

PacifiCorp 2017R RFP Questions and Answers
October 10, 2017

The following are questions and answers provided since issuance of the PacifiCorp 2017R RFP on Wednesday, September 27, 2017.

For additional questions, please submit them to the 2017R RFP mailbox at:

RFP_2017R@pacificorp.com

Additional information regarding the 2017R RFP is provided at the follow link which will be updated throughout the 2017R RFP process:

www.pacificorp.com/sup/rfps/2017-rfp.html

Question and Answers from 2017R RFP Bidder Workshop, October 2, 2017

1. What was the reasoning behind separating the Wyoming and non-Wyoming projects into two separate due dates?

The later due date for non-Wyoming projects was determined to allow additional time for completing non-Wyoming project bids. The RFP was originally introduced contemplating only projects capable of interconnecting or delivering into PacifiCorp's Wyoming transmission system. The non-Wyoming expansion was added per the Utah Commission Order in Docket 17-035-23 on September 22, 2017, significantly later than the original RFP so an additional week was provided to submit the non-Wyoming bids.

2. Is Wyoming and non-Wyoming wind just based on where turbines are physically located?

Wyoming wind, as identified in the RFP, refers to bid proposals whereby by the wind project is interconnected to or delivered into PacifiCorp's Wyoming transmission system. "Non-Wyoming" refers to bid proposals whereby the wind project can interconnect to or delivered into PacifiCorp's transmission system outside of Wyoming.

3. If a party wants to submit a non-conforming bid for a technology other than wind, by what date should that bid be submitted? 10/17 or 10/24?

In accordance with the RFP, and with oversight from the Independent Evaluators, if a bid is deemed to be non-conforming the bid will be returned.

4. On Page 10 - under the PPA and BTA \$200/kW and \$100 kW credit requirements, are those standard costs for RFPs or they are more or less etc., than other RFPs?

The \$200/kW and \$100/kW are in line with recent RFP filings by other utilities to the market. The final credit requirements will depend on the bidder's creditworthiness.

5. If a project is in the Queue and PacifiCorp has not agreed on proceeding to execute because of feasibility studies, until what time does it have the ability as this process is not dependent on the applicant?

Please refer to the 2017R RFP Main Document, Section 5, B., page 18, for information regarding interconnection and transmission service requirements as they pertain to minimum bid eligibility requirements, any requirements as they relate to initial shortlist and final shortlist processes, and any ultimate agreement between bidder and PacifiCorp. PacifiCorp requires the certainty that the project can interconnect and be commercial by December 31, 2020 and the direct assigned interconnection costs for completing its evaluation and selection process.

6. Given the timing requirement of a Feasibility Study (45 days), what is the rationale for restricting projects that have successfully submitted the application into the queue and are awaiting feedback? What is the deadline for receiving the Feasibility Study (is it October 17th?)

The minimum eligibility requirements for bidders include the provision of evidence that the proposed project has either: (1) requested a direct interconnection with PacifiCorp's transmission system and executed an interconnection feasibility study agreement with PacifiCorp's transmission function; or (2) requested interconnection with a third party's system, executed an interconnection feasibility study agreement with the third party transmission provider, and requested long-term, firm third-party transmission service from the resource's point of interconnection with the third party's system to the proposed point of delivery on PacifiCorp's system. For additional information, please refer to 2017R RFP Main Document, Section 5, B., page 18.

7. What is the bid fee if there is one base proposal and one alternative pricing? Still \$10,000?

Yes, still \$10,000.

8. Does the 8760 need to be scaled to the long-term project NCF? Also, what form do you want the 12x24 in - sum MWhs or average MWhs?

PacifiCorp is requesting Bidder's provide an estimated 8760 (contiguous) profile derived from onsite met tower data sheared up to hub height through the resources and methods of Bidder's third party expert. On an annual basis, this data should equate to the 12x24 data, and both should equate to the Bidder's final Net Capacity Factor. The 12x24 data should be summed in MWhs by Hour Ending, and in Pacific Prevailing Time.

9. How do you handle any realistic differences in production estimates between developer and what their third-party reports?

During the bid screening process after receiving the bid, if PacifiCorp finds a discrepancy between the production data on Appendix C and the bidder's independent engineer's production estimate report, PacifiCorp will seek clarification on the discrepancy. If the bidder is selected to the initial short list, PacifiCorp will submit the bidder's report and supporting data to PacifiCorp's third party capacity factor expert for review and validation of the bidder's report. PacifiCorp will contact the bidder immediately if the capacity factor analysis by our third party expert shows a change of more than [5%] of the capacity factor offered by Bidder in order to clarify the difference and agree on a final capacity factor for the final short list evaluation.

10. RFP Appendix A-10 for BTAs. Bidders are required to submit a complete performance guarantee on 10/17. Could you please clarify what you are looking for here for the purposes of the RFP?

Appendix A-10 would be a bidder supplied copy of any performance guarantees provided by vendors or the EPC delivered with the completed project.

11. Could you please provide additional examples of base proposals and alternatives? What kind of attributes could be considered as an alternate bid vs. a new basic bid?

A PPA relevant to one project site vs. a PPA relevant to another project site is an example of two different base proposals. A PPA and BTA, relevant to the same project site is also an example of two different base proposals. Example of "alternatives" are different bid sizes, such as MW capacity size of project, contract terms, in service dates, and /or pricing structures.

12. When evaluating benchmark proposals, can PacifiCorp utilize the Berkshire balance sheet for purposes of addressing RFP credit requirements?

PacifiCorp could only utilize Berkshire Hathaway Energy Company's balance sheet if Berkshire Hathaway Energy Company provided a parental guaranty on behalf of PacifiCorp.

Question and Answers Post 2017R RFP Bidder Workshop, October 2, 2107

1. For a PPA with flat and escalating pricing, is that considered a base bid and an alternative?

Yes.

2. A PPA with an extension option, and without an extension option, is that considered two alternatives?

PacifiCorp would consider this as a base bid (no extension) and an alternative of adding an extension, provided this is a 20 year term as the base bid. If the base bid is 30 years then the PPA with and without an extension would be 2 alternatives to the base bid of 30 years.

3. If bidding one project as both a BTA and a PPA, would it be considered one Base and One Alternative, or two Base proposals?

PacifiCorp would consider those as two separate base bids.

4. Appendix A-6 is for BTA projects and is for the bidder to identify who has responsibility on specific tasks related to design, procurement, and construction. If there are tasks that PacifiCorp will be providing (transmission or otherwise) those should be identified. The bulk of tasks are generally assigned to the bidder and its EPC contractor. Are we assigning responsibilities? Are we providing dates?

Yes, this is the bidder's responsibility. Dates are not required in A-6, only responsible party. Dates would be applicable in BTA Appendix B – Critical Path Schedule Requirements

5. Can you please provide insight about the royalty on the BTA pricing sheet?

Some developers have negotiated as part of their site procurement, a royalty payment to the landowner. That payment stream should be identified and described on price, payment schedule (monthly, quarterly, etc.) and term for the life of the asset, including any escalation. It is assumed that the royalty continues even if the project is sold to PacifiCorp and PacifiCorp assumes the payment to the landowner. If there is a buy-out clause, that should be identified.

6. To the question directly above, who is this royalty being paid to?

Generally it is the landowner but the party receiving the royalty payment would need to be identified by the bidder.

7. Can you provide more clarity on the deliverables? There is some repetition on page 9 of the RFP. There are 4 USB copies, 1 electronic copy, and 1 hard copy if I am not mistaken. Which documents should be submitted in each?

PacifiCorp would like one hard copy with an original signature on the hard copy from the bidder. The remaining copies would be provided on the 4 USB and the electronic version submitted by email. The content should be the same for all with the exception of the hard copy which would not have an electronic version of certain documents such as Appendix C, etc. Those would be capture on the USB or electronic version. Electronic versions should include any of the documents in original form. In other words, the proposal should not be turned into a single PDF document or multiple PDF documents. If the RFP

included an excel spreadsheet, it should be returned in that same form along with a PDF if the bidder wants to supply both. This allows PacifiCorp and the IEs to utilize the spreadsheets for inputs to models.

When you prepare the electronic version to our mailbox, please deliver in emails less than 25MB so it does not get rejected.

8. What is the performance summary report?

The performance summary report is the report prepared by an independent third party engineer or technical firm that utilizes collected wind data, location data, and turbine power curves to provide an estimate of energy generation for the wind farm at different probability levels. PacifiCorp is asking for the P50 level which is the average annual energy output you are most likely to achieve for your site. This is a minimum requirement under the RFP. BTA proposals must supply 2 years of wind data and PPA proposals must supply one year of wind data that supports the generation profile.

9. To the question directly above, is this in addition to the energy analysis?

The energy analysis is the same as the performance summary report.

10. For contracts included in the RFP attachments, the PPA, BTA and O&M services contracts, the RFP document asks for a redline or issues list. Please confirm: An issues list for each contract subject to further negotiations is acceptable for bid submissions.

PacifiCorp would prefer a redline but will accept an issues list with explanation of each issue and possible alternatives. With the aggressive schedule, PacifiCorp is interesting in understanding issues on its proforma agreements as early as possible and determining if there are any significant ones to address. All transaction documents are subject to final negotiation between parties.

11. Do the Commitment forms (Letter of Credit and Guaranty) need to be submitted with the Intent to Bid?

No – those are due with the bids only – Per Appendix D, page 4 2nd paragraph, commitment letters will be due if project is selected to the initial short list.

12. Clarification of question number 4 above. The question is - with respect to the division of responsibility matrix, what exactly should be provided?

Appendix A-6 is for BTA projects and is for the bidder to identify who has responsibility on specific tasks related to design, procurement, and construction. If there are tasks that PacifiCorp will be providing (transmission or otherwise) those should be identified. The bulk of tasks are generally assigned to the bidder and its EPC contractor.

13. The current form of “RFP Appendix C Bid Summary.xlsx” form does not provide a mechanism and/or room to insert O&M costs on a year by year basis for the full life of the asset under a BTA.

For BTA bids submitting O&M costs beyond the five (5) year requirement, please submit as a separate tab (worksheet) on the specified form to represent additional information you are providing that may not be allowed on the existing form.

14. Assuming a special purpose LLC has a PacifiCorp queue position for a project with a capacity of 300 MW, will PacifiCorp allow this project to be split in order to propose two separate projects using two separate special purpose LLCs? For example, one PPA bid for 150 MW and one BTA bid for the remaining 150 MW. To be clear, one bid would be made under the original special purpose LLC and the second bid would be made under a new special purpose LLC. Both bids would reference the original 300 MW queue position.

Yes, that would be allowed from a bid perspective to have both a 150 MW PPA and a 150 MW BTA. Bidder should confirm with the transmission provider there are no issues on the shared interconnection or point of delivery that might affect the either or both bids. Note that the two bids would be considered separate and distinct bids, each requiring a \$10,000 bid fee or a total of \$20,000.

15. Can you please confirm that the transmission line between the Midpoint substation and the Borah substation in southeastern Idaho is owned by PacifiCorp?

There are two 345 kV line that run between the Borah and Midpoint substation in Idaho, they were both part of the purchase and sale between Idaho Power and PacifiCorp now in effect. As part of this agreement PacifiCorp and Idaho Power jointly own the lines. Under the agreement Idaho Power is the operator of the lines and would be the initial contact for any inquiries about generation interconnection, other interconnections such as a new line or substation. If the request is for transmission service then those requests would be made to one or both of the owners separately.

16. The footnote on Appendix L indicates that PacifiCorp has the development rights for Benchmark Projects #2, 3, and 4, but that does not preclude the owner of the projects or other developers from submitting separate market bids with the projects. Will PacifiCorp make available the necessary information from Benchmark Projects #2, 3, and 4 for other developers, not including PacifiCorp or the owner of the projects, to submit a complete bid? Necessary information includes any information required of bidders for other projects, such as wind data, performance summaries, O&M agreements, pro formas, etc.

No, the development rights agreement between PacifiCorp and the owner does not allow PacifiCorp to share any data. Those arrangements would be made between the bidder and the owner of the projects.

17. For alternative proposals, can they be included within the base bid document package or is a separate document package required for the alternative? For example, for a PPA bid with a base capacity of X MW, and an alternative with a capacity of X/2 MW, could this be all in one bid package, or two separate independent document packages?

They can be in the same base bid document package but the summary and relevant sections throughout should clearly identify and mark the base bid component and the alternative bid component.

18. Can the 2017R RFP Appendix B - Notice of Intent to Bid and Information Required in Bid Proposals at the "Structure of Each Bid: BTA or PPA" field be replied as "PPA and/or BTA", meaning that we intend to offer on each Base bid and its alternatives, the possibility of splitting each such Base bid or its alternatives into PPA options and Build Transfer options?

"Possibility of splitting" would be considered a separate alternative(s). Appendix B should clearly identify all alternatives, including proposed alternatives marked as options or options (alternatives) from the alternatives. For example, you have a 200 MW project your plan to submit as a PPA and as an alternative as a 200 MW BTA. Those would be considered two separate bids because of the differences between a PPA bid and a BTA bid from an evaluation. If you have a 200 MW project and you are submitting as a 100 MW PPA and a 100 MW BTA, those would be treated as two separate bids.

19. Can a Base bid and its alternatives be combined, by dividing its total capacity in MW within such bid group, to create a desirable solution to both the offtaker / buyer (PacifiCorp) and the developer / seller to allow a combination of both PPA alternatives and Build Transfer alternatives within such bid group or bid Base proposal and its alternatives?

The total capacity of a project proposal can be separated out into PPA portion(s) and BTA portion(s). Each portion would be evaluated as a separate bid proposal. For example, if you have a 200 MW project and you are submitting as a 100 MW PPA and a 100 MW BTA, those would be treated as two separate bids.

20. In a Notice of Intent to Bid and Information Required in Bid Proposals, at the "Number of Bids" field, the number to be supplied is for Base bids and its alternatives. Questions: 1.- Can we submit more than 1 Base bid and 5 alternatives per each Notice of Intent to Bid ? 2.- Can the final Market bids or Build & Transfer bids have a different number of Base or Alternative bids that as depicted on its Notice of Intent to Bid?

Yes.

21. The PacifiCorp 2017R RFP only provides for the supply/installation of wind turbine generators of the following brands: GE Vestas and Siemens. Is this limitation for both PPA and Build and Transfer bids? Can a bidder provide safe harbored Goldwind or

Gamesa turbines for a PPA bid? Equally, can a bidder provide safe harbored Goldwind or Gamesa turbines for a BTA bid? Please advise.

PacifiCorp will accept for potential evaluation other turbine manufactures, PPA and or BTA proposals, however for the BTA proposals which PacifiCorp would ultimately own, the RFP Appendix A.3 Work Specification identifies General Electric, Vestas, and Siemens as PacifiCorp approved turbine suppliers.

22. If for example a larger project area of let's say 200 MW has a Net Capacity Factor (NCF) of 40 % and we intend to do a Base Bid and 4 alternative proposals, the question is: a.- Can the four alternatives be partial capacity sub projects (4 X 50 MW for example), each one of which would have to have a different NCF as per each group of wind turbine generators selected ? b.- If this is true, then a Base Bid with five (5) Alternatives would have to carry six (6) separate third party Energy Production Report or Energy Production Estimate reports ?

Yes. PacifiCorp expects separate sub projects to have unique capacity factors and would expect supporting documents for each NCF.

23. Please clarify that no costs of D1 or D2 new PAC Gateway transmission segments will be included in the evaluation of any of the bids.

All bids will be evaluated individually for the initial shortlist evaluation based on the direct assigned interconnection costs and any third-party transmission costs associated with the specific interconnection, if so relied upon for delivery to a specified point of delivery, that were submitted in the bids. Specific to the projects interconnecting with or delivering to PacifiCorp's Wyoming system, as part of the final shortlist evaluation, PacifiCorp will include the deliverability aspect of the projects by calculating the present value revenue requirement differential (PVRR(d)) between the portfolio containing 2017R RFP wind resources with the Aeolus-to-Bridger/Anticline project, including the all transmission costs, and the portfolio without 2017R RFP wind resources and without incremental transmission costs.

- Q: Under a BTA is it expected that the seller provide O&M services for the life of the project?

PacifiCorp expects that bidders will submit a minimum three (3) year O&M initial contract term with the option for PacifiCorp to extend the contract for two 1-year extensions or a total of five (5) years. Please see Article 2 of Appendix K – General Services Contract – Operations & Maintenance Services for Project. At the end of the term, PacifiCorp would apply its own O&M cost projection. Bidders have the opportunity to provide a mark-up and comment on the pro forma O&M contract in Appendix K as part of bid.