**Attachment B**

Description of Hydroelectric Efficiency Analysis

The incremental hydro generation resulting from efficiency gains from hydropower upgrades were calculated using the same method that PacifiCorp submitted to the Oregon Department of Energy for certification of PacifiCorp’s facilities as eligible for the Oregon Renewable Portfolio Standard program.

Historical hourly generation data for the period 2007 through 2010 was collected for each unit that was upgraded. Each hour of generation was modified to create two additional hourly profiles representing the efficiency of the unit before and after the upgrade. The hourly pre- and post- efficiency values were based on curves developed from the unit index tests or manufacturer-provided theoretical curves. Efficiency gain for each hour was calculated by taking the difference between the new and old efficiency value and dividing it by the old efficiency value. This gain was then multiplied by the post upgrade generation value to produce an incremental megawatt-hour gain. The initial calculated incremental gain was subtracted from the pre/post upgraded generation profiles to exclude the generation associated with the upgrade.

Generation improvements were calculated for every instance when efficiency improvements were positive including those periods when the unit was ramping up to maximum efficiency. In some cases, portions of the post efficiency upgrade curve are less than the pre upgrade curve. In instances that the efficiency gain was negative, generation was not included in the calculation. Further, since in some cases the post upgrade curve extended beyond the pre upgrade curve (i.e. the new turbine had a higher generation capacity) generation improvements were capped at the point when flows on the pre and post upgrade curve were equal.