Form of Power Purchase Agreement** showing exceptions to the terms of the pro-forma PPA document. Bidders objecting to terms should provide alternate language and context to the objections for PacifiCorp to evaluate the alternate language. Providing a redline or issues list to the PPA is a requirement for eligibility; however substantive comments can be included in addition to the redline to explain bidder's position. Flagging a substantive provision of the pro-forma PPA with a non-specific comment (e.g., "To be further discussed") without further explanation for evaluation by PacifiCorp will not be acceptable and will negatively impact the scoring of a bid.

Bidders should be aware, that if selected, each bidder will be required to complete **Appendix J – Qualifying Reporting Entity (QRE) Services Agreement** as part of the PPA which establishes WREGIS registration and reporting obligations for both parties.

SECTION 5. RESOURCE INFORMATION

A. PRICE INFORMATION

Bidders must supply **Appendix C – Bid Summary and Pricing Input Sheet** in its original Microsoft Excel format with all submitted proposals. Price information that must be supplied by the bidder includes:

Information Requested
Term: start and end date of PPA
Point of interconnection (POI)
Expected annual dispatch pattern, or generation profile, that reflects availability ⁶
Availability rate and degradation assumed in annual dispatch or generation profile data
Designation of firm or unit contingent energy deliveries
Fixed energy price (\$/MWh) for the term
Statement on whether irrevocable firm fixed price purchase option prior to commercial operation was included in bid
Qualifying costs and term for any incentives that reduce delivered costs, such as federal, state or local incentives, including federal ITC, bonus depreciation, property tax exemptions, or local economic incentives

⁶ Section 3.D.3 of the 2018OCS RFP describes the type of generation profiles required.

B. INTERCONNECTION SERVICE

PacifiCorp is seeking solar PV resources capable of directly interconnecting with PacifiCorp's system and located in PacifiCorp's Oregon service territory. While PacifiCorp provides these general guidelines, the available transfer capability from the project to PacifiCorp's network load cannot be known or estimated until the bidder identifies its proposed point of interconnection. Bidders are thus required to provide as much granularity and documentation as possible regarding their proposed point of interconnection.

As noted above, the minimum eligibility requirements for bidders include the provision of evidence that the proposed project has requested interconnection service as a QF with PacifiCorp's transmission or distribution system, which shall include at a minimum an interconnection feasibility study agreement or system impact study agreement with PacifiCorp's transmission function.

The interconnection costs included in the bids from all bidders will be considered as firm costs and included in the bid evaluation. Interconnection costs should be clearly identified in the resource cost proposal and differentiate the portion of costs associated with network upgrades and that portion that are project specific.

C. FERC'S STANDARDS OF CONDUCT

PacifiCorp conducts its communications and operations in compliance with FERC's Standards of Conduct for Transmission Providers (see **Appendix I**), requiring the separation of its transmission and merchant functions. Accordingly, bidders should understand that any interconnection service is NOT a service agreement with PacifiCorp's ESM merchant function; rather, it is with PacifiCorp's transmission function. As such, bidders must follow the transmission provider's OASIS process. To facilitate evaluation of a bid, PacifiCorp may request a bidder execute a customer consent form allowing PacifiCorp's ESM merchant function to discuss the bidder's interconnection(s) with PacifiCorp's transmission function.

D. RESOURCE TYPES ELIGIBLE TO BID

PacifiCorp is seeking new solar PV energy resources capable of directly interconnecting with PacifiCorp's network transmission system by May 31, 2020. Resources (projects) must be located in PacifiCorp's Oregon service territory. PacifiCorp is limiting the resource type to solar PV and will not accept bids that combine solar PV with other technologies such as battery storage, wind, geothermal, or hydro.

E. TAX CREDITS AND/OR PROJECT INCENTIVES

Bidders must bear all risks, financial and otherwise, associated with bidder's or the project's eligibility to receive any state or federal energy tax credits, sales tax waivers or exemptions or any other identified tax credit or incentive, or qualify for accelerated depreciation for bidder's accounting, reporting or tax purposes, as applicable. The

obligations of the bidder to perform under any executed agreement as a result of this solicitation shall be effective and binding regardless of whether the sale of or output from the bidder's project under such agreement is eligible for, or receives investment tax credits, or other identified tax credits/incentives.

PacifiCorp will require written documentation of the amount, timing and control of any and all available tax credits/incentives that the bidder's project is eligible for, applied for, and/or received. Such documentation shall include but not be limited to ownership rights to the credit, grant or incentive, timing including expiration dates and milestones to achieve the credit, grant, or incentive.

F. ACCOUNTING

All contracts proposed to be entered into as a result of this RFP will be assessed by PacifiCorp for appropriate accounting and tax treatment. Bidders shall be required to supply PacifiCorp with any and all information that PacifiCorp reasonably requires in order to make these assessments if the bid is selected to the initial shortlist. Specifically, given the term length of the PPA, accounting and tax rules may require either: (i) a contract be accounted for by PacifiCorp as a capital lease or operating lease⁷ for book purposes pursuant to ASC 840/842, (ii) a contract be accounted for by PacifiCorp as a capital lease for tax purposes⁸, or (iii) the seller or assets owned by the seller, as a result of an applicable contract, be consolidated as a variable interest entity (VIE) onto PacifiCorp's balance sheet.⁹

As a result, bidders may be required by PacifiCorp to certify, with supporting information sufficient to enable PacifiCorp to independently verify such certification, that their proposals will not be subject to VIE treatment. Bidders should carefully consider the potential book and tax lease accounting treatment or VIE treatment implications associated with a PPA bid. Bidders will need to supply, if selected to the initial short list, projected cash flows through the life of the underlying asset so that PacifiCorp can assess potential accounting implications. Potential accounting treatment impacts will be incorporated into the bid evaluation and selection process. For instance, if PacifiCorp determines that a bid agreement would be treated as a capital lease for tax purposes, PacifiCorp would be treated as the tax owner for the proposed project.

Each bidder must also agree to make available in the bid evaluation process any and all financial data associated with the bidder PPA that PacifiCorp requires to determine potential accounting impacts. Such information may include, but is not limited to, data supporting the economic life (both initial and remaining), the fair market value, executory costs, nonexecutory costs, and investment tax credits or other costs (including debt specific

⁷ "Capital Lease" and "Operating Lease" - shall have the meaning as set forth in the Accounting Standards Codification (ASC) 840 as issued and amended from time to time by the Financial Accounting Standards Board.

⁸ See IRS Code Section 7701(e) describing the test for capital lease for tax purposes.

⁹ "Variable Interest Entity" or "VIE" - shall have the meaning as set forth in ASC 810 as issued and amended from time to time by the FASB.

to the asset being proposed) associated with the bidder's proposal. Financial data contained in the bidder's financial statements (e.g., income statements, balance sheets, etc.) may also be required to be supplemented.

G. COST ASSOCIATED WITH DIRECT OR INFERRED DEBT

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 shortlist evaluation. However, after completing the shortlist and before the final resource selections are made, 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 capital lease pursuant to ASC 840 and the lower of the present value of the nonexecutory minimum lease payments or 100% of the fair market value of the asset must be added to PacifiCorp's balance sheet.

Inferred debt results when credit rating agencies infer an amount of debt associated with a power supply contract and, as a result, take the added debt into account when reviewing PacifiCorp's credit standing.

SECTION 6. BID EVALUATION AND SELECTION

A. OVERVIEW OF THE EVALUATION PROCESS

PacifiCorp's bid evaluation and selection process is designed to identify the amount of new solar PV projects bid into the 2018OCS RFP that will maximize customer benefits. PacifiCorp will not make any of the evaluation models available to bidders.

The bid evaluation process is as follows. PacifiCorp will establish a shortlist based on both price and non-price factors. During this phase of the bid evaluation process, PacifiCorp will not ask for, or accept, updated pricing. PacifiCorp will rely on the pricing submitted into the 2018OCS RFP for each bid. However, PacifiCorp will contact bidders to confirm and clarify information presented in each proposal. Bids selected to the shortlist will be given an opportunity to provide best and final pricing, subject to certain limits as described later in this section.

After the shortlist is established PacifiCorp will initiate negotiations with bidders that submitted proposals for projects selected to the final shortlist. Selection of a bid to the 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. PacifiCorp has no legal obligation to enter into any agreement of any kind with any bidder.

B. PHASE 1 – INITIAL SHORTLIST

1. Price Evaluation (up to 70%)

PacifiCorp will use proprietary models to perform financial analysis and rank bids.

The cost for any transmission network upgrades required to interconnect a proposed project to PacifiCorp’s transmission system will be included in the shortlist price evaluation.

2. Non-Price Evaluation (Up To 30%)

The non-price analysis will gauge the relative development, construction and operational characteristics and associated risks of each bid. A matrix will be used for each non-price factor. For each non-price factor, proposals will be assigned one of three discrete scores: (1) 100% of the percentage weight; (2) 50% of the percentage weight; or (3) 0% of the percentage weight. Market bids will be evaluated based on their ability to demonstrate the proposal is thorough, comprehensive and provides limited risk to the buyer prior to PacifiCorp performing due diligence on any given bid. Bidders that have a demonstrated track record and bids for mature proposals will receive higher scores. The following table summarizes the basis for weighting each non-price factor.

NON-PRICE FACTOR WEIGHTING

Non-Price Factor	Non-Price Factor Weighting
<p>1. Conformity to RFP Requirements:</p> <ul style="list-style-type: none"> • Bids provided all required RFP information pursuant to RFP instructions and schedule, including the accuracy of such information. • Bids provided complete and accurate required RFP information including sufficient demonstrations pertaining to site control and permitting, environmental compliance, and interconnection arrangements. • Bids in compliance with technical specifications as outlined in Appendix A • Bidder’s development and construction experience related to equivalent scale solar PV projects. • Extent of bidder’s redlines or mark-up of Appendix E-2, Form of PPA 	10%
<p>2. Project Deliverability:</p> <ul style="list-style-type: none"> • Bids demonstrated the commercial operation date would be achieved by May 31, 2020. • Bids provided sufficient detail, including schedule(s) and documentation, to demonstrate the ability of meeting all of the project’s environmental compliance, permits, and equipment procurement. • Bids demonstrated and provided sufficient detail regarding access to generation equipment. 	10%

Non-Price Factor	Non-Price Factor Weighting
3. Interconnection: <ul style="list-style-type: none"> • Bids provided sufficient detail, including schedule(s) and documentation for completing project interconnection to support commercial operation date. 	10%

3. Initial Shortlist Selection

PacifiCorp will seek to establish an initial shortlist that includes up to approximately 12 MW of aggregate solar capacity.

PacifiCorp will use the combined price and non-price results to rank bids. Based on these rankings, PacifiCorp will select a shortlist based on total bid score (maximum at 100%, with a maximum of 70% for price and a maximum of 30% for non-price factors).

The PPA pricing for each bid will be force ranked, with a maximum of 70 points to the evaluated bid with the highest calculated net benefit, a minimum of zero (0) points to the evaluated bid with the lowest calculated net benefit; and the remaining bids scored on the 0 to 70 point scale according to the relationship of their respective calculated net benefits to those of the highest and lowest bids.

The non-price score will not be force ranked. Each bid will have its forced rank price score added to the non-price score. The bidders with the highest total score (price and non-price), and representing up to approximately six (6) MW of aggregate capacity, will be considered for the shortlist.

4. Best and Final Pricing

Bids notified of their selection to the shortlist will be given an opportunity to provide best and final pricing. Best and final pricing must be provided for the same site using the same or similar project equipment as original proposed. In the event that best and final pricing increases the total bid cost by more than 10%, PacifiCorp reserves the right to either (a) reject the best and final proposal or, (b) replace the short-listed bid or bid alternative with a final proposal solicited from another bid not originally selected to the initial shortlist. Accordingly, PacifiCorp may request that certain indicative bids, not initially selected to the initial shortlist, remain open after the shortlist is established and that those bidders be prepared to provide best and final pricing on an expedited basis.

C. PHASE 2 – FINAL SHORTLIST

1. Processing of Best and Final Bids

After confirming that best and final pricing meets the requirements of the 2018OCS RFP, as outlined above, PacifiCorp will use the same proprietary models used for the initial shortlist price evaluation

2. Other Factors: Applicable Law and Statutory Requirements

The bid methodology has been designed to capture applicable law and statutory requirements. Before establishing a final shortlist, PacifiCorp may take into consideration other factors that are not expressly or adequately factored into the evaluation process outlined above, particularly any factor required by applicable law or commission order to be considered.

3. Final Shortlist Selection

After the complete evaluation of all bids, PacifiCorp may establish a final shortlist. Once the final shortlist is established and bidders notified, PacifiCorp will initiate negotiations with final-shortlist bidders.

SECTION 7. AWARDING OF CONTRACTS

A. INVITATION

This RFP contains only an invitation 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. Issue additional subsequent solicitations for proposals.
7. Waive any irregularity or informality on any proposal to the extent not prohibited by law.
8. Reject any or all proposals in whole or in part.
9. Vary any timetable.
10. Conduct any briefing session or further RFP process on any terms and conditions.
11. Withdraw any invitation to submit a response.

Basis for Rejection

Proposals may be rejected for any reason including but not limited to not meeting the minimum eligibility requirements identified in Section 3.G of this RFP.

B. CONFIDENTIALITY AGREEMENT

Bidders will be required to sign **Appendix G - Confidentiality Agreement** with PacifiCorp if they qualify for the initial shortlist.

C. POST-BID NEGOTIATION

PacifiCorp will further negotiate both price and non-price factors during post-bid negotiations. PacifiCorp will also include in its evaluation any factor that may impact the total cost of a resource, including but not limited to all of the factors used in the shortlist cost analysis. PacifiCorp will continually update its economic and risk evaluations until both parties execute a definitive agreement acceptable to PacifiCorp in its sole and absolute discretion.

PacifiCorp shall have 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 shall not be construed as preventing 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 which propose transactions that PacifiCorp believes in its sole discretion to have a reasonable likelihood of being executed.