

# PacifiCorp 2019C RFP Request for Proposals Capacity and Energy Supply Bidder's Conference

Zoom Meeting  
June 11, 2019



# 2019C Bidder's Conference Logistics

## Bidder's Conference Date/Time

November 11, 2019      2:00 PM – 4:00 PM Pacific Prevailing Time (PPT)

## Location

### Web Conference

To join the meeting and audio through your computer, copy link below and paste into your internet:

<https://pacificorp.zoom.us/j/431696842>

To join by telephone:

**1-646-558-8656, or 1-669-900-6833; meeting ID: 431-696-842**

**PLEASE MUTE YOUR PHONE IF PARTICIPATING REMOTELY.**

## Questions

Participants should submit questions before 12:00 PM (noon) on Tuesday June 11<sup>th</sup> so that they can be addressed during the Bidder's Conference. Questions should be submitted to the 2019C RFP email:

[RFPMarket@pacificorp.com](mailto:RFPMarket@pacificorp.com)

Additional questions submitted during and after the Bidder's Conference will be responded to in writing and posted to the RFP website:

<http://www.pacificorp.com/sup/rfps.html> (Menu: Suppliers > RFPs)

# Agenda

- RFP Key Points
- 2019C RFP Product
- Transaction Types
- Documents Outline
- Schedule
- Interconnection and Transmission Service
- Credit and Contract Requirements
- Bid Submission Requirements
- Evaluation Process
- Shortlist and Final Negotiations
- Communication
- Next Steps
- Questions and Comments

# 2019C RFP – Key Points

## PacifiCorp's request for proposals for capacity and energy supply ("2019C RFP")

- Bids from specific, *identified* generating resources
  - Unique generating resource to be identified in the E-Tag
- Proposals must be capable of *firm delivery* to PacifiCorp's balancing areas
  - Short list will be restricted to supply-side generating resources that are capable of firm delivery to PacifiCorp's network transmission system
  - PacifiCorp's East or West balancing area ("PACE" or "PACW")
- Contracts for *less than* five (5) years of varying contract lengths
  - Starting no earlier than November 1, 2019
  - Ending no later than December 31, 2025
- All generating resources types, whether existing or yet-to-be constructed
- The minimum proposal size is 25.0 megawatts ("MW")
- Bidder to propose schedule
  - All Hours, Standard On Peak (6X16), Standard Off Peak (6X8, Sundays/Holidays), Super-Peak, or other

# 2019C RFP – Product

## Product Means:

1. unit firm energy and capacity from a physical resource *with* WSPP Schedule C resupply at a *mutually agreed* delivery point to the extent the unit does not deliver the full quantity
  2. a unit-contingent tolling agreement
- Preference will be given to dispatchable resources
  - PacifiCorp to consider hydro resources, subject to certain outage limitations
  - PacifiCorp will consider pricing proposals from Bidders that include, but are not limited to, the following structures:
    - Fixed capacity and energy price (one price for multiple months regardless of contract quantity offered);
    - Defined variable capacity and energy price (prices and/or quantity varies depending on month);
    - Physical tolling arrangements (PacifiCorp supplies the fuel),
    - Virtual tolling arrangements (PacifiCorp does not supply the fuel)

# 2019C RFP – Transaction Types

## Transaction structures:

1. Unit firm power purchase agreements (“PPAs”) with WSPP Schedule C resupply at a mutually agreed delivery point to the extent the unit does not deliver the full quantity or
  2. Tolling agreements
- Bidder may submit a unit firm PPA, a toll, or both for each generating resource
  - Parties will contract under an:
    - ISDA Master Agreement with Power Annex on PacifiCorp's standard terms as mutually agreed or
    - EEI Master Power Purchase & Sale Agreement on PacifiCorp's standard terms as mutually agreed
    - For 2019-2020 contracts less than twelve months, PacifiCorp may accept confirmation under the WSPP Agreement, including a short form netting agreement
  - Template agreements will be shared for review upon selection to the shortlist

# 2019C RFP Documents Outline

RFP Main Document	Description of RFP and Procedures
Appendices A	Term Sheet
Appendix A-1	Option 1 – PPA Term Sheet
Appendix A-2, including exhibits	Option 2 – Tolling Agreement Term Sheet with required exhibits
Appendices B	Historical Availability
Appendices C	Data and Pricing Inputs (excel document)
Tab 1	Data Inputs
Tab 2	Price Schedules
Tab 3	Planned Maintenance Schedule
Tab 4	General Info
Tab 5	Start-up Parameters
Tab 6	Expected Performance
Tab 7	Cooling Information
Tab 8	HRSG Parameters
Tab 9	Additional Information
Appendices D	Bidder's Credit Information
Appendices E	Confidentiality Agreement

# 2019C RFP Schedule

<u>Milestone</u>	<u>Date</u>	<u>Day of Week</u>
RFP Issued to Market	06/05/2019	Tuesday
Bidder's Conference – 2:00 PM PPT	06/11/2019	Tuesday
<b>RFP Bids Due – 5:00 PM PPT</b>	<b>06/25/2019</b>	<b>Tuesday</b>
Initial Bid Evaluation Complete; Shortlist Selection	07/30/2019	Tuesday
Final Awards	08/30/2019	Friday

- Subject to adjustment by PacifiCorp
- The Company accepts no liability to the extent the actual schedule is different from the anticipated schedule.
- Any updates to the schedule will be posted online at:
  - <http://www.pacificorp.com/sup/rfps.html>
  - (Menu: Suppliers > RFP's)



# Interconnection and Transmission Service

- PacifiCorp is seeking pricing at the generating resources' point of interconnection
- PacifiCorp will evaluate the cost and availability of transmission to move the energy to PacifiCorp's load
- If the Bidder has already secured firm transmission rights into PACE or PACW, the Bidder may offer and include such transmission rights in their proposal, including a description of the point of receipt and point of delivery of such transmission rights.
- Scheduling of energy shall be pursuant to industry practices
- Scheduling times may differ by generating resource in order to accommodate the scheduling of fuel or to align the scheduling time for a specific type of generating resource with industry practices

# Credit and Contract Requirements

## Minimum bid eligibility

- Bidders will be required to post credit assurances based on creditworthiness of bidder or bidder credit support provider.
- Bidders will be required to show in bid proposal the ability to post any required credit assurances in the form of a commitment letter from a proposed guarantor or from a financial institution that would be issuing a Letter of Credit
- The credit risk profile based on:
  1. Type of resource agreement
  2. Size of resource
  3. Term of underlying contract
  4. Creditworthiness of bidder and bidder's credit support provider, if applicable

# Bid Submission Requirements

- Bidders shall submit an **electronic copy via email only** no later than **5:00 p.m. Pacific Prevailing Time on Tuesday, June 25, 2019**  
Email: [RFPMarket@pacificorp.com](mailto:RFPMarket@pacificorp.com)
- For each generating resource bid, Bidders shall provide:
  1. Cover letter for each proposal signed by an authorized representative
  2. Bid narrative
  3. Appendix A Term Sheet, including all exhibits if a tolling agreement
  4. Appendix B Historical Availability if an existing resource
  5. Appendix C Data and Pricing Inputs, including all relevant tabs and fields
  6. Appendix D Credit Information, including all required information
  7. Appendix E partially executed Mutual Confidentiality Agreement
- For each generating resource, Bidder may submit one (1) or two (2) “base bids.” Each base bid may have up to five (5) alternatives
  - A base bid can be a unit firm PPA or a toll. A bidder electing to submit both a PPA and toll for the same generating resource has two (2) “base bids”
  - Bidders must submit one (1) Term Sheet for each base bid
  - For each base bid, Bidders may submit up to five (5) Appendix C Data and Pricing Inputs: the first base bid plus four (4) additional Product “alternatives”
  - Product alternatives include different start and end dates, schedule, quantity, price, etc.

# Bid Submission Requirements Continued

- Bidders are requested to self-assign their own bid numbers for each base bid and Product alternative
- Enter a whole number with a zero in the first decimal place (i.e. 1.0, 2.0, etc.) to designate each base bid (generating resource/transaction type combination)
  - For example, a Bidder submitting three Term Sheets would number the base bids as follows:
    - 1.0 for a unit firm PPA from a combined-cycle gas plant
    - 2.0 for a tolling agreement from the same combined-cycle gas plant
- Numerically order additional alternatives (i.e. 1.1, 1.2 to indicate alternatives to the first base bid; 2.1, 2.2 to indicate alternatives to the second base bid)
  - For example, Bidder submits a Term Sheet for a unit firm PPA from a combined-cycle gas plant and has three Product alternatives (1 base bid plus 2 alternatives).
  - Bidder would label the Term Sheet 1.0 which reflects the base bid
  - Bidder would label the Product alternatives: different start date (1.1), different quantity (1.2)
- Bidders should use the same numbering when naming the cover letter, the Term Sheet document and the Appendix C Data and Pricing Inputs (excel file) to distinguish multiple base bids and Product alternatives

# Evaluation Process Overview

- PacifiCorp's bid evaluation and selection process identifies the combination and amount of new capacity projects bid into the 2019C RFP that will maximize customer benefits consistent with the methods used in PacifiCorp's 2019 Integrated Resource Plan ("IRP")
- Resources will be evaluated by their ability to offset and replace market transactions
- PacifiCorp will not make any of the evaluation models available to bidders

# Shortlist and Final Negotiations

- PacifiCorp will invite shortlist Bidders to update pricing
- 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 shortlist
- Accordingly, PacifiCorp may request that certain indicative bids, not initially selected to the shortlist, remain open after the shortlist is established and that those bidders be prepared to provide best and final pricing on an expedited basis
- PacifiCorp will initiate negotiations based on final pricing
- 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.

# Communication

Communications with PacifiCorp can be emailed to the following email address:

PacifiCorp: [RFPMarket@pacificorp.com](mailto:RFPMarket@pacificorp.com)

PacifiCorp's RFP website will post all updates and Q&A on the 2019C RFP webpage:

[www.pacificorp.com/sup/rfps.html](http://www.pacificorp.com/sup/rfps.html)

In order to receive responses prior to the bid deadline, please submit all questions before Thursday June 20, 2019.

# Next Steps

Questions or comments regarding this Bidder's Conference and the 2019C RFP can be submitted to PacifiCorp as identified on the Communication slide. In order to receive responses prior to the bid deadline, please submit all questions before Thursday June 20, 2019.

**Bids Due – June 25, 2019**



# 2019C Questions & Comments

2019C RFP information and updates, including responses to bidder questions will be provided at [www.pacificorp.com/sup/rfps.html](http://www.pacificorp.com/sup/rfps.html), as information is developed.

General questions can be submitted to PacifiCorp at the emails noted on the Communications slide.

In order to receive responses prior to the bid deadline, please submit all questions before Thursday June 20, 2019.