

Pacific Power - Request for Proposals
Oregon Habitat Option - Environmental Mitigation Funds Administrator
For Salmon Habitat Preservation & Restoration in Oregon

ISSUE DATE: Friday, April 16, 2010
DUE DATE: Tuesday, June 1, 2010 – 5:00 P.M. PST

CONTACT: **Oregon SB1149 Habitat Mitigation Funds RFP**
Pacific Power
1900 SW 4th Avenue – Plaza
Portland, Oregon 97201
OregonSB1149HabitatFundsRFP@pacificpower.net

2010 marks the ninth year for PacifiCorp's ("Pacific Power" or "the Company") Blue Sky Habitat option ("Habitat Option"), which offers our Oregon residential and small non-residential customers the option to support renewable energy equivalent to their monthly electricity usage and help restore and preserve native fish habitat in Oregon through a \$2.50 monthly donation. Funds collected from customers through the monthly \$2.50 donation, referred to as Habitat Funds, are directed towards restoring native fish habitat throughout Oregon. Introduced to Oregon residential and small non-residential in March 2002, - Habitat Funds collected from participating customers are passed through to a non-profit Environmental Mitigation Funds Administrator ("Habitat Provider") to use to restore habitats that are principally in Pacific Power's Oregon service territory. The Habitat Provider is expected to coordinate the use of Pacific Power Habitat Funds and to obtain matching grant funding to make even more habitat restoration projects happen in the communities Pacific Power serves in Oregon. The following provides Habitat Option program background information and sets forth the minimum requirements and selection criteria by which PacifiCorp will evaluate proposals received in response to this request for proposals.

Eligible Applicant

Pacific Power is seeking proposals from non-profit organizations to manage Habitat Funds received through the Company's Blue Sky Habitat option. Eligible entities must be not-for-profit entities and may include, but are not limited to, the following: tribes, local governments, non-profit organizations, educational institutions, and other non-governmental community groups and organizations. Applicants must demonstrate their ability to meet the minimum requirements of this request for proposals as detailed below.

Purpose

Pacific Power invites eligible organizations described in the Eligible Applicant Section, to provide PacifiCorp with proposals that describe their qualifications to serve as the Blue Sky Habitat Provider. The successful bidder will manage Habitat Funds provided by Oregon customers participating in the Habitat Option to restore and preserve native fish habitat in Oregon and educate the community on the benefits of healthy rivers and streams.

These Habitat restoration activities are broad and can include, but are not limited to: watershed assessments and analysis, acquisition of conservation easements from private parties to protect anadromous species habitat, riparian planting, stream bank stabilization, barrier removal, removing vegetation, monitoring activities, and public outreach and education efforts. However, Habitat Funds cannot be used for political advocacy, donations to political campaigns or political action committees, litigation, or acquisition of water rights.

PacifiCorp is seeking services for the period of January 1, 2011 through December 31, 2013.

Proposals should set forth how the Habitat Provider proposes to spend Habitat Funds.

Pacific Power is interested in proposals that will: 1) encourage the development of projects in Pacific Power's Oregon service area, 2) actively engage communities and diverse partners in the efforts of habitat restoration, and 3) include collaborative efforts between various organizations and Pacific Power.

The Habitat Provider is expected to provide a full accounting of all funds received, establish a process for review and approval by Pacific Power of projects identified for distribution of funds and provide accounting reports that describe in detail the disposition of Habitat funds from customer donations as well as provide full project descriptions that can be shared with participating customers. This should be described in the bidder's

proposal. The mechanism for how Habitat Funds will be held in a manner that best protects PacifiCorp's customers from loss will be established by PacifiCorp in connection with contracting with the winning bidder.

Oregon Public Utility Commission ("OPUC") Order 01-337, dated April 26 2001, requires Pacific Power to offer a habitat option under the following terms and conditions:

- The environmental mitigation option must be directed to promote restoration of native species adversely affected by the production and transmission of electricity.

OPUC Order 03-208, dated April 9, 2003, supplements this direction with the following:

- Environmental mitigation funds from the program option will be dedicated to salmon habitat restoration.

Additional information on Pacific Power's Habitat Option can be found in Pacific Power's Oregon Schedule 213, which can be found on the Pacific Power web site at:

http://www.pacificpower.net/content/dam/pacific_power/doc/About_Us/Rates_Regulation/Oregon/Approved_Tariffs/Rate_Schedules/Portfolio_Habitat_Supply_Service.pdf

For additional information about Pacific Power's portfolio options, please refer to the information provided in the Appendix.

Currently, approximately 4,700 Oregon customers subscribe to Habitat option. These customers contributed approximately \$142,750 in the period January 1, 2009 to December 31, 2009. A list of restoration projects that have received funding through the Habitat Option can be found on our Web site at:

<http://www.pacificpower.net/env/bsre/bsoregon/bsh/hp2.html>

MINIMUM REQUIREMENTS

All bidders are expected to meet the following requirements:

1. Meets OPUC Order Terms. The Habitat Provider must meet the terms of all applicable orders of the Oregon Public Utility Commission. Please refer to Commission Order 01-337¹ which established Pacific Power's Habitat Option program. Also refer to Oregon Public Utility Commission Order 03-208², dated April 9, 2003, which requires that Pacific Power continue to offer a Habitat Option "dedicated to salmon habitat restoration."

¹ <http://www.puc.state.or.us/orders/2001ords/01-337.pdf>

² <http://apps.puc.state.or.us/orders/2003ords/03-208.pdf>

2. Species and Habitat Restoration Activities. Order 01-337 requires that the Habitat Funds be “directed toward threatened or endangered anadromous fish” that are “native species adversely affected by the production and transmission of electricity.” Anadromous means fish that hatch in fresh water, migrate to the ocean to grow and mature, and migrate back to fresh water to spawn. According to the Pacific States Marine Fisheries Commission, (http://www.psmfc.org/component/option,com_projects/Itemid,261/category_id,1/) anadromous fish include Chinook Salmon, Coho Salmon, Chum Salmon, Pink Salmon, Coastal Cutthroat Trout, Sockeye Salmon, Steelhead, American Shad, Eulachon (Smelt), Green Sturgeon, White Sturgeon and Pacific Lamprey. Habitat restoration activities are broadly defined and can include, but are not limited to the following: watershed assessments and analysis, acquisition of conservation easements from private parties to protect anadromous species habitat, monitoring activities, and public outreach and education efforts including watershed restoration and school groups. However, preference will be given to activities that result in “on-the-ground” physical restoration of habitat for threatened or endangered species within the Pacific Power service territory.
3. Customer Education and Outreach Support. The bidder should demonstrate an ability to provide or adequately support Pacific Power’s education and outreach campaigns to increase awareness and understanding of the Blue Sky Habitat Option as well as assist in efforts to communicate to participating customers about the projects they are funding and helping make happen
4. Demonstrate PacifiCorp Community Involvement. Mitigation projects and actions should benefit the communities in which PacifiCorp operates through habitat restoration and improvement and through education. Preference will be given to projects located in Pacific Power’s service territory.
5. Not-for-profit status. All monies collected for habitat mitigation from customers participating in the Blue Sky Habitat Option must go directly to a not-for-profit organization.
6. Reporting. The bidder must demonstrate that it has process in place to report to PacifiCorp at least twice a year on mitigation projects and outreach and education efforts, and once a year on financial receipts and expenditures on mitigation projects, outreach, education and administration. The bidder must also meet reporting requirements set by Pacific Power’s regulators.³ The Habitat Provider must demonstrate that Habitat Funds collected from customers were appropriately used.
7. Customer Confidentiality. Information about PacifiCorp’s customers acquired through the course of this program must remain confidential. The bidder must adhere to PacifiCorp’s strict confidentiality standards. The successful bidder will be required to sign a non-disclosure agreement between the bidder and PacifiCorp.
8. Roles and Responsibilities. The bidder should outline roles and responsibilities of its personnel working with PacifiCorp and 3Degrees, its current Oregon renewable energy option marketing/outreach and supply vendor to offer consumers a combination habitat/renewable product. This includes indicating the level of staffing that would be dedicated to select projects, support the mitigation product and provide education and improve public awareness of the product.

³ Entities which participate in reviewing Pacific Power’s Habitat Option include the Oregon Public Utilities Commission and the Oregon Portfolio Options Committee (“POC”). The POC is comprised of representatives from Oregon Department of Energy, the Oregon Public Utility Commission, local governments, public/regional interest groups, electric companies, residential consumers, and non-residential consumers.

SELECTION – EVALUATION CRITERIA

If a bidder meets the above requirements, its proposal will be evaluated based on the following criteria.

Proposals will be evaluated based on the bidder's ability to meet the minimum level requirements, the bidder's responses to the evaluation criteria listed below, and thoroughness of the bidder's application.

Each proposal will be ranked by a selection committee on a scale from zero (0) to one hundred (100). The successful bidder will be selected based on how well it meets each of the following criteria.

1. Project planning status and schedule: Clearly identify the potential habitat restoration project and identify the benefits and potential impacts. Based on projected funding, indicate the timeline for implementing and completing the projects. **(Weighting 15%)**
2. Selection Process Considerations: Describe your selection process for programs upon which Habitat Funds are proposed to be spent. The selection process should consider the following factors: connection to Pacific Power's Oregon service territory, technical credibility, meaningful habitat benefits, and level of external stakeholder involvement as well as your approach for providing PacifiCorp input in the project selection process. **(Weighting 20%)**
3. Known Projects: Include other participants, if any, and a typical timeline for project selection and implementation. Please provide a description of the projects of which your organization is currently aware that could be completed with levels of Habitat Funding. Habitat Funding for the 2011 – 2013 periods is expected to be approximately \$420,000. The project descriptions should include detailed information on the project, including timelines for implementation and completion of the project. **(Weighting 5%)**
4. Funding: leverage: Identify the availability of matching funding to your organization, or how you would acquire matching funds, that would expand or accelerate the completion of projects. Identify the minimum level of funding required to fund and complete a typical restoration project and describe the recommended customer charge based on projected habitat funding and the projects and 3rd party funding available to you. **(Weighting 20%)**
5. Accounting and Control Procedures: Describe the accounting procedures and controls your organization will use to ensure that Habitat Funds are accounted for correctly and are expended appropriately. Also describe the process your organization will follow to provide accurate reporting on how Habitat Funds have been disbursed (i.e. % spent on project selection, contracting, implementation, communications, and administration). **(Weighting 10%)**
6. Marketing and Communications: Describe the process your organization will use to communicate to PacifiCorp's Oregon customers regarding habitat restoration projects, both in progress and completed, clearly demonstrate to Habitat Option customers how their habitat funding contributions are being used. Identify marketing and communications activities that will be undertaken to enhance the brand awareness and customer acceptance of the Habitat Option amongst Pacific Power's customers. If applicable, identify current membership levels your organization holds within the communities in Pacific Power's territory and explain how this may impact your organization's ability to successfully perform as PacifiCorp's Habitat Provider. Identify joint PacifiCorp and Habitat Provider marketing activities or opportunities that may be undertaken to increase awareness of the program. Provide examples of marketing and communications material your organization would use to educate the public about habitat restoration projects – for example, sample marketing materials, press releases, community presentations, etc. **(Weighting 5%)**

7. Experience: Describe your organization's experience in working with environmental mitigation projects and in marketing and communicating to the public regarding environmental issues. Please provide information on the following: years of experience your organization has in environmental mitigation issues, projects your organization has directed or been involved with, staff experience, and relationships your organization has with other relevant organizations. Include documented information that demonstrates a track record of successful funds management and project delivery and illustrates community and environmental benefits realized as a result of projects your organization had directed or been involved with. **(Weighting 15%)**
8. Partnership: Describe your organization's process for generating community-based support for environmental mitigation projects. Provide documented examples of community-based support for projects your organization has directed or been involved with, demonstrate how community support was obtained and describe the diversity of partnerships engaged by your organization to achieve successful project outcomes. **(Weighting 5%)**
9. Permitting and Monitoring: Describe the anticipated permitting process and the planned methods to monitor permit compliance through completion **(Weighting 5%)**

BIDDER APPLICATION DETAILS REQUIRED

The bidder must provide the following information to PacifiCorp:

- ♦ Name of organization
- ♦ Business address
- ♦ Phone number
- ♦ Fax number and email address
- ♦ Contact person and title
- ♦ Mission of organization
- ♦ Date of organization founding
- ♦ Staff and organizational structure
- ♦ Current year organizational budget
- ♦ Sources of funding
- ♦ Federal tax identification number
- ♦ Organization type (e.g., corporation, association, 501c3 IRS status)
- ♦ Financial statement (*Provide information regarding your creditworthiness - including the legal name of the legal entity making the Proposal, 2 years of financial statements (audited if available), the name of your primary lender, and three credit references.*)
- ♦ Letters of reference

PROPOSAL REVIEW PROCESS

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.

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.

Proposals must be submitted in the legal name of the respondent who would be bound by any agreement with PacifiCorp.

This RFP contains only an invitation to make proposals to PacifiCorp. No proposal is itself a binding contract. PacifiCorp may in its sole and absolute discretion do any one or more of the following:

- i. Determine which proposals are eligible for consideration as proposals in response to this RFP.
- ii. Issue additional subsequent solicitations for information, and conduct investigations with respect to the qualifications of each respondent.
- iii. Disqualify proposals for any reason.
- iv. Supplement, amend, or otherwise modify this RFP, or cancel this RFP with or without the substitution of another RFP.
- v. Negotiate with respondents to amend any proposal.
- vi. Select and enter into agreements with the respondents 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 any single factor alone.
- vii. Issue additional subsequent solicitations for Proposals.
- viii. Reject any or all Proposals in whole or in part.
- ix. Vary any timetable.
- x. Conduct any briefing session or further RFP process on any terms and conditions.
- xi. Withdraw any invitation to submit a response.

Proposals may be rejected for any reason, including without limitation:

- i. Receipt after the response deadline.
- ii. Failure to meet the requirements described in this RFP.
- iii. Failure to submit a complete proposal with pertinent information necessary for evaluation.
- iv. Failure of the respondent's authorized officer to sign the proposal.
- v. Failure to have timely submitted an Intent to Bid form, if one has been required.
- vi. Inability or unwillingness of the respondent to provide the required surety or bond for performance, if any.
- vii. If the proposal is not a firm offer for at least 90 days from the response deadline.
- viii. Misrepresentation.
- ix. Failure to permit disclosure of information contained in the proposal to PacifiCorp agents, contractors or regulators.
- x. Any attempt to influence PacifiCorp's evaluation of the proposals outside the solicitation process.
- xi. Any change in regulation or regulatory requirements.
- xii. Any matter impairing the respondent.
- xiii. Any collusive bidding or other anticompetitive conduct.
- xiv. Any failure to disclose the real parties in interest in any proposal submitted.

PacifiCorp will determine in its sole discretion the qualifications of the bidders to perform the services proposed. 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 opinion, at any time before, during, or after this RFP process is complete. Finally, PacifiCorp reserves the right to negotiate only with those entities who propose transactions that PacifiCorp believes in its sole discretion to have a reasonable likelihood of being executed.

Summary report of bid results - to the extent required by law or regulatory order, PacifiCorp will compile a summary report of the bidding outcome. **Please note that this summary report will be made available to the public and filed for informational purposes with applicable regulators as required.**

TENTATIVE SCHEDULE OF EVENTS -

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

- RFP release April 16, 2010
- Notice of Intent to Propose due April 23, 2010, 5PM PDT
- Questions from Bidders due April 30, 2010, 5PM PDT
- PacifiCorp Answer Bidder Questions due May 7, 2010, 5PM PDT - directed to the following email address: OregonSB1149HabitatFundsRFP@pacificpower.net
- Proposals due June 1, 2010, 5 PM PDT
- Bid Evaluation – June 1-30, 2010
- Estimated award decision date – July 1, 2010
- Term sheet executed with chosen vendor by Sept 1, 2010
- Revised tariffs filed with Commission, Sept. 1, 2010 if needed
- Executable contract by January 1, 2011

Clarifications

To Respondents - Respondents desiring any clarification or explanation regarding this RFP may write or e-mail to: OregonSB1149HabitatFundsRFP@pacificpower.net. 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.

PROPOSAL SUBMITTAL

Proposals must be delivered by 5:00 p.m. Pacific Power on June 1, 2010 Facsimiles and electronic copies will not be considered.

Six (6) copies of the Proposal are required and shall be delivered to:

ROUTINE MAIL & OVERNIGHT DELIVERY

- Pacific Power
Attn: Oregon SB1149 Habitat Fund RFP 2010
- 1900 SW 4th Avenue – Plaza
- Portland, Oregon 97201

HAND DELIVERY

Pacific Power
Attn: Oregon SB1149 Habitat Fund RFP 2010
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:

RFP – CONFIDENTIAL –HABITAT MITIGATION FUND ADMINISTRATOR SERVICES FOR OREGON PORTFOLIO ENVIRONMENTAL MITIGATION OPTION Proposal Due Date and Time: Tuesday, June 1, 2010 – 5:00 P.M. PDT

ESTIMATED AWARD DECISION DATE

July 1, 2010

Proposals will be reviewed by a team comprised of staff from various disciplines within PacifiCorp. The evaluation team may contact bidders during the evaluation process if additional information is required. Failure to provide responsive information in a timely manner may lead to that bidder's bid being disqualified.

FUNDS AVAILABLE TO WINNING BIDDER

Funds will be provided for use by the winning bidder upon execution of a final contract acceptable to both parties between the winning bidder and PacifiCorp.

Appendix A

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 add a renewable resource option to their basic service. Customers who participate in the Habitat option are billed at the Basic Service rates plus an additional per kilowatt-hour charge for higher cost renewable energy and contribute \$2.50 on a monthly basis towards habitat restoration. Prices cannot be changed without Oregon Public Utility Commission approval.

Pacific Power serves 469,621 residential customers, 75,886 small non-residential customers in Oregon according to year-end 2009 reports.

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 the design requirements of portfolio options offered to residential and small non-residential customers. 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.

Appendix B

Notice of Intent to Propose

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

REQUEST FOR PROPOSAL FOR OREGON HABITAT MITIGATION FUND ADMINISTRATOR

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:

Attn: Oregon SB1149 Habitat Mitigation Fund Administrator - RFP 2010
1900 SW 4th Avenue – Plaza
Portland, OR 97201
Email address: – OregonSB1149HabitatFundsRFP@pacificpower.net