

PacifiCorp 2017R RFP Stakeholder and Bidder Workshop
Questions and Answers
August 9, 2017

The following are questions and answers resulting from the PacifiCorp 2017R RFP Stakeholder and Bidder Workshop held in Portland, Oregon on Wednesday, August 2, 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:

1. Please explain why a wind resource connected to any of the 345 kV transmission lines emanating from the Jim Bridger Power Plant (Wyoming) does not qualify as "connecting to the Wyoming Transmission System."

If the resource does not interconnect directly with PacifiCorp's network transmission system in Wyoming, the bidder must demonstrate and document 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 in its Wyoming service territory, such transfer limitations are not exceeded, and the start date of delivery supports a December 31, 2020 commercial operation date of the project.

Specific to such a wind resource, if the project is delivering somewhere on this line, the bidder will need to get the project output to our Wyoming transmission system. You have to buy the firm transmission service to a Wyoming PacifiCorp point of delivery.

2. Does the RFP have a target capacity procured via a Build Transfer vs. PPA?

No.

3. Does PacifiCorp anticipate assigning a higher score for PPAs that include the option to purchase the project?

No, PacifiCorp is not assigning additional benefits based solely on inclusion of such option. The PPA proposal will ultimately be evaluated based on least cost in terms of what is being offered as part of the proposal and in compliance with the RFP resource requirements.

4. How will PPA purchase options be evaluated?

PPA purchase options will not be assumed to be exercised. If the PPA is signed, the purchase option will be evaluated when the purchase option is exercised.

5. Please explain the forced ranking evaluation approach proposed for the RFP?

The calculated nominal levelized \$/MWh net benefit for each benchmark resource and market bid will be force ranked, with a maximum of 80 points to the evaluated bid with the highest calculated net benefit, a minimum of zero (0) points to the evaluated bid with the lowest calculated net benefit, and the remaining bids scored on the 0 to 80 point scale according to the relationship of their respective calculated net benefits to those of the highest and lowest bids.

6. What timeframe do you use to evaluate the benefits of a BTA vs. a PPA?

BTAs will have 30-year lives and will have 30 years of benefits, costs, and generation; PPAs will have 20-year terms, and will have 20 years of benefits, costs, and generation. For the initial shortlist evaluation, the total annual benefits, costs, and generation will be discounted back to 2017 \$/MWh values. The final shortlist evaluation will be similar to the PacifiCorp's IRP process, using 20-year SO and PaR production cost model runs with real levelized revenue requirement from capital cost inputs.

7. Assuming certain PURPA qualifying facilities (QFs) have been executed and not yet online, how will these affect the RFP target capacity of 1,270 MW?

The effect of the executed QF PPAs on the RFP target capacity will largely be dependent where each QF is in the transmission interconnection queue relative to other RFP proposals, including benchmark bids, and the results from each QF's completed transmission interconnection study.

8. If the four benchmark sites are selected in the final shortlist, will this be the limit the amount the company will procure?

No, the selection of the four benchmarks in the final shortlist would not change the total RFP capacity target of up to approximately 1,270 MW. The final shortlist may or may not include the benchmarks.

9. Could the proposed total of 860 MW of benchmark resources be expanded to take up a larger share of the 1270 MW?

No. PacifiCorp plans to submit four benchmark proposals totaling 860 MW. PacifiCorp does not intend to expand the benchmark resources in this RFP beyond that total.

10. Will information about benchmark sites, such as met data, etc., be available to bidders, and will those sites be available to bidders?

Information regarding the benchmark sites will be made available to qualified wind turbine suppliers and wind balance of plant engineer-procure-construct contractors that the PacifiCorp benchmark team will use to prepare the Company's benchmarks through a competitive procurement process. Information specific to the benchmark sites will not be made available to bidders, and the benchmark sites will not be available to bidders as sites for BTA proposals.

11. Why is PacifiCorp not making the benchmark sites available to bidders?

The utility is not required to offer its site locations for development by independent power producers; see Order 06-446 of Oregon's UM 1182. In the case of three of the four benchmark sites, PacifiCorp does not have the right to extend an offer to use the sites by others. For the fourth benchmark site, PacifiCorp holds the option to lease but does not currently own the site.

12. If the third party owner of the benchmark site(s) can submit their own proposals from those same sites, how will this work given you would be sharing site information, interconnection rights, cost data, wind data, etc.?

The third party developer for three of the four benchmark projects can, and is expected to, submit its own proposals separately for the Company's three projects into the 2017R resource RFP. Site information including leases, permits, wind data and interconnection rights are shared under the agreement between the Company and the developer of these sites. However, the developer and the Company will independently develop their own proposals. These proposals would be based on their independently prepared system designs, performance estimates, wind turbine competitive procurement and selection (other than certain exercisable options for safe harbor equipment), site layouts, balance of plant construction contractor competitive procurement and selection, and project cost information (other than agreed-to development costs). Such information will not be shared.

13. How will the requirement for a completed SIS be evaluated for projects whose interconnection process has been delayed for reasons beyond the bidder's control? How will such delay impact the evaluation of the bid?

In the draft RFP filed with the Public Utility Commission of Oregon on August 4, 2017, bidders will be required to provide evidence that the proposed project has either: (1) requested a direct interconnection with PacifiCorp's Wyoming 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 in its Wyoming service territory. For BTAs, the bidder will be required to provide interconnection costs and transmission service costs in the bid proposal. Cost estimates shall be performed by the project if a transmission provider study has not been completed or is not available at the time of submittal. Although not required for initial bidding eligibility, PacifiCorp will ultimately require a completed interconnection system impact study (for directly interconnected projects) or a completed third-party interconnection system impact study and a completed third-party transmission service study (for projects using third-party transmission) to be factored in when PacifiCorp develops its shortlist.

14. Explain the Oregon schedule vs. Utah schedule, and why a draft RFP was not filed in Oregon at same time it was filed in Utah.

Oregon rules and Utah rules relevant to this procurement effort are different; however, the Company attempted to align both state's RFP process to arrive at final determinations from both Oregon and Utah at the same time, minimizing risk of differences in the RFP outcomes in each state. Oregon rules require PacifiCorp to issue an RFP to solicit independent evaluator (IE) services. See Oregon Competitive Bidding Guidelines 6 and 7 (Order Nos. 06-446 and 14-149 in UM-1182).¹ Utah rules do not require an RFP process for hiring an IE. In Oregon, the utility is responsible for preparing the draft RFP, conducting bidder and stakeholder workshops, and submitting the final RFP to the Commission for approval, and the utility must consult with the IE during this process activities.

In the RFP draft filed with the Public Utility Commission of Oregon on August 4, 2017 updates have been made to the draft that were not reflected in the draft RFP filed previously in Utah. The updates reflect comments provided to date from both Oregon and Utah stakeholders, regulators, and independent evaluators.

The current proposed regulatory schedule for Oregon and Utah is as follows:

¹ See <http://apps.puc.state.or.us/orders/2006ords/06-446.pdf>, and <http://apps.puc.state.or.us/orders/2014ords/14-149.pdf>

Milestone	Type of Milestone	Date	Day of Week
File Notice of RFP with UT Commission	Reg (UT 17-035-23)	4/20/2017	Thu
Review OR IE RFP draft with staff	Reg (OR - UM 1845)	5/25/2017	Thu
Open OR RFP Docket, Initiate IE RFP Process	Reg (OR - UM 1845)	6/1/2017	Thu
Pre-RFP Bidder's Conference	Reg (UT 17-035-23)	6/3/2017	Sat
OR IE Bids Due	Reg (OR - UM 1845)	6/17/2017	Sat
File RFP with UT Commission	Reg (UT 17-035-23)	6/19/2017	Mon
File Notice to Bidders on RFP Timeline	Reg (UT 17-035-23)	6/19/2017	Mon
IE RFP Workshop	Reg (OR - UM 1845)	7/10/2017	Mon
Provide Models and Assumptions to UT IE	Reg (UT 17-035-23)	7/19/2017	Wed
OR Commission Public Meeting Approving IE	Reg (OR - UM 1845)	7/20/2017	Thu
Execute contract with Oregon IE	Reg (OR - UM 1845)	7/21/2017	Fri
Initial Draft RFP distributed to Parties (service list of last rate case, RFP & IRP)	Reg (OR - UM 1845)	7/21/2017	Fri
Bidder and Stakeholder workshop	Reg (OR - UM 1845)	8/2/2017	Wed
File Final Draft RFP with OR Commission	Reg (OR - UM 1845)	8/4/2017	Fri
UT Stakeholder Party Comments on RFP Due	Reg (UT 17-035-23)	8/4/2017	Fri
OR IE Files Report on FinalDraft RFP	Reg (OR - UM 1845)	8/10/2017	Thu
UT IE Comments on RFP Due	Reg (UT 17-035-23)	8/11/2017	Fri
All Party Reply Comments due	Reg (UT 17-035-23)	8/18/2017	Fri
OR Party Comments on Draft RFP	Reg (OR - UM 1845)	8/18/2017	Fri
PacifiCorp Reply Comments on Draft RFP	Reg (OR - UM 1845)	8/23/2017	Wed
UT Commission Decision on RFP	Reg (UT 17-035-23)	8/25/2017	Fri
OR Commission Special Public Meeting Approving RFP	Reg (OR - UM 1845)	8/29/2017	Tue

15. Do any other state commissions have overview of this RFP process?

Oregon and Utah have competitive bidding guidelines and statutes that include requirements for the current regulatory filings and schedule. PacifiCorp's remaining states do not have specific RFP requirements applicable to this RFP.

16. Would any modifications required from state commissions on our IRP impact this RFP?

Such modifications (changes or conditions) would need to be reviewed. It is difficult to determine any impact without fully reviewing the specific modifications.

17. If the transmission line was not built, what would be the amount of project output that could be brought in to PacifiCorp's system?

The transmission line is necessary to enable interconnection of any new facility that does not already have an executed interconnection agreement into PacifiCorp's network transmission system in Wyoming.

18. Please explain the process for the separate solicitation for securing wind turbines? Is there a process timeline that can be shared?

The Company has both purchased and secured the rights to safe harbor wind turbine generators. The Company, through its benchmark team, is currently in the process of competitively securing the additional wind turbines needed for the benchmark projects.

19. What degree of environmental and permitting activity, wind resource data recording, and other development activity has been performed on the benchmarks?

The Company intends to submit competitive benchmark proposals for each of its benchmark projects. As this is a competitive process, the Company does not consider it necessary or appropriate to share its development activities or status. The benchmark team is currently performing development activity and coordinating efforts to submit four benchmark proposals in compliance with the RFP requirements.

20. How much development work has been completed on the benchmark sites?

Please see the response to Question 19.