

APPENDIX D

Bidder's Credit Information

Please provide the following information with Appendix B-1 – Notice of Intent to Bid form to enable PacifiCorp to evaluate the financial viability of the bidder and any entity(ies) providing credit assurances on behalf of the bidder, if applicable.

Bidder's Credit Information

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. Including the Auditor's Notes.
 - d. Identify pending legal disputes (describe).
 - e. Please state whether bidder is or has within the past five (5) years been the debtor in any bankruptcy proceeding.
 - f. If bidder is unable to provide audited financial statements or is relying upon another entity(ies) to provide credit assurances on its behalf, bidder must indicate so here and complete the following section.
 - i. Is bidder unable to provide audited financial statements?
 - ii. Is bidder relying upon another entity(ies) to provide credit assurances on bidder's behalf?
 - g. 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 type of security, sources of security, and a description of its credit support provider.
 - h. Bidder should provide a reasonable demonstration of its ability to finance the proposed project based on past experience and a sound financial plan identifying the proposed sources for debt and equity and evidence that the project is financeable.
2. Credit information for entity(ies) providing credit assurances on behalf of bidder (if applicable)
 - a. Exact legal name and address of entity(ies) providing credit assurances on behalf of bidder.
 - b. Describe relationship to bidder and describe type of credit assurances to be provided (e.g., parental guaranty, cash deposit, or a letter of credit from an acceptable financial institution). Bidder must provide to Company a letter to Company from the entity(ies) providing the credit assurances on behalf of the bidder executed by an authorized signatory and indicating their form of credit assurances it will provide. It should be noted that 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 credit rating if a senior unsecured long term 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. Including the Auditor's Notes.
- e. Describe any pending legal disputes.
- 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.

Credit Requirements

The bidder may be required to post credit assurances for the applicable bid categories of Power Purchase Agreement (PPA) or Build Transfer Agreement (BTA), each of which will be expected to have a commercial operation date of no later than December 31, 2027, with the exception of long-lead time resources. PacifiCorp will require a letter from the entity providing financial assurances at the bid submittal stating that it will provide financial assurances on behalf of the bidder.

If necessary, the bidder will be required to demonstrate the ability to post any required credit assurances in the form of a commitment letter from a proposed guarantor or from a financial institution that would be issuing a Letter of Credit. PacifiCorp will require each bidder to provide an acceptable commitment letter(s), if applicable, twenty (20) business days after the bidder is notified that the bidder has been selected for the Final Shortlist. Bidder will be required to provide any necessary guaranty commitment letter from the entity(ies) providing guaranty credit assurances on behalf of the bidder and/or any necessary letter of credit commitment letter from the financial institution providing credit assurances in the form of a Letter of Credit. Forms of commitment letters are part of this **Appendix D**. The timing of when credit security must be posted is detailed in the Credit Security Requirements Methodology section, which is also part of this **Appendix D**.

Amount of Credit Assurances to be Posted

The RFP selected resources have the potential to expose PacifiCorp and its ratepayers to credit risk in the event a selected bidder is unable to fulfill its obligations pursuant to the terms of an executed agreement. The credit risk profile is a function of several factors:

1. Type of resource agreement.
2. Size of resource.
3. Expected energy delivery start date.
4. Term of underlying contract.
5. Creditworthiness of bidder and bidder's credit support provider, if applicable.

In addition, please note that a financial institution providing credit 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.

The Credit Rating is defined as the lower of: x) the most recently published senior, unsecured long term debt rating (or corporate credit rating if a debt rating is unavailable) from Standard & Poor's (S&P) 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) or y) is not available, the Credit Rating will be determined by the Company 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.

Power Purchase Agreement and Tolling Agreement

For PPAs and Tolling (i.e., Energy Storage) agreements, PacifiCorp views its potential credit exposure as the cost it would incur in the event the resource failed to reach commercial operation by the proposed online date or the bidder failed at any time during the life of the contract. The potential for this cost to change is greater for this resource group due to the term of the underlying contract. PacifiCorp will hold any credit security for a longer period, due to the length of the contract. PacifiCorp has determined the amount of credit assurances required for these types of transactions as **\$200.00/kW**,¹ based upon nameplate project size, to be provided at contract execution. The amount of credit assurances required will be reduced to **\$100.00/kW** upon the project achieving commercial operation date and will be held until the agreement expires. Bidders under these types of structures should understand the cost of credit and bid accordingly.

Build Transfer Agreement

For all resources that involve a physical asset with appropriate step-in rights, PacifiCorp views potential credit exposure as the cost it would incur in the event the resource failed to reach commercial operation by its proposed online date. If the failure occurred near the expected commercial operation date, PacifiCorp would also potentially have to procure energy and other environmental attributes associated with the energy in the open market at then-prevailing market prices. PacifiCorp has determined the amount of credit assurances required for these types of transactions as **\$200.00/kW**,² based upon nameplate project size. The credit assurance requirement will be terminated upon the project achieving commercial operation date with proven tax credit eligibility of the appropriate resource technology.

For PPA, Tolling (i.e., Energy Storage) agreements and BTAs, PacifiCorp will also explore with a bidder, if selected, other commercial avenues to reduce security requirements, such as, but not limited to, reduction in security amounts as project development milestones met, a stipulated acceleration of commercial operation date(s) (i.e., prior to October 2027) or PacifiCorp's review of bidder's underlying third-party contractual terms, provisions and/or incentives that further support bidder achieving commercial operations prior to December 31, 2027.

Posting of Credit Security

Terms and conditions for the posting of security are set forth in the applicable pro forma documents or term sheet which as noted above can be negotiated relative to milestones and amounts. If applicable, the bidder will be required to demonstrate the ability to post any required credit assurances in the form of a commitment letter from a proposed guarantor or from a financial institution that would be issuing a Letter of Credit. Forms of commitment letters are a part of this **Appendix D**.

¹ Security in Appendix D and Appendix E-2, E-3 and F-2 pro forma agreements to be updated to reflect \$200/kW for resources with 2026 online dates, \$214/kW for resources with 2027 online dates and \$229/kW for resources with 2028 online dates.

² Security in Appendix D and Appendix E-2, E-3 and F-2 pro forma agreements to be updated to reflect \$200/kW for resources with 2026 online dates, \$214/kW for resources with 2027 online dates and \$229/kW for resources with 2028 online dates.

PacifiCorp Security

Please note that PacifiCorp will not post security to support its obligations under any definitive agreement. Bidders who will require such security from PacifiCorp should not submit a proposal under this RFP.

FORM OF GUARANTY COMMITMENT LETTER

(Must be on letterhead of bidder's guarantor)

PacifiCorp
825 NE Multnomah Street, Suite 600
Portland, OR 97232
Attn: Credit Department

To Whom It May Concern:

[NAME OF GUARANTOR] ("Guarantor") is [INSERT RELATIONSHIP TO BIDDER] ("Bidder").

In connection with Bidder's submittal in PacifiCorp's 2022AS Request for Proposals ("RFP"), this commitment letter contains Guarantor's assurance to PacifiCorp that, should PacifiCorp enter into a transaction with Bidder arising out of any bid submitted by Bidder in the RFP, with terms and conditions mutually acceptable to PacifiCorp and Bidder, Guarantor will at that time issue an unconditional guaranty in form and substance reasonably satisfactory to PacifiCorp, and that Guarantor will guarantee all obligations of payment and performance of Bidder to PacifiCorp as Guarantor's independent obligation (up to a maximum amount of \$_____, plus expenses of enforcing the guaranty).

Guarantor understands that PacifiCorp will not enter into a transaction with Bidder without said guaranty. Guarantor further understands that PacifiCorp is under no obligation to enter into any transaction with Bidder, under the RFP or otherwise.

Yours truly,

(name of committing guarantor)
(name and title of authorized officer)

FORM OF LETTER OF CREDIT COMMITMENT LETTER

(Must be on letterhead of entity(ies) providing the letter of credit on behalf of the bidder)

PacifiCorp
825 NE Multnomah Street, Suite 600
Portland, OR 97232
Attn: Credit Department

To Whom It May Concern:

In connection with Bidder's submittal in PacifiCorp's 2022AS Request for Proposals ("RFP"), this commitment letter contains [ISSUING BANK]'s assurance to PacifiCorp that, should PacifiCorp enter into a transaction with Bidder arising out of any bid submitted by Bidder in the RFP, with terms and conditions mutually acceptable to PacifiCorp and Bidder, [ISSUING BANK] will at that time issue an irrevocable standby letter of credit in form and substance reasonably satisfactory to PacifiCorp, up to a maximum amount of \$_____.

[ISSUING BANK] understands that PacifiCorp will not enter into a transaction with Bidder without said letter of credit. [ISSUING BANK] further understands that PacifiCorp is under no obligation to enter into any transaction with Bidder, under the RFP or otherwise.

Yours truly,

(name of entity(ies) providing the letter of credit)
(name of authorized officer)