
PacifiCorp

Request for Proposals

Oregon Schedule 272—Individually Negotiated

Arrangement for Renewable Energy Credits

from a Specified Resource

(2017 Schedule 272 RFP)

ISSUED: August 7, 2017

DUE DATE: August 22, 2017

2017 Schedule 272 RFP Responses:

RFP-REC@PACIFICORP.COM

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RFP APPENDICES

Appendix A RFP Bid Submittal Form

SECTION 1. INTRODUCTION

This 2017 Oregon Schedule 272 RFP —Individually Negotiated Arrangement seeks cost-competitive bids for unbundled RECs from facilities in Oregon and Utah. If the facility will be able to directly connect to, or deliver on firm-transmission service to, PacifiCorp’s system in Oregon or Utah, the facility must be certified as a Qualifying Facility (QF) under the Public Utilities Regulatory Policy Act (PURPA). If the facility will not directly connect to, or deliver on firm-transmission service to, PacifiCorp’s system, the facility must be located in Oregon. Any transactions resulting from this solicitation will be completed under Pacific Power Oregon Schedule 272—Individually Negotiated Arrangements.

A. RFP PRODUCT:

- Product:** Unbundled renewable energy certificates, delivered by the Western Renewable Energy Generation Information System (WREGIS). All public communications and claims concerning renewable energy generation from the project, and environmental benefits, must be mutually agreed upon, avoid double claims and comply with the Federal Trade Commission “Green Guides” and Green-e certification requirements.
- Resource Type:** Wind and solar facilities may be proposed. A single bidder may propose multiple resources.
- Resource Location:** Location preferences are facilities in Oregon or Utah able to directly interconnect with or deliver on firm-transmission service to PacifiCorp’s transmission system. Resources located in Oregon not able to directly interconnect with or deliver firm-transmission service to PacifiCorp’s transmission system will also be considered.
- Quantity:** Preferred minimum offer of 10,000 RECs per year, and up to 500,000 RECs per year
- Term:** Specify length—preference is five years or longer term.
- Project Status** Specify project status in accordance with Section 3.B below.
- Other:** Describe how the income stream from the REC purchase would contribute to the success of the project, or would otherwise be necessary to ensure project success, viability, or initiation.

SECTION 2. LOGISTICS

A. RFP SCHEDULE

Indicative Schedule

Milestone	Date
PacifiCorp issuance of RFP	August 7, 2017
RFP proposals due	August 22, 2017
Evaluation completed	September 1, 2017
Bidders notified if they have been selected for negotiation of an agreement	September 2, 2017
Complete negotiations	September 15, 2017
Agreement executed	September 21, 2017

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 develop a shortlist of bidders, to make a final selection, or to initiate or complete negotiations on any transaction.

B. COMMUNICATION

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.

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

C. 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 Tuesday, August 22, 2017 via email to RFP-REC@pacificorp.com. The subject line of bid submission must include 'RFP Response' along with the name of the company submitting the bid.

All proposals shall have a bid validity date through **September 21, 2017**. Bids selected to the shortlist may be asked to update their bid prices as part of the negotiation process.

PacifiCorp plans to notify bidders by September 2, 2017 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. Bidders will bear all costs and expenses of any response to PacifiCorp in connection with its proposal, including costs and expenses to provide additional information at PacifiCorp's request and all costs and expenses incurred by bidders associated with 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 required for all proposals when responding to this RFP. Proposals that do not conform to these basic terms and conditions 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. If a proposed project is able to directly interconnect with or deliver on firm-transmission service to PacifiCorp's transmission system, RECs must be sourced from a project certified as a QF under PURPA and be physically located in Oregon or Utah.
2. If a proposed project is not able to directly interconnect with or deliver firm-transmission service to PacifiCorp's transmission system, RECs must be sourced from a project physically located in Oregon.
3. RECs must be from a specified resource and derived from wind or solar.
4. If the proposed project is a QF, the project must have already submitted a pricing request to, and obtained indicative avoided cost pricing from PacifiCorp.
5. If the proposed project is not a QF, the bid must include information regarding the project costs or its expected cost of energy.
6. The minimum contract quantity of RECs offered by a bidder must be, for each vintage period calendar year, at least 10,000 RECs.
7. The proposed project 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.
8. The RFP Bid Submittal Form must include the following:
 - a. Name and location of the proposed project, including GPS location

- b. COD (expected)
- c. Contract quantity per vintage period
- d. Contract price per REC (fixed or escalating)
- 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 described in this RFP.

B. PROJECT STATUS

Bidders must provide the following information describing project status:

Project name	
Estimated commercial operation date	
GPS coordinates of project	
Power purchase agreement status (requested, in negotiations, executed)	
Current project status (proposed, under development, fully permitted, financed, under construction, operating)	
Project site land - lease or title (secured / under option / timing)	
Interconnection rights-of-way (secured / under option / timing)	
Permits and all environmental/cultural (or other) studies completed	
Permits and all environmental/cultural (or other) studies remaining to complete and schedule	
PacifiCorp interconnection? (yes or no)	
PacifiCorp OASIS interconnection queue # (if applicable)	
Interconnection substation	
System impact study completed (yes or no)	
Facility study completed (yes or no)	
Interconnection agreement signed (yes or no)	
Start date for interconnection test energy	
If not directly interconnected to PacifiCorp system and delivering to PacifiCorp, transmission service agreement executed (yes or no)	
If answer above is “no” please describe status	

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 does not comply with the instructions or requirements specified in this RFP.
- 2. The RFP Bid Submittal Form is received after the RFP proposals due date.

3. Upon being selected to negotiate an agreement, bidder fails to provide, in timely manner, its credit information specified below.
4. The bidder fails to demonstrate, to PacifiCorp's satisfaction, that it can meet the security requirements, if any, of the 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 project proposed.

B. BIDDER'S CREDIT INFORMATION

Upon being selected to negotiate an 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 the bidder (as applicable)

- a. Exact legal name and address of entity(ies) providing credit assurances on behalf of the 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 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:

1. The credit rating of the bidder and the entity(ies) providing credit assurances on behalf of the bidder, as applicable.
2. Terms of the underlying contract.
3. 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 utilize a “first-price sealed bid format” in order to generate a shortlist. Under this format, PacifiCorp will use the initial prices and pricing structure submitted by the bidder in order to determine shortlisted proposals. PacifiCorp will not ask for, or accept, updated pricing from bidders during the evaluation period, however, PacifiCorp may seek a final price update during contract negotiation.¹ PacifiCorp will negotiate price and non-price issues after the shortlist is final. PacifiCorp reserves the right not to engage in any post-bid or post-shortlist negotiations with any bidder that has not made the shortlist. Selection for the shortlist and post-shortlist negotiations does not constitute a “winning bid proposal.” Only execution of an agreement by both PacifiCorp and the bidder on terms acceptable to PacifiCorp in its sole and absolute discretion will constitute a “winning bid proposal.” 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 shortlist of bids after determining eligibility of the bids. The screening process and evaluation methodology is at PacifiCorp’s sole discretion.

Bids submitted in this RFP will be evaluated in two steps. The first step of the evaluation process will use a screening process to derive a shortlist of bids after determining eligibility of the bids. The shortlist evaluation will consider both price and non-price factors. The second step of the evaluation process will consider best-and-final pricing and other factors to inform final selection of bids.

STEP 1 – SHORTLIST EVALUATION

1. Price Evaluation

PacifiCorp will evaluate bids based on the REC contract price of each bid.

2. Non-Price Evaluation

¹ PacifiCorp may contact Bidders during the evaluation period to clarify information submitted with proposals, as required

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

- The extent to which the income stream from the REC purchase would contribute to the success of the project, or would otherwise be necessary to ensure project success, viability, or initiation.
- Location
- Project status as described in Section 3.B.
- Conformance to the RFP
- Financial viability of the bidder
- Reliability of REC supply and delivery
- Bidder experience/references

STEP 2 – FINAL SELECTIONS

The shortlist will be established upon evaluation of price and non-price results. Bidders will be asked to provide their best and final bids which will be further updated using Step 1 for selection to the final shortlist.

Bidders selected to the final shortlist will be given an opportunity to provide best-and-final proposals, which will be used by PacifiCorp to update its analysis of the bid. In making its final shortlist selection, 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.

1. Discussions and Right to Reject Proposals

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:

- a. Determine which proposals are eligible for consideration in response to this RFP.
- b. Issue additional subsequent solicitations for information and conduct investigations with respect to the qualifications of each bidder.
- c. Disqualify proposals contemplating resources that do not conform to renewable energy products requested in this RFP.
- d. Supplement, amend, or otherwise modify this RFP, or cancel this RFP with or without the substitution of another RFP.
- e. Negotiate with bidders to amend any proposal.
- f. 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.

- g. Issue additional subsequent solicitations for proposals.
- h. Waive any irregularity or informality on any proposal to the extent not prohibited by law.
- i. Reject any or all proposals in whole or in part.
- j. Vary any timetable.
- k. Conduct any briefing session or further RFP process on any terms and conditions.
- l. Withdraw any invitation to submit a response.
- m. Procure all or none of the RECs offered in a proposal, 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:

- a. Receipt of the proposal by PacifiCorp after the RFP bid submittal deadline.
- b. Failure to meet the requirements described in this RFP.
- c. Failure to submit a complete proposal with pertinent information necessary for evaluation.
- d. Failure of the bidder's authorized officer to sign the proposal.
- e. Inability or unwillingness of the bidder to provide any security or surety required for performance.
- f. If the proposal is not a firm offer through September 14, 2017 or final selection under the RFP.
- g. Misrepresentation or failure to abide by Federal Trade Commission Green Guides.
- h. Failure to permit disclosure of information contained in the proposal to PacifiCorp agents, contractors or regulatory commission(s).
- i. Any attempt to influence PacifiCorp's evaluation of proposals outside the

solicitation process.

- j. Any change in regulation or regulatory requirements.
- k. Any matter impairing the bidder, project or the generation of power 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 or the offering of Oregon Schedule 272 products to PacifiCorp customers. 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 for PacifiCorp to seek 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.

Bidders should be aware that information they supply may be supplied to prospective Oregon Schedule 272 customers, subject to appropriate confidentiality provisions.

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. 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.