

## **REQUEST FOR PROPOSALS**

# **ALL SOURCE ENERGY and CAPACITY**

## **AVISTA CORPORATION**

**February 18, 2022**

*The matters set forth in this Request for Proposal (“RFP”) are not intended to and do not constitute a binding offer or agreement of any party or establish any obligation of any party with respect to the subject matter of this RFP. This RFP may not be relied upon by any party as the basis for a contract by estoppel or otherwise. A binding agreement will arise only upon the negotiation, execution and delivery of mutually satisfactory definitive agreements and the satisfaction of the conditions set forth therein, including completion of due diligence and the approval of such agreements by the respective governing body(ies) and management of each party, which approval shall be in the sole subjective discretion of the respective governing body(ies) and management.*

## I. INTRODUCTION

Building on our commitment to meeting our customers' energy needs reliably and increasing our clean energy resources, Avista Corporation dba Avista utilities (Avista) has set aspirational goals to serve all of its customers with 100 percent clean electricity by 2045, and to have a system-wide carbon-neutral electricity supply by the end of 2027. Avista similarly is planning to meet the requirements of the Washington Clean Energy Transformation Act (CETA) by acquiring clean energy resources to meet the 2030 goal of a carbon-neutral electric supply. Avista's 2021 Electric Integrated Resource Plan (2021 IRP) and a complete assessment of its avoided costs<sup>1</sup> can be found at <https://www.myavista.com/about-us/our-company/integrated-resource-planning>.

For purposes of this RFP, each party that submits a response is a Bidder, each response is a Proposal, and the proposed energy resource is a Project. Avista is considering submitting self-build proposals into the RFP. While Avista is considering submitting proposals for self-build options, those do not include wind or solar developments. Avista has engaged an Independent Evaluator to participate in the design of the RFP and assist in the evaluation of Proposals.

## II. RESOURCE NEED

Avista hereby issues this 2022 All-Source RFP to meet capacity and energy shortfalls between 2026 and 2030. In addition to renewable energy needs, Avista seeks approximately 196 MW of winter capacity and 190 MW of summer capacity by 2030 for reliability. Avista seeks opportunities to fill these resource shortfalls and continually supply both energy and capacity beyond 2030. Table 1 below outlines the seasonal requirements for winter and summer capacity to satisfy both Idaho and Washington's resource adequacy requirements. Table 2 outlines the monthly system energy Avista plans to acquire through this RFP or through future market purchases to meet the energy demand (average megawatts) of its customers in Idaho and Washington. Table 3 outlines the anticipated renewable energy required to meet Washington's 2030 Clean Energy Transformation Act (CETA) requirement<sup>2</sup>.

Avista's resource requirements were updated since the initial draft to reflect final results from the 2020 Renewable RFP, updated load forecasts and considerations for clean energy standard compliance. Avista may provide additional updates to the RFP after it is released due to the following reasons:

- Western Resource Adequacy Program (WRAP) requirements
- Adoption of "use" rules by the Washington Utilities & Transportation Commission (WUTC) for 2030 clean energy standard compliance

If these issues result in major changes that affect resource need or scoring, the company will communicate changes to bidders and allow for adjustments to proposals.

<sup>1</sup> Avista's 2021 IRP Chapter 5, pg. 13 Energy Efficiency Avoided Costs and Chapter 11, pg. 18 Preferred Resource Strategy Avoided Costs

<sup>2</sup> WAC 480-100-610 (2)



*Table 1: Avista Resource Adequacy Shortfall (MW)*

Year	Winter Capacity (MW)	Summer Capacity (MW)
<b>2022/23</b>	-	-
<b>2023/24</b>	-	-
<b>2024/25</b>	-	-
<b>2025/26</b>	-	-
<b>2026/27</b>	162	127
<b>2027/28</b>	167	139
<b>2028/29</b>	190	177
<b>2029/30</b>	196	190

*Table 2: Monthly Average Energy Shortfall (aMW)*

Month	2026	2027	2028	2029	2030
<b>Jan</b>	-	227	232	241	244
<b>Feb</b>	-	250	261	263	266
<b>Mar</b>	-	128	131	140	143
<b>Apr</b>	-	-	-	-	-
<b>May</b>	-	-	-	-	-
<b>Jun</b>	-	-	-	-	-
<b>Jul</b>	-	38	42	57	64
<b>Aug</b>	-	212	215	228	235
<b>Sep</b>	-	95	98	109	112
<b>Oct</b>	52	55	65	67	68
<b>Nov</b>	91	96	110	113	115
<b>Dec</b>	148	154	166	169	172

*Table 3: 2030 Monthly Renewable Energy Shortfall (aMW)*

Month	2030
<b>Jan</b>	86
<b>Feb</b>	131
<b>Mar</b>	5
<b>Apr</b>	-
<b>May</b>	-
<b>Jun</b>	-
<b>Jul</b>	-
<b>Aug</b>	94
<b>Sep</b>	120
<b>Oct</b>	32
<b>Nov</b>	9
<b>Dec</b>	35



Avista's intent is to secure resources through one or a combination of Power Purchase Agreements (PPA), ownership (or future option to purchase) opportunities, or Demand Response contracts to meet these thresholds.<sup>3</sup> Bidders are welcome to propose resource opportunities that meet any of the resource needs described above. Avista will consider each project's ability to offset market purchases, provide dispatch flexibility, contribute to future resource adequacy requirements, and help Avista achieve its clean energy goals. Avista anticipates Bidders will have Projects contributing to a portion or all three of the capacity/energy needs from these three tables.

Avista seeks resources to meet some or all of its clean energy need and capacity deficits in Washington and Idaho between 2026 and 2030 but prefers resources with deliveries extending beyond 2030. Avista is encouraging Proposals from all resources greater than a minimum size of 5 MW AC generating capability, with preferred deliveries between 2026 and 2029. Avista prefers 20-year contract terms for PPAs but will consider other PPA lengths.

The RFP is open to parties who currently own, propose to develop, or hold rights to resources meeting Avista's requirements for energy and capacity. Bidders must also demonstrate an ability to meet the minimum requirements for eligibility, which can be found in Section V. Avista will not accept Proposals for Renewable Energy Certificates (REC) only.

Under this RFP, Avista seeks Projects from all sources that satisfy the Company's compliance obligations with Washington States Clean Energy Transformation Act, Chapter 19.405 RCW. Resource Proposals targeting the renewable/nonemitting generation requirement must meet the definition provided in RCW 19.405.020. Bidders may submit multiple Proposals; each Proposal may include certain configuration, contracting or pricing options. See Section VII for definitions of Proposals and bid fee (Bid Fee) details. Projects providing additional locational value, as well as Projects supporting CETA equity intentions, will be scored accordingly in the evaluation process. Avista anticipates clean energy deliveries to be no earlier than January 1, 2026. Other proposed start date(s) will be evaluated in combination with portfolio alternatives based on filling the resource shortfalls from Tables 1 and 2 above and acquiring clean energy toward stated future goals.

Avista expects Proposals from both new and existing resources such as:

- Wind
- Solar
- Biomass
- Hydroelectric
- Other clean energy (see eligible renewable resource definition in RCW 19.405.020)
- Natural gas generation
- Energy storage
- Demand Response e.g. Customer Direct Load Control (DLC) programs
- Customer thermal energy storage
- Other energy/capacity related service meeting Avista's needs

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<sup>3</sup> See section III below for more details on possible contract structures.



Avista will consider hybrid Proposals including combinations of clean energy, capacity and/or storage<sup>4</sup> associated with any of the above listed clean energy resources.

Avista's objective in the 2022 All-Source RFP is to secure energy and capacity resource(s) under terms and conditions that are economical and favorable to Avista's customers, while also meeting state energy requirements in Washington related to CETA and Purchase of Resource (PoR)<sup>5</sup> rules. While there are no specific regulatory requirements in Idaho, Avista will consult with the Idaho Public Utilities Commission to address any regulatory requirements in processing the RFP. Bidders will assume all risks related to eligibility for any federal or state tax incentives included in their Proposals. Proposals may take different forms and may include one Base Proposal and up to two options (see Section VII). While Avista will consider alternative approaches that are consistent with the stated objectives of this RFP, Avista prefers the structures identified in Section III.

### **III. PPA DELIVERY PERIOD/PRICE/OWNERSHIP STRUCTURES**

As Avista evaluates Projects to meet resource needs to include clean energy, capacity and Projects that offer both clean energy and capacity, the intent is to describe PPA delivery periods, pricing and ownership options with enough flexibility to allow for optimized Proposals of these potentially separate or combined goals. Therefore, there is a wider range delivery period to allow for different types of products and similar pricing that may include one or several resource needs.

**PPA Delivery Period:** Pursuant to the terms of a PPA, Avista will obtain all rights to the output of the Project, including the energy (net of facility service power and losses), capacity, and any and all Environmental Attributes generated by the Project for a minimum 3-year term and maximum 20-year term. Avista will be responsible for any greenhouse gas emission allowances required for delivery to Avista.

**PPA Price:** Avista seeks competitive Proposals for the sale of Project output (including energy, capacity, and any other attributes, including Environmental Attributes) to Avista at the maximum value to customers.

**Ownership Structures:** Avista and/or its affiliates are willing to consider an option to purchase or own the Project outright during the term of the PPA. Bidders may also propose other ownership structures, including (i) a turn-key Project to be owned by Avista, (ii) joint development and co-ownership, or (iii) another mutually beneficial arrangement. For PPA only Proposals Avista requests the right to participate in efforts to sell the Project.

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<sup>4</sup> E.g. battery storage (lithium-ion, flow, etc.), pumped hydro, etc.

<sup>5</sup> WAC 480-107



#### **IV. EVALUATION PROCESS**

1. Proposals must meet minimum requirements to be considered for further evaluation. Specifically<sup>6</sup>:

- Compatibility with resource need (Project size, timeline, eligibility for clean energy resources)<sup>7</sup>;
- Site control;
- Financial plan to bring Project to completion;
- Credit requirements;
- Procurement plan; and
- Delivery solution to Avista's balancing authority.

For Projects that meet the minimum requirements, Avista will use a two-step evaluation process. First, Avista will evaluate and rank the information in Exhibit B (Preliminary Information) submitted by each Bidder against the Preliminary Information submitted by other Bidders in response to this RFP. The evaluation and ranking of Preliminary Information will focus on conformance of each Bidder's submittal with the requirements of this RFP and the proposed net price and other factors of each proposed Project. Such evaluation and ranking shall be performed in a fair and consistent manner. Avista will consult with its Independent Evaluator as outlined in WAC 480-107-035(4) to arrive at a short list (Short List) of Proposals that will receive further consideration. Proposals submitting Preliminary Information will be summarized and posted on Avista's website in accordance with WAC 480-107-035(5).<sup>8</sup>

Second, once the Short List is compiled, Short-Listed Bidders will have the opportunity to submit the additional information requested in Exhibit C (Detailed Proposal). Each Short-Listed Bidder's Detailed Proposal will be evaluated against the other Short-Listed Bidders' Detailed Proposals. All Short-Listed Bidders should be prepared to discuss their Projects and be available for questions after their Detailed Proposal is received by Avista. Only those Bidders who are Short-Listed shall submit a Detailed Proposal. Detailed Proposals submitted by any person or entity other than a Short-Listed Bidder will not be considered.

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<sup>6</sup> Avista may reject any bids per WAC 480-107-035(6), e.g. do not meet minimum RFP requirements or comply with applicable laws.

<sup>7</sup> Proposals will not be removed solely on the project's ability to only meet a portion of the resource need.

<sup>8</sup> In order to meet requirements of WAC 480-107-035 Avista will post a non-confidential summary of proposals received. The summary may include a reference number, general location, resource type, operating status of the resource, project COD, term start/end, PPA or ownership structure and nameplate capacity. Storage resources may include both capacity (MWh) and duration (hours). Demand Response resources may include a capacity range (over the program life) and the customer class. Unless otherwise required by law or regulatory order, Avista will not include any specific confidential information (e.g. bid price, owner/developer name, project name, or specific project location) in any non-confidential summary of proposals.



2. Detailed Proposals will not be made publicly available and will not be opened until all Detailed Proposals are received or until after the specified submittal deadline if any Short-Listed Bidders decide not to submit detailed Proposals.
3. All Detailed Proposals will first be screened to confirm they meet the minimum threshold criteria of the RFP. Avista may disqualify any Detailed Proposal from further consideration if the Detailed Proposal contains, in Avista's sole discretion, material deficiencies or if the Detailed Proposal does not meet Avista's needs for any reason. Avista may grant an extension to cure minor deficiencies in a Proposal, at its sole discretion. Selection for further consideration will be based on qualitative and quantitative factors consistent with this RFP and the 2021 IRP, including but not limited to:
  - **Risk Management Characteristics:** Avista will review: financial stability and credit rating of the Bidder; Bidder's ability to fund and complete construction, if applicable; Bidder's ability to operate and maintain the Project (including related project and managerial experience); the availability of a parent company guaranty; and, willingness to post a letter of credit, performance bond or cash to minimize the financial risks.
  - **Customer Energy Impact and Price Risk Characteristics:** Avista will evaluate the overall cost of the Project including bid price, integration costs and imputed debt related to PPAs or other financing arrangements, costs of resource integration, transmission, fuel supply, carbon allowances, construction and other charges relative to the benefits which Avista expects to receive from the Project such as market purchase offsets, generation capacity deferment, the value of Environmental Attributes and other attributes (including apprentice credits as outlined in RCW 19.285), and energy value. Avista will also evaluate market volatility risks, price risks including greenhouse gas regulation, operation and maintenance (O&M) and all related risks. This would include known development or ongoing operational disposal or recycling costs.
  - **Resource Contribution to Capacity Requirements:** Each Proposal will be assigned a Qualifying Capacity Credit (QCC) for both winter and summer to demonstrate its ability to meet system peak load shortfalls. Avista will use the values provided by the Northwest Power Pool. Avista may revise these estimates based on information provided in a Proposal. If inputs are not available from the regional efforts at the time of Project evaluations, Avista will utilize methodologies consistent with its 2021 Electric IRP.
  - **Electric Power Characteristics:** Avista will assess the ability of the Project to meet size, location, transmission, interconnection, timeline, construction, operational and other technical and commercial characteristics of Avista's requirements, including but not limited to dispatchability, the effect of the resource on Avista's electric system operations and developer and O&M capabilities.
  - **Environmental Characteristics:** Avista will review the ability of the Project to meet local, state, and federal agency environmental and land use regulations and permitting requirements, including those pertaining to carbon dioxide emissions, as well as public



- policy issues, and Project schedule risks, including any known community objections that are likely to delay or prevent Project milestones.
- **Non-Energy Impact:** Analysis will include evaluation of community involvement with, and support of, the Project and the extent to which Projects in the Avista service territory benefit communities and contribute to resiliency, energy security, and public health, as well as any specific benefit to Vulnerable Populations<sup>9</sup> and Highly Impacted Communities<sup>10</sup>.
4. After completion of the evaluation process, those Proposals deemed to provide the greatest benefit to Avista's portfolio will be placed on the negotiation list (Negotiation List).
  5. All materials, including Preliminary Information, Proposal Summaries and Detailed Proposals, submitted to Avista will be retained by Avista and will not be returned to the Bidder.

## **V. PRELIMINARY INFORMATION AND DETAILED PROPOSAL REQUIREMENTS**

All Bidders must provide Preliminary Information by responding to the applicable questions and requirements of Exhibit B for each Proposal to the 2022 All-Source RFP by March 25, 2022. Responses should be sent to [AllSourceRFP@avistacorp.com](mailto:AllSourceRFP@avistacorp.com). Preliminary Information will be used in the evaluation process to select Short-Listed Proposals. When developing and pricing your Proposal, please review the guidance provided below and detailed in the standard contract and term sheet (Standard Contract), Exhibit G. This guidance may be part of any future agreement with Avista. Bidders may update pricing prior to established deadlines and Short-Listed Bidders are encouraged to refresh or confirm pricing in their Detailed Proposals. Avista will also request updated pricing from Short Listed Bidders prior to finalizing the Negotiation List.

If your Proposal is Short-Listed, you will be required to submit a Detailed Proposal that includes all items in Exhibit C by June 4, 2022. In addition to submitting Detailed Proposals electronically, each Short-Listed Bidder shall submit four hard copies of its Detailed Proposal to Avista, post-marked by the deadline noted above, at:

Chris Drake, MSC-7  
Avista Corporation  
1411 East Mission Ave.  
Spokane, WA 99202

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<sup>9</sup> "Vulnerable Populations" means communities that experience a disproportionate cumulative risk from environmental burdens due to: Adverse socioeconomic factors, including unemployment, high housing and transportation costs relative to income, access to food and health care, and linguistic isolation; and sensitivity factors, such as low birth weight and higher rates of hospitalization.

<sup>10</sup> "Highly Impacted Community" means a community designated by the department of health based on the cumulative impact analysis required by RCW [19.405.140](#) or a community located in census tracts that are fully or partially on "Indian country," as defined in 18 U.S.C. Sec. 1151.





Each Bidder shall include with its response(s) to this RFP a certification by an authorized individual for such Bidder that the information provided by such Bidder in accordance with Exhibit B and/or Exhibit C, as applicable, is complete and accurate.

Questions regarding the RFP should be directed to [AllSourceRFP@avistacorp.com](mailto:AllSourceRFP@avistacorp.com). Questions and responses will be published to the All-Source RFP website at [www.myavista.com/AllSourceRFP](http://www.myavista.com/AllSourceRFP).

All Bidders must meet the following requirements:

1) Credit Requirements

- a. Bidder has a long-term debt rating of at least BBB- (or its equivalent) from Standard and Poor's, Moody's, Fitch, Dominion Bond Rating Service or Canadian Bond Rating Service.
- b. The Bidder's parent company has a long-term rating of at least BBB- (or its equivalent) from Standard and Poor's, Moody's, Fitch, Dominion Bond Rating Service or Canadian Bond Rating Service and is willing to provide a corporate guarantee to the counterparty guaranteeing performance under the PPA.
- c. The Bidder is willing to post a letter of credit from domestic bank (or a domestic branch of a foreign bank) that has a senior debt rating of at least "A-" (or its equivalent) from Standard and Poor's, Moody's, Fitch, Dominion Bond Rating Service or Canadian Bond Rating Service. Credit requirements will include \$45/kW of nameplate capacity for delay security (due by end of day PPA is signed) during the construction period, if any, and operating security equal to \$25/kW per contract year (by end of day of commercial operation date (COD)).
- d. The Bidder is willing to post a performance bond from domestic bank (or a domestic branch of a foreign bank) or insurance company that has a senior debt rating of at least "A-" (or its equivalent) from Standard and Poor's, Moody's, Fitch, Dominion Bond Rating Service or Canadian Bond Rating Service. Credit requirements will include \$45/kW of nameplate capacity for delay security (due by end of the day the PPA is signed), to be maintained during the construction period, if any, and operating security equal to \$25/kW per contract year (due by end of day of COD), to be maintained during operations.
- e. Bidder is willing to post a cash deposit with Avista of \$45/kW of nameplate capacity for delay security (due by end of day PPA is signed), to be maintained during the construction period, if any, and \$25/kW per contract year (due by end of day of COD), to be maintained during operations. Delay security, if not utilized, will be returned after COD or can be put towards operations security.
- f. Bidder is aware, Avista will not provide financial security for purchasing of power.



## 2) Insurance Requirements

- a. Builders Risk (Course of Construction): “All Risk” (Special Perils) coverage form, with limits equal to the completed value of the Project and no coinsurance penalty provisions.
  - b. Property Insurance: "All Risk” (Special Perils) coverage form at full replacement cost with no coinsurance penalty provision for repair or replacement of the facility. The policy shall include Boiler and Machinery, Earthquake, Flood, and Wind/Hail coverage. The deductible(s) shall not exceed the Seller’s financial ability to fund the costs of losses and shall not be greater than prevailing practices for similar operations in the state in which the Facility is located.
  - c. Commercial General Liability: Insurance coverage, on an occurrence basis, with a limit of \$2,000,000 per occurrence. The coverage must include: (i) Bodily Injury and Property Damage Liability, (ii) Contractual Liability, including coverage for the indemnity obligations under this Agreement and (iii) Products and Completed Operations Liability. Policy shall be endorsed to name Avista as an Additional Insured. The deductible shall not exceed the Seller’s financial ability to cover claims and shall not be greater than prevailing practices for similar operations in the state in which the Facility is located.
  - d. Business Automobile Liability: Insurance coverage with a minimum single limit of \$2,000,000 per claim for bodily injury and property damage with respect to Project operator’s use of vehicles whether owned, hired or non-owned, assigned to, or used in the performance of the Work. Policy shall be endorsed to name Avista as an Additional Insured.
  - e. Excess general liability policy –Minimum limit of \$25 million. Policy shall be endorsed to name Avista as an Additional Insured.
  - f. Pollution liability – Minimum limit of \$5 million. Policy shall be endorsed to name Avista as an Additional Insured.
  - g. Cyber Insurance – Minimum limit of \$5 million to cover 1<sup>st</sup> party damage related to a cyber related loss.
- Workers Compensation/Employer’s Liability: Insurance coverage with respect to all persons performing the Work, in accordance with the applicable laws of the state in which the Work is to be performed.

All required insurance policies that name Avista as an additional insured must include provisions that such insurance is primary insurance with respect to the interests of Avista and that any other insurance maintained by Avista is excess and not contributory insurance with the required insurance. Owner/Operator shall notify Avista within 30 days of any cancellation or change in limits of liability of any required insurance policy.

Owner/Operator shall ensure that any policy of insurance that operator or any subcontractor carries as insurance against property damage or against liability for property damage or bodily injury (including death) shall include a provision providing a waiver of the insurer’s right to subrogation against Avista as the



additional insured. To the extent permitted by the policies of insurance, Owner/Operator hereby waives all rights of subrogation against Avista as the additional insured

3) Station Service/Parasitic Load Requirements:

- a. Station service of the facility will be charged the applicable retail electric rate schedule if connected to Avista's system when the facility is not generating.
- b. Any station service when the facility is generating is netted from production.

4) Transmission Requirements:

On-system interconnections must include direct assigned interconnect costs as part of the PPA price. Further, Avista is not responsible for any changes in these costs from estimates provided by the transmission provider. These proposals do not require third party ancillary services. Avista's OASIS does provide some insight into identified on-system network resources (See "Project 62"). Avista is also working on a new cluster study approach to facilitate the interconnection queue process.

- a. Proposals with off-system interconnections must be deliverable to Avista's system, pricing shall include both an option for Bidder to provide transmission wheeling and appropriate ancillary services required to deliver the output of the eligible clean energy resource and an option with Avista providing these services.
- b. Summary of Avista transmission assets available for delivery of proposed resources.

To review transmission information, click on Avista's OATT rates [www.oatioasis.com/avat](http://www.oatioasis.com/avat) to be redirected to Avista's OASIS website. From the home page, open the "Tariff" folder and then open the "Tariff" PDF file. Go to Bonneville Power Administration at [www.bpa.gov/Finance/RateInformation/Pages/Current-Transmission-Rates.aspx](http://www.bpa.gov/Finance/RateInformation/Pages/Current-Transmission-Rates.aspx) (BPA) OATT rates to be redirected to the current transmission rates posted on BPA's website.



Table 4: Summary of Avista Transmission Capacity<sup>11</sup>

Location/Resource	Amount	Date of first availability	Point of Delivery	Transmission OATT cost included in evaluation
Eastern Montana	Up to 196 MW <sup>12</sup>	TBD	Colstrip or Broadview	Yes
Montana	Up to 382 MW	1/1/2022	AVAT.NWMT	Yes
Idaho	Up to 400 MW	1/1/2022	LOLO	Yes
Washington Mid-C	0	n/a	MIDC	n/a
BPA	Up to 1700 MW	1/1/2022	AVAT.BPAT	Yes

5) Operations Requirements (as applicable):

- a. Avista reserves the right to limit facility upward output ramps to 10 MW per minute.
- b. Avista may curtail, interrupt, reduce or suspend delivery, receipt or acceptance of Delivered Facility Output if Avista, in its sole discretion, reasonably determines that such curtailment, interruption, reduction or suspension is necessary, consistent with Prudent Utility Practice, and that the failure to do so may:
  - i. Endanger any person or property, or Avista’s electric system, or any electric system with which Avista’s system is interconnected;
  - ii. Cause, or contribute to, reliability or an imminent significant disruption of electric service to Avista’s or another utility’s customers;
  - iii. Cause, contribute to, or necessitate operation of any of Avista’s hydroelectric projects in violation of any license or other regulatory requirements;
  - iv. Interfere with any construction, installation, inspection, testing, repair, replacement, improvement, alteration, modification, operation, use or maintenance of, or addition to, Avista’s electric system or other property of Avista; or,
  - v. If such curtailment is required for Avista’s compliance with any applicable law or regulatory requirement.
  - vi. For the avoidance of doubt, no payment shall be due to the Seller for any curtailment for these conditions.

<sup>11</sup> These values were identified on July 31, 2021 and are subject to change. Avista OASIS must always be referenced for actual values.

<sup>12</sup> Future long-term capacity is subject to the replacement of the Montana Intertie Agreement on October 1, 2027.



- c. Avista may curtail, interrupt, reduce or suspend delivery, receipt or acceptance of facility output for any reason in its sole discretion. For lost energy during these discretionary curtailments, Avista will compensate the seller at an agreed upon price or pricing methodology. Bidder shall define the discretionary curtailment pricing methodology as part of its bid.
- d. All SCADA or other operational data available to the facility must be delivered to Avista on a real-time basis, including Project weather station data for the site.
- e. Metering shall be capable of meeting California Independent System Operator (CAISO) Energy Imbalance Market (EIM) standards for five (5) minute metering.<sup>13</sup>
- f. Seller shall at a minimum provide hourly, 7-day generation forecasts, over the contract term.
- g. Generating resource must be capable of meeting all Federal Energy Regulatory Commission (FERC) and North American Electric Reliability Corporation (NERC) applicable requirements such as the FERC Frequency Response Standard as defined in FERC Order 842.

6) Pricing Requirements:

- a. Bidder must hold bid prices, terms, and conditions of their Proposal firm for at least one hundred twenty (120) days from the date of submittal.
- b. PPA pricing may be \$ per MWh AC and/or \$ per kW-year AC.
- c. For purchase options, offer prices can be included in any year after COD. Proposals with purchase options should include a forecast of the estimated operating and maintenance cost for the Project's expected commercial life.
- d. Proposals that include both energy and storage components must offer pricing both with and without storage.
- e. All Proposals must include a discretionary curtailment price.
- f. Proposals with ability to provide ancillary services, such as regulation or grid support shall price the Proposal appropriately for potential lost production.
- g. Avista will accept prices for variable energy production at a fixed price (i.e. \$/kW-month or tolling agreement). These Proposals must have mechanical performance guarantee and its dispatch under Avista's full control.

**VI. SCHEDULE AND TIMELINE FOR 2022 ALL-SOURCE RFP**

The following schedule is subject to adjustment based on WUTC review and the actual pace of the evaluation process, which may vary for reasons that include, but are not limited to: the number of Proposals received; availability of key staff; time required to perform due diligence, Proposal evaluations, and creditworthiness assessments; and the pace of Bidder negotiations. Updates will be posted online at [www.myavista.com/AllSourceRFP](http://www.myavista.com/AllSourceRFP).

<sup>13</sup> <http://www.caiso.com/market/Pages/MeteringTelemetry/Default.aspx>



Table 5: 2022 All-Source RFP Schedule<sup>14</sup>

Date	Milestone
<b>November 1, 2021</b>	Draft 2022 All-Source RFP filed with WUTC
<b>December 15, 2021</b>	Public comment period ends
<b>January 14, 2021</b>	Commission review period ends; decision anticipated
<b>February 18, 2022</b>	Avista publishes the final 2022 All-Source RFP on its website <a href="http://www.myavista.com/AllSourceRFP">www.myavista.com/AllSourceRFP</a>
<b>Feb/Mar 2022</b>	Avista hosts Bidders' conference <sup>15</sup>
<b>March 25, 2022</b>	RFP Proposals due to Avista
<b>April 25, 2022</b>	Avista posts a compliance report consistent with the requirements of WAC 480-107-035(5) to the 2022 All-Source RFP web site
<b>May 7, 2022</b>	Avista selects and notifies Short Listed Bidders
<b>June 4, 2022</b>	Detailed Proposals due from Short Listed Bidders
<b>TBD</b>	Final price refresh request
<b>TBD</b>	Avista selects Proposal(s), if any, for Negotiations List
<b>TBD</b>	Within thirty days after executing an agreement for acquisition of a resource, Avista must file the executed agreement and supporting documents with the commission <sup>16</sup>
<b>TBD</b>	Avista files a compliance report consistent with the requirements of WAC 480-107-145(2) with the WUTC

## VII. BID FEES

Bidders participating in the RFP and providing responses to the preliminary information (Exhibit B) will include a fee for each Proposal. Proposals are defined as a base offer for the one generating resource or co-located generating resources with up to two Project options (“Option”). An Option can be a variation in resource size, point of interconnection or delivery point, or optional additions of storage resources. Proposal Options could also include different contracting terms or purchase options. For example, primary generation plus optional storage is one base Proposal and one Option. Primary co-located generation can be one Proposal. Primary generation plus optional

<sup>14</sup> Avista filed a petition with the WUTC requesting a 3-month delay which was approved on 7/29/21. This schedule was updated accordingly and will update placeholder dates on the website schedule.

<sup>15</sup> The 2022 All-Source RFP bidders' conference details and registration instructions will be posted at [www.myavista.com/allsourceRFP](http://www.myavista.com/allsourceRFP) as they become available.

<sup>16</sup> The commission will review as appropriate, a utility's finding pursuant to WAC 480-107-035(9).



secondary generation is two base Proposals. Bidders may submit more than one Proposal, each with up to two Options. The submission of a completed Exhibit B will be required for each Proposal.

Bid Fees will be due with the Preliminary Information (Exhibit B) responses along with a Confidentiality Agreement identified in section VIII. Avista will provide instructions for submitting the Bid Fee on the RFP web site ([www.myavista.com/AllSourceRFP](http://www.myavista.com/AllSourceRFP)) after the final RFP is issued. Bid Fees will be assessed per Proposal according to Project size as follows:

*Table 6: Bid Fees*

Project Size	Bid Fee
5-20 MW	\$2,500
20 MW and above	\$10,000

The purpose of Bid Fees is to help offset costs of reviewing Proposals, which may include conducting studies, legal services, and third-party independent evaluator services. Bid Fees are non-refundable unless a Proposal is withdrawn before the submittal deadline.

## **VIII. CONFIDENTIALITY AGREEMENT**

Each Bidder is required to enter into a Mutual Confidentiality Agreement, Exhibit A, before or with submittal of its Preliminary Information (Exhibit B). Executed Mutual Confidentiality Agreements should be sent to [AllSourceRFP@avistacorp.com](mailto:AllSourceRFP@avistacorp.com). Avista will countersign and return one fully executed Mutual Confidentiality Agreement to Bidder. Given the timeframe of this RFP process, Avista is unable to entertain modifications to the language contained in the Mutual Confidentiality Agreement.

## **IX. LIMITATIONS**

**AVISTA RESERVES THE RIGHT TO CANCEL OR MODIFY THE RFP, THE RFP SCHEDULE AND THE RFP PROCESS AS IT DEEMS NECESSARY OR TO COMPLY WITH REGULATORY ORDERS, RULES, REGULATIONS OR GUIDELINES WITHOUT LIABILITY OR OBLIGATION TO ANY BIDDER. AVISTA RETAINS SOLE DISCRETION TO DETERMINE WHICH PROPOSAL(S) WILL BE SELECTED FOR FURTHER REVIEW AND NEGOTIATION. ASPECTS OF BIDDER'S PROPOSAL MAY BE SUBJECT TO FURTHER INQUIRY TO SPECIFICALLY DEFINE THE OPERATION OF THE PROJECT, TO ENSURE ADEQUATE FINANCIAL AND CREDIT SUPPORT FOR BIDDER, TO ENSURE THAT THE PROJECT IS CONSISTENT WITH AVISTA'S REQUIREMENTS OR FOR ANY OTHER REASON. FURTHER INQUIRY SHALL NOT IMPLY THAT A PROPOSAL WILL BE SELECTED.**

**THERE SHALL BE NO BINDING CONTRACT UNTIL AVISTA AND BIDDER HAVE EXECUTED A FINAL DEFINITIVE AGREEMENT AND ANY APPLICABLE REGULATORY REVIEW HAS BEEN COMPLETED. IN ITS SOLE DISCRETION AND AT ANY TIME, AVISTA MAY SUBMIT ANY FINAL DEFINITIVE AGREEMENT TO THE IPUC, THE WUTC OR OTHER REGULATORY AGENCY OF WITH COMPETENT JURISDICTION FOR REVIEW BEFORE SUCH AGREEMENTS ARE ENFORCEABLE BY BIDDER.**

**NEITHER THIS RFP NOR ANY FURTHER CORRESPONDENCE OR DISCUSSION SHALL CONSTITUTE AN OFFER BY AVISTA, AND SUBMITTAL OF A PROPOSAL SHALL NOT BE DEEMED**



**AN ACCEPTANCE. AVISTA RESERVES THE RIGHT IN ITS SOLE DISCRETION TO (i) NEGOTIATE ONLY WITH THOSE BIDDERS WHOSE PROPOSALS AVISTA BELIEVES IN ITS SOLE DISCRETION ARE REASONABLY LIKELY TO LEAD TO A FINAL DEFINITIVE AGREEMENT SUBSTANTIALLY AS PROPOSED, (ii) REJECT ANY AND ALL PROPOSALS AT ANY TIME BEFORE EXECUTION OF A FINAL DEFINITIVE AGREEMENT, AND (iii) PURSUE PROJECTS OF THE SAME OR SIMILAR NATURE AS PROPOSED BY A BIDDER WITHOUT OBLIGATION TO ANY SUCH BIDDER.**

**AVISTA SHALL NOT BE LIABLE FOR ANY EXPENSES INCURRED BY ANY BIDDER IN CONNECTION WITH RESPONDING TO THIS RFP, OR FOR ANY DIRECT OR INDIRECT COSTS, FEES OR LOST OR FOREGONE PROFITS OF ANY BIDDER.**

