
PacifiCorp
Request for Proposals
Renewable Energy Credits (RECs)
(2023 RFP for RECs)

ISSUED: February 1, 2023

DUE DATE: February 28, 2023

2023 RFP for RECs Responses:

RFP-REC@PACIFICORP.COM
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RFP APPENDICES

Appendix A RFP Bid Submittal Form

Appendix B PacifiCorp’s Pro Forma Renewable Energy Credit Purchase and Sale Agreement
for California RPS

SECTION 1. INTRODUCTION

The 2023 RFP seeks cost-competitive bids for renewable energy credits (RECs) that can be used to meet its customers' needs, including state renewable portfolio standard (RPS) requirements under the applicable laws and regulations of California. As stated in its 2021 Integrated Resource Plan (IRP) and 2022 Off-Year IRP Supplement, PacifiCorp has identified the potential opportunity to procure RECs that can be used to satisfy its state RPS obligations.

A. PURPOSE AND SCOPE

This 2023 RFP for RECs seeks RECs described in Section B below. PacifiCorp is not bound to accept any bids and may cancel this solicitation at its own discretion at any time and for any reason.

PacifiCorp is seeking short- and long-term proposals (bids) from parties (Bidders) interested in providing firm RECs that qualify for compliance with the California RPS. The RECs must also be generated from a facility located in the WECC territory, and the facility must be registered in WREGIS and comply with WREGIS requirements. All proposals must meet the minimum size requirement of at least 10,000 RECs per calendar year. PacifiCorp is not setting a maximum size limit for proposals.

B. REC PRODUCT TYPES AND VINTAGES OF INTEREST:

1. REC Product A; California RPS, Portfolio Content Category 3 eligible RECs from any Vintage Period beginning January 1, 2022 or newer.

SECTION 2. LOGISTICS

A. RFP SCHEDULE

Indicative Schedule

| Milestone | Date |
|--|----------------------------------|
| PacifiCorp issuance of RFP | February 1, 2023 |
| Questions Due from Interested Bidders | February 10, 2023 |
| Responses to Bidder Questions Posted to PacifiCorp Website | February 15, 2023 |
| Bids Due | 5:00 p.m. PPT, February 28, 2023 |
| RFP offer evaluations completed and Bidders notified if they have been selected for negotiation of an Underlying Agreement | March 31, 2023 |
| Target date for any underlying agreement(s) and or confirmation agreement(s) to be completed | April 28, 2023 |

The indicative schedule is subject to change. PacifiCorp accepts no liability to the extent the actual schedule varies from the indicative schedule. PacifiCorp is not obligated to make an offer selection, or to initiate or complete negotiations on any transaction.

B. COMMUNICATIONS

Interested parties and Bidders may submit questions related to this solicitation, and PacifiCorp will respond in a timely fashion. All questions on the RFP or related documents should be sent to PacifiCorp via email at RFP-REC@pacificorp.com cc'ing Marcie.Hundis@pacificorp.com.

All information, including the pre-bid materials, questions and answers, will be posted on the PacifiCorp website at www.pacificorp.com.

C. BIDDER QUESTIONS

Prospective Bidders are asked to provide all questions (see Communications above) by February 10, 2023. PacifiCorp will review and address questions by February 15, 2023 and post responses on the PacifiCorp public website at: <https://www.pacificorp.com/suppliers/rfps.html>.

D. SUBMISSION OF BIDS

Interested Bidders should submit a completed RFP Bid Submittal Form (shown in Appendix A) electronically by 5:00 p.m. PPT on February 28, 2023 via email to RFP-REC@pacificorp.com [and cc'ing Marcie.Hundis@pacificorp.com](mailto:cc'ing Marcie.Hundis@pacificorp.com). The subject line of bid submission must include 'RFP Response' along with the name of the company submitting the bid.

The RFP evaluation of bids will be completed by March 31, 2023, and PacifiCorp will notify by Bidders on same day if they have been selected for negotiation of an Underlying Agreement.

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 and expenses of any response to PacifiCorp in connection with its proposal, including providing additional information and Bidder's own expenses in negotiating and reviewing any documentation.

To the extent that proposals are deemed conforming, 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, 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. ELIGIBLE PROPOSALS

The following outlines the basic terms and conditions, and definitions required for all proposals when responding to this RFP. Proposals that do not conform to these basic terms and conditions, and definitions may be deemed ineligible for further evaluation unless the information is not relevant as determined by PacifiCorp at its sole discretion.

A. BASIC TERMS AND CONDITIONS

1. REC Product Types A must qualify for compliance with the California RPS. The Generating Facility must be certified as an eligible renewable resource for the California RPS by the California Energy Commission before contract execution, unless otherwise agreed by PacifiCorp.
2. RECs must be sourced from a Generating Facility physically located in the WECC territory.
3. For REC Product A, the RECs must be from a Renewable Energy Source as defined in Section 3. B. below.
4. The minimum Contract Quantity of RECs offered by a prospective Bidder must be, for each Vintage Period calendar year, at least 10,000 RECs.
5. The Generating Facility must be registered or will have to be registered in WREGIS and its monthly generation reported in WREGIS, with RECs certified by WREGIS and transferable via WREGIS.
6. The underlying agreement (Underlying Agreement) must be either a) a confirmation agreement under an existing enabling agreement already in place between PacifiCorp and the Bidder, b) the WSPP Service Schedule R (for Bidders that are WSPP members) or, c) PacifiCorp's Pro Forma Renewable Energy Credit Purchase and Sale Agreement for California RPS (Appendix B), as applicable.
7. The RFP Bid Submittal Form must include the following:
 - a. Name and location of Generating Facility, including GPS location
 - b. COD (established or expected)
 - c. Contract Quantity per Vintage Period
 - d. Contract Price
 - e. Designation of Firm or Resource Contingent RECs
 - f. Expected Transfer Date(s) of RECs
 - g. Any conditions precedent(s) to Bidder's proposal, or any deviations from the terms and conditions and or definitions, as described in this RFP.

B. DEFINITIONS

“Applicable Program” means the California Renewables Portfolio Standard.

“California Renewables Portfolio Standard” means the renewable energy program and policies established by California State Senate Bills 1038 and 1078 as amended by Senate Bill SB1X, Senate Bill 350, and codified in California Public Utilities Code Sections 399.11 through 399.31 and California Public Resources Code Sections 25740 through 25751, as such provisions are amended or supplemented from time to time.

“Commercial Operation Date” means the date commercial operation is achieved for the Generating Facility.

“Contract Price” means the price in U.S. Dollars (\$U.S.) per REC.

“Contract Quantity” means the quantity of RECs to be delivered by Bidder to PacifiCorp.

“Firm” means the Bidder has a firm obligation to deliver the Contract Quantity of RECs pursuant to an Underlying Agreement.

“Generating Facility” means the electric generating facility.

“Resource Contingent” means the Bidder has a resource contingent obligation to deliver the Contract Quantity of RECs pursuant to an Underlying Agreement.

“Renewable Energy Source” means a source of electricity generated using the types of energy eligible under California RPS¹, including but not limited to the following:

- (a) wind energy
- (b) solar photovoltaic and solar thermal energy
- (c) wave, tidal and ocean thermal energy
- (d) geothermal energy
- (e) biomass
- (f) hydro-electric energy
- (g) energy from solid municipal waste
- (h) energy from landfill gas

“Transfer Date” (or “Delivery Date”) means the date upon which the RECs, as evidenced by WREGIS certificate transfer, are delivered by the Bidder to PacifiCorp.

“Underlying Agreement” is defined in Section 3.A.

“Vintage Period” means the defined period or calendar year in which the REC is created, generated, or produced.

¹ For California RPS, see California Public Utilities Code Section 399.12 and California Public Resources Code Section 25741, as either code provision is amended or supplemented from time to time.

“WECC” means the Western Electricity Coordinating Council.

“WREGIS” means the Western Renewable Energy Generation Information System or any successor renewable energy tracking program.

“WSPP” means Western Systems Power Pool.

SECTION 4. MINIMUM ELIGIBILITY REQUIREMENTS FOR BIDDERS

A. DISQUALIFICATIONS

Bidders may be disqualified for failure to comply with any of the requirements of this RFP. To the extent proposals do not comply with these requirements, PacifiCorp has the option to deem the proposal ineligible and eliminated from further evaluation. Reasons for rejection of a Bidder or its proposal include:

1. Bid proposal(s) do not comply with the instructions or requirements specified in this RFP.
2. RFP Bid Submittal Form received after the RFP proposals due date.
3. Upon being selected to negotiate an Underlying Agreement, Bidder fails to provide, in timely manner, Bidder’s Credit Information specified below.
4. Bidder fails to demonstrate, to PacifiCorp’s satisfaction, that it can meet the security requirements, if any, for the Underlying Agreement and or confirmation agreement selected.
5. Any attempt to influence PacifiCorp in the evaluation of the proposals, outside the solicitation process.
6. Any failure to disclose the real parties of interest in the proposal submitted.
7. The Bidder, or an affiliate of Bidder, is in current litigation with PacifiCorp or has, in writing, threatened litigation against PacifiCorp, respecting an amount in dispute in excess of one million dollars.
8. Bidder fails to demonstrate, to PacifiCorp’s satisfaction, that it can meet the security requirements for the renewable resource proposed.

B. BIDDER'S CREDIT INFORMATION

Upon being selected to negotiate an Underlying Agreement, the Bidder must provide the following information to enable PacifiCorp to evaluate the financial viability of the Bidder and any entity providing credit assurances on behalf of the Bidder, as applicable.

1. Credit information for Bidder

- a. Exact legal name and address of Bidder.
- b. Debt Ratings from S&P and/or Moody's (please provide senior unsecured long term debt rating or corporate rating if a debt rating is unavailable). Please indicate type of rating, rating, and source.
- c. Please attach copies of audited financial statements (including balance sheet, income statement, and cash flow statement) for the three most recent fiscal years.
- d. Identify pending legal disputes (describe).
- e. Please state whether the Bidder is or has within the past five (5) years been the debtor in any bankruptcy proceeding.
- f. If the Bidder is unable to provide audited financial statements or is relying upon another entity to provide credit assurances on its behalf, the Bidder must indicate whether (i) the Bidder is unable to provide audited financial statements and, (ii) the Bidder is relying upon another entity(ies) to provide credit assurances on its behalf.
- g. The Bidder should demonstrate its ability (and/or the ability of its credit support provider to provide the required security, including its plan for doing so, including the type of security, sources of security, and a description of its credit support provider).

2. Credit information for entity(ies) providing credit assurances on behalf of Bidder (as applicable)

- a. Exact legal name and address of entity(ies) providing credit assurances on behalf of Bidder.
- b. Describe the relationship to the Bidder and describe the type of credit assurances to be provided (e.g., parental guaranty, cash deposit, or letter of credit, etc.). The Bidder must provide to PacifiCorp a letter(s) of commitment acceptable to PacifiCorp from the entity(ies) providing the credit assurances on behalf of the Bidder executed by an authorized signatory and indicating the amount and form of credit assurances it will provide. More than one commitment letter, or more than one form of commitment letter, may be necessary.

- c. Debt Ratings from S&P and/or Moody's (please provide senior unsecured long term debt rating or corporate rating if a debt rating is unavailable). Please indicate type of rating, rating, and source.
- d. Please attach copies of audited financial statements (including balance sheet, income statement, and cash flow statement) for the three most recent fiscal years.
- e. Pending legal disputes (describe).
- f. Please state whether entity(ies) providing credit assurances on behalf of the Bidder is or has within the past five (5) years been the debtor in any bankruptcy proceeding.

The Bidder may be required to post credit assurances for the applicable bid. PacifiCorp will not accept collateral thresholds, credit ratings triggers, general adequate assurances language or similar language that might require the PacifiCorp to provide performance assurances to the Bidder. PacifiCorp may require the Bidder to provide a commitment letter(s) from a proposed guarantor(s) and/or from a financial institution(s) that would be issuing a letter of credit as performance assurances on behalf of the Bidder. The amount of performance assurances to be provided will be determined based upon factors which include the following:

- a. The credit rating of the Bidder and the entity(ies) providing credit assurances on behalf of the Bidder, as applicable.
- b. Terms of the underlying contract.
- c. The volume to be delivered.

The credit rating is defined as the lower of: x) the most recently published senior, unsecured long term debt rating (or corporate rating if a debt rating is unavailable) from Standard & Poor's (S&P) and/or y) the most recently published senior, unsecured debt rating (or corporate rating if a debt rating is unavailable) from Moody's Investor Services. If option x) and y) are not available, the credit rating will be determined by PacifiCorp through an internal process review utilizing a proprietary credit scoring model developed in conjunction with a third party. All Bidders will receive a credit rating which will be used in determining the amount of any credit assurances to be posted. With few exceptions, PacifiCorp will expect Bidders with sub investment-grade credit ratings (or being of similar creditworthiness) to provide performance assurances acceptable to PacifiCorp.

A financial institution providing a letter of credit as performance assurances on behalf of the Bidder must be a major U.S. commercial bank and have at all times a credit rating of at least 'A' and 'A2' from S&P and Moody's, respectively, and have assets (net of reserves) of at least \$10,000,000,000. Should the financial institution providing credit assurances on behalf of the Bidder fail to meet these minimum requirements PacifiCorp will require credit assurances from a replacement financial institution that does meet the requirements.

SECTION 5. BID EVALUATION AND SELECTION

PacifiCorp will not ask for, or accept, updated pricing from Bidders during the evaluation period.² An RFP selection of an offer does not constitute a “winning bid proposal.” Only execution of an Underlying Agreement by both PacifiCorp and the Bidder on terms acceptable to PacifiCorp in its sole and absolute discretion will constitute a “winning bid proposal.” Any Underlying Agreement will be in the form described above in Section 3.A., as applicable. If the Bidder alters the Underlying Agreement, the bid evaluation will be affected. PacifiCorp has no legal obligation to enter into any agreement of any kind with any Bidder.

A. OVERVIEW OF THE EVALUATION PROCESS

The evaluation process will utilize a screening process to derive a potential selection of a bid or bids after determining eligibility of the bids. The screening process and evaluation methodology is at PacifiCorp’s sole discretion.

The RFP evaluation process will consider both price and non-price factors.

STEP 1 – RFP EVALUATION

1. Price Evaluation

PacifiCorp will evaluate bids based on the REC Contract Price of each bid.

2. Non-Price Evaluation

The non-price evaluation will include, but not be limited to, the following factors in the non-price evaluation:

- Firm offer to sell RECs
- REC Transfer Date(s)
- Conformance to Underlying Agreement
- WREGIS account holder status
- Financial viability of Bidder
- Reliability of REC supply and delivery
- REC eligibility under specified state(s) RPS program
- Bidder experience/references
- [Supplier Diversity factors – e.g., similar to those outlined in Section E of our 2022 Off-Year IRP Supplement]

STEP 2 – RFP SELECTIONS

² PacifiCorp may contact Bidders during the evaluation period to clarify information submitted with proposals, as required.

Any RFP selection(s) will be established upon evaluation of price and non-price results. In making any RFP offer selections, PacifiCorp will take into consideration certain other factors that are not expressly or adequately factored into the initial evaluation process, but that may be required by applicable law or Commission order. During the RFP evaluation process, PacifiCorp will evaluate how bids and/or combinations of bids affect PacifiCorp's state RPS compliance position and compliance cost, which may include alternative REC compliance products being solicited through a separate RFP process and projected long-term compliance alternatives.

1. Discussions and Right to Reject Proposals

PacifiCorp's Rights and Options

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. Disqualify Proposals contemplating Specified Resources that do not meet the Commission's definition of renewable energy products containing new resources or any other renewable portfolio standards.
4. Supplement, amend, or otherwise modify this RFP, or cancel this RFP with or without the substitution of another RFP.
5. Negotiate with Bidders to amend any proposal.
6. 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.
7. Issue additional subsequent solicitations for proposals.
8. Waive any irregularity or informality on any proposal to the extent not prohibited by law.

9. Reject any or all proposals in whole or in part.
10. Vary any timetable.
11. Conduct any briefing session or further RFP process on any terms and conditions.
12. Withdraw any invitation to submit a response.
13. Procure all or none or part of the RECs, and in any quantity for delivery without providing reasons and without being liable for any compensation to any party except to the extent of the services ordered and satisfactorily provided pursuant to the terms of an executed agreement.

2. Basis for Rejection

Proposals may be rejected for any reason including but not limited to:

1. Receipt of the proposal by PacifiCorp after the RFP bid submittal deadline.
2. Failure to meet the requirements described in this RFP.
3. Failure to submit a complete proposal with pertinent information necessary for evaluation.
4. Failure of the Bidder's authorized officer to sign the proposal.
5. Inability or unwillingness of the Bidder to provide any security or surety required for performance.
6. If the proposal is not a firm offer through final selection under the RFP.
7. Misrepresentation or failure to abide by Federal Trade Commission Green Guides.
8. Failure to permit disclosure of information contained in the proposal to PacifiCorp agents, contractors or regulations Commission(s).
9. Any attempt to influence PacifiCorp's evaluation of proposals outside the solicitation process.
10. Any change in regulation or regulatory requirements.

11. Failure of the Specified Resource to meet the Commission's definition of renewable energy products containing new resources or any other renewable portfolio standards.
12. Any matter impairing the Bidder, Specified Resources or the generation of power or Non-Power Attributes there from or the delivery of RECs.

SECTION 6. CONFIDENTIALITY, COMPANY RESERVATION OF RIGHTS AND DISCLAIMERS

A. 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 bid 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 shall remain the property of PacifiCorp. The 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. The Bidder expressly acknowledges that PacifiCorp may retain information submitted by the Bidder in connection with this RFP.

Only those PacifiCorp employees who are directly involved in this RFP process or with the need to know for business reasons will be afforded the opportunity to view submitted bids or Bidder information.

Bidders should be aware that information they supply 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 confidential Bidder information from being supplied to intervening parties who are 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 and assumptions during its evaluation process. The resulting evaluations will not be shared with entities external to PacifiCorp or its consultants, including with Bidders, unless required by law or regulatory order.

B. COMPANY RESERVATION OF RIGHTS AND DISCLAIMERS:

PacifiCorp reserves the right, without qualification and in its sole discretion, to reject any or all bids, and to terminate 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 in Section 2 and Section 3. 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.