

# PacifiCorp 2020 All-Source Request for Proposals

Utah Pre-Issuance Bidders' Conference  
March 25, 2020

**WEBINAR ONLY**



# Logistics

## Conference Date and Time

March 25, 2020      1:30 – 3:30 PM Mountain  
12:30 – 2:30 PM Pacific

## Webinar info

Please use the link for presentation and dial into the call separately. It improves audio quality. And please remember to mute your phone when not speaking. Thank you.

[Join Skype Meeting](#)

Or paste the following link in your web browser

<https://meet.pacificorp.com/bruce.griswold/BGWTZ2B8>

### **Join by phone**

(503) 813-5252 [Portland, OR] (US)

(801) 220-5252 [Salt Lake City, UT] (US)

(855) 499-5252 [Toll-Free] (US)

**Conference ID: 8885049#**

Please submit questions to [RFPallsource@pacificorp.com](mailto:RFPallsource@pacificorp.com)



# Agenda

- Purpose and Scope
- Resource Types and Bid Structures
- Locational Capacity Limits
- Interconnection Queue Reform Impact on RFP
- Evaluation and Selection
- Proposed RFP Schedule
- Role of Independent Evaluators (IEs)
- Next Steps
- Questions and Comments

# Purpose and Scope of 2020AS RFP

- Action item out of PacifiCorp's 2019 Integrated Resource Plan (IRP) established an all-source RFP in 2020 (2020AS RFP), targeting up to 2,380 megawatts (MW) of new solar resources collocated with 595 MW of new battery energy storage system (BESS) capacity and 1,920 MW of new wind resources by the end of 2023.
- Commercial operation for bids moved to December 31, 2024 as a result of the federal production tax credit (PTC) extended to year-end 2024.
- Bids requiring longer lead time to develop and construct, placing completion beyond the December 31, 2024 deadline will be accepted but only for pumped storage hydro and nuclear resources.
- Bids must be capable of interconnecting with or delivering to PacifiCorp's transmission system in its east or west balancing authority areas (PACE and PACW, respectively), targeting the specific topology and resource mix identified in the 2019 IRP topology.
- No self-build ownership or PacifiCorp affiliate proposals (benchmark resources).
- An independent evaluator (IE) will be retained by PacifiCorp on behalf of Public Utility Commission of Oregon. An IE has been retained by Utah Public Service Commission.
- Bid fee(s) of \$10,000 will be required for each base proposal and two (2) alternatives. Bidders will also be allowed to offer up to three (3) additional alternatives at a fee of \$3,000 each.
- Intent to bid form and bidder credit information will be required prior to bid submittal(s).

# Resource Types

Resource Type	Bid Structure Accepted		
	PPA	BSA	BTA
Renewable	X		X
Renewable plus battery storage	X	X	X
Non-renewable	X		X
Standalone battery storage		X	
Pumped storage hydro		X	X
Nuclear	X		

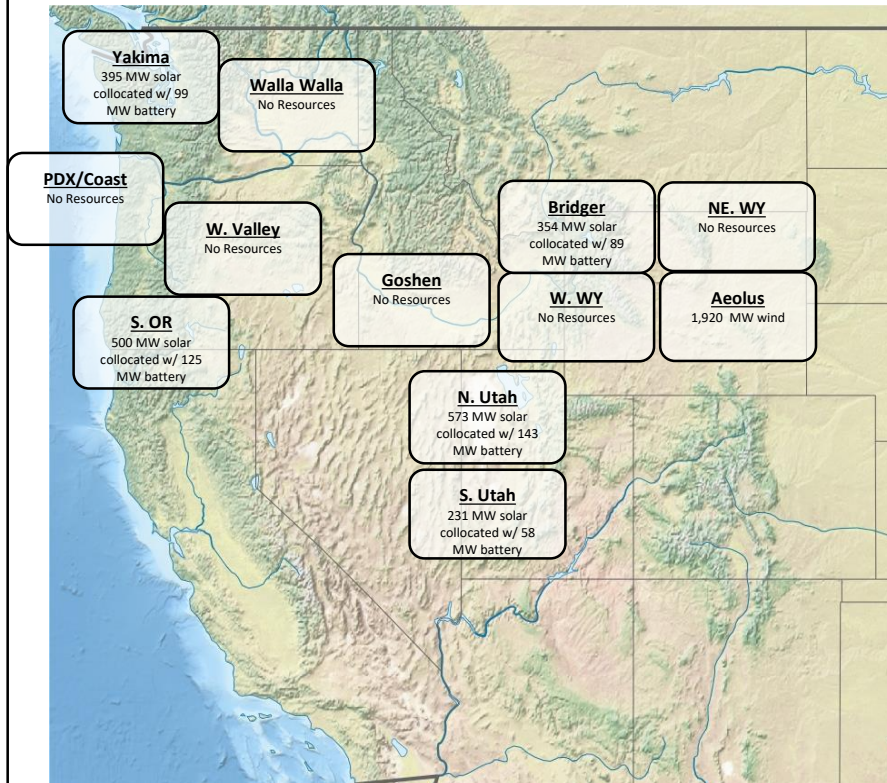
- PPA = Power Purchase Agreement
- BTA = Build-Transfer Agreement
- BSA = Battery Storage Agreement
- Bids NOT accepted for existing operating facilities.
- BTA bids MUST directly interconnect to PacifiCorp's system and be constructed to PacifiCorp specifications.

# Bid Structures

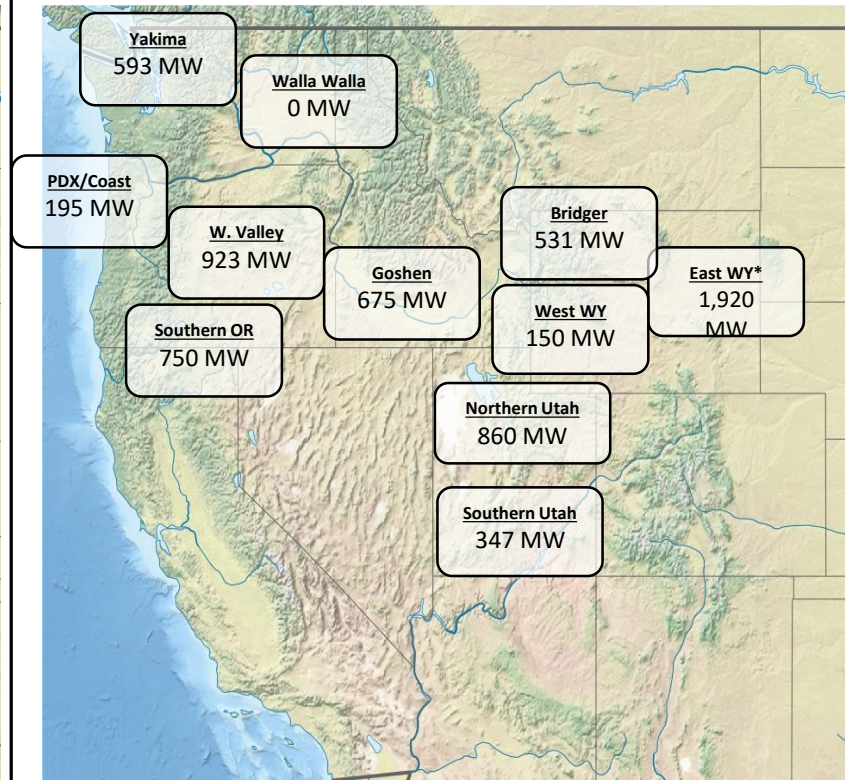
1. Build-transfer transaction whereby the bidder develops the project, assumes responsibility for construction and ultimately transfers the asset to PacifiCorp in accordance with the terms of a build-transfer agreement (BTA).
  - PacifiCorp will ONLY accept build-transfer transaction bids that are directly interconnected to PacifiCorp's system.
  - Bidder is responsible for all development, design, equipment supply, construction, commissioning, and performance testing, and will be required to design and construct the resource in conformance with PacifiCorp's specifications.
  - PacifiCorp will only be purchasing assets under the build-transfer transaction and will not accept a build-transfer transaction that involve the ultimate transfer of a project company to PacifiCorp.
2. Power-purchase agreement (PPA) with exclusive ownership by PacifiCorp of any and all capacity and environmental attributes associated with all energy generated with terms up to 25 years.
3. Standalone battery storage or a BESS collocated with a renewable resource will be contracted through a separate structure controlling dispatch and the output of the battery.
  - Collocated resource and battery storage must have agreements that are the same term length.
  - Pumped storage hydro is expected to have an unique agreement starting with an underlying PPA and/or battery storage agreement.

# Locational Capacity Limits

**2019 IRP Preferred Portfolio Resources Online by Year-End 2023  
(Excludes Customer Preference Resources)**



**Locational Initial Shortlist Capacity Limits  
(1.5x Pref. Port. or 1.5x Assumed Interconnection Limit)**



\*Note, eastern Wyoming includes Aeolus and NE Wyoming, which combined, will be limited to 1,920 MW.

# Interconnection Queue Reform Impact on RFP

- PacifiCorp Transmission filed an application with the Federal Energy Regulatory Commission (FERC), proposing to reform its interconnection study process set forth in its Open Access Transmission Tariff (OATT).
  - Filing proposes to replace the existing “serial queue” interconnection study process with a “first-ready, first-served, cluster” interconnection study approach. Filed on January 31, 2020 and pending with FERC.
- PacifiCorp’s RFP process for bid evaluation, scoring, modeling, and selection reflects PacifiCorp Transmission’s proposed queue reform process as described in its application at FERC.
  - RFP eligibility requirements or evaluation criteria will be revised as necessary to align with the final version of interconnection queue reform as approved by FERC before the RFP is issued to the market.
  - If not approved by the time the RFP is approved for issuance, the RFP will be revised to be consistent with the current interconnection queue process as described in PacifiCorp Transmission’s OATT.
- Minimum requirement in the RFP is for bidders to provide evidence of having an accepted interconnection request by PacifiCorp Transmission on or before January 31, 2020 (i.e., Interconnection queue number).
- Bidders will not be required to submit costs for any direct assigned and transmission network upgrades associated with the interconnection of a proposed project to PacifiCorp’s transmission system in its bid or provide any evidence of an interconnection study. Interconnection costs will not be included in the initial shortlist price evaluation.
- PacifiCorp will review the bidder’s interconnection documentation publically available on OASIS to confirm it aligns with the bid submittal.
- Bidders should be aware of and clearly understand the specific steps, criteria, milestones and schedule of PacifiCorp Transmission queue reform and transition cluster study process.
- Bidders selected to the initial shortlist who are rejected by PacifiCorp Transmission for not meeting all of PacifiCorp Transmission’s non-commercial readiness criteria necessary to be included in the transition cluster study will be removed by PacifiCorp from the initial shortlist and deemed a non-conforming bid.

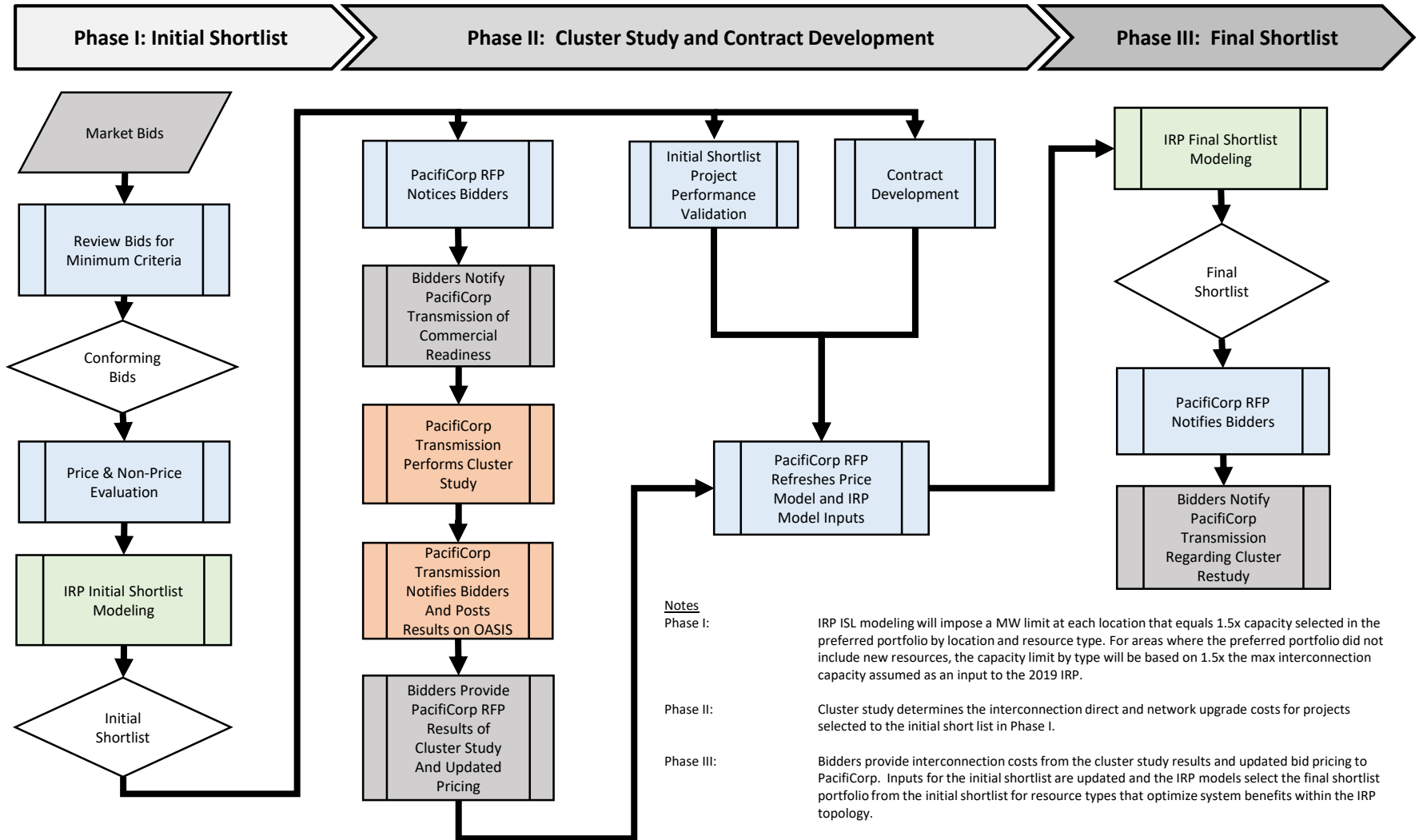


# Evaluation and Selection

PacifiCorp will evaluate proposals based on the following:

- The costs and benefits associated with bidder's proposed asset
- Deliverability of the proposal, including site control, development maturity and status, developer's experience, and demonstration that the project's commercial operation date will be achieved by December 31, 2024
- Interconnection request aligned with bid and meets RFP requirements
- Compliance with and verification of major equipment availability defined in the RFP specifications
- Ability to provide acceptable credit security as determined by bidder's credit information
- Conformance with the terms and conditions in the pro forma contracts including the power purchase agreement, build-transfer agreement and battery storage agreement, as applicable to the individual bid

# Evaluation Process



# Phase I : Initial Shortlist

## STEPS

1. Conformance to minimum requirements in RFP
2. Price and non-price scoring and ranking to identify pools of resources by type and location
  - Price score (75%) / non-price score (25%)
  - Conforming bids will be evaluated and ranked with PacifiCorp's proprietary screening models by resource type within each IRP topology location. PacifiCorp will limit the capacity in a given location and by resource type to 150% of the capacity included in the company's 2019 IRP preferred portfolio (Slide 5) with the exception of eastern Wyoming which will remain unchanged.
3. IRP modeling and selection of the initial shortlist from the pools of resources
4. Initial shortlist notification by PacifiCorp
5. Bidder notification to PacifiCorp Transmission of selection to initial shortlist meeting PacifiCorp Transmission's "commercial readiness" criteria
  - Bidders selected to the initial shortlist who are rejected by PacifiCorp Transmission for not meeting all of PacifiCorp Transmission's non-commercial readiness criteria necessary to be included in the transition cluster study will be removed by PacifiCorp from the initial shortlist and deemed a non-conforming bid.

# Non-Price Scoring

Non-Price Factor	Max Score	Bid Score		
<b>1. Conformity to RFP Requirements</b>	<b>5%</b>			
Bids provided all required RFP information pursuant to RFP instructions for PPA and BTA, including accuracy of such information including the specific Appendices listed below;	Multiple documents missing = 1% Some documents are incomplete = 2% All documents complete = 3%			
<ul style="list-style-type: none"> <li>Appendix B-2 Information required in Proposal</li> <li>Appendix C-2 Bid Summary and Pricing Input Sheet</li> <li>Appendix C-3 3rd Party Performance Report including site data</li> <li>Appendix D Bidder's Credit Information</li> </ul>				
Bid in compliance with technical or operating specifications as outlined in <b>Appendix A</b> as applicable to resource type and bid structure			Major components out of compliance = 0% Some major components in compliance = 1% All major components in compliance = 2%	
<b>2. Contract Conformance</b>			<b>10%</b>	
Bidder provided Appendix E-2 PPA document redline and comments Bidder provided Appendix E-3 Battery Storage document redline and comments Bidder provided Appendix F-2 BTA termsheet redline and comments	Bid states that redline and comments will be provided upon selection = 0% Comments provided / No redline = 5% Comments and redline provided = 10%			
<b>3. Project Readiness and Deliverability</b>	<b>10%</b>			
Bidder's development and construction experience related to large energy and/or storage projects including O&M plan and financing plan.	No operating projects = 0% < 300 MW operating projects = 1% >300 MW operating projects = 2%			
Bids demonstrated site control consistent with PacifiCorp Transmission's Site Control definition.	< 50% under lease or purchase option = 0% Lease option on full site = 1% Lease or purchase for full site = 2%			
Bid provided sufficient detail, including schedule(s) and documentation, to demonstrate the ability of meeting all of the project's environmental compliance, studies, permits, and equipment procurement needs such that the December 31, 2024 COD is met (except for pump storage hydro and nuclear resources)	Major studies & permits not started = 0% 50% of major studies & permits complete = 2% 100% of major studies & permits complete = 4%			
Bid included documentation that projects qualify for and would receive the full or partial value of the federal tax credit as interpreted by applicable guidelines and rules of the Internal Revenue Service at commercial operation.	No documentation = 0% Qualification through construction = 1% Documentation of safe harbor equipment = 2%			
<b>TOTAL</b>	<b>25%</b>			

# **Phase II: Interconnection Cluster Study / Contract Development**

1. Interconnection transition cluster study report
  - Expected to take approximately six (6) months
2. Resource capacity factor verification and storage performance
  - Done in parallel with interconnection transition cluster study
    - Third-party expert verification of capacity factor for variable resources (i.e., wind and solar)
    - Third-party expert assistance in evaluation of battery storage performance
3. Contract development
  - PacifiCorp proposes to work through terms and conditions of applicable contracts with initial shortlist in parallel with the interconnection transition cluster study.
    - Reach near final version of contract
    - Provides final shortlist developers with additional time to reach critical commercial operation prior to sunset of federal tax credits
    - Requires waiver from Public Utility Commission of Oregon
4. Bid update
  - Initial shortlist updates bid pricing and provides direct interconnection costs and network upgrade costs associated with the interconnection.
  - Reprice not allowed due to a change from the Bidder's initial offering.

# Phase III: Final Shortlist Selection

1. Processing of best and final bids
  - Updating of screening model to prepare inputs for IRP modeling
2. Least cost – least risk portfolio development
  - Portfolio selection run using the IRP SO and PaR models in accordance with the 2019 IRP topology
3. Stochastic scenario risk analysis to test the final shortlist portfolio across multiple policy/price scenarios
4. Other factors: Applicable law and statutory requirements
5. Review of final shortlist by PacifiCorp Transmission to determine if a restudy of interconnection cluster with the selected projects is needed
6. Final 2020AS RFP shortlist selection

# RFP Schedule

- Excludes regulatory process for RFP approval or final shortlist approval / acknowledgment
- Subject to change

Phase	Milestone	Date
Issuance	RFP Issued to market	07/06/2020
	Notice of Intent to Bid due	07/20/2020
	Last day for RFP questions to IEs for Q&A	08/04/2020
	RFP bids due	08/10/2020
Phase I	Bid eligibility screening against minimum requirements completed	08/17/2020
	Initial Shortlist (ISL) scoring/ranking completed using screening model	09/04/2020
	IRP modeling generates ISL	10/05/2020
	IEs' review of ISL completed	10/09/2020
	PacifiCorp notifies bidders selected to ISL	10/14/2020
Phase II	ISL bidders notify PacifiCorp Transmission to enter transition cluster study	10/15/2020
	ISL capacity factor and BESS evaluation by third-party consultant started	10/19/2020
	Contract review and negotiations with ISL (subject to OAR waiver) started	10/19/2020
	ISL capacity factor and BESS evaluation completed	12/15/2020
	Contract negotiations on near-final draft with bidders completed	03/31/2021
	Cluster study results posted to OASIS / bidders notified by PacifiCorp Transmission	04/15/2021
	ISL bidders provide price update to PacifiCorp including Interconnection costs	04/22/2021
Phase III	Submit updated bids to IRP modeling	04/27/2021
	IRP modeling generates Final Shortlist (FSL)	05/20/2021
	Final Shortlist (FSL) selected	05/25/2021
	IEs' review of FSL completed	06/01/2021
	Complete negotiation of T&Cs for resource agreements	10/15/2021
Execution	Execute Agreements	11/08/2021

# Role of the Independent Evaluator

- Review draft RFP document and stakeholder comments to facilitate final RFP for commission approval.
- Review and validate the bid submittals and non-conforming bid decisions
- Facilitate and monitor communications between PacifiCorp and bidders
- Analyze, operate and validate models, assumptions and inputs used in the RFP process, including the evaluation of bids relative to price and non-price scoring
- Ensure that all the bids are treated in a fair and non-discriminatory manner
- Monitor, observe, validate and offer feedback to PacifiCorp and the state regulatory commissions (Oregon and Utah)
- Solicit additional information on bids necessary for screening and evaluation purposes
- Perform other evaluations and tasks as directed by state regulatory commissions (Oregon and Utah)



## Next Steps

Questions or comments regarding this pre-issuance bidders' conference should be sent to the following mailbox, even if an answer was provided verbally in today's meeting, to ensure all Bidders receive responses:

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

Responses will be posted on PacifiCorp's 2020AS RFP website by April 1, 2020.

The draft 2020AS RFP is scheduled to be filed with Utah Commission by April 9, 2020.

2020AS RFP information, including instructions for providing questions or comments to the independent evaluators, will be provided at [www.pacificorp.com](http://www.pacificorp.com), as the information is developed.

From website main page, go to Suppliers, then RFPs, then 2020AS RFP.

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

# Question & Comments

