Exhibit A

PacifiCorp's Avoided Cost Rate Methodology for Power Purchases from Large Qualified Facilities

The Federal Energy Regulatory Commission (FERC) requires that electric utilities, including PacifiCorp, purchase energy and capacity from qualifying facilities (QFs) at rates that are just and reasonable to the electricity consumer and in the public interest. PacifiCorp is required to file and obtain approval from the Washington Utilities and Transportation Commission of its avoided cost rate methodology (Methodology) for QFs with capacity greater than five megawatts.[1] This document details the Methodology PacifiCorp employs when pricing a new or existing QF not eligible for standard rates under Schedule QF.

Indicative pricing provided in accordance with this Methodology is subject to change whenever updates to underlying inputs become available.

Energy Value

The energy value in the standard offering in Schedule QF reflects PacifiCorp's hourly Mid-Columbia market prices from its most recent Official Forward Price Curve (OFPC) at the time the standard rate filing is prepared. For the purpose of providing indicative pricing for non-standard QFs, energy value will be calculated using PacifiCorp's hourly Mid-Columbia market prices from its most recent OFPC.

The energy value in the standard offering in Schedule QF also reflects generation profiles intended to represent generic QF resources of various types. For the purpose of providing indicative pricing for non-standard QFs, energy value will be calculated using the proposed generation profile specific to the QF being priced.

The product of the market price and energy value for each hour will be summed for each hour in a month and split into monthly on-/off-peak prices consistent with the periods in the standard offering. Where a QF generation shape varies significantly within the less-granular on-/off-peak periods of the standard offering, PacifiCorp will offer a more granular energy rate schedule ensuring the pricing reflects actual avoided energy costs (e.g., six four-hour pricing blocks each month).[2]

Integration Charges

The energy value in the standard offering in Schedule QF includes an adjustment for the cost of integrating wind and solar resources. The energy value for non-standard QFs will be reduced by the same integration costs, as reported in Table D in the approved Schedule QF. Consistent with Schedule QF, if the QF resource is not in PacifiCorp's Balancing Authority Area (BAA), and PacifiCorp receives QF output on an hourly schedule submitted prior to the operating hour in accordance with applicable transmission service requirements, the energy value will not be reduced for integration cost.

Contingency Reserve Charges

In accordance with NERC reliability standards, PacifiCorp must carry contingency reserves equal to three percent of all on-line generation within its BAA. PacifiCorp does not incur this obligation when purchasing from the market, consistent with the energy values previously described. The cost of

---

[1] WAC 480-106-050(5).

[2] No matter the periods offered to the QF, the product of the proposed prices and the QF's proposed generation profile will be equal to the value calculated on an hourly basis for that month.

contingency reserves is deducted from the non-standard QF pricing based on the cost of a simple-cycle gas turbine cost contained in the calculations supporting the Schedule QF pricing is used. If the QF resource is not in PacifiCorp's Balancing Authority Area (BAA), PacifiCorp would not incur this obligation and not adjustment would be necessary.

Capacity Value
The capacity value in the standard offering in Schedule QF reflects capacity costs and capacity contribution values consistent with Washington rules and the Commission's direction, as represented in the approved Schedule QF. For non-standard QFs, capacity value will be equal to the dollar per megawatt-hour values applicable to standard QFs of the same type, as reported in Table C in the approved Schedule QF.

Other Values
The vast majority of QF resources obtain full compensation through the values detailed above. But in some rare instances a QF might result in PacifiCorp avoiding or incurring additional costs. For example, a strategically sited QF might eliminate or defer transmission and/or distribution investments. Depending on a project's delivery point in relation to PacifiCorp's existing or planned loads, resources, and transmission rights, curtailment of otherwise economic generation resources may be required in order to deliver power safely to customers. In that case, the lost value resulting from such curtailment may be decremented from the avoided cost price. It is not possible to anticipate what these values might be given how many unique resources potentially could exist and the individual and aggregate impacts that would result. Pursuant to FERC regulations, PacifiCorp considers the following additional factors to the extent it is practicable:
1) dispatchability,
2) outage coordination,
3) black start/emergency power, including load separation,
4) shorter development lead times,
5) contract or other legally enforceable obligation, including the duration of the obligation, termination notice requirement and sanctions for non-compliance, and
6) on-system transmission and distribution benefits, including losses.

Data Analytics and Public Information
The Methodology is largely derived from PacifiCorp's approved Schedule QF tariff and supporting workpapers provided in that filing. For informational purposes only, an avoided cost template demonstrating the non-standard QF methodology will be provided when a modification to the rates within the Schedule QF tariff is proposed.

Given their market sensitive nature, PacifiCorp submits its hourly forward market prices and certain resource cost data to the Commission as confidential information. All other data typically used under the Methodology is non-confidential.