

2016 REC RFP
QUESTIONS AND ANSWERS THROUGH MAY 18, 2016

QUESTION 1: Would PacifiCorp consider a pricing structure that is index based on the energy component and a fixed price premium on the REC component?

ANSWER: Yes.

QUESTION 2: If our PPA has an initial term of 15 years and either party has the ability to extend the term for up to 2 consecutive 5 year periods and if we exercise the extension(s) now or because we have the optionality to extend would we qualify for Product B?

ANSWER: If such proposal is offered under Product B, and includes a firm commitment to extend the PPA, then PacifiCorp would evaluate the proposal as a Product B category.

QUESTION 3: Section 3(A): Will we need to certify the RECs in CA, WA and OR if our RECs are outside those states, or is WREGIS registration enough for certification? Do Utah RECs qualify for the RFP?

ANSWER:

The RECs will ultimately need to be certified for Oregon and or California RPS, or eligible for Washington RPS.

For Oregon eligibility, see Oregon Senate Bill 1547-B, as well as Oregon Revised Statute sections 469A.010, 469A.020, 469A.025, and 469A.135. For Oregon certification, see http://www.oregon.gov/energy/P-I/Pages/RPS_Generator_Registration.aspx

For California eligibility, see California Public Utilities Code section 399.12 and California Public Resources Code section 25741. For California certification, see http://www.energy.ca.gov/portfolio/documents/rps_certification.html

For Washington eligibility, see Washington Initiative Measure No. 937 (I-937) and Revised Code of Washington (RCW) Title 19, section 19.285.030. Also, <http://apps.leg.wa.gov/WAC/default.aspx?cite=480-109>.

QUESTION 4: In Section 1(A) it states, "Bidders having QF projects with PPAs with PacifiCorp should offer both unbundled RECS and bundled REC products." Is the expectation for each facility that has a current PPA with PacifiCorp for Seller to provide 2 separate bids (one bundled & one unbundled)? Should these be in-line with the PPA contract price and provided for comparison?

ANSWER: The referenced statement in Section 1(A) requests such bidders to offer both an unbundled REC offer, under a separate REC Underlying Agreement, and as alternative, a bundled REC offer under a proposed amendment to an already existing power purchase agreement.

QUESTION 5: If Seller currently has a 20-year PPA with PacifiCorp and the last 10 years the RECs already belong to PacifiCorp and Seller is only offering the first 10 years of RECs associated with the PPA in the RFP should it be submitted as Product B or Product C?

ANSWER: Based on general description provided, such offer ties closest with Product B category.

QUESTION 6: Our PPA has an initial term of 15 years with PacifiCorp and either party has the ability to extend the term for up to 2 consecutive 5 year periods. If starting year 15 the RECs already belong to PacifiCorp and Seller is only offering the first 8 years of RECs associated with the PPA in the RFP should it be submitted as Product B or Product C?

ANSWER: Product B and C are distinguished between the contract terms, not the REC sale term but the QF PPA term. So it matters whether you are offering RECs for the first 8 years under a QF PPA term (initial or subsequently extended) of less than 20 year, or 20 years or greater.

QUESTION 7: Does the Underlying Agreement need to be submitted along with the RFP Bid Submittal Form on Friday, May 20, 2016?

ANSWER: The Underlying Agreement does not need to be submitted as it is already defined in the REC RFP Main Document. If the Bidder is requiring changes to the applicable Underlying Agreement proposed for a transaction, then we request the Bidder to provide a description of such changes as the Non-Price Evaluation will include conformance to the Underlying Agreement options stated in Section 3.A.6.

QUESTION 8: Please confirm our understanding of regulatory continuing: regulatory continuing means that the seller is obligated to deliver RECs regardless of whether there is a change in the law, while non-regulatory continuing means the seller is obligated to provide RECs but only if the law does not change. Please confirm what PacifiCorp is asking or if both are possible offerings?

ANSWER: Regulatory Continuing and Non-Regulatory Continuing are defined in the REC RFP Main Document. The key difference is that Regulatory Continuing assures that the RECs being transferred meet the requirements of the Applicable Standard even if those requirements change between the effective date of the transaction and the later date when the RECs are ultimately transferred.

QUESTION 9: Are we able to submit a firm bid with a REC contract quantity less than amount we are able to generate? Would we be able to sell open length to the market or another RFP down the road?

ANSWER: The REC RFP does not require that the entire output of RECs from a specified Generating Facility need to be offered.

QUESTION 10: Does PacifiCorp have a preference between bundled and unbundled RECS?

ANSWER: PacifiCorp has not identified a preference between bundled and unbundled RECs. The intent of the RFP is to seek offers of RECs.

QUESTION 11: What quantity of RECS will PacifiCorp procure with this RFP process?

ANSWER: PacifiCorp has not identified a certain quantity of RECs to acquire in this RFP.

QUESTION 12: Would we be able to amend our existing PPA to modify the Purchase and Sale of Green Tags section to capture the REC price and term? Rather than executing a separate REC Purchase and Sale Agreement?

ANSWER: If you have an existing power purchase agreement with PacifiCorp whereby you are not currently selling RECs under such agreement, and propose to do so as an amendment of the existing power purchase agreement, then you may provide this proposal as an offer into our RFP and we will review.