EXHIBIT NO. ___(RG-3HC)
DOCKET NO. UE-09___/UG-09___
2009 PSE GENERAL RATE CASE
WITNESS: ROGER GARRATT

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION, **Complainant,** **v.** **PUGET SOUND ENERGY, INC.,** **Respondent.**	**Docket No. UE-09____** **Docket No. UG-09____**

SECOND EXHIBIT (HIGHLY CONFIDENTIAL) TO THE PREFILED DIRECT TESTIMONY OF ROGER GARRATT ON BEHALF OF PUGET SOUND ENERGY, INC.

REDACTED VERSION

MAY 8, 2009

2008 All Generation Sources RFP

February 2008 – July 2008

Evaluation Process Documentation

PSE PUGET SOUND ENERGY

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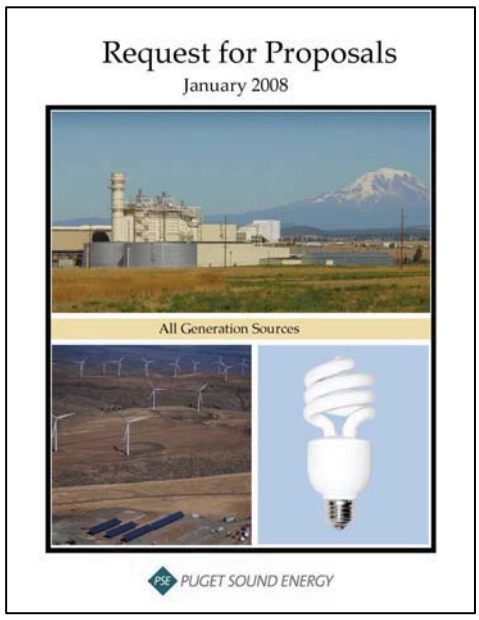
I. Overview

1 2008 All-Source RFP

PSE's May 2007 Integrated Resource Plan ("IRP") describes how the Company could meet the growing energy needs of its customers with the lowest reasonable cost combination of resources over the next 20 years. To do this, PSE analyzed and documented the Company's projected energy load and resource needs, assessed available conservation resources, and performed a fully-integrated portfolio analysis that evaluated both conservation and supply resources. The IRP identified a significant need for additional electric energy resources based upon the "B2" planning standard[1] adopted by PSE's Board of Directors in 2002. This standard requires the Company add energy to meet its highest deficit month. In 2008, PSE's most energy deficit month was expected to be January with a shortfall of 412 average megawatts. By winter 2014-2015, PSE's shortfall is expected to grow to more than 1,300 average megawatts.



To meet the Company's growing need, PSE issued a request for proposals for all generation sources ("All-Source RFP") on January 10, 2008. For this RFP, PSE defined its need period as winter 2008 through winter 2014/2015.[2]

PSE's All-Source RFP sought proposals for both energy and capacity generation resources, acquired through power purchase agreements ("PPAs") of varying contract lengths, exchange agreements (e.g., locational and seasonal), asset purchase agreements for existing power projects, and yet-to-be constructed generation resources with commercial operation dates as late as 2015. To support the Company's desire to continue to build a diversified portfolio of resources, the All-Source RFP encouraged qualified respondents representing all fuel types and technologies, and small-scale as well as large-scale projects to participate in the 2008 RFP.

The Washington Utilities and Transportation Commission ("WUTC") approved the All-Source RFP on December 27, 2007. A proposal conference was held on January 23, 2008, and proposals were thereafter due on February 29, 2008.

2 RFP Proposals

PSE began opening proposals in response to the All-Source RFP on February 29, 2008 with WUTC staff present to view the logging process. The Company received 31 proposals (containing more than 100 offers) submitted by 25 different respondents. **Figures 1.a.** and **1.b.** illustrate the overall resource mix and number of megawatts proposed.

[1] The B2 Planning Standard and selection process are described in PSE's 2003 Least Cost Plan, Exhibit X.
[2] A portion of this need may be met with short-term purchases.

I. Overview

Figure 1.a. Proposals by Resource Type

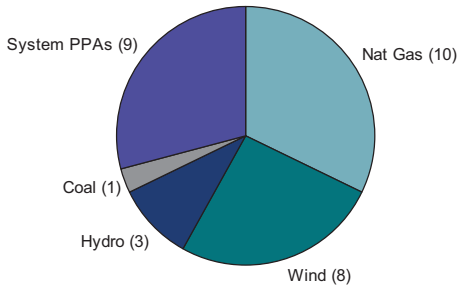


Figure 1.b. MW by Resource Type

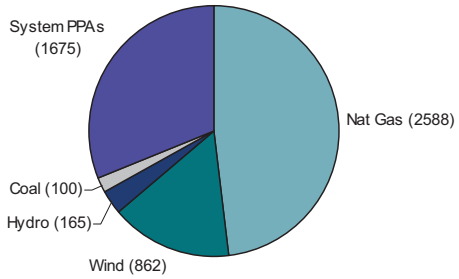


Figure 2.a. depicts the proposal breakdown by commercial structure. Specifically, five (5) proposals offered ownership options, seventeen (17) offered project PPAs[3], and nine (9) offered system PPAs[4]. All five of the ownership offers proposed a sale of natural gas-fired generation assets.

Figure 2.b. illustrates the mix of resources offered as project PPAs[5]. The majority of these offers were sourced with wind and natural gas-fired generation.

Finally, each of the nine system PPA proposals contained multiple product offers. **Figure 2.c.** indicates the range of term lengths associated with these offers. Nearly all featured terms of one to five years.

Figure 2.a. Proposals by Commercial Structure

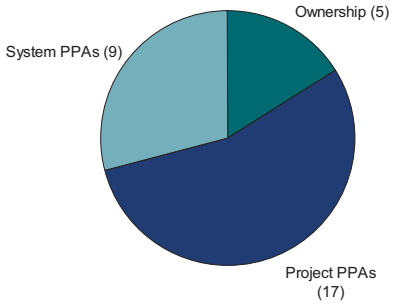


Figure 2.b. Project PPAs by Resource Type[5]

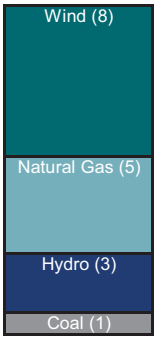
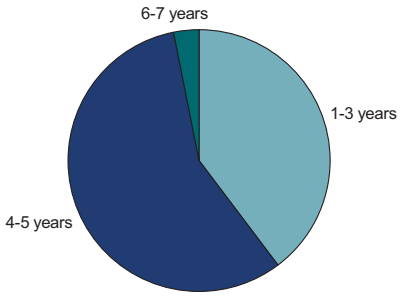


Figure 2.c. System PPAs by Term



[3] A project PPA is an agreement to purchase power output from a specific resource or specified group of resources.

[4] A system PPA is a short-term agreement to purchase power sourced from an unspecified pool of resources.

[5] Figure 2.b. indicates that three of the project PPAs proposed a sale of power sourced with hydroelectric generation. Early on in the proposal review process, PSE became aware that one of these hydro PPA proposals was not a complete proposal, but an update to a proposal submitted during the 2005 RFP. As determined during our 2005 evaluation, this project continues to face significant transmission challenges.

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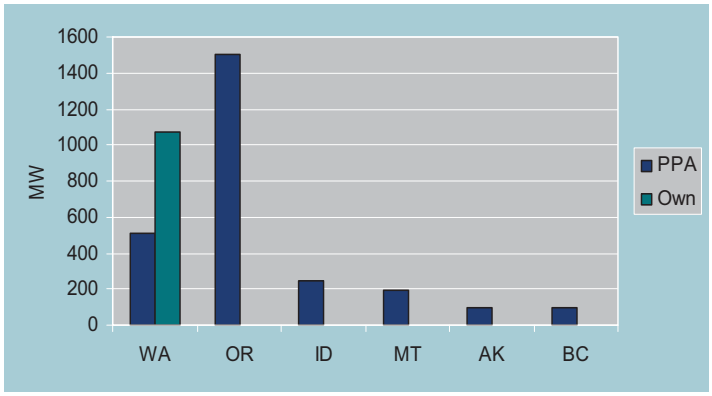
Figure 3 summarizes the number of megawatts proposed by location. Because system PPAs are sourced with power produced by unspecified resources, this graph does not include proposed system power. The Washington, Idaho and Oregon proposals offered wind and natural gas-fired generation. The nearly 200 megawatts (MW) in Montana is a mix of wind, hydro and coal generation. The Alaska and British Columbia proposals offered hydro and wind power.

Figure 3. Proposals by Fuel Type



From a broader perspective, the 2008 All-Source RFP produced fewer proposal responses, comprised of fewer resource alternatives and fewer opportunities for new ownership than the 2005 RFP. Specifically, the 2005 RFP produced a total of 48 proposals, roughly 55 percent more than the 31 proposals received in 2008. **Table 1** compares the proposals received during the 2005 and 2008 RFPs. For a complete list of 2008 RFP proposals, refer to **Attachment 1**.

Table 1. Proposals Received: 2005 RFP vs. 2008 RFP

Resource Type	2005 Ownership Proposals	2008 Ownership Proposals	2005 PPA Proposals	2008 PPA Proposals	2005 Total by Resource Type	2008 Total by Resource Type
Wind	7	--	3	8	10	8
Natural Gas	14	5	3	5	17	10
Hydro	1	--	2	3	3	3
Geothermal	--	--	2	--	2	--
Landfill Gas	--	--	1	--	1	--
Coal	4	--	1	1	5	1
IGCC	1	--	--	--	1	--
DSM[6]	--	--	1[7]	--	1	--
Distributed Generation	1	--	--	--	1	--
System PPAs	--	--	7	9	7	9
Combined	2005 Total Ownership Proposals	2008 Total Ownership Proposals	2005 Total PPA Proposals	2008 Total PPA Proposals	2005 Total Proposals	2008 Total Proposals
Totals	28	5	20	26	48	31

[6] Demand Side Management ("DSM")
[7] This is actually a pay-for-performance product.

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3 Unsolicited Offers

In addition to the 31 All-Source RFP responses, PSE evaluated one additional proposal received outside the formal RFP process. The Company has an ongoing obligation to consider all legitimate offers submitted for consideration. Thus, this "unsolicited" proposal was evaluated alongside the RFP proposals to determine the best resource options for the Company. PSE selected this proposal to the candidate short list; however, it was withdrawn prior to the end of Phase II.

Additionally, a number of other projects proposed outside the RFP process were considered "active unsolicited proposals" at some point during the RFP process. All such projects were either delayed or withdrawn, or stalled due transmission challenges. A list of these unsolicited proposals has been provided in **Attachment 1**.

4 Self-build Option

As western utilities turn increasingly to cleaner, greener power to satisfy renewable portfolio standards ("RPS") and to meet demand while reducing carbon and other emissions, competition for utility scale renewable resources has become fierce. Washington utilities are in direct competition with utilities in Oregon and California for scarce renewable assets in the Northwest. PSE's response to this new, more competitive marketplace has included pursuing potential self-build options, such as aggressively seeking opportunities to partner with wind developers earlier in the development chain and expanding the Company's existing wind plant sites.

During the All Source RFP evaluation, PSE actively pursued several self-build wind projects. Notable among them, PSE purchased development rights to expand the Company's existing Wild Horse wind facility. The 44-megawatt (MW) expansion project would increase the capacity of the Wild Horse plant to a total of approximately 273 megawatts (MW). Next steps include purchasing wind turbine generators and selecting a balance of plant ("BOP") contractor to perform the build-out. Commercial operation is anticipated in late 2009.

PSE is also negotiating a potential joint development project in eastern Washington that would significantly improve the Company's ability to meet the requirements of the Washington state RPS and contribute to its ability to meet a growing demand for electricity. A third development opportunity was actively under evaluation during Phase I of the RFP, but later stalled due to other more attractive offers. Additional details about the three self-build wind projects are included in the unsolicited proposals list in **Attachment 1**.

PSE performed some comparison of these projects with the RFP projects; however, a true "apples to apples" comparison was not feasible because the non-RFP development projects were considerably further along in the due diligence and development processes.

In addition to the short-listed projects, PSE continues to look at other resource opportunities and is currently evaluating several wind ownership and co-development projects. The Company is also looking at a possible energy storage pilot project and potential solar development in eastern Washington.

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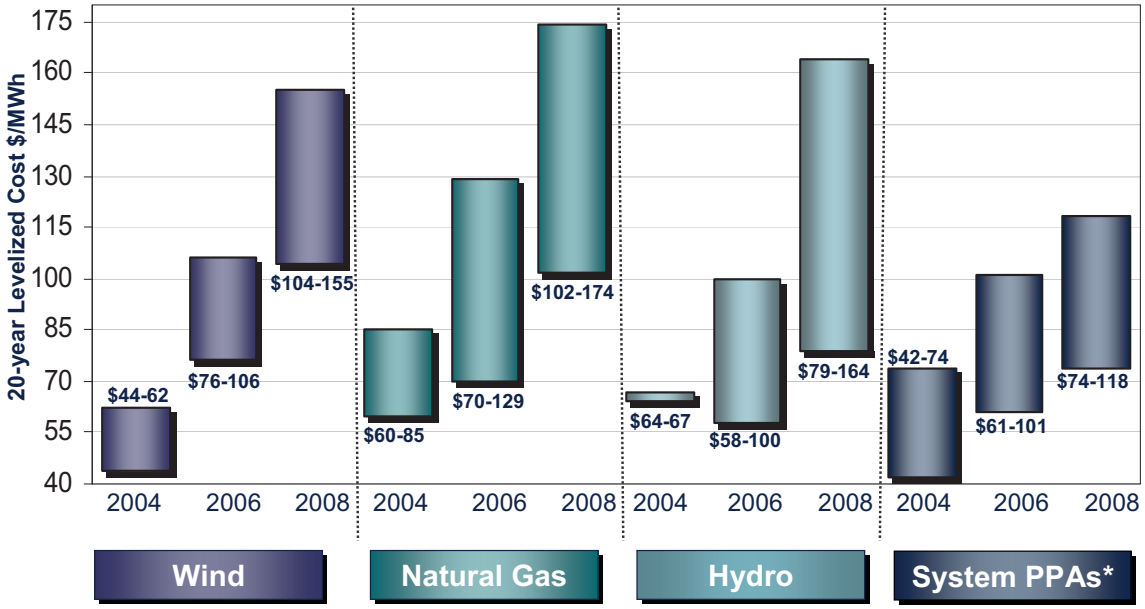
5 Current Market Conditions and Challenges

The market continues to experience significantly higher capital costs across all technologies resulting from the ongoing rise in global energy and commodity costs. Dramatically increased demand from rapidly-developing BRIC nations (Brazil, India and China) has driven up the price of oil and core construction commodities such as steel and copper. The effect on energy supply is a marked increase in both fuel costs and the costs of new construction. PSE's resource cost comparison provides a look at the 20-year levelized cost of resources during PSE's 2004, 2006 and 2008 RFPs. As illustrated in **Figure 4**, PSE's 2008 RFP saw levelized cost increases of 39 percent on average for proposed gas projects since the 2006 RFP. Accordingly, the risk is high that future generating capacity will be burdened with further cost escalation.

Figure 4: 20-Year Levelized Cost (source: PSE RFP proposals)



Notes:
2004 prices represent Mid-C delivery.
2006 and 2008 prices represent deliveries to PSE's system.

*System PPAs are offers that are shorter term in nature and not tied to a specific resource.

Adding to rising commodity prices is an increased demand for electric generation capacity. Not only are BRIC nations driving demand, but even in the U.S., many utilities are entering a phase of capacity need for both fossil and renewable generation. This demand for the end product, has given manufacturers ample leverage to push prices and boost margins. This has also caused a rush to acquire the few available modern merchant projects left at prices discounted from new construction. During the 2008 RFP evaluation, only three existing natural gas-fired power facilities remained in the hands of temporary owners in Washington state. Early during Phase II of PSE's RFP evaluation process, this number was reduced by one as PacifiCorp announced their acquisition of the Chehalis plant.

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As the price of new generating capacity increases, the price of existing capacity rises as well. This is particularly true in the case of modern, efficient power projects using combined cycle combustion turbine ("CCCT") technologies. The upward trend in prices has not escaped the eye of private equity and hedge funds. These entities have become aggressive acquirers of capacity, particularly distressed projects resulting from independent power producer ("IPP") bankruptcies in the early 2000s. Such owners pursue business objectives that are different than the typical IPP or utility owner in that they anticipate a much shorter period of ownership.

The shift in demand to cleaner and greener generation has also played an important role in shaping energy markets. The key driver of this evolution is a heightened awareness of carbon emissions and climate change. In the U.S., federal climate change policy is yet to be determined; however, both 2008 presidential candidates have voiced support for a national greenhouse gas trading system.

In the meantime, states have taken the lead on policy action to combat climate change. Such policies include increases in renewable portfolio standards, energy efficiency and even regional greenhouse gas trading regimes. To date, 32 states have adopted renewable portfolio standards (RPS), including Initiative 937 in Washington State which calls for 15 percent renewable generation by 2020. California has adopted an even more aggressive RPS calling for 20 percent by 2010. This has caused a great deal of competition for scarce renewable assets in the Northwest. As California utilities look beyond their borders to acquire wind projects, they will continue to turn their attention to Washington and Oregon, which will inevitably produce an upward impact on prices.

The rise in wind generation as a result of these policies has been dramatic. By mid-2008 many turbine manufacturers were sold out through 2011. In addition to rising demand and commodity costs, the continuing decline of the dollar has increased prices, because most wind turbine components are manufactured overseas. Only recently have manufacturers begun to locate some of their production in the U.S. According to the U.S. Department of Energy, the price of wind turbines dropped dramatically after the 1980s, but since 2001, prices have increased significantly.

While renewable generation continues to gain market share, many proposed coal projects have been delayed or abandoned. In some states, including California and Washington, legislation prohibits the construction of any new generation with carbon emissions exceeding modern combined cycle gas turbines. From a practical standpoint, this makes the construction of standard coal-fired power plants illegal in these states.

In other states, some coal projects continue to be proposed, but many are being withdrawn due to environmental pressures. Even in the historically coal-friendly Midwest, projects are meeting opposition. In a landmark 2007 decision, the Kansas Department of Health and Environment denied an air permit for two 700 megawatts (MW) coal projects proposed by Sunflower Electric Power Corporation based on the projects' contribution to climate change. While legal appeals persist on this decision, the signal is clear that developers of coal-fired projects have an uphill battle.

With the decline in new coal projects and a lack of feasible new large-scale hydro generation, new sources of baseload generation are becoming increasingly important. A great deal of conversation is occurring regarding potential nuclear projects; however, these projects face enormous licensing and financing challenges. In the mid-term, natural gas-fired combined cycle plants will be relied upon more and more to provide baseload generation.

I. Overview

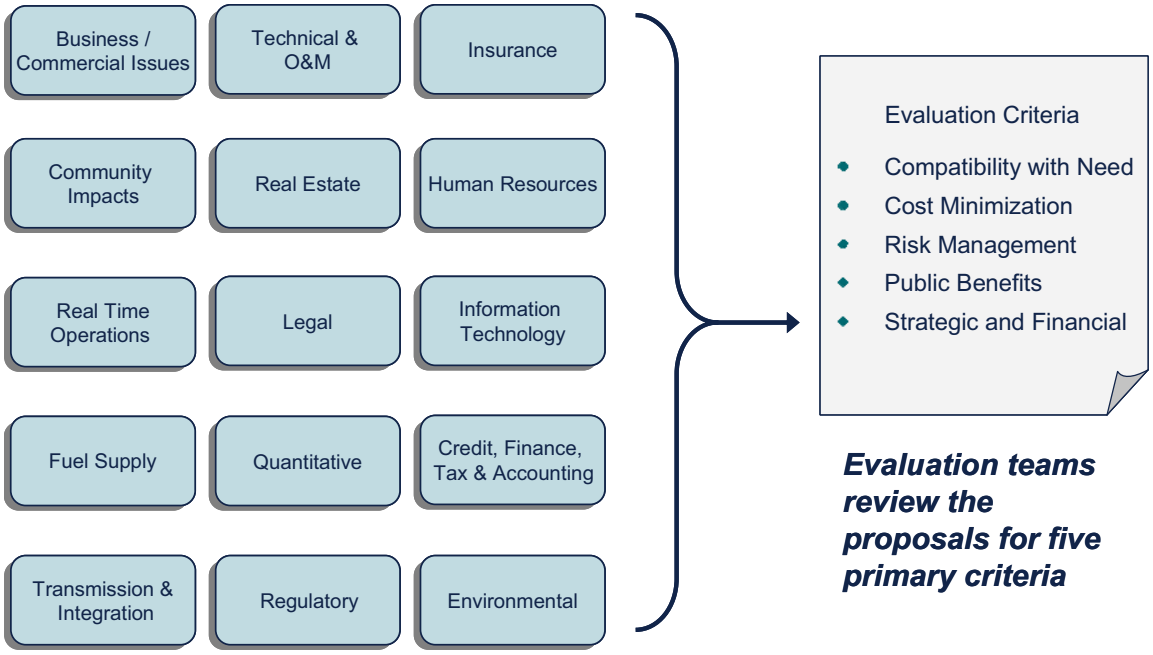
PSE's All Source RFP was directly impacted by this highly competitive, changing market in a variety of ways. As previously discussed, PSE received fewer overall proposals, comprised of fewer ownership opportunities and less resource diversity than it received in 2005. Levelized costs rose dramatically for resources across the board. And, given the intense competition for both renewable and natural gas resources, some sellers were reluctant to hold their offers open for the duration of our process. Several proposals required action by PSE prior to the end of the Phase II evaluation timeline. Additionally, three wind offers were withdrawn during the process, one during Phase I and two during Phase II.

I. Overview

6 Evaluation Process

PSE's RFP evaluation process is a cooperative effort involving individuals representing more than 15 areas of expertise across the company, all working to screen and rank individual proposals by evaluating their merits with regard to meeting the Company's need. In addition to internal staff, PSE used outside consultants Global Energy Concepts to analyze and validate the wind proposals to provide an overall wind energy assessment for each project. **Figure 5** is a snapshot of many of the working groups involved in reviewing the RFP proposals.

Figure 5. Evaluation Team Working Groups

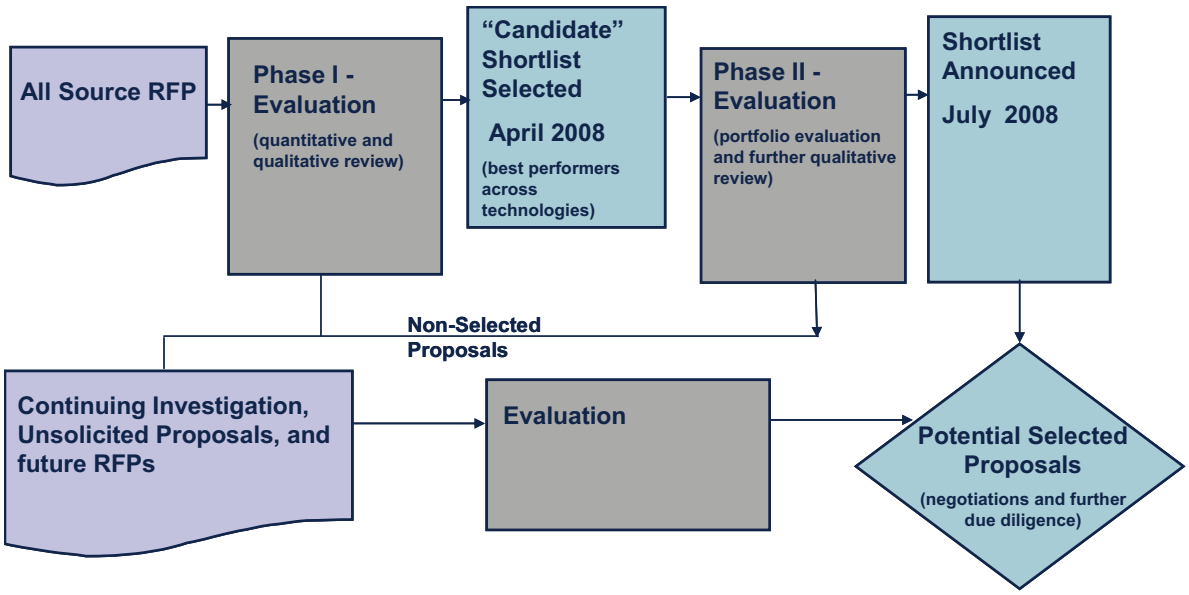


As shown in **Figure 6**, the evaluation process consists of two phases. Phase I involves an initial screen by the quantitative team, as well as a fatal flaw analysis by the qualitative teams. The goal of Phase I is to select a "candidate" short list consisting of projects that reduce cost and risk, while providing the greatest benefit to PSE. Selected candidates advance to Phase II for in-depth analysis. Phase I improves the overall efficiency of the process by allowing PSE to focus on the most favorable projects during the more robust and labor-intensive Phase II evaluation.

Phase II is designed to allow more rigorous review of the most favorable candidates from Phase I. Each candidate project is quantitatively tested in a variety of portfolios, and a Monte Carlo simulation is performed to test variability in the portfolios. Meanwhile, qualitative teams provide a more in-depth review of each project by submitting requests for additional data and pursuing potential resolutions to challenges. The goal of this phase is to identify the proposals offering the greatest benefit to PSE with the lowest reasonable cost and risk for inclusion on the final short list. Selected projects may then proceed to negotiations of the terms of Definitive Agreements.

I. Overview

Figure 6. RFP Evaluation Process



More detailed descriptions of the two phases of PSE's RFP evaluation process are included in **Part II (Phase I)** and **Part III (Phase II)** of this document.

II. Phase I

1 Phase I Overview

PSE began Phase I of its evaluation process in March 2008. During this first phase, PSE evaluated proposals based on an individual proposal cost and on specific qualitative criteria. This process was designed to screen out proposals with high costs, unacceptable risks, and/or feasibility constraints with the goal of creating a "candidate" short list.

Proposals were screened on a stand-alone basis against five primary criteria. Each of these primary criteria is further delineated with sub-criteria as shown in **Figure 7**.

Figure 7. Evaluation Criteria

Compatibility with Need	Cost Minimization	Risk Management	Public Benefits	Strategic & Financial
• Meet short and long term energy and capacity requirements • Balance capacity and energy needs without risk of excess capacity • Provide shaped resource to balance seasonality of load	• Provide lowest cost alternative to meet energy and capacity needs • Includes costs of - transmission - upgrades - firming	• Balance potential future exposure to power purchase risk • Balance potential future exposure to power sales risk • Reasonable exposure to counterparty risk • Managerial control of key elements value chain	• Lower portfolio emission levels • Contribute to regional energy adequacy • Support renewable energy development objectives • Promote energy efficiency (conservation and demand response)	• Reasonable exposure to future environmental regulations • Reasonable exposure to future state wholesale market restructuring trends • Contributes to regional energy needs • Limits balance sheet impacts

Ten weekly all-team evaluation meetings were held during Phase I to bring together individual working group perspectives, such as technical, transmission and real estate, for an overall discussion of each project. Progress updates were provided to senior management throughout Phase I through the weekly Energy Resources department report. In addition to these regular updates, in-progress findings were shared with the officers on PSE's Energy Management Committee in March, and two presentations were given to the Company's Chief Resource Officer and her direct reports in February and April. Further, the Acquisition team presented updates to a number of internal departments, to external stakeholders attending the Integrated Resource Planning Advisory Group ("IRPAG") meetings[8], and to Washington Utilities and Transportation Commission ("WUTC") staff.

[8] IRPAG members include Washington Utilities and Transportation Commission ("WUTC") staff, Public Counsel (from the office of the Attorney General), Northwest Industrial Gas Users, Northwest Pipeline, conservation and renewable resource advocates, the Northwest Power and Conservation Council, project developers, other utilities and the Washington State Department of Community, Trade and Economic Development ("CTED").

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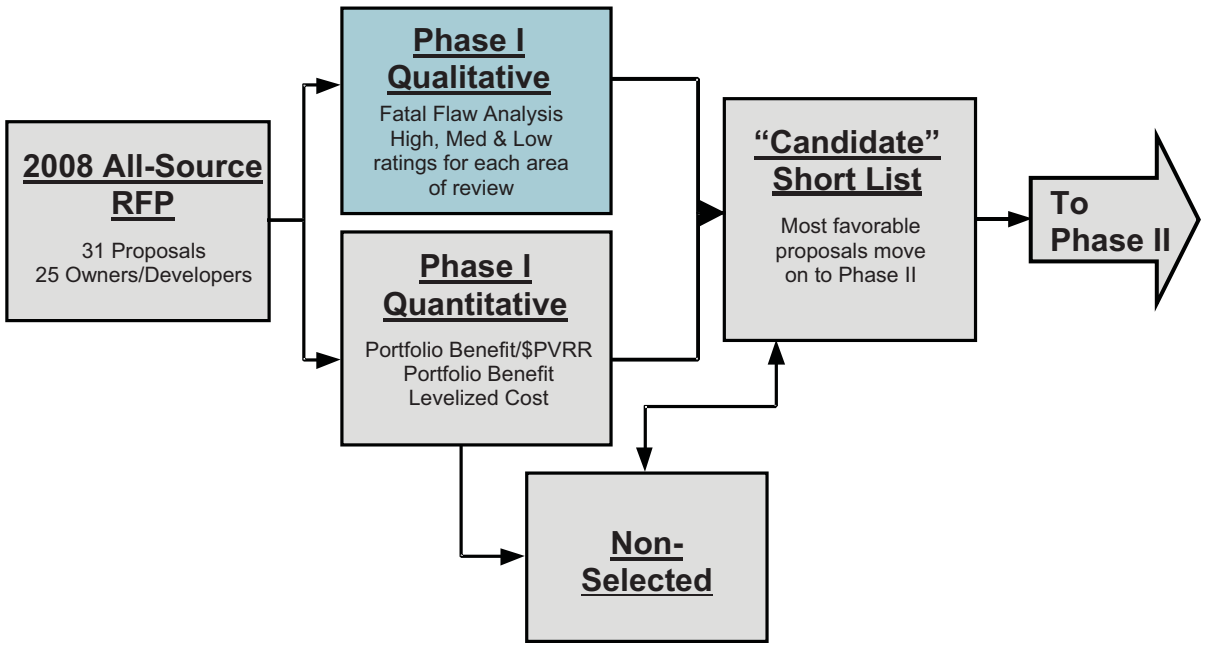
At the close of Phase I, each working group assigned an individual rating to each project. An all-team meeting was held in early July to review these ratings and to select a candidate short list of proposals that would proceed to Phase II of the evaluation process. A discussion of the Phase I selection process is included in **Part II**, **Section 4** of this document.

2 Qualitative Review Process

During Phase I, working groups from 15 areas of expertise companywide performed individual qualitative evaluations of each proposal based on criteria specific to their area of review. For example, the business and commercial group looked at such qualitative factors as overall project feasibility, the experience and qualifications of the development team, and the financial strength of the counterparty. Meanwhile, the environmental group evaluated potential permitting challenges and environmental risks, and the transmission and integration group assessed the feasibility and costs of bringing the proposed generation to PSE's load center.

Figure 8 summarizes the Phase I screening process.

Figure 8. RFP Phase I Evaluation Process



Each week, working groups documented their findings and next steps in a set of slides. A weekly all-team evaluation meeting was held to bring these individual perspectives together for a more complete picture of the overall merits and risks of each project. Some of these risks were minor, with ready solutions. Other challenges were more formidable, such as transmission constraints with uncertain resolution, poor economics or high environmental risk.

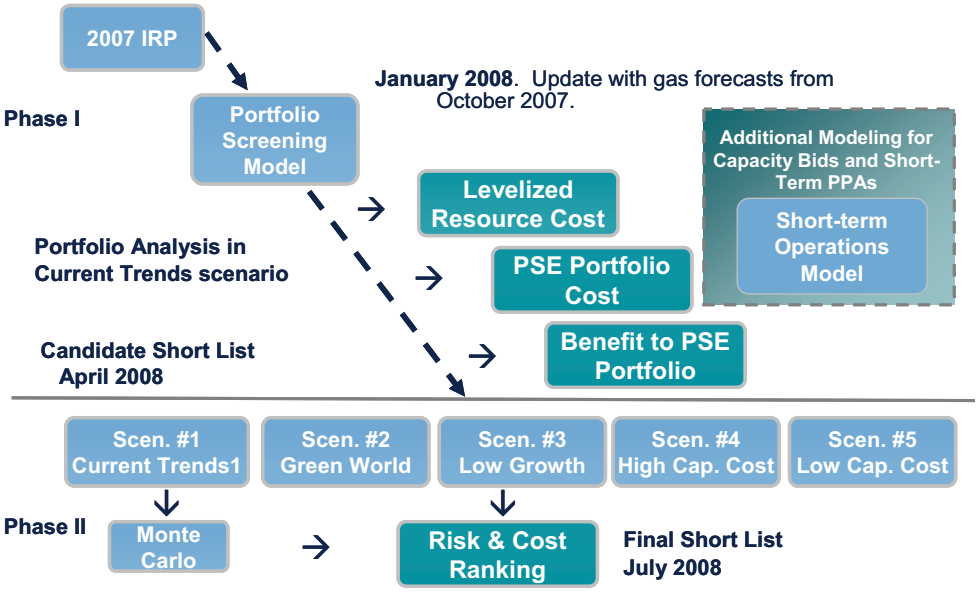
II. Phase I

Upon completion of their qualitative review, each working group assigned a ranking of high, medium or low to each proposal and provided summary comments in support of those rankings. For specific details regarding the Phase I selection process and findings, refer to **Part II, Section 4**. A list of Phase I working group rankings and comments is provided in **Attachment 4**.

3 Quantitative Review Process

The quantitative review during the RFP builds on the analysis performed in the 2007 IRP to identify the lowest reasonable cost proposals. PSE uses the same models and metrics to evaluate proposals in the RFP. The AURORA model is used to develop future scenarios that simulate a variety of market conditions that the utility may face over the next twenty years. The market power prices from AURORA are input into the company's Portfolio Screening Model (PSM). At the time of the RFP, the models and scenarios are updated to use the latest available information about future fuels prices, environmental legislation and trends, regional builds, and load growth. **Figure 9** depicts the quantitative process for both Phase I and Phase 2 of the RFP.

Figure 9. Quantitative Process



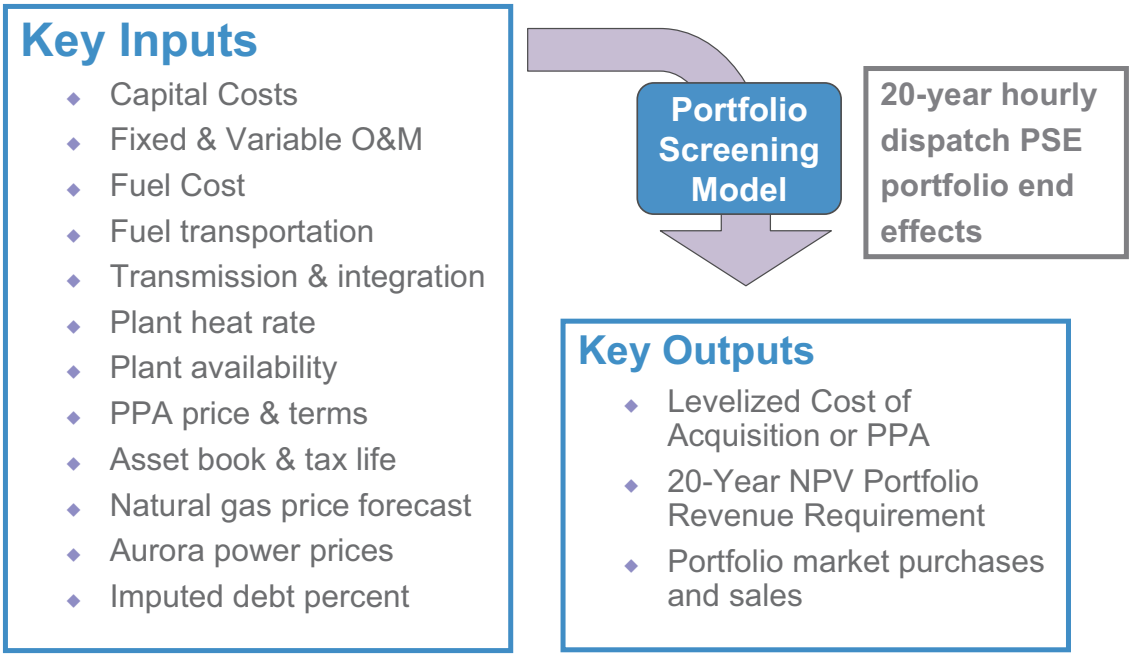
For Phase I of the RFP process, the quantitative team screens each proposal in PSM based on input assumptions from one AURORA scenario: the Current Trends scenario from the 2007 IRP. Before the RFP evaluation begins, the scenario is updated in AURORA to reflect the latest natural gas price forwards and long-term forecast. Additional updates to carbon costs and renewable portfolio standards are made based on anticipated policy changes from the federal government and western states. The updates resulted in a 1.2% increase in levelized Mid-C electric prices. The quantitative team screens each proposal to find the lowest reasonable cost PPA and ownership bids for each technology type.

The key inputs to and outputs from PSM are shown in **Figure 10**. When analyzing proposals, the team evaluates the cost of generation, delivery of fuel to the plant, transmission from point of

II. Phase I

receipt to PSE's system, and ancillary services required to support the generation. The quantitative team works closely with the other RFP working groups to comprehensively evaluate the costs of each proposal. Additionally, the team relies on Global Energy Concepts' assessment of the capacity factors of the proposed wind projects in the evaluation of wind proposals.

Figure 10. Key PSM Inputs and Outputs



Three metrics are used to compare the proposals.

- Portfolio Benefit Ratio - The present value of the portfolio benefit over the life of the new resource divided by the present value of project revenue requirements.

- Portfolio Benefit ($) - The difference in present value cost of the portfolio with the new resource compared to present value cost of the 2007 Integrated Resource Plan (IRP) generic portfolio strategy.

- Levelized Cost ($/MWh) - The average annual cost per megawatt hour produced over the life of the new resource

While each of the three metrics offers a slightly different perspective on the economic benefits associated with each proposal, the Portfolio Benefit Ratio and the Levelized Cost are the primary economic screens applied to evaluate the projects. The Portfolio Benefit Ratio provides insight into the benefits per unit of cost incurred by the ratepayers and allows projects of varying size to be evaluated without a bias for size. The Levelized Cost shows the magnitude of the cost on a per unit basis. One advantage of the Portfolio Benefit is that it provides insight into how the shape of the proposed generation fits with PSE's load shape.

II. Phase I

In addition to the PSM model, the quantitative team incorporates the results of the KWI model to assist in the evaluation of Market PPAs. The KWI model is used primarily by the Power Operations and Risk Analysis groups within PSE to evaluate resource portfolio cost and uncertainty associated with serving power and gas customers over the next three years. The KWI model can also be used to evaluate specific short-term transactions of three years or less. The main metrics used in the evaluation are expected change to power costs per dollar spent, expected change to earnings risk per dollar spent, and expected earnings per share risk per $1MM in cost.

For Phase I of the RFP evaluation the quantitative team provided a high, medium, or low ranking for each proposal evaluated based on the resulting benefit cost ratio. Proposals with a benefit ratio above zero received a high rating. Proposals with a benefit ratio above -0.1 and less than or equal to zero, received a medium rating. Finally, proposals with a benefit ratio below -0.1 received a low rating. In addition to providing a rating on the quantitative results, the team provided a subjective judgment rating about the quality of the data that was used in deriving the quantitative results.

Several of the RFP bids included multiple structures for evaluation. Some projects were offered both as an ownership and a PPA. Many of the system/market PPAs were offered seasonally, flat, on-peak, and for a variety of terms. In Phase I, the quantitative team evaluated 93 proposal structures. **Figure 11** summarizes the rating results by technology. Detailed quantitative team proposal rankings and evaluation results are included in **Attachment 4.**

Figure 11. Phase I Quantitative Rankings by Technology

Phase I	Wind	Gas	Coal	Hydro	Market PPA	Total
High	4	5	0	0	4	13
Medium	4	3	0	3	13	23
Low	5	8	1	1	42	57
Total	13	16	1	4	59	93

II. Phase I

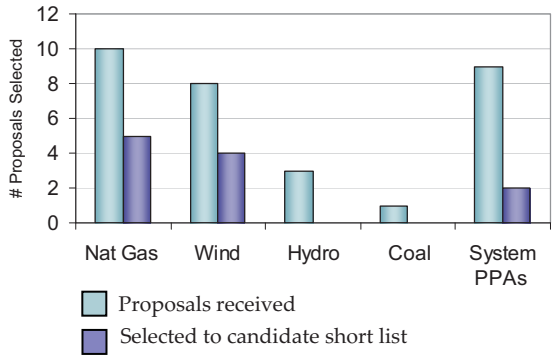
4 Candidate Short List

PSE completed Phase I of its RFP evaluation at the end of April 2008 with the selection of a "candidate" short list comprised of the most favorable baseload, capacity and renewable power proposals. A total of eleven proposals, or "candidates", were selected to advance to Phase II of the process for a more in-depth quantitative and qualitative evaluation.

Of the eleven selections, two of the proposals contained multiple short-term, system PPA product offers. PSE selected a combined total of four of these product offers for further analysis during Phase II. **Figure 12** illustrates the candidate selections by resource type. For a detailed list of the selected proposals, refer to **Attachment 6**.

Figure 12. Candidate Short List Selections by Resource Type

Resource Type	Proposals Received	Proposals Selected to Candidate Short List
Wind	8	4[9]
Natural Gas	10	5
Hydro	3[10]	0
Coal	1	0
System PPAs	9	2[11]



Proposals were selected based on the highest qualitative and quantitative rankings for each of the projects by technology. However, unlike previous RFPs, PSE did not select a minimum of one candidate from each resource type. For example, PSE elected not to select the coal proposal because it was burdened with high costs and high environmental risk. Likewise, PSE did not select any of the hydro proposals. Early in Phase I, PSE determined that one of the hydro proposals was not a complete proposal, but a general update for a project that was selected to PSE's continuing investigation list at the conclusion of the 2005 All-Source RFP. This project, like the two remaining 2008 hydro proposals, continues to face unresolved transmission challenges.

Selected projects were determined to be economically attractive based on their portfolio benefit ratio, their feasibility from a permitting and development standpoint, their commercial viability and whether or not they were financeable. The projects and PPAs selected allowed PSE to test a mix of portfolios during Phase II, to ultimately identify the best options to meet PSE's need.

[9] One of the selected wind proposals was an unsolicited offer submitted prior to the onset of the RFP process. This proposal is not included in the proposals received column in the table. This proposal was later withdrawn during Phase II.

[10] Early on in the proposal review process, PSE became aware that one of the hydro proposals was not a complete proposal, but an update to a proposal submitted during the 2005 RFP. As determined during our 2005 evaluation, this project continues to face significant transmission challenges

[11] Four short-term PPA products were selected from two proposals (counterparties) for the "Candidate" Short List. All of the short-term PPA proposals consisted of multiple offers. Some contained a menu of options from which to choose.

II. Phase I

Projects that were not selected exhibited one or more of the following deficiencies: 1) immature development; 2) economically less competitive; 3) uncertainty around feasibility of the project and project schedule; 4) no transmission solution or a greater uncertainty of obtaining transmission (e.g., based on queue position); and 5) technology risk. Additionally, toward the end of Phase I, one of the respondents withdrew their wind proposal to deploy their capital elsewhere.

Attachment 6 includes a list of projects that were not selected and the key factors influencing each decision.

III. Phase II

1 Phase II Overview

PSE began Phase II of its All Source RFP process in May 2008, following the selection of the candidate short list. During this phase PSE conducted further quantitative evaluation as well as a more comprehensive qualitative review. The goal of this second phase was to identify a final short list, from which PSE would proceed to contract negotiations and further due diligence.

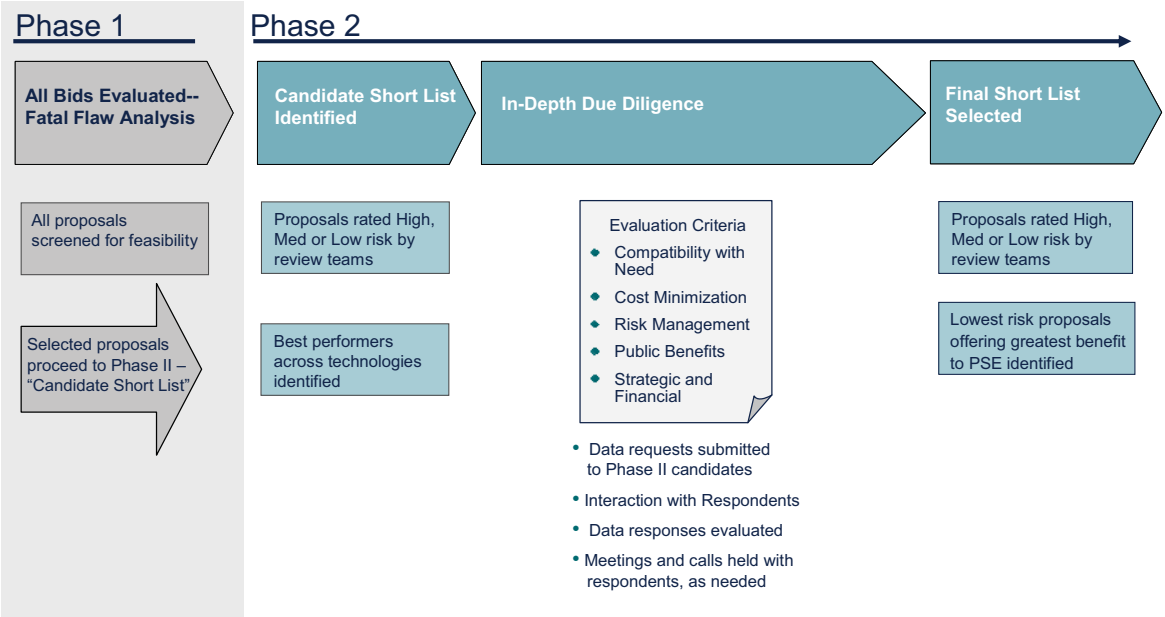
Seven all-team evaluation meetings and numerous smaller working group meetings were held during Phase II. Individual working groups shared their updated findings with the overall evaluation team, as new information became available. Progress reports were provided to senior management through frequent contributions to the weekly Energy Resources department report. Additionally, the Acquisition team presented an update to the Chief Resource Officer and her direct reports in May, and two post-RFP progress updates to the Energy Management Committee in mid-July and September. A final RFP update was also presented to the WUTC.

At the close of Phase II, each working group designated a final individual rating to the candidate proposals. An all-team working group meeting was held in early July to review these ratings and to select a final short list. Further details about the selection process are provided in **Part III**, **Section 4** of this document.

2 Qualitative Review Process

The Phase II qualitative evaluation process built upon the review effort of Phase I with a more robust analysis of each proposal and greater interaction with respondents. **Figure 13** summarizes the Phase II qualitative process.

Figure 13. Phase II: Qualitative Review



III. Phase II

At the beginning of Phase II, formal data requests were submitted to respondents to obtain the detail necessary for more in-depth consideration. Many of these data requests were identified during Phase I as next steps to be pursued should the project be selected as a Phase II candidate. Further data requests were thereafter generated and submitted on an as-needed basis. Additionally, PSE met with or telephoned many of the respondents directly to discuss their proposals.

Examples of additional data requested from respondents includes financial statements; property documentation such as scalable assessor's maps, easements and title reports; documentation related to permitting, environmental reports, equipment performance and ramp rates; inventory reports; and existing agreements related to transmission, integration and fuel supply. These are just a few examples of the types of data requests that were submitted to various respondents.

Some data requests sought clarification of terms outlined in the original proposals. Others broached potential areas where PSE would seek to modify proposed terms. In one example of this type of data request, PSE asked a respondent if they would be willing to consider a simplified PPA pricing structure that would offer greater price certainty than the proposed structure. While the respondent indicated a willingness to consider some simplification of the offer structure, the evaluation team ultimately determined that remaining complexities could expose PSE to cost risk and could limit the Company's ability to efficiently dispatch the plant. In the end, this proposal was not selected for the final short list due to unfavorable terms related to capacity factor requirements and gas supply obligations and lingering concerns about the impact of remaining complexities in the pricing structure.

During Phase II, PSE's credit group evaluated each proposal for any collateral requirements or credit terms that would adversely impact PSE's financial position. Likewise, the accounting group examined proposals for potential impacts related to the following standards: FAS 133 for potential derivative accounting, FIN 46R for potential consolidation on PSE's balance sheet, and EITF 01-08 for potential capital or operating lease accounting treatment.

Short-term PPA prices were not refreshed during Phase II. Because of the limited lifespan of PPA prices, greater attention was given to ensuring that the terms and conditions of the candidate offers were satisfactory, including any provision for credit support or credit obligations, or accounting impacts. Ultimately, PSE selected a preferred product structure that benefitted the portfolio for inclusion on the final short list.

Upon completion of their qualitative review, each working group assigned a ranking of high, medium or low for each proposal and developed summary comments in support of those rankings. For details regarding the Phase II selection process and findings, refer to **Part III**, **Section 4**. A complete list of working group rankings and comments for the Phase II proposals is included in **Attachment 4**.

III. Phase II

3 Quantitative Review Process

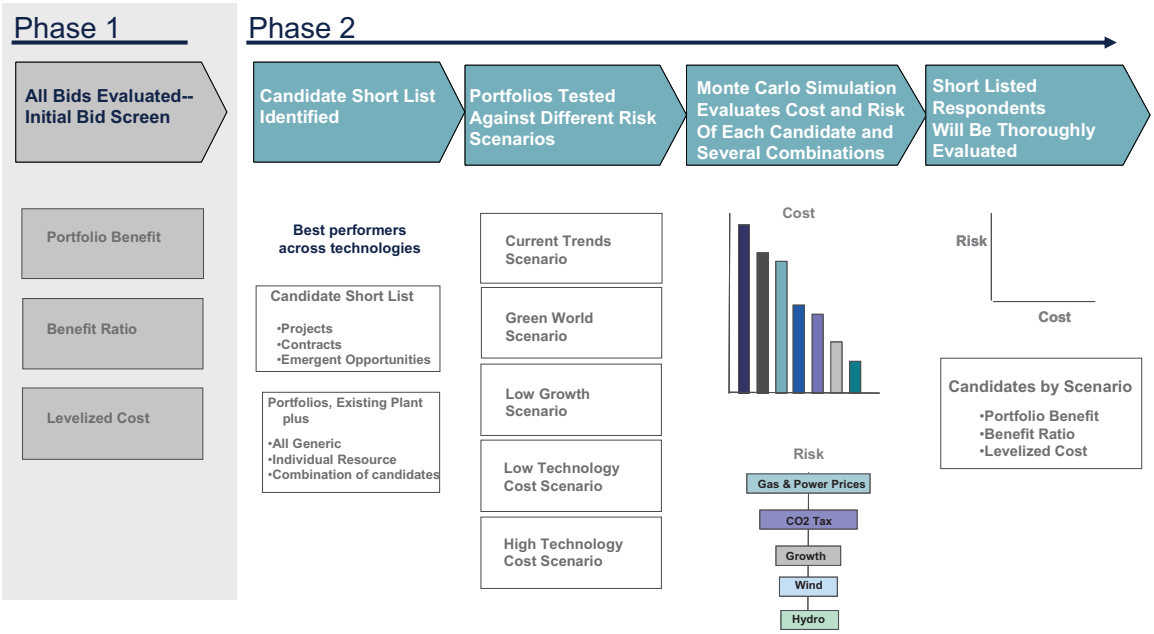
Project Analysis and Results

Based on information that became available during the RFP, the quantitative team determined that model updates would be required to properly evaluate the candidate short list during Phase II of the evaluation process. Key updates to the models included higher capital costs for generic wind and gas plants, lower imputed debt costs for PPAs, the most recent forward market natural gas prices, and the latest BPA Wind Integration Transmission Tariff. These updates, particularly the update for imputed debt, did not impact the selection of resources to the candidate short list because the company selected both the lowest cost PPAs and ownership projects for each technology type.

The purpose of Phase II is to perform an in-depth review of each proposal to evaluate cost and risk. PSE hired Global Energy Concepts to review wind proposals selected to the candidate short list and provide an assessment of capacity factor, wind shear, long term adjustments, representativeness of met tower locations, and energy loss. Additionally, the quantitative team requested greater detail from respondents related to their project proformas to ensure that PSE's analysis included adequate costs.

To evaluate risk, the team examined each proposal in five different future price environments (static results), and performed a Monte Carlo simulation in the current trends scenario (dynamic results). **Figure 14** diagrams the Phase II process.

Figure 14. Phase II: Quantitative Review



III. Phase II

The five scenarios are:

- Current Trends - moderate gas prices, moderate carbon costs, and moderate load growth
- Green World - high gas prices, high carbon costs, and low load growth
- Low Growth - low gas prices, moderate carbon costs, and low load growth
- Lower Technology Cost - Current Trends with low generic wind and CCGT capital costs
- Higher Technology Cost - Current Trends with high generic wind and CCGT capital costs

Similar to Phase I, projects with higher benefit ratios, higher portfolio benefits, and lower levelized costs in each scenario are observed as more favorable.

As another measure of risk, PSE performed Monte Carlo analysis in the Current Trends scenario in which power prices, gas prices, wind conditions and hydro conditions were varied over one hundred trials. For each trial, a total portfolio cost measure is determined. PSE examined the average of the ten worst total portfolio costs from these trials. Projects with a lower average of the ten worst trials for portfolio cost are viewed as the most favorable.

In order to provide a final ranking of the individual proposals evaluated in Phase II, the quantitative team measured individual proposal results using five metrics.

- Portfolio Benefit Ratio- The present value of the portfolio benefit over the life of the new resource divided by the present value of project revenue requirements.
- Portfolio Benefit ($)- The difference in present value cost of the portfolio with the new resource compared to present value cost of the 2007 Integrated Resource Plan (IRP) generic portfolio strategy.
- Levelized Cost ($/MWh)- The average annual cost per megawatt hour produced over the life of the new resource
- Scenario dispersion - The team judged whether each project's scenario results were tightly grouped or widely dispersed on the basis of portfolio benefit ratio. Projects with tight scenario results are expected to reduce risk by having similar results regardless of the future scenario or prices
- Dynamic analysis - The average total portfolio cost of the 10 worst trials from the Monte Carlo simulation. Lower average total portfolio costs are expected to reduce cost and risk.

As a tool to report their findings, the team assigned ordinal values to three possible rankings: best = 1, better = 2 and good = 3. The team then associated a range of results with those rankings for each of the five evaluation metrics. For example, a benefit ratio finding of greater than .25 is considered a "best" result and given an ordinal value of 1, while a benefit ratio finding greater than .1 but less than .25 is considered a "better" result and given an ordinal value of 2. **Figure 15** shows the range of results associated with each ranking for the five evaluation metrics.

III. Phase II

Figure 15. Phase II: Quantitative Review

Quantitative Metrics	Best	Better	Good
	1	2	3
Levelized Cost ($/MWh)	<=125	>125 and <= 165	>165
Benefit Ratio	>0.25	>0.1 and <=0.25	<0.1
Portfolio Benefit ($MM)	>100	>50 and <=100	<=50
Scenario Dispersion	Tight		Wide
Dynamic Analysis ($MM)	<16,275		>=16,275

A final score was assigned to each project based on the average of the five metrics. Scores ranged from a 1 to 2.6. From a quantitative perspective, all projects are viewed favorably when compared with the IRP generic resources. Some have lower costs and risks than others; however, the final cost may not be the price ultimately reached through negotiations. After scoring each proposal based on the results of the metrics, the quantitative team assigned an overall high, medium, or low rating. This rating was assigned based on the quantitative score and other cost implications that the model is unable to capture.

Figure 16.a. Phase II Quantitative Scores Based on Five Metrics

Phase II	Wind	Gas	Market PPA	Total
Best / Better-Best	2	1	0	3
Better / Good- Better	0	3	3	6
Good	0	2	1	3
Total	2	6	4	12

Figure 16.b. Phase II Overall Quantitative Rankings by Technology

Phase II	Wind	Gas	Market PPA	Total
High	2	1	0	3
Medium	0	3	2	6
Low	0	2	2	3
Total	2	6	4	12

Portfolio Analysis and Results

One additional step was taken by the quantitative team in evaluating the proposals. In addition to evaluating the candidate short list proposals on an individual project basis, the quantitative team

III. Phase II

combined these proposals to create eight portfolios for evaluation. Combinations of resources from the candidate short list were compared to the IRP generic strategy. The purpose of the portfolio analysis is to evaluate the timing of different combinations of resources, to examine how the combinations perform in different price scenarios, and to assess whether large or small resources are a better fit for the portfolio. The ability to test each of these factors depends on the resources available to the company. For each portfolio the two remaining wind PPAs were included because they evaluated well individually and PSE has a requirement to add low-cost renewable resources to meet the state's Energy Independence Act. The portfolios were developed to examine how the timing of adding natural gas resources and system PPAs affects the portfolio. Timing is important because with the addition of certain resources, PSE will be long on generation in the near term. After the final selection of the short list, the team added the short-listed portfolio to the comparison chart.

The quantitative team tested the cost and risk of each portfolio in the five scenarios, and by performing a Monte Carlo analysis of each portfolio in the Current Trends scenario. Each of the nine portfolios showed a benefit when compared to the IRP resource strategy. Overall for this RFP, all portfolios are viewed as favorable from a quantitative perspective. Thus, the quantitative team did not change its project recommendations as a result of the portfolio analysis.

4 Final Short List

PSE completed Phase II of its evaluation process in June 2008. An all-team working group meeting was held on July 9, 2008 to review the qualitative and quantitative rankings, and to select a final short list. PSE's selection process resulted in three possible designations: selected to the short list, selected to the continuing investigation list or not selected.

Final Short List Selections

PSE selected two wind PPAs, one natural gas ownership offer and one short-term system PPA structure for the final short list. Overall, selected projects were determined to provide the greatest benefit to PSE's portfolio with the lowest reasonable cost and risk. More specifically, these projects exhibited the following benefits.

The first wind proposal features a 20-year PPA with an attractive price, good capacity factor, and a strong counterparty. Feasibility for this project is high, with permitting expected in 2008. This project is located in an area that offers PSE diversity in its wind resource portfolio and has a high queue position to obtain transmission.

The second wind proposal offers a 20-year PPA with a prepay structure that models well for PSE. This project has an excellent transmission situation, and is in an advanced stage of development. The project also benefits from a favorable capacity factor and a strong counterparty.

The selected natural gas proposal is an offer to purchase an existing combined cycle plant that has an attractive capital cost for a completed, low heat rate plant. This plant provides synergy with PSE's existing 7FA fleet and was one of only two remaining CCCT plants in the Pacific Northwest at the close of the evaluation process. This plant also provides needed baseload generation to support PSE's growing need and has firm point-to-point transmission to PSE's system.

Finally, PSE selected a four-year, fixed price system PPA structure that features around-the-clock, winter delivery to the Mid-C. This product offers a firm purchase of power that

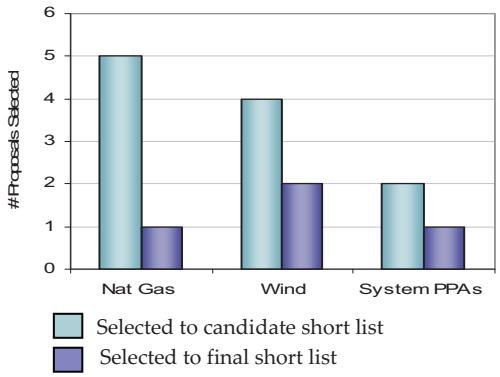
III. Phase II

complements PSE's winter need shape. The selected counterparty is strong and the economics at the proposed price are attractive. Due to the limited lifespan of short-term PPA prices, PSE issued a "mini-RFP" at the close of the All Source RFP to refresh the pricing of this product with several qualified counterparties. Details about the mini-RFP are included in **Part IV (Next Steps)** under **Section 1 (Negotiations)**.

Figure 17 illustrates PSE's final short list selections. While further discussion and negotiation will determine the actual number of new resources that PSE will purchase, this short list represents the potential acquisition of up to four new resources with a combined total of approximately 560 megawatts (MW) of long-term power supply and approximately 275 megawatts (MW) of fixed price shorter-term system power.

Figure 17. Final Short List

Resource Type	Proposals Selected to Candidate Short List	Proposals Selected to Final Short List
Wind	4[12]	2
Natural Gas	5	1
Hydro	0	0
Coal	0	0
System PPAs	2[13]	1[14]



The final short list was submitted for officer review through PSE's Energy Management Committee and approved in mid-July 2008. Upon receipt of this approval, respondents were notified of their status by both letter and email. These projects are expected to advance to the negotiation process. A complete final short list is included in **Attachment 7**.

Continuing Investigation List Selections

PSE selected a natural gas-fueled tolling PPA, an offer to purchase dual-fueled reciprocating engines, and an offer to purchase a natural gas-fired combustion turbine ("CT") facility to the continuing investigation list. Projects selected to this list are those that PSE is interested in continuing to monitor. The decision to place these projects on the continuing investigation list was influenced by the following benefits and concerns.

The 15-year tolling PPA has an attractive price. PSE is currently a party to an existing power purchase agreement ("PPA") for this project. The unit is a fully operational, natural gas-fired

[12] One of the selected wind proposals was an unsolicited offer submitted prior to the onset of the RFP process. This proposal is not included in the proposals received column in the table. The proposal was later withdrawn during Phase II.

[13] Four short-term PPA products were selected from two proposals (counterparties) for the candidate short list. All of the short-term PPA proposals consisted of multiple offers. Some contained a menu of options from which to choose.

[14] One short-term PPA product was selected from the winning proposal for the final short list.

III. Phase II

combustion turbine with a solid operating history, transmission and gas transport already in place, and diesel backup on site. Concerns include the fact that economic modeling indicates the plant would be infrequently dispatched. Also, the full value of such an agreement remains in question, as it is unclear if this unit would the best choice for providing ancillary or load following services. PSE will need to further investigate the value of reliability and any potential ancillary services before making any decisions about securing a tolling PPA for this facility. In addition, PSE continues to evaluate the existing contract rights, which include an option for extending the current PPA.

An existing CT facility was selected for further investigation due to its attractive capital cost for a low heat rate unit. Remaining concerns include an unresolved transmission situation that could significantly impact reliable delivery to PSE's system prior to 2015.

PSE also selected to its continuing investigation list an offer for a set of natural gas-fueled reciprocating engines. These units offer attractive operational flexibility, as well as valuable wind integration and peaking capabilities; however, further due diligence must be performed before PSE will be in a position to appropriately value the costs and benefits of these units.

The projects described above indicate a potential to be beneficial to PSE's power portfolio in the future; however, they continue to face challenges or feature potential benefits that require further review. For a complete list of projects selected to the continuing investigation list, refer to **Attachment 7**.

Non-Selected Proposals

Of the projects evaluated during Phase II, two wind, one natural gas, and three short-term system PPA offers were not selected for either the final short list or the continuing investigation list. PSE's decision not to proceed with these projects at this time was based upon the following factors.

Two of the wind offers selected for evaluation during Phase II were rescinded by the respondents prior to the end of our evaluation process. One of the respondents indicated that they were negotiating a deal with another party. The other respondent indicated that their project had been delayed.

A 15-year tolling PPA for natural gas-fired generation offered no intra-hour dispatchability. The offer was burdened by a complex pricing structure that could negatively impact cost risk, as well as PSE's ability to efficiently dispatch the plant. Additionally, the offer included unfavorable terms related to capacity factor requirements and gas supply obligations.

Finally, the three non-selected short-term system PPA offers (from two proposals) proposed fixed price, around the clock products of various shapes. Terms ranged in length from four to six years. All three options were determined to be less economically attractive than the product that was selected to the final short list.

In general, projects that were not selected to either the final short list or continuing investigation list involved higher cost or greater risk than those selected, or offered a reduced benefit to PSE when matched with the Company's existing power portfolio. A complete list of projects that were not selected to either the short list or the continuing investigation list is provided in **Attachment 7**.

IV. Next Steps

1 Negotiations

PSE has initiated discussions with respondents whose projects have been selected to the final short list. These discussions may result in the negotiation of terms and conditions of Definitive Agreements.

Specifically, PSE signed Definitive Agreements with Wayzata Opportunities Fund to purchase Mint Farm, their 310-megawatt, natural gas-fired combined cycle combustion turbine ("CCCT") plant in Longview, Washington. Closing took place in December 2008.

Two wind PPAs were selected to the final short list. Negotiations commenced in October and are still ongoing for one of the projects. The second project was postponed by the developer. Due to uncertainty surrounding the construction date of this project, negotiations are not presently underway.

Due to the limited lifespan of short-term PPA prices, PSE issued a price solicitation in September 2008 to refresh the pricing of the selected system PPA product. The original respondent and several other interested counterparties were invited to submit bids for the selected product structure. Interested counterparties were pre-qualified for the bidding process. Pre-qualification included a review by PSE's credit team and up-front agreement to PSE's modified WSPP terms and credit requirements. Bids were received on October 9th, 2008 with a winner selected and a contract confirmed on the same day.

During negotiations the quantitative team will continue to examine costs and prepare specific project proformas for potential use in BOD presentations and budgeting.

2 Lessons Learned

1. PSE must continue to be nimble in the acquisition of resources, in particular renewable resources.

PSE's All Source RFP was directly impacted by our highly competitive, changing environment. Increased environmental legislation and competition for renewables, as well as a marked reduction in existing natural gas facilities, have contributed to an acquisition landscape featuring higher levelized costs and fewer options. Trends this RFP cycle included a reduction in resource diversity, fewer renewable offers, and far fewer ownership offers for all resource types. Further, as a result of the intense competition for both renewable resources and existing natural gas resources, sellers have become less inclined to hold their offers open for the duration of our review process. Several proposals required action by PSE prior to the end of the Phase II evaluation timeline. Additionally, three wind offers were withdrawn, one during Phase I and two during Phase II.

To address these issues, PSE has already taken steps to improve efficiency, such as automating the initial logging process to reduce delays up front, and reducing the overall RFP timeline by two months.

Going forward, PSE will better define the wind energy assessment information requested from bidders in the RFP. Such requested information should include the following data: capacity factor

IV. Next Steps

(P50), wind shear, long term adjustments, representativeness of met tower locations, and energy loss factors. This information will allow us to perform a more consistent comparison of wind projects. To increase the efficiency of our data request and review process, prior to the next RFP the quantitative team also plans to develop a standard list of data requests for all bidders to be used as a Phase II checklist. Examples of standard data requests for existing plants would include inventory lists, the value of all inventory included in the bid, and a description of any long-term service agreements including the length of coverage and the equipment covered.

2. Existing baseload resources are rapidly disappearing and viable new build options are limited. Where do we go next?

PacifiCorp announced it was purchasing the Chehalis combined cycle natural gas-fired facility at the beginning of Phase II. PSE short-listed and has since signed definitive agreements with Mint Farm. This leaves just one remaining natural gas-fired combined cycle plant on the market at discounted to new build rates in Washington state.

PSE received one traditional coal offer this RFP cycle, which was determined to be too costly and too risky to pursue at this time. The passage of SB 6001 renders new traditional coal plants in Washington state illegal, and the risk of a future carbon tax or cap and trade system at the federal level makes importing traditional coal extremely risky. PSE did not receive any offers for an Integrated Gasification Combined Cycle ("IGCC") coal plant, with or without carbon capture and sequestration ("CCS"). It should be noted that CCS technology remains unproven. Further, IGCC plants have a higher capital cost than traditional coal plants, and will likely face tremendous permitting and feasibility challenges.

There are very few new hydro options. In response to this RFP, PSE received two hydro proposals for projects facing, among other things, unresolved transmission challenges. Neither of these proposals were selected for Phase II review.

Few renewables offer commercial-scale baseload energy. Wind, while commercial in scale, is an intermittent resource that cannot be counted on to provide baseload energy when needed. PSE did not receive any geothermal offers this RFP cycle. In general, we have found that these projects are few in number and located far from PSE's load center. PSE short-listed a geothermal project during the 2005 RFP; however, the developer has since indicated that the project has been delayed and development is uncertain. Biomass is another potential baseload renewable resource; however, the scale of these projects is small, opportunities are scarce and fuel is uncertain. PSE continues to look into the potential for solar development in eastern Washington.

PSE received no nuclear offers. Nuclear plants are burdened by extremely high costs and extremely high permitting risks.

V. List of Attachments

1. Proposal List
   - RFP Proposals
   - Unsolicited Proposals
2. Self-build Option
3. Qualitative Analysis
   - Phase I
   - Phase II
4. Quantitative Analysis
   - Phase I
   - Phase II
5. Preliminary Screen
   - "Candidate" Short List
   - Non-selected Proposals List
6. Final Selections
   - Final Short List
   - Continuing Investigation List
   - Non-selected Proposals List
   - Status of Unsolicited Proposals
7. Reports to Senior Management
   - Officer Update – Feb-12-08
   - EMC Update – Mar-20-08
   - Officer Update – Apr-07-08
   - Officer Update – May-02-08
   - EMC Update – Jul-17-08
   - EMC Update – Sep-18-08

Attachment 1

Proposal List

RFP Proposals

2008 RFP Proposal List

Code	Gen Type	Project Name	Owner	Developer	Location		Status	COD/Term	Commercial Structure	Generation Technology		Nominal Capacity (MW)	Transmission			Heat Rate Btu/kWh
					City	State/ Province				Make	Model		Interconnection	Receipt Point	Delivery Point	
850	Coal	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	Project PPA, 10 yrs	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
851	Hydr	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	Project PPA, 5-10 yrs	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
851-a	Hydr	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	Project PPA, 5 yrs	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
851-b	Hydr	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	Project PPA, 7 yrs	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
851-c	Hydr	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	Project PPA, 10 yrs	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
852	Hydr	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	Project PPA, 20 yrs	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
853	Hydr	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	Project PPA	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
825	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	Tolling PPA, 15 yrs	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
826	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	Tolling PPA, ~15 yrs	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
827	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	Tolling PPA, 20 yrs	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
828	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	Tolling PPA, 7 yr	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
828-a	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	Physical Tolling Hour Ahead PPA	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
828-b	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	Firm Energy HR Call Day Ahead PPA	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
828-c	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	Physical Tolling Hour Ahead PPA	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
829	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	Own / EPC	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
830	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	Tolling PPA, 5 yr	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
831	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	Own / PPA, 10 yrs	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
831-a	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	Ownership	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX

REDACTED VERSION

2008 RFP Proposal List

Code	Gen Type	Project Name	Owner	Developer	Location		Status	COD/Term	Commercial Structure	Generation Technology		Nominal Capacity (MW)	Transmission			Heat Rate Btu/kWh
					City	State/ Province				Make	Model		Interconnection	Receipt Point	Delivery Point	
831-b	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	Project PPA, 10 yrs	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
832	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	Ownership	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
833	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	Ownership	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
834	NatG	Mint Farm Energy Center LLC	Wayzata/Mint Farm Energy Center LLC	Mint Farm Energy Center LLC	Longview	WA	Operating	1/1/08	Asset Purchase	GE	PG7241	310	Longview Annex - Reynolds Aluminum		Bellingham Substation	6968
875	PPA	Barclays - Various PPA Offers	Barclays Bank PLC	N/A	Portland	OR	N/A	various	Fixed PPA, 6-7 yrs	N/A	N/A	275			Mid-C	N/A
876	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	System PPA, 1-4 yrs	XXXX	XXXX	XXXX	XXXX	XXXX	West side N. Intertie (BC/US border)	XXXX
877	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	System PPA, 2-3 yrs	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
878	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	System PPA, 2-3 yrs	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
879	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	System PPA, 5 yrs	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
880	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	System PPA / Call Opt, 3 yrs	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
881	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	System PPA, 5 yrs	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
882	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	System PPA, 1-5 yrs	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
883	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	System PPA, 3-5 yrs	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
800	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	PPA & Exchange Agmnt, 20 yrs	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
801	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	Project PPA, 20 yrs / potential JV	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
802	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	Project PPA, 25 yrs / potential JV	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
803	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	Project PPA, 10 yrs	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX

REDACTED VERSION

2008 RFP Proposal List

Code	Gen Type	Project Name	Owner	Developer	Location		Status	COD/Term	Commercial Structure	Generation Technology		Nominal Capacity (MW)	Transmission			Heat Rate Btu/kWh
					City	State/ Province				Make	Model		Interconnection	Receipt Point	Delivery Point	
804	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	Project PPA, 10 yrs	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
805	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	Project PPA, 10 yrs	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
806	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	Project PPA, 10 yrs	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
807	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	Project PPA, 20 yrs	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX

REDACTED VERSION

Unsolicited Proposals

Active Unsolicited Proposals

Code	Gen Type	Project Name	Owner	Developer	Location		Status	COD/Term	Commercial Structure	Generation Technology		Nominal Capacity (MW)	Capacity Factor	Transmission		
					City / County	State/ Province				Make	Model			Interconnection	Receipt Point	Delivery Point
854	Geo	XXXX	XXXX	XXXX	XXXX	XXXX	Development	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
835	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	Operation	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
809	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	Development	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
810	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	Development	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
811	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	Development	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
812	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	Development	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX

Active Unsolicited Self-Build Opportunities

Code	Gen Type	Project Name	Owner	Developer	Location		Status	COD/Term	Commercial Structure	Nominal Capacity (MW)	Capacity Factor
					City / County	State/ Province					
n/a	Wind	Columbia-Garfield Cty Projects	RES	RES	Columbia & Garfield Cnts	WA	Development	2010-2015	50/50 joint development	1,250 total / 625 PSE	XXXX
n/a	Wind	XXXX	XXXX	XXXX	XXXX	WA	XXXX	XXXX	XXXX	XXXX	XXXX
n/a	Wind	XXXX	XXXX	XXXX	XXXX	WA	XXXX	XXXX	XXXX	XXXX	XXXX
n/a	Wind	Wild Horse Expansion	Horizon		Kittitas Cty	WA	Development	2009	Own	52	25%

REDACTED VERSION

Bids To evaluate

Heat Rate Option

Renumbered from original list, Note Powerex is different from lettering provided by Powerex

Code	Owner	Term	Product	Call	Seasonality	Hours/ Heatrate	Energy Delivery Increments	# of Years	Short-term only	Long-term only
875a	Barclays Bank PLC	11/1/2008–3/31/2010	Fixed Price PPA (0% esc)		Winter Delivery, November Through March Only	ATC	Increments in Table Provided	2		
875b	Barclays Bank PLC	11/1/2008–3/31/2011	Fixed Price PPA (0% esc)		Winter Delivery, November Through March Only	ATC	Increments in Table Provided	3		
875c	Barclays Bank PLC	11/1/2008–3/31/2010	Fixed Price PPA (0% esc)		Winter Delivery, November Through March Only	On-peak	Increments in Table Provided	2		
875d	Barclays Bank PLC	11/1/2008–3/31/2011	Fixed Price PPA (0% esc)		Winter Delivery, November Through March Only	On-peak	Increments in Table Provided	3		
875e	Barclays Bank PLC	11/1/2009 to 3/31/2015	Fixed Price PPA (0% esc)		Winter Delivery, November Through March Only	ATC	Increments in Table Provided	6		
875f	Barclays Bank PLC	11/1/2009 to 10/31/2015	Fixed Price PPA (0% esc)		Year Round	ATC	Increments in Table Provided	6		
875g	Barclays Bank PLC	11/1/2011 to 10/31/2015	Fixed Price PPA (0% esc)		Winter Delivery, November Through March Only	ATC	Increments in Table Provided	4		X
875h	Barclays Bank PLC	11/1/2011 to 10/31/2015	Fixed Price PPA (0% esc)		Year Round	ATC	Increments in Table Provided	4		X
876a	XXXXXXXXX	12/1/2009 to 2/29/2012	Fixed Price PPA		Winter Delivery, December Through February Only	XXXXXX	200 MW	3		
876b	XXXXXXXXX	11/1/2009 to 2/29/2012	Fixed Price PPA		Winter Delivery, November Through February Only	XXXXXX	200 MW	3		
876c	XXXXXXXXX	12/1/2008 to 2/28/2010	Fixed Price PPA		Winter Delivery, December Through February Only	XXXXXX	Check with Josh Jacobs	2	X	
876d	XXXXXXXXX	11/1/2008 to 2/28/2010	Fixed Price PPA		Winter Delivery, November Through February Only	XXXXXX	Check with Josh Jacobs	2	X	
876e	XXXXXXXXX	TBD	Regulatory Reseve Capacity, aka AGC		TBD	XXXXXX		1-3	X	
877a	XXXXXXXXX	10/1/2008 to 12/31/2011	Fixed Price PPA		Winter Delivery October Through March, plus April through June 09 & 11	XXXXXX	100 MW	3		
877b	XXXXXXXXX	10/1/2008 to 12/31/2011	Fixed Price PPA		Winter Delivery October Through March, plus April through June 09 & 11	XXXXXX	100 MW	3		
878a	XXXXXXXXX	11/1/2008 to 2/28/2010	Heat Rate Option	Daily	Winter Delivery November Through February	XXXXXX	150 MW, start in Nov 2009	2	X	
878b	XXXXXXXXX	11/1/2008 to 2/28/2010	Heat Rate Option	Daily	Winter Delivery November Through February	XXXXXX	150 MW, start in Nov 2009	2	X	
878c	XXXXXXXXX	11/1/2008 to 2/28/2011	Heat Rate Option	Daily	Winter Delivery November Through February	XXXXXX	150 MW, start in Nov 2009	3		
878d	XXXXXXXXX	11/1/2008 to 2/28/2011	Heat Rate Option	Daily	Winter Delivery November Through February	XXXXXX	150 MW, start in Nov 2009	3		
878e	XXXXXXXXX	11/1/2008 to 2/28/2010	Fixed Price PPA		Winter Delivery November Through February	XXXXXX	150 MW, start in Nov 2009	2		
878f	XXXXXXXXX	11/1/2008 to 2/28/2011	Fixed Price PPA		Winter Delivery November Through February	XXXXXX	150 MW, start in Nov 2009	3		
879a	XXXXXXXXX	10/1/2008 to 9/30/2013	Fixed Price PPA		Year Round	XXXXXX	See table Provided	5		

REDACTED VERSION

Code	Owner	Term	Product	Call	Seasonality	Hours/ Heatrate	Energy Delivery Increments	# of Years	Short-term only	Long-term only
879b	XXXXXXXXX	10/1/2008 to 9/30/2013	Fixed Price PPA		Year Round	XXXXXX	See table Provided	5		
880a	XXXXXXXXX	1/1/2009 to 12/31/2011	Fixed Price PPA		Winter Delivery, October Through March	XXXXXX	See table, Start in Q4 2009	3		
880b	XXXXXXXXX	1/1/2009 to 12/31/2011	Fixed Price Call Option	Monthly	Winter Delivery, October Through March	XXXXXX	See table, Start in Q4 2009	3		
881a	XXXXXXXXX	1/1/2010 to 12/31/2014	Fixed Price PPA		Year Round	XXXXXX	100 MW (ex Apr-Aug 2010	5		
881b	XXXXXXXXX	1/1/2010 to 12/31/2014	Fixed Price PPA		Year Round	XXXXXX	100 MW (ex Apr-Aug 2010	5		
881c	XXXXXXXXX	1/1/2010 to 12/31/2014	Fixed Price PPA		Year Round- Shaped	XXXXXX	Shaped	5		
881d	XXXXXXXXX	1/1/2010 to 12/31/2014	Fixed Price PPA		Year Round- Shaped	XXXXXX	Shaped	5		
881e	XXXXXXXXX	1/1/2010 to 12/31/2014	Fixed Price PPA		Year Round, Excludes May to July (1st 2 years excludes April & August too)	XXXXXX	Shaped	5		
881f	XXXXXXXXX	1/1/2010 to 12/31/2014	Fixed Price PPA		Year Round, Excludes May to July (1st 2 years excludes April & August too)	XXXXXX	Shaped	5		
881g	XXXXXXXXX	1/1/2010 to 12/31/2014	Heat Rate Must Take		Year Round	XXXXXX	100 MW (ex Apr-Aug 2010	5		
881h	XXXXXXXXX	1/1/2010 to 12/31/2014	Heat Rate Must Take		Year Round	XXXXXX	100 MW (ex Apr-Aug 2010	5		
881i	XXXXXXXXX	1/1/2010 to 12/31/2014	Heat Rate Must Take		Year Round- Shaped	XXXXXX	Shaped	5		
881j	XXXXXXXXX	1/1/2010 to 12/31/2014	Heat Rate Must Take		Year Round- Shaped	XXXXXX	Shaped	5		
881k	XXXXXXXXX	1/1/2010 to 12/31/2014	Heat Rate Must Take		Year Round, Excludes May to July	XXXXXX	Shaped	5		
881l	XXXXXXXXX	1/1/2010 to 12/31/2014	Heat Rate Must Take		Year Round, Excludes May to July	XXXXXX	Shaped	5		
881m	XXXXXXXXX	1/1/2010 to 12/31/2014	Fixed Price & Heat Rate Must Take		Year Round	XXXXXX	100 MW (ex Apr-Aug 2010	5		
881n	XXXXXXXXX	1/1/2010 to 12/31/2014	Fixed Price & Heat Rate Must Take		Year Round	XXXXXX	100 MW (ex Apr-Aug 2010	5		
881o	XXXXXXXXX	1/1/2010 to 12/31/2014	Fixed Price & Heat Rate Must Take		Year Round- Shaped	XXXXXX	Shaped	5		
881p	XXXXXXXXX	1/1/2010 to 12/31/2014	Fixed Price & Heat Rate Must Take		Year Round- Shaped	XXXXXX	Shaped	5		
881q	XXXXXXXXX	1/1/2010 to 12/31/2014	Fixed Price & Heat Rate Must Take		Year Round, Excludes May to July	XXXXXX	Shaped	5		
881r	XXXXXXXXX	1/1/2010 to 12/31/2014	Fixed Price & Heat Rate Must Take		Year Round, Excludes May to July	XXXXXX	Shaped	5		
882a	XXXXXXXXX	1/1/2013 to 12/31/2013	Fixed Price		Year Round	XXXXXX	100 MW	1		X
882b	XXXXXXXXX	1/1/2009 to 12/31/2013	Heat Rate Option	Daily	Year Round	XXXXXX	250 MW	5		

REDACTED VERSION

Code	Owner	Term	Product	Call	Seasonality	Hours/ Heatrate	Energy Delivery Increments	# of Years	Short-term only	Long-term only
882c	XXXXXXXXX	1/1/2009 to 12/31/2013	Fixed Price Call Option	Daily	Year Round	XXXXXX	250 MW	5		
882d	XXXXXXXXX	1/1/2008 to 12/31/2013	Heat Rate Option	Hourly	Year Round	XXXXXX	50 MW	5		
882e	XXXXXXXXX	1/1/2009 to 12/31/2012	Fixed Price PPA		Winter Delivery October Through March	XXXXXX	250 MW	4		
882f	XXXXXXXXX	1/1/2009 to 12/31/2012	Fixed Price PPA		Winter Delivery October Through March (BPAT.PSEI Delivery Pt)	XXXXXX	50 MW	4		
882g	XXXXXXXXX	7/1/2009 to 9/30/2012	Fixed Price PPA		Summer Delivery July Through Semptember (excludes Summer 2010)	XXXXXX	250 MW	3		
883a	XXXXXXXXX	12/1/2009 to 2/28/2014	Fixed Price PPA		Winter Delivery December through February	XXXXXX	250 MW	5		
883b	XXXXXXXXX	12/1/2009 to 2/28/2014	Fixed Price PPA		Winter Delivery December through February	XXXXXX	250 MW	5		
883c	XXXXXXXXX	12/1/2011 to 2/28/2014	Fixed Price PPA		Winter Delivery December through February	XXXXXX	250 MW	3		X
883d	XXXXXXXXX	12/1/2011 to 2/28/2014	Fixed Price PPA		Winter Delivery December through February	XXXXXX	250 MW	3		X
883e	XXXXXXXXX	12/1/2009 to 2/28/2014	Tolling Option w Financial Gas	Daily	Winter Delivery December through February	XXXXXX	250 MW	5		
883f	XXXXXXXXX	12/1/2009 to 2/28/2014	Tolling Option w Financial Gas	Daily	Winter Delivery December through February	XXXXXX	250 MW	5		
883g	XXXXXXXXX	12/1/2011 to 2/28/2014	Tolling Option w Financial Gas	Daily	Winter Delivery December through February	XXXXXX	250 MW	3		X
883h	XXXXXXXXX	12/1/2011 to 2/28/2014	Tolling Option w Financial Gas	Daily	Winter Delivery December through February	XXXXXX	250 MW	3		X
883i	XXXXXXXXX	11/1/2008 to 12/31/2013	Fixed Price PPA		Winter Delivery November through February	XXXXXX	See table Provided	5		
883j	XXXXXXXXX	11/1/2008 to 12/31/2013	Fixed Price PPA		Winter Delivery November through February	XXXXXX	See table Provided	5		
883k	XXXXXXXXX	11/1/2008 to 12/31/2013	Tolling Option w Financial Gas	Daily	Winter Delivery November through February	XXXXXX	See table Provided	5		
883l	XXXXXXXXX	11/1/2008 to 12/31/2013	Tolling Option w Financial Gas	Daily	Winter Delivery November through February	XXXXXX	See table Provided	5		

REDACTED VERSION

Maximum Energy Increments (25 MW)

On-Peak

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2008												
2009												
2010	425	475	925	950	825	650	50	-25	275	425	550	400
2011	525	500	975	875	875	850	175	100	525	450	575	300
2012	1225	1025	1525	1350	1375	1375	800	775	1100	1000	1250	1225
2013	975	950	875	575	300	275	425	550	750	700	1025	1025
2014	1125	1100	1025	600	325	275	425	575	775	725	1050	1050
2015	1150	1125	1050	600	350	300	450	600	800	750	1075	1075

ATC

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2008												
2009												
2010	325	400	750	725	600	375	-150	-225	100	300	400	350
2011	450	450	800	675	650	575	-25	-125	325	325	450	275
2012	1125	950	1325	1125	1100	1100	550	525	875	825	1075	1075
2013	975	950	875	575	300	275	425	550	750	700	1025	1025
2014	1125	1100	1025	600	325	275	425	575	775	725	1050	1050
2015	1150	1125	1050	600	350	300	450	600	800	750	1075	1075

KWI Position
Aurora position
Long term B2 Energy need

Generation Types

Biom	Biomass	850-874 (other)
Coal	Coal	850-874 (other)
Geot	Geothermal	850-874 (other)
Hydro	Hydro (river-based)	850-874 (other)
IGCC	Integrated Gasification Combined Cycle	none
NatG	Natural Gas	825-849
PPA	Power Purchase Agreement (not tied to specific resource)	875-899
Sola	Solar	850-874 (other)
Tide	Tidal	850-874 (other)
Wave	Wave	850-874 (other)
Wind	Wind	800 - 824

Attachment 2

Self-build Option

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Wind Development Strategy

Resource Acquisition Team

January 03, 2007

Vision

- Be a leader in the acquisition and ownership of renewable energy
- Be flexible and responsive to competitive marketplace, while respecting risk
- Leverage experience to acquire wind projects earlier in development chain

Wild Horse 227MW

Hopkins Ridge 150MW

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Goal

Long-term:

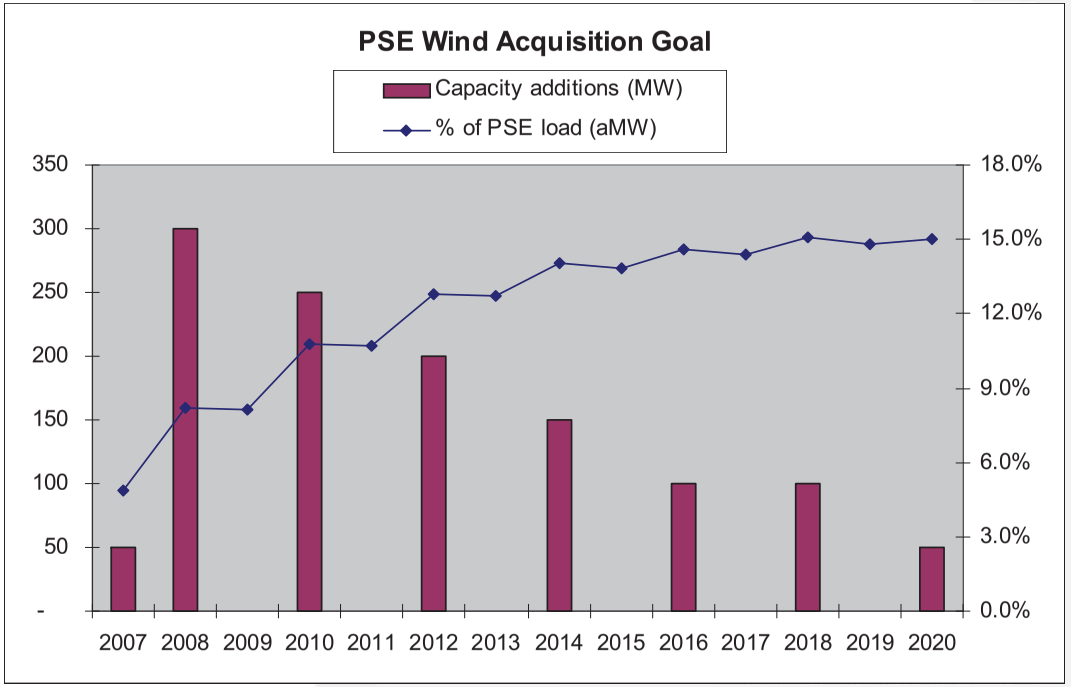
- ≈ 1,150 MW (additional) of renewable energy to meet 15% RPS by 2020
- ≈ 480 MW (additional) of renewable energy to meet 9% RPS by 2016

Short-term:

- Acquire at least 300 MW (capacity) of wind development assets by 2008 through active solicitation of developers

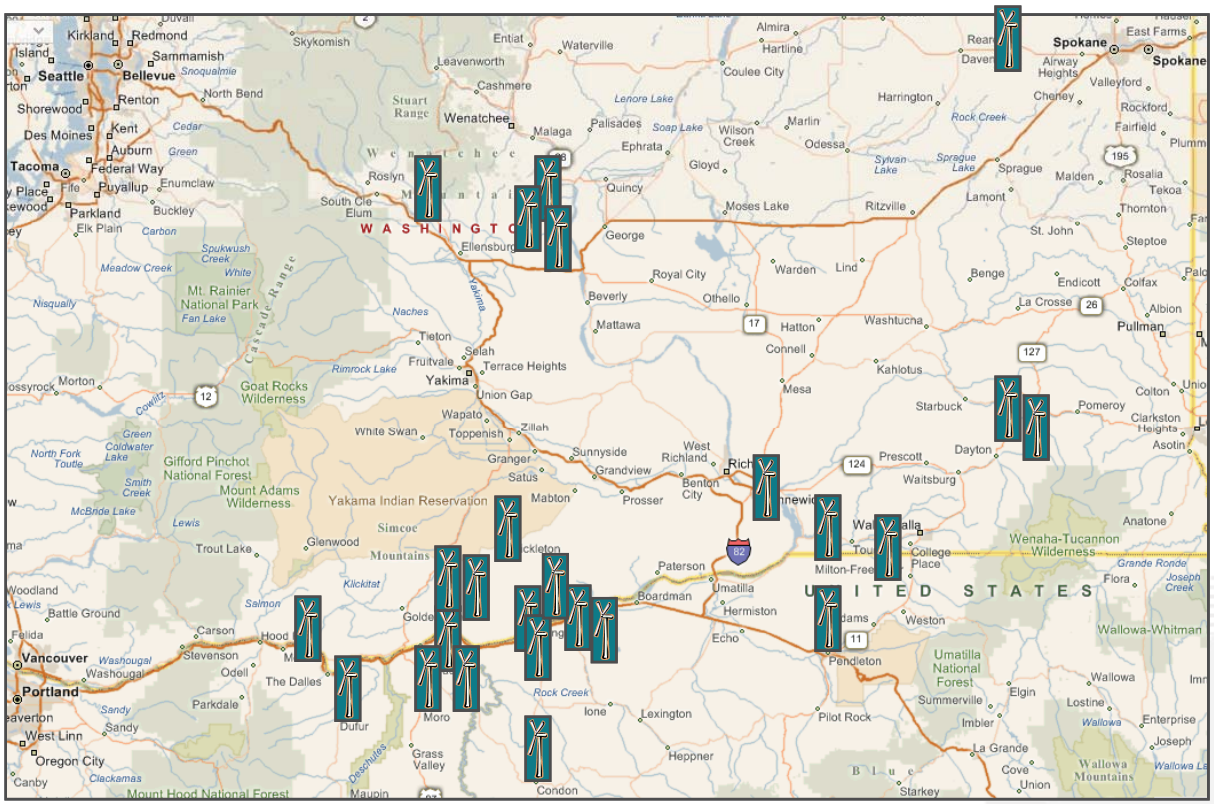
RPS Requirement	
Year	% of Load
2012	3%
2016	9%
2020	15%

2007 PSE Renewables = 4.2%



Objectives

- Identify and maintain active list of potential wind projects
- Evaluate wind projects using in-house expertise and minimal outside resources
- Execute on attractive wind development assets expeditiously



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Current Situation

- From 2004 RFP over 13 wind projects were submitted & evaluated
  - PSE has completed two wind projects (380 MW) in the last two years
- 2006 RFP included nine wind project proposals + four outside the RFP
  - Increasingly fewer good wind sites
  - Some proposals attractive but not fully mature
  - Over half the proposals had not secured turbines
  - Several proposals were retracted and sold to other counterparties
  - Results likely to yield one 50 MW PPA
- Increasing market pressure on region from California utilities and other NW utilities, e.g. SMUD, EWEB, PacifiCorp
- Washington State RPS passed in November 2006

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Alternatives

Options	PRO	CON
Status quo *e.g. acquire projects thru 2008 RFP process*	+ Avoid risk + Projects mature	- Increased competition - Price risk - Loss of PTC? - Delay
Evaluate proposals as they are submitted in between RFPs	+ Keep pulse of market + Compare against RFP	- Incomplete survey of projects - Increased competition - Price risk - Delay
Actively solicit mature project proposals *i.e. ready to execute and construct, WTGs secured, permits secured*	+ Communicates to market + Maintains momentum + First mover advantage	- Increased competition - Price risk - Delay
Proactively seek and acquire earlier stage wind development assets *i.e. opportunistly acquire development rights; then acquire turbines and construction services directly*	+ Secure assets for future + Maintains momentum + First mover advantage + Proactively select projects + Cost deferral if necessary	- Developer risk - Potential regulatory recovery issues

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Recommendation

Proactively acquire earlier stage wind development assets

- Maintain momentum in wind acquisitions and increase renewable portfolio
- Keep commercial focus by responding to current marketplace
- Use experience and judgment to capitalize on opportunities ahead of competitors
- Provide abbreviated path forward for high quality projects that have not achieved full maturity

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Strategy Plan

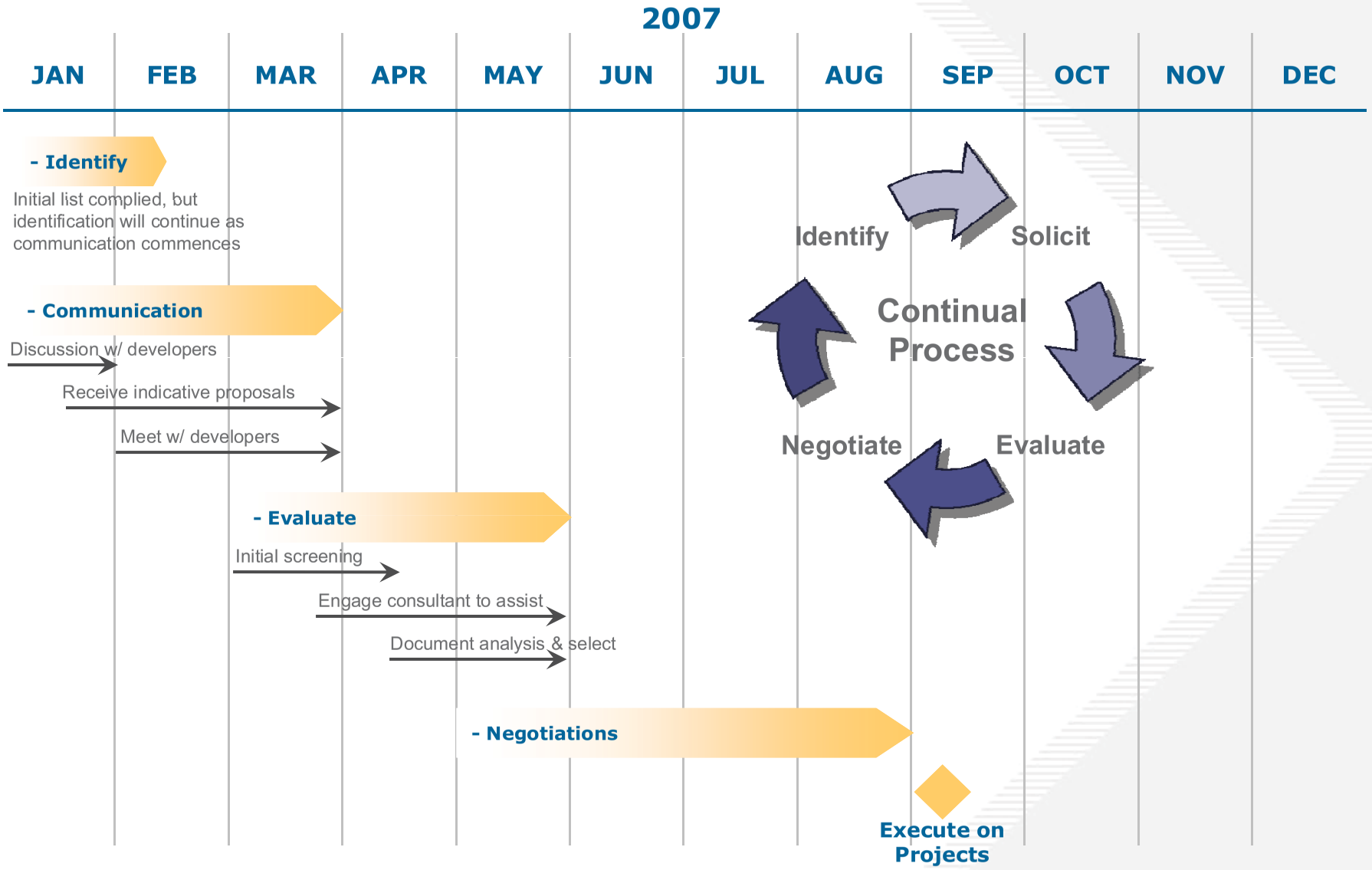
1. Identify:
   - source potential wind development projects in WA & OR
   - create list of developers/projects which to solicit

2. Communicate:
   - discuss purchase of development rights with developers
   - solicit indicative proposals
   - meet with developers to discuss proposals & commercial considerations

3. Evaluate:
   - Land rights & control
   - Wind resource assessment (assistance from Global Energy Concepts)
   - Transmission solutions
   - Permitting and environmental risks
   - Economic evaluation

4. Negotiate:
   - begin commercial negotiations with developers that pass initial evaluation

Timeline



Important to note that this process will be more flexible than RFP process in such that evaluation and negotiations may begin at the time value and opportunity are recognized. Also, the process will be reiterative as new projects are identified, the solicitation and evaluation process begins.

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Initial List of Developers/Projects

Project	Developer	Status	County	State
Shepherds Ridge	Lifeline Renewable Energy	Permitted	Morrow	OR
Combine Hills II	Enrus Energy America, Inc.	Permitted	Umatilla	OR
Windy Point	Cannon	Permitted	Klickitat	WA
Leaning Juniper II	PPM Energy	Planned	Gilliam	OR
Whiskey Ridge	Horizon	Planned	Kittitas	WA
Goodnoe Hills	Windtricity / enXco	Planned	Klickitat	WA
Withrow Wind Project	Douglas County PUD	Planned	Douglas	WA
Douglas Co. Project	Patrick Maloney	Planned	Douglas	WA
Columbia Wind Ranch	Cielo Wind	Planned	Klickitat	WA
Columbia Co. RES	RES	Potential	Columbia	WA
Willow Creek Winds	Invenergy	Planned	Gilliam/Morrow	OR
South Sherman County	Orion	Planned	Sherman	OR
Biglow Canyon	Portland General Electric	Planned	Sherman	OR
Seven Mile Hill	UPC Wind Partners	Planned	Wasco	OR
Summit Ridge	K3 Wind, LLC	Planned	Wasco	OR
Vantage	Invenergy	Planned	Kittitas	WA
Desert Claim	enXco	Planned	Kittitas	WA
Curry County	Pacific Windpower	Potential	Curry	OR
Pendleton Wind Project	SeaWest	Potential	Umatilla	OR
Nine Canyon Phase III	Energy Northwest	Potential	Benton	WA
Reardan Twin Buttes	Energy Northwest	Potential	Lincoln	WA

List represents ≈2,900 MW of wind projects in WA & OR

NWPCC 5th Power Plan calls for 6,000 MW of wind in region, PSE will require ≈20% of this to meet RPS.

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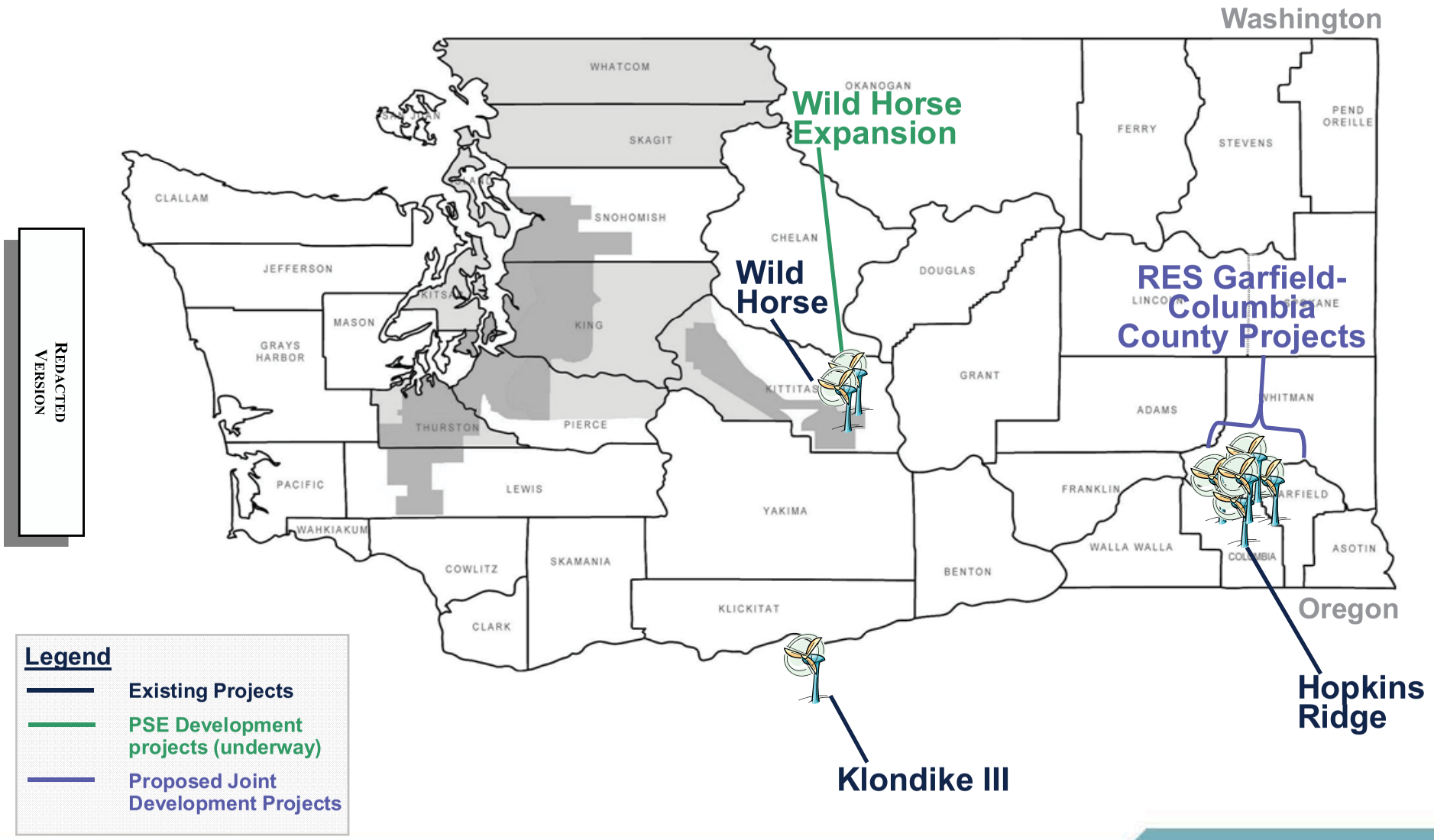
Existing & Proposed Wind Development Projects



REDACTED VERSION

Wild Horse Expansion

Acquisition Status

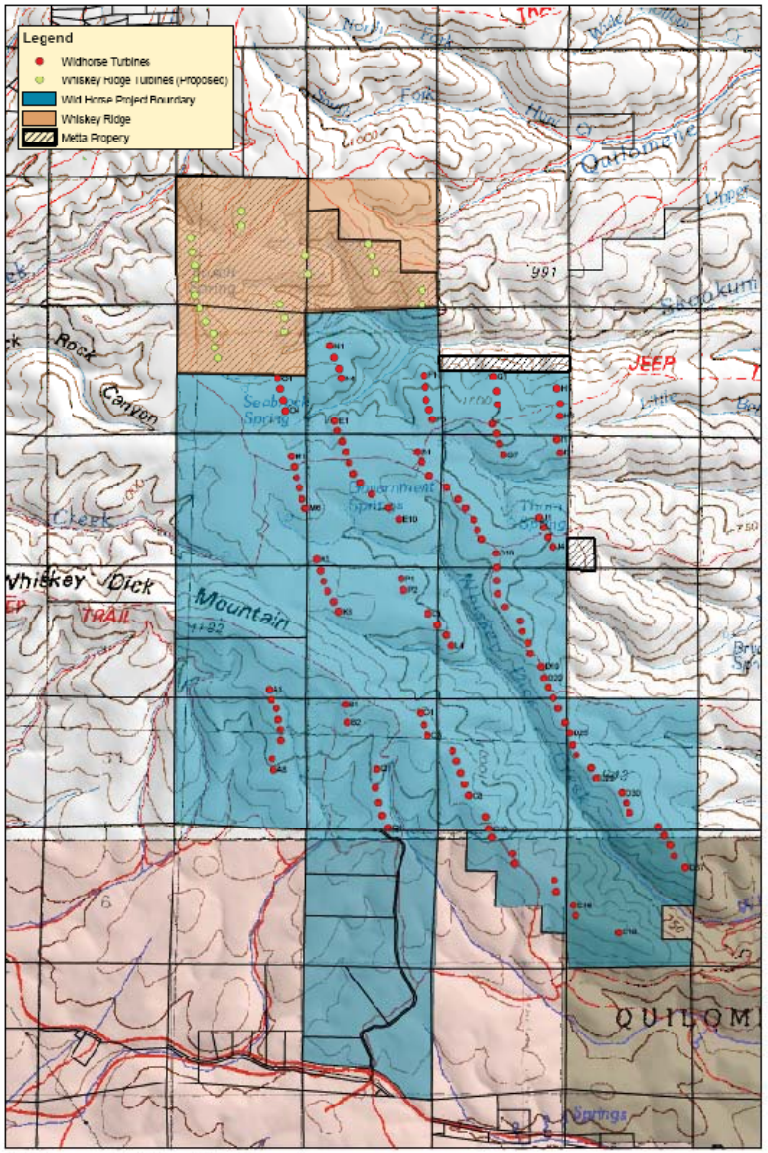
- Purchased development assets & rights from Horizon in February 2008

Project Description:

- 52 MW; ≈ 25% n.c.f.
- 26 - Vestas V80 2.0 MW WTGs
- 1,400 acres; PSE owned in fee
- Interconnection – Wild Horse 230kV Sub

Development Status

- Submit permit application in July 2008
- Turbine negotiations commencing
- Preliminary site layout and micrositing of WTGs
- Wind energy assessment refinement
- Update to Interconnection Request
- Target COD December 2009

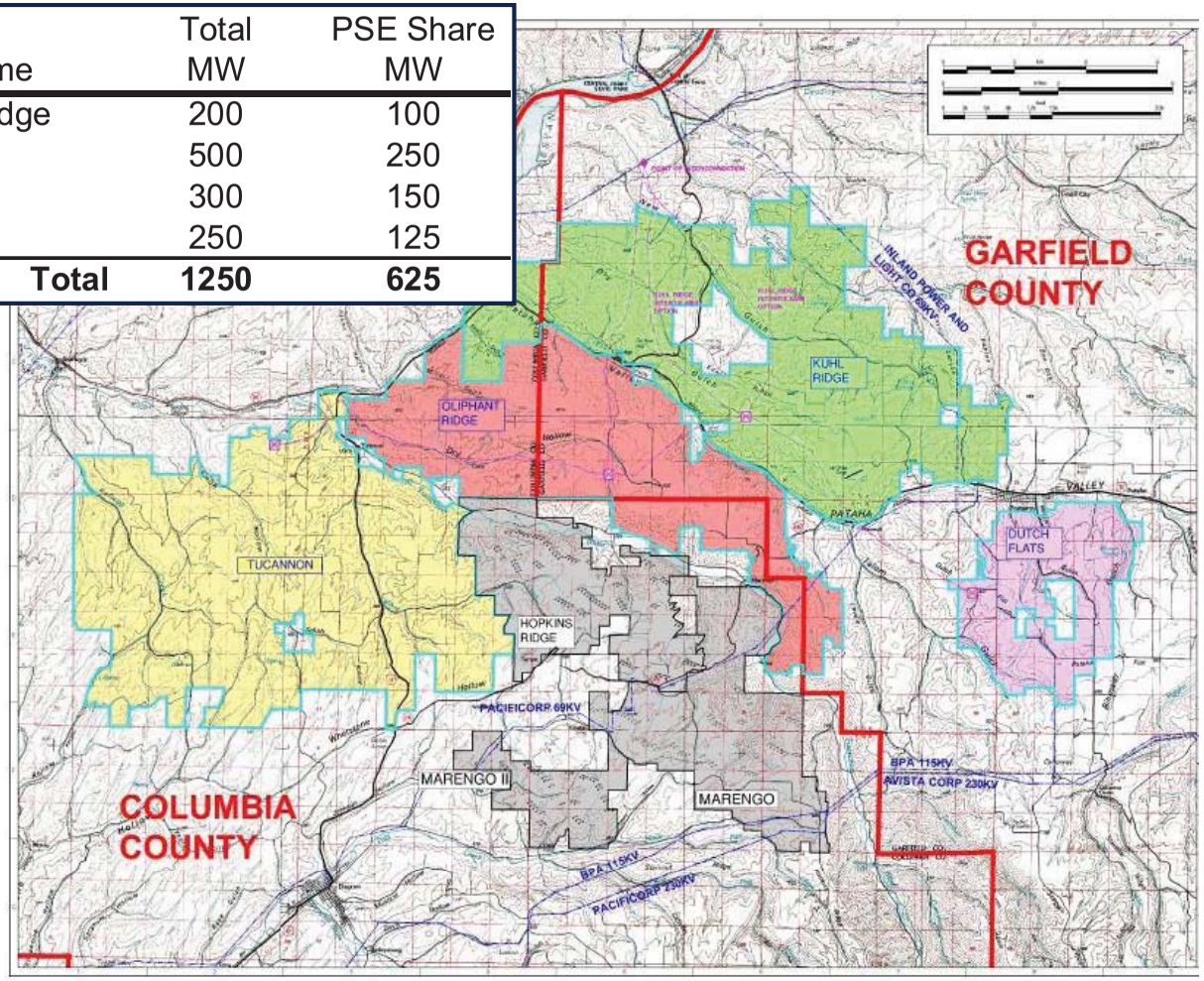


RES / PSE Joint Development Agreement

Acquisition Status

- Expected to sign July 2008
- Transaction close 4Q 2008

Project Name	Total MW	PSE Share MW
Oliphant Ridge	200	100
Tucannon	500	250
Kuhl Ridge	300	150
Dutch Flats	250	125
Total	**1250**	**625**



Joint Development Agreement

- PSE buys 50% undivided interest in development rights
- RES Construction to construct projects on open-book basis
- PSE right of first offer for PPA from RES 50% interest
- Establishes Management Committee to oversee development process
- PSE to be Operator for operating projects

REDACTED VERSION

REDACTED as HIGHLY CONFIDENTIAL per WAC 480-07-160

PUGET SOUND ENERGY
The Energy To Do Great Things

Attachment 3

Qualitative Analysis

2008 All Generation Sources RFP

Qualitative Analysis

PUGET SOUND ENERGY

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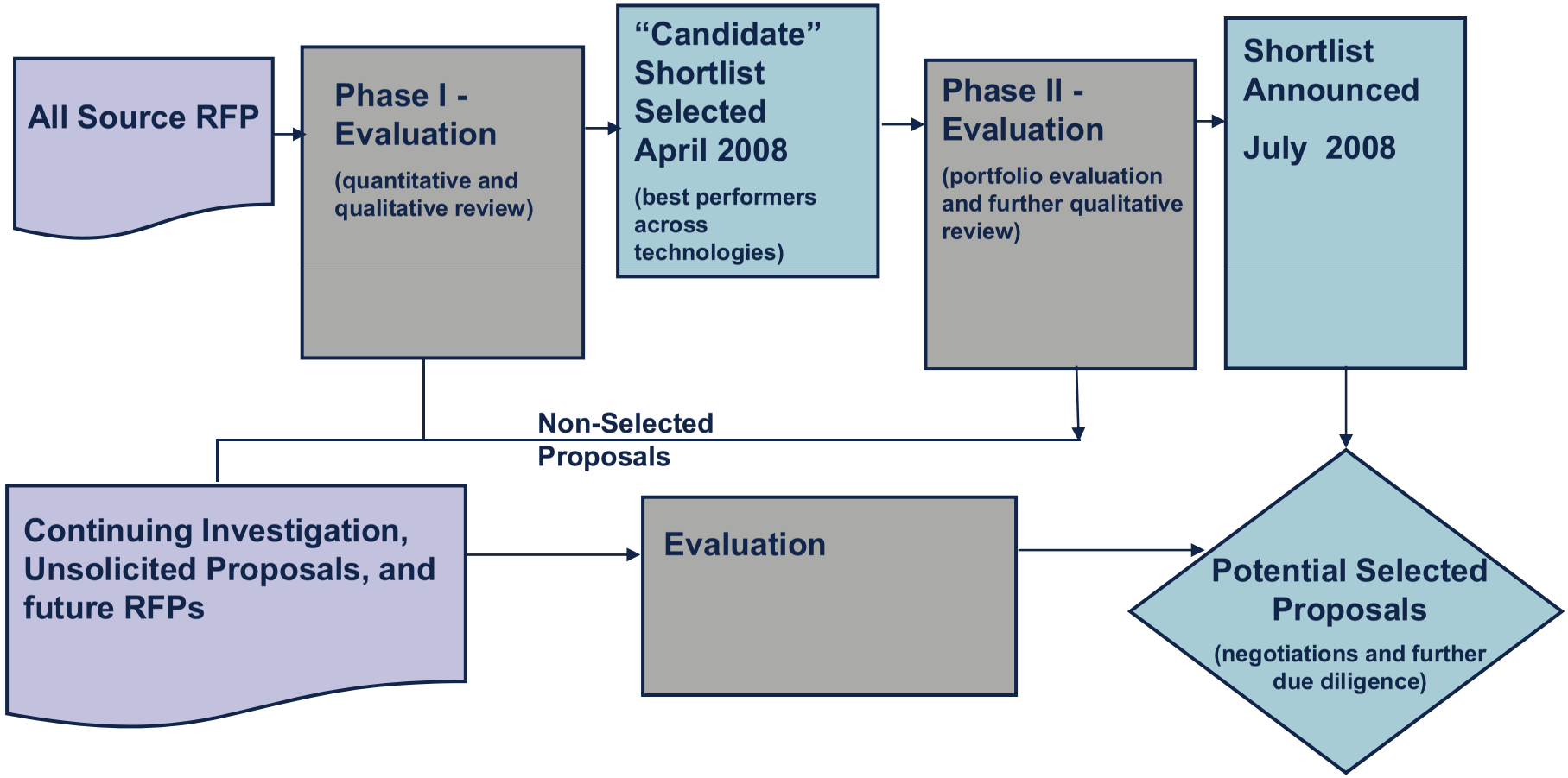
Table of Contents

Evaluation Process

2008 RFP Evaluation



Evaluation Team Working Groups

Evaluation Criteria

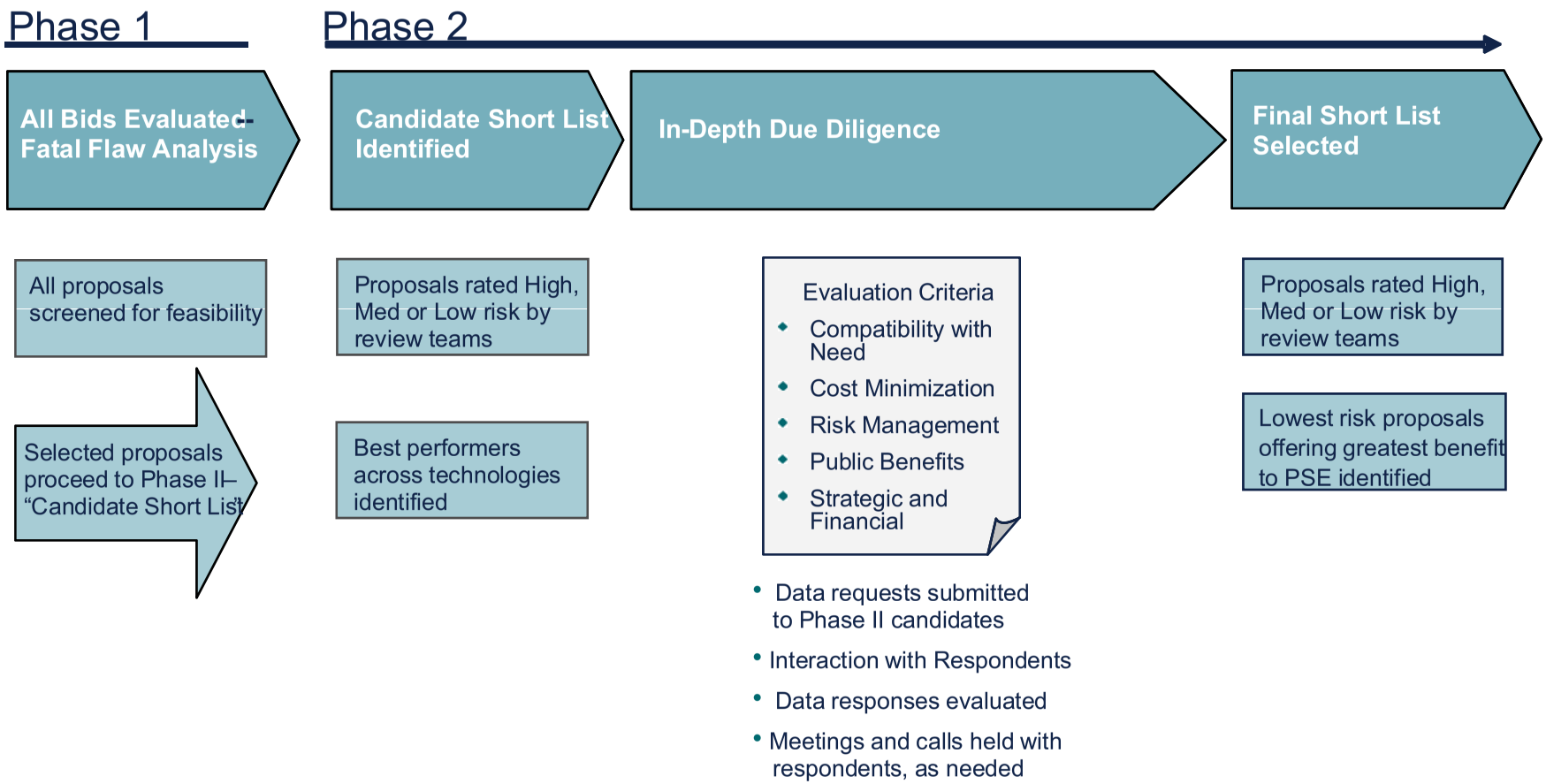
- Compatibility with Need
- Cost Minimization
- Risk Management
- Public Benefits
- Strategic and Financial

Evaluation teams review the proposals for five primary criteria

Evaluation Criteria

Compatibility with Need	Cost Minimization	Risk Management	Public Benefits	Strategic & Financial
• Meet short and long term energy and capacity requirements	• Provide lowest cost alternative to meet energy and capacity needs	• Balance potential future exposure to power purchase risk	• Lower portfolio emission levels • Contribute to regional energy adequacy • Support renewable energy development objectives • Promote energy efficiency (conservation and demand response)	• Reasonable exposure to future environmental regulations • Reasonable exposure to future state wholesale market restructuring trends • Contributes to regional energy needs • Limits balance sheet impacts
• Balance capacity and energy needs without risk of excess capacity • Provide shaped resource to balance seasonality of load	• Includes costs of - transmission - upgrades - firming	• Balance potential future exposure to power sales risk • Reasonable exposure to counterparty risk • Managerial control of key elements value chain		

Qualitative Evaluation Process

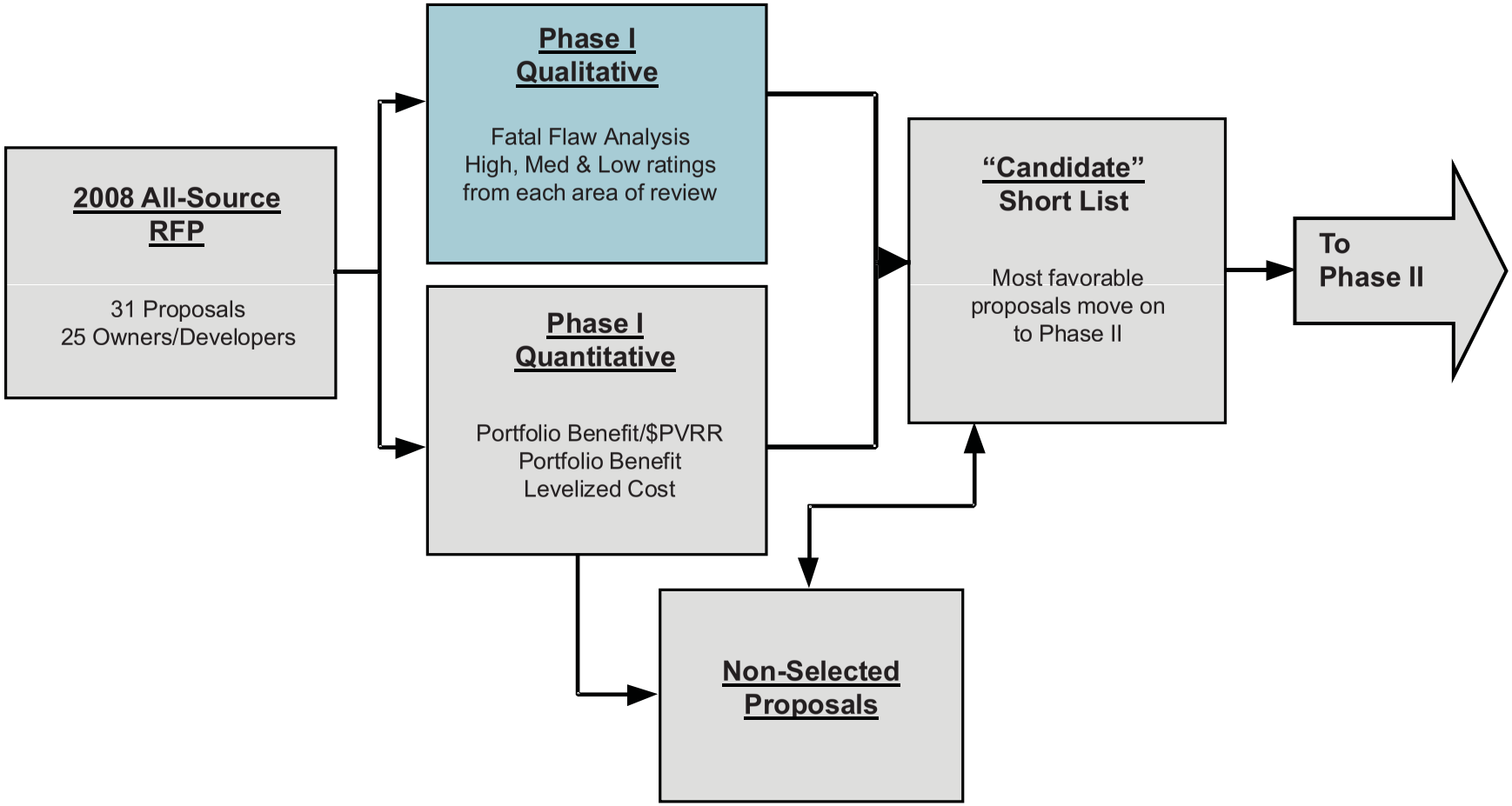


Phase I

Qualitative Analysis

Phase I Qualitative Evaluation

Phase I Qualitative Evaluation



Phase I Qualitative Rankings – Projects & Project PPAs

REDACTED VERSION

REDACTED as
HIGHLY CONFIDENTIAL per
WAC 480-07-160

Phase I Qualitative Rankings – System PPAs

REDACTED VERSION

REDACTED as
HIGHLY CONFIDENTIAL per
WAC 480-07-160

Phase I Qualitative Rankings – System PPAs

REDACTED VERSION

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HIGHLY CONFIDENTIAL per
WAC 480-07-160

Phase I Qualitative Rankings – System PPAs

REDACTED VERSION

REDACTED as
HIGHLY CONFIDENTIAL per
WAC 480-07-160

Phase I Candidate Short List

REDACTED as
HIGHLY CONFIDENTIAL per
WAC 480-07-160

REDACTED VERSION

REDACTED VERSION

2008 RFP
Phase I Project Project PPA Rankings

Project Code	Project Name	Capacity MW	Phase 1 Quantitative Analysis - 04-29-08 Quality of Data	Quantitative Rating	Levelized $/MWh	Portfolio Benefit	Unit Metric	Business & Commercial	Transmission	Tech / Plant Ops
WIND										
800	XXXX	XXXX								
801	XXXX	XXXX	HIGH	HIGH	XXXX	52,308	0.105	HIGH	HIGH	LOW
802	XXXX	XXXX	MED	LOW	XXXX	(488,753)	(0.615)	LOW	LOW	LOW
803	XXXX	XXXX	HIGH	HIGH (20yr Prepay)	XXXX	30,474	0.300	HIGH	HIGH	LOW
804	XXXX	XXXX	HIGH	MED	XXXX	(5,982)	(0.028)	HIGH	HIGH	LOW
805	XXXX	XXXX	HIGH	MED	XXXX	(11,076)	(0.052)	HIGH	MED	LOW
806	XXXX	XXXX	HIGH	MED	XXXX	(14,127)	(0.064)	HIGH	HIGH	LOW
807	XXXX	XXXX	MED	LOW	XXXX	(26,123)	(0.105)	LOW	MED	MED
809	XXXX	XXXX	LOW	LOW (20yr PPA) / HIGH (OWN)	XXXX	(57,480) (PPA)/ 51,586 (own)	(0.141) (PPA)/ 0.172 (own)	MED	LOW	LOW
NATURAL GAS										
825	XXXX	XXXX	HIGH	HIGH	XXXX	119,707	0.361	HIGH	HIGH	HIGH
826	XXXX	XXXX	MED	HIGH	XXXX	5,963	0.014	MED	MED	MED
827	XXXX	XXXX	HIGH	LOW	XXXX	(186,393)	(0.185)	LOW	LOW	MED
828	XXXX	XXXX	HIGH	LOW (toll @ bus)	XXXX	(52,626)	(0.131)	LOW	MED	MED
829	XXXX	XXXX	MED	HIGH	XXXX	25,577	0.102	HIGH	HIGH	HIGH
830	XXXX	XXXX	HIGH	LOW	XXXX	(49,349)	(0.161)	LOW	HIGH	MED
831	XXXX	XXXX	MED	LOW (TOLL) / HIGH (OWN 2012)	XXXX	(503577) (toll) / 67,215 (own)	(0.364) (toll) / 0.045 (own)	LOW (TOLL) / MED (OWN)	LOW	HIGH
832	XXXX	XXXX	LOW	MED	XXXX	(25,114)	(0.087)	LOW	MED	MED
833	XXXX	XXXX	MED	LOW	XXXX	(70,945)	(0.974)	LOW	LOW	LOW
834	Mint Farm Energy Center	310	HIGH	HIGH	XXXX	52,427	0.057	HIGH	HIGH	HIGH
COAL										
850	XXXX	XXXX	HIGH	LOW	XXXX	(165,438)	(0.315)	LOW	LOW	HIGH
HYDRO										
851	XXXX	XXXX	LOW	MED (7yr PPA)	XXXX	(7,964)	(0.048)	LOW	MED	HIGH
852	XXXX	XXXX	MED	LOW	XXXX	(29,373)	(0.603)	LOW	LOW	LOW
853	XXXX	XXXX	n/a					This is a general update to a pro		

HIGH	More Favorable / Less Risks
MED	Favorable
LOW	Less Favorable / More Risks

REDACTED VERSION

2008 RFP
Phase I Project Project PPA Rankings

Project Code	Project Name	Fuel Supply	Enviro	Real Estate	Insurance	Power Supply Ops	Community	Credit	Accounting	Selected?
WIND										
800	XXXX	Proposal withdrawn.								n/a
801	XXXX	Phase 2 - GEC Review	HIGH	MED	Neutral	MED	Phase 2	HIGH	Phase 2	selected
802	XXXX	Phase 2 - GEC Review	MED-LOW	MED-LOW	Neutral	LOW	Phase 2	LOW	Phase 2	not selected
803	XXXX	Phase 2 - GEC Review	MED	MED	Neutral	MED	Phase 2	HIGH	Phase 2	selected
804	XXXX	Phase 2 - GEC Review	MED	LOW	Neutral	MED	Phase 2	HIGH	Phase 2	selected
805	XXXX	Phase 2 - GEC Review	MED	LOW	Neutral	MED	Phase 2	HIGH	Phase 2	not selected
806	XXXX	Phase 2 - GEC Review	MED	LOW	Neutral	MED	Phase 2	HIGH	Phase 2	not selected
807	XXXX	Phase 2 - GEC Review	HIGH	MED-HIGH	Neutral	MED	Phase 2	HIGH	Phase 2	not selected
809	XXXX	Phase 2 - GEC Review	HIGH	MED-HIGH	Neutral/High	LOW	Phase 2	MED	Phase 2	own selected
NATURAL GAS										
825	XXXX	HIGH	HIGH	MED-HIGH	Neutral	MED	Phase 2	HIGH	Phase 2	selected
826	XXXX	MED	MED-LOW	MED-LOW	Neutral	MED	Phase 2	HIGH	Phase 2	selected
827	XXXX	HIGH	MED-HIGH	MED-LOW	Neutral	LOW	Phase 2	HIGH	Phase 2	not selected
828	XXXX	MED	MED	n/a	Neutral	MED	Phase 2	MED	Phase 2	not selected
829	XXXX	HIGH	LOW	n/a (PSE site)	HIGH	HIGH	Phase 2	MED	Phase 2	selected
830	XXXX	HIGH	HIGH	n/a	Neutral	MED	Phase 2	MED	Phase 2	not selected
831	XXXX	HIGH	HIGH	MED-HIGH	MED	MED	Phase 2	HIGH	Phase 2	2012 own selected
832	XXXX	LOW	MED	MED	LOW	MED	Phase 2	HIGH	Phase 2	not selected
833	XXXX	HIGH	MED	MED-HIGH	MED	MED	Phase 2	MED	Phase 2	not selected
834	Mint Farm Energy Center	MED	HIGH	MED-HIGH	MED	HIGH	Phase 2	MED	Phase 2	selected
COAL										
850	XXXX	HIGH	HIGH	LOW-MED	HIGH	LOW	Phase 2	HIGH	Phase 2	not selected
HYDRO										
851	XXXX	LOW	LOW	LOW	Neutral	MED	Phase 2	HIGH	Phase 2	not selected
852	XXXX	LOW	MED	LOW	Neutral	MED	Phase 2	MED	Phase 2	not selected
853	XXXX	posal received during the 2005 RFP. No current offer; not enough data to evaluate as part of the 2008 RF								n/a

HIGH	More Favorable / Less Risks
MED	Favorable
LOW	Less Favorable / More Risks

2008 RFP
Phase I System PPA Rankings

System PPAs (not project specific)																
			Quantitative (Long Term) 04-29-08					Quantitative (Short Term) 04-29-08				Qualitative				
Project Code	Project Name	MW	Overall rank (long & short)	Quant Rating (Long Term)	Levelized $/MWh	Portfolio Benefit	Unit Metric	Quant Rating (Short Term)	Change to Expected Power Costs/$ spent	Change to Imbalance Risk/$ spent	Strategy "fit" in portfolio	Business & Commercial	Power Supply Ops	Credit	Accounting	Selected?
875a	XXXX	XXXX	LOW	LOW	XXXX	($4,777)	(0.215)	MED	XXXX	XXXX	MED	HIGH	MED-HIGH	HIGH	Phase 2	not selected
875b	XXXX	XXXX	LOW	LOW	XXXX	($5,237)	(0.164)	MED	XXXX	XXXX	MED	HIGH	MED-HIGH	HIGH	Phase 2	not selected
875c	XXXX	XXXX	LOW	LOW	XXXX	($2,728)	(0.201)	MED	XXXX	XXXX	MED	HIGH	MED-HIGH	HIGH	Phase 2	not selected
875d	XXXX	XXXX	LOW	LOW	XXXX	($2,687)	(0.134)	MED	XXXX	XXXX	MED	HIGH	MED-HIGH	HIGH	Phase 2	not selected
875e	XXXX	XXXX	HIGH	HIGH	XXXX	$20,154	0.127	MED	XXXX	XXXX	HIGH	HIGH	MED-HIGH	HIGH	Phase 2	selected
875f	XXXX	XXXX	MED	MED	XXXX	($2,476)	(0.009)	LOW	XXXX	XXXX	LOW	HIGH	MED-HIGH	HIGH	Phase 2	not selected
875g	Fixed Price PPA, 4 yr, winter, ATC	[1]	HIGH	HIGH	XXXX	$22,413	0.161	Evaluated by long-term quantitative team.				HIGH	MED-HIGH	HIGH	Phase 2	selected
875h	XXXX	XXXX	HIGH	HIGH	XXXX	$5,796	0.027	Evaluated by long-term quantitative team.				HIGH	MED-HIGH	HIGH	Phase 2	selected
876a	XXXX	XXXX	n/a	n/e	XXXX	n/e	n/e	MED	XXXX	XXXX	HIGH	LOW	MED-HIGH	HIGH	Phase 2	not selected
876b	XXXX	XXXX	n/a	n/e	XXXX	n/e	n/e	MED	XXXX	XXXX	HIGH	LOW	MED-HIGH	HIGH	Phase 2	not selected
876c	XXXX	XXXX	LOW	LOW	XXXX	($13,200)	(0.216)	MED	XXXX	XXXX	MED	LOW	MED-HIGH	HIGH	Phase 2	not selected
876d	XXXX	XXXX	LOW	LOW	XXXX	($23,882)	(0.215)	MED	XXXX	XXXX	MED	LOW	MED-HIGH	HIGH	Phase 2	not selected
876e	XXXX	XXXX	n/a	n/e	XXXX	n/e	n/e	Evaluated by long-term quantitative team.				LOW	MED-HIGH	HIGH	Phase 2	not selected
877a	XXXX	XXXX	LOW	LOW	XXXX	($17,711)	(0.141)	MED	XXXX	XXXX	LOW	LOW	LOW	MED	Phase 2	not selected
877b	XXXX	XXXX	LOW	LOW	XXXX	($9,397)	(0.118)	LOW	XXXX	XXXX	LOW	LOW	LOW	MED	Phase 2	not selected
878a	XXXX	XXXX	LOW	LOW	XXXX	($5,832)	(0.322)	Evaluated by long-term quantitative team.				LOW	LOW-MED	HIGH	Phase 2	not selected
878b	XXXX	XXXX	LOW	LOW	XXXX	($5,651)	(0.482)	Evaluated by long-term quantitative team.				LOW	LOW-MED	HIGH	Phase 2	not selected
878c	XXXX	XXXX	LOW	LOW	XXXX	($6,074)	(0.172)	Evaluated by long-term quantitative team.				LOW	LOW-MED	HIGH	Phase 2	not selected
878d	XXXX	XXXX	LOW	LOW	XXXX	($5,938)	(0.266)	Evaluated by long-term quantitative team.				LOW	LOW-MED	HIGH	Phase 2	not selected
878e	XXXX	XXXX	LOW	LOW	XXXX	($7,133)	(0.218)	MED	XXXX	XXXX	MED	LOW	LOW-MED	HIGH	Phase 2	not selected
878f	XXXX	XXXX	LOW	LOW	XXXX	($8,624)	(0.137)	MED	XXXX	XXXX	MED	LOW	LOW-MED	HIGH	Phase 2	not selected
879a	XXXX	XXXX	LOW	LOW	XXXX	($14,128)	(0.126)	MED	XXXX	XXXX	HIGH	LOW	MED	LOW	Phase 2	not selected
879b	XXXX	XXXX	LOW	LOW	XXXX	($19,600)	(0.113)	HIGH	XXXX	XXXX	HIGH	LOW	MED	LOW	Phase 2	not selected
880a	XXXX	XXXX	MED	MED	XXXX	($13,973)	(0.088)	HIGH	XXXX	XXXX	HIGH	LOW	MED	LOW	Phase 2	not selected
880b	XXXX	XXXX	MED	MED	XXXX	($6,593)	(0.068)	MED	XXXX	XXXX	HIGH	LOW	MED	LOW	Phase 2	not selected
881a	XXXX	XXXX	MED	MED	XXXX	($15,355)	(0.068)	HIGH	XXXX	XXXX	HIGH	HIGH	LOW	HIGH	Phase 2	not selected
881b	XXXX	XXXX	MED	MED	XXXX	($12,453)	(0.086)	MED	XXXX	XXXX	HIGH	HIGH	LOW	HIGH	Phase 2	not selected
881c	XXXX	XXXX	MED	MED	XXXX	($5,999)	(0.025)	HIGH	XXXX	XXXX	HIGH	HIGH	LOW	HIGH	Phase 2	not selected
881d	XXXX	XXXX	MED	MED	XXXX	($5,795)	(0.039)	MED	XXXX	XXXX	HIGH	HIGH	LOW	HIGH	Phase 2	not selected

REDACTED VERSION

2008 RFP
Phase I System PPA Rankings

System PPAs (not project specific)																
			Quantitative (Long Term) 04-29-08					Quantitative (Short Term) 04-29-08				Qualitative				
Project Code	Project Name	MW	Overall rank (long & short)	Quant Rating (Long Term)	Levelized $/MWh	Portfolio Benefit	Unit Metric	Quant Rating (Short Term)	Change to Expected Power Costs/$ spent	Change to Imbalance Risk/$ spent	Strategy "fit" in portfolio	Business & Commercial	Power Supply Ops	Credit	Accounting	Selected?
881e	XXXX	XXXX	HIGH	MED	XXXX	($1,790)	(0.007)	MED	XXXX	XXXX	HIGH	HIGH	LOW	HIGH	Phase 2	selected
881f	XXXX	XXXX	MED	MED	XXXX	($2,791)	(0.018)	MED	XXXX	XXXX	HIGH	HIGH	LOW	HIGH	Phase 2	not selected
881g	XXXX	XXXX	LOW	HIGH	XXXX	$14,260	0.072	LOW	XXXX	XXXX	HIGH	HIGH	LOW	HIGH	Phase 2	not selected
881h	XXXX	XXXX	LOW	HIGH	XXXX	$4,990	0.039	LOW	XXXX	XXXX	HIGH	HIGH	LOW	HIGH	Phase 2	not selected
881i	XXXX	XXXX	LOW	HIGH	XXXX	$24,872	0.122	LOW	XXXX	XXXX	HIGH	HIGH	LOW	HIGH	Phase 2	not selected
881j	XXXX	XXXX	LOW	HIGH	XXXX	$11,628	0.087	LOW	XXXX	XXXX	HIGH	HIGH	LOW	HIGH	Phase 2	not selected
881k	XXXX	XXXX	LOW	HIGH	XXXX	$29,295	0.138	LOW	XXXX	XXXX	HIGH	HIGH	LOW	HIGH	Phase 2	not selected
881l	XXXX	XXXX	LOW	HIGH	XXXX	$14,419	0.105	LOW	XXXX	XXXX	HIGH	HIGH	LOW	HIGH	Phase 2	not selected
881m	XXXX	XXXX	LOW	HIGH	XXXX	$4,995	0.024	HIGH	XXXX	XXXX	HIGH	HIGH	LOW	HIGH	Phase 2	not selected
881n	XXXX	XXXX	LOW	MED	XXXX	($574)	(0.004)	HIGH	XXXX	XXXX	HIGH	HIGH	LOW	HIGH	Phase 2	not selected
881o	XXXX	XXXX	LOW	HIGH	XXXX	$14,644	0.068	HIGH	XXXX	XXXX	HIGH	HIGH	LOW	HIGH	Phase 2	not selected
881p	XXXX	XXXX	LOW	HIGH	XXXX	$5,288	0.038	MED	XXXX	XXXX	HIGH	HIGH	LOW	HIGH	Phase 2	not selected
881q	XXXX	XXXX	LOW	HIGH	XXXX	$17,960	0.081	HIGH	XXXX	XXXX	HIGH	HIGH	LOW	HIGH	Phase 2	not selected
881r	XXXX	XXXX	LOW	HIGH	XXXX	$7,705	0.054	MED	XXXX	XXXX	HIGH	HIGH	LOW	HIGH	Phase 2	not selected
882a	XXXX	XXXX	MED	MED	XXXX	($2,733)	(0.086)	Evaluated by long-term quantitative team.				LOW	LOW	HIGH	Phase 2	not selected
882b	XXXX	XXXX	LOW	LOW	XXXX	($25,276)	(0.281)	LOW	XXXX	XXXX	MED	LOW	LOW	HIGH	Phase 2	not selected
882c	XXXX	XXXX	LOW	LOW	XXXX	($41,267)	(0.433)	MED	XXXX	XXXX	MED	LOW	LOW	HIGH	Phase 2	not selected
882d	XXXX	XXXX	LOW	LOW	XXXX	($46,061)	(0.415)	LOW	XXXX	XXXX	HIGH	LOW	LOW	HIGH	Phase 2	not selected

REDACTED VERSION

2008 RFP
Phase I System PPA Rankings

System PPAs (not project specific)																
			Quantitative (Long Term) 04-29-08					Quantitative (Short Term) 04-29-08				Qualitative				
Project Code	Project Name	MW	Overall rank (long & short)	Quant Rating (Long Term)	Levelized $/MWh	Portfolio Benefit	Unit Metric	Quant Rating (Short Term)	Change to Expected Power Costs/$ spent	Change to Imbalance Risk/$ spent	Strategy "fit" in portfolio	Business & Commercial	Power Supply Ops	Credit	Accounting	Selected?
882e	XXXX	XXXX	MED	MED	XXXX	($16,706)	(0.091)	MED	XXXX	XXXX	MED	LOW	LOW	HIGH	Phase 2	not selected
882f	XXXX	XXXX	MED	MED	XXXX	($2,416)	(0.066)	MED	XXXX	XXXX	HIGH	LOW	LOW	HIGH	Phase 2	not selected
882g	XXXX	XXXX	LOW	LOW	XXXX	($23,245)	(0.319)	LOW	XXXX	XXXX	LOW	LOW	LOW	HIGH	Phase 2	not selected
883a	XXXX	XXXX	LOW	LOW	XXXX	($16,892)	(0.147)	MED	XXXX	XXXX	HIGH	MED	MED	HIGH	Phase 2	not selected
883b	XXXX	XXXX	LOW	LOW	XXXX	($30,816)	(0.169)	MED	XXXX	XXXX	HIGH	MED	MED	HIGH	Phase 2	not selected
883c	XXXX	XXXX	LOW	LOW	XXXX	($9,538)	(0.147)	Evaluated by long-term quantitative team.				MED	MED	HIGH	Phase 2	not selected
883d	XXXX	XXXX	LOW	LOW	XXXX	($17,844)	(0.172)	Evaluated by long-term quantitative team.				MED	MED	HIGH	Phase 2	not selected
883e	XXXX	XXXX	LOW	LOW	XXXX	($12,867)	(0.311)	LOW	XXXX	XXXX	HIGH	MED	MED	HIGH	Phase 2	not selected
883f	XXXX	XXXX	LOW	LOW	XXXX	($14,921)	(0.330)	LOW	XXXX	XXXX	HIGH	MED	MED	HIGH	Phase 2	not selected
883g	XXXX	XXXX	LOW	LOW	XXXX	($12,816)	(0.393)	Evaluated by long-term quantitative team.				MED	MED	HIGH	Phase 2	not selected
883h	XXXX	XXXX	LOW	LOW	XXXX	($12,633)	(0.373)	Evaluated by long-term quantitative team.				MED	MED	HIGH	Phase 2	not selected
883i	XXXX	XXXX	MED	MED	XXXX	($22,163)	(0.095)	MED	XXXX	XXXX	MED	MED	MED	HIGH	Phase 2	not selected
883j	XXXX	XXXX	MED	MED	XXXX	($34,146)	(0.092)	MED	XXXX	XXXX	MED	MED	MED	HIGH	Phase 2	not selected
883k	XXXX	XXXX	LOW	MED	XXXX	($10,275)	(0.089)	LOW	XXXX	XXXX	MED	MED	MED	HIGH	Phase 2	not selected
883l	XXXX	XXXX	LOW	HIGH	XXXX	$4,679	0.036	LOW	XXXX	XXXX	MED	MED	MED	HIGH	Phase 2	not selected

[1] See attached tables defining incremental energy delivery amounts (Energy Increments tab).
[2] See attached tables defining incremental energy delivery amounts (Energy Increments tab). Begin with Q4-09.

HIGH	More Favorable / Less Risks
MED	Favorable
LOW	Less Favorable / More Risks

REDACTED VERSION

Quantitative (Long Term)

Code	Fuel Type	Project Name	Owner/ Developer	Location	MW	COD	Quality of Data	Quant Rating	Quantitative Evaluation Criteria	Levelized $/MWh	Portfolio Benefit	Unit Metric	Rank
Wind PPA													
800	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	n/a	n/a	Proposal withdrawn	n/a	n/a	n/a	n/a
803	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	HIGH	XXXX	XXXX	$30,474	0.300	1
803	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	HIGH	XXXX	XXXX	$16,666	0.185	2
801	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	HIGH	XXXX	XXXX	$52,308	0.105	3
803	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	MED	XXXX	XXXX	($5,737)	(0.027)	4
804	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	MED	XXXX	XXXX	($5,982)	(0.028)	5
805	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	MED	XXXX	XXXX	($11,076)	(0.052)	6
806	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	MED	XXXX	XXXX	($14,127)	(0.064)	7
807	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	MED	LOW	XXXX	XXXX	($26,123)	(0.105)	8
809	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	LOW	XXXX	XXXX	($57,480)	(0.141)	9
803	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	LOW	XXXX	XXXX	($13,604)	(0.198)	10
809	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	LOW	XXXX	XXXX	($97,239)	(0.217)	11
802	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	MED	LOW	XXXX	XXXX	($488,753)	(0.615)	12
Wind Ownership													
809	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	HIGH	XXXX	XXXX	$51,586	0.172	1
Gas Tolling													
825	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	HIGH	XXXX	XXXX	$119,707	0.361	1
826	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED	HIGH	XXXX	XXXX	$5,963	0.014	2
829	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	LOW	XXXX	XXXX	($52,626)	(0.131)	3
830	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	LOW	XXXX	XXXX	($49,349)	(0.161)	4
827	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	LOW	XXXX	XXXX	($186,393)	(0.185)	5
828	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	LOW	XXXX	XXXX	($88,218)	(0.203)	6
833	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED	LOW	XXXX	XXXX	($503,577)	(0.364)	8
828	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	LOW	XXXX	XXXX	($177,449)	(0.339)	7

REDACTED VERSION

Quantitative (Long Term)

Code	Fuel Type	Project Name	Owner/ Developer	Location	MW	COD	Quality of Data	Quant Rating	Quantitative Evaluation Criteria	Levelized $/MWh	Portfolio Benefit	Unit Metric	Rank
Gas Ownership													
829a	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED	HIGH	XXXX	XXXX	$25,577	0.102	1
834	NatG	Mint Farm Energy Center	Wayzata	Longview, WA	310	Jan-2008	HIGH	HIGH	Existing plant, known GE technology, plant hedge risk	XXXX	$52,427	0.057	2
832	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED	HIGH	XXXX	XXXX	$67,215	0.045	3
831	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED	MED	XXXX	XXXX	($63,810)	(0.035)	4
829b	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED	MED	XXXX	XXXX	($53,563)	(0.081)	5
832	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	MED	XXXX	XXXX	($25,114)	(0.087)	6
832	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	LOW	XXXX	XXXX	($25,904)	(0.122)	7
833	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED	LOW	XXXX	XXXX	($70,945)	(0.974)	8
Coal													
850	Coal	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	LOW	XXXX	XXXX	($165,438)	(0.315)	1
Hydro													
851b	Hydr	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	MED	XXXX	XXXX	($7,964)	(0.048)	1
851a	Hydr	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	MED	XXXX	XXXX	($5,958)	(0.048)	2
851c	Hydr	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	MED	XXXX	XXXX	($13,659)	(0.060)	3
852	Hydr	XXXX	XXXX	XXXX	XXXX	XXXX	MED	LOW	XXXX	XXXX	($29,373)	(0.603)	4
853	Hydr	XXXX	XXXX	XXXX	XXXX	XXXX	n/a	n/a	XXXX	XXXX	n/a	n/a	n/a

REDACTED VERSION

Quantitative (Long Term)

System PPAs (not project specific)													
Code	Fuel Type	Product Name / Description	Owner	Term	MW	Hours / Heat Rate	Overall Ranking (long & short)	Long-Term Quant Rating	Quantitative Evaluation Criteria	Levelized Cost ($/MWh)	Portfolio Benefit	Benefit Ratio	Rank
875g	PPA	Fixed Price PPA, 4 yr, winter, ATC	Barclays Bank PLC	11/1/2011 to 3/31/2015	[1]	ATC	HIGH	HIGH	Winter Only, Shaped to need, fixed price reduces risk	XXXX	$22,413	0.161	1
881k	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	HIGH	XXXX	XXXX	$29,295	0.138	2
875e	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	HIGH	XXXX	XXXX	$20,154	0.127	3
881i	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	HIGH	XXXX	XXXX	$24,872	0.122	4
881l	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	HIGH	XXXX	XXXX	$14,419	0.105	5
881j	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	HIGH	XXXX	XXXX	$11,628	0.087	6
881q	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	HIGH	XXXX	XXXX	$17,960	0.081	7
881g	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	HIGH	XXXX	XXXX	$14,260	0.072	8
881o	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	HIGH	XXXX	XXXX	$14,644	0.068	9
881r	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	HIGH	XXXX	XXXX	$7,705	0.054	10
881h	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	HIGH	XXXX	XXXX	$4,990	0.039	11
881p	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	HIGH	XXXX	XXXX	$5,288	0.038	12
883l	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	HIGH	XXXX	XXXX	$4,679	0.036	13
875h	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	HIGH	XXXX	XXXX	$5,796	0.027	14
881m	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	HIGH	XXXX	XXXX	$4,995	0.024	15
881n	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	MED	XXXX	XXXX	($574)	(0.004)	16
881e	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	MED	XXXX	XXXX	($1,790)	(0.007)	17
875f	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	MED	MED	XXXX	XXXX	($2,476)	(0.009)	18
881f	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	MED	MED	XXXX	XXXX	($2,791)	(0.018)	19
881c	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	MED	MED	XXXX	XXXX	($5,999)	(0.025)	20
881d	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	MED	MED	XXXX	XXXX	($5,795)	(0.039)	21
882f	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	MED	MED	XXXX	XXXX	($2,416)	(0.066)	22
880b	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	MED	MED	XXXX	XXXX	($6,593)	(0.068)	23

REDACTED VERSION

Quantitative (Long Term)

System PPAs (not project specific)													
Code	Fuel Type	Product Name / Description	Owner	Term	MW	Hours / Heat Rate	Overall Ranking (long & short)	Long-Term Quant Rating	Quantitative Evaluation Criteria	Levelized Cost ($/MWh)	Portfolio Benefit	Benefit Ratio	Rank
881a	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	MED	MED	XXXX	XXXX	($15,355)	(0.068)	23
881b	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	MED	MED	XXXX	XXXX	($12,453)	(0.086)	25
882a	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	MED	MED	XXXX	XXXX	($2,733)	(0.086)	26
880a	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	MED	MED	XXXX	XXXX	($13,973)	(0.088)	27
883k	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	MED	XXXX	XXXX	($10,275)	(0.089)	28
882e	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	MED	MED	XXXX	XXXX	($16,706)	(0.091)	29
883j	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	MED	MED	XXXX	XXXX	($34,146)	(0.092)	30
883i	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	MED	MED	XXXX	XXXX	($22,163)	(0.095)	31
879b	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	LOW	XXXX	XXXX	($19,600)	(0.113)	32
877b	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	LOW	XXXX	XXXX	($9,397)	(0.118)	33
879a	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	LOW	XXXX	XXXX	($14,128)	(0.126)	34
875d	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	LOW	XXXX	XXXX	($2,687)	(0.134)	35
878f	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	LOW	XXXX	XXXX	($8,624)	(0.137)	36
877a	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	LOW	XXXX	XXXX	($17,711)	(0.141)	37
883c	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	LOW	XXXX	XXXX	($9,538)	(0.147)	38
883a	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	LOW	XXXX	XXXX	($16,892)	(0.147)	39
875b	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	LOW	XXXX	XXXX	($5,237)	(0.164)	40
883b	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	LOW	XXXX	XXXX	($30,816)	(0.169)	41
883d	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	LOW	XXXX	XXXX	($17,844)	(0.172)	42
878c	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	LOW	XXXX	XXXX	($6,074)	(0.172)	43
875c	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	LOW	XXXX	XXXX	($2,728)	(0.201)	44
876d	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	LOW	XXXX	XXXX	($23,882)	(0.215)	45
875a	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	LOW	XXXX	XXXX	($4,777)	(0.215)	46
876c	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	LOW	XXXX	XXXX	($13,200)	(0.216)	47
878e	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	LOW	XXXX	XXXX	($7,133)	(0.218)	48
878d	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	LOW	XXXX	XXXX	($5,938)	(0.266)	49
882b	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	LOW	XXXX	XXXX	($25,276)	(0.281)	50

REDACTED VERSION

Quantitative (Long Term)

System PPAs (not project specific)													
Code	Fuel Type	Product Name / Description	Owner	Term	MW	Hours / Heat Rate	Overall Ranking (long & short)	Long-Term Quant Rating	Quantitative Evaluation Criteria	Levelized Cost ($/MWh)	Portfolio Benefit	Benefit Ratio	Rank
883e	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	LOW	XXXX	XXXX	($12,867)	(0.311)	51
882g	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	LOW	XXXX	XXXX	($23,245)	(0.319)	52
878a	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	LOW	XXXX	XXXX	($5,832)	(0.322)	53
883f	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	LOW	XXXX	XXXX	($14,921)	(0.330)	54
883h	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	LOW	XXXX	XXXX	($12,633)	(0.373)	55
883g	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	LOW	XXXX	XXXX	($12,816)	(0.393)	56
882d	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	LOW	XXXX	XXXX	($46,061)	(0.415)	57
882c	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	LOW	XXXX	XXXX	($41,267)	(0.433)	58
878b	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	LOW	XXXX	XXXX	($5,651)	(0.482)	59
876a	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	n/a	n/e	XXXX	XXXX	n/e	n/e	n/e
876b	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	n/a	n/e	XXXX	XXXX	n/e	n/e	n/e
876e	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	n/a	n/e	XXXX	XXXX	n/e	n/e	n/e

[1] See attached tables defining incremental energy delivery amounts (Energy Increments tab).
[2] See attached tables defining incremental energy delivery amounts (Energy Increments tab). Begin with Q4-09.

REDACTED VERSION

Quantitative (Short Term)

System PPAs (not project specific)										
Code	Fuel Type	Product Name / Description	Owner	Term	MW	Hours / Heat Rate	Overall Ranking (short term)	Change to Expected Power Costs/$ spent	Change to Imbalance Risk/$ spent	Strategy "fit" in portfolio
875a	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX	XXXX	MED
875b	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX	XXXX	MED
875c	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX	XXXX	MED
875d	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX	XXXX	MED
875e	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX	XXXX	HIGH
875f	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX	XXXX	LOW
875g	PPA	Fixed Price PPA, 4 yr, winter, ATC	Barclays Bank PLC	11/1/2011 to 3/31/2015	[1]	ATC	Evaluated by long-term quantitative team.			
875h	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	Evaluated by long-term quantitative team.			
876a	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX	XXXX	HIGH
876b	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX	XXXX	HIGH
876c	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX	XXXX	MED
876d	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX	XXXX	MED
876e	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	Evaluated by long-term quantitative team.			
877a	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX	XXXX	LOW
877b	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX	XXXX	LOW

REDACTED VERSION

Quantitative (Short Term)

System PPAs (not project specific)										
Code	Fuel Type	Product Name / Description	Owner	Term	MW	Hours / Heat Rate	Overall Ranking (short term)	Change to Expected Power Costs/$ spent	Change to Imbalance Risk/$ spent	Strategy "fit" in portfolio
878a	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	Evaluated by long-term quantitative team.			
878b	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	Evaluated by long-term quantitative team.			
878c	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	Evaluated by long-term quantitative team.			
878d	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	Evaluated by long-term quantitative team.			
878e	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX	XXXX	MED
878f	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX	XXXX	MED
879a	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX	XXXX	HIGH
879b	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX	XXXX	HIGH
880a	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX	XXXX	HIGH
880b	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX	XXXX	HIGH
881a	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX	XXXX	HIGH
881b	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX	XXXX	HIGH
881c	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX	XXXX	HIGH

REDACTED VERSION

Quantitative (Short Term)

System PPAs (not project specific)										
Code	Fuel Type	Product Name / Description	Owner	Term	MW	Hours / Heat Rate	Overall Ranking (short term)	Change to Expected Power Costs/$ spent	Change to Imbalance Risk/$ spent	Strategy "fit" in portfolio
881d	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX	XXXX	HIGH
881e	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX	XXXX	HIGH
881f	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX	XXXX	HIGH
881g	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX	XXXX	HIGH
881h	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX	XXXX	HIGH
881i	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX	XXXX	HIGH
881j	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX	XXXX	HIGH
881k	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX	XXXX	HIGH
881l	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX	XXXX	HIGH
881m	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX	XXXX	HIGH
881n	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX	XXXX	HIGH
881o	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX	XXXX	HIGH
881p	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX	XXXX	HIGH

REDACTED VERSION

Quantitative (Short Term)

System PPAs (not project specific)										
Code	Fuel Type	Product Name / Description	Owner	Term	MW	Hours / Heat Rate	Overall Ranking (short term)	Change to Expected Power Costs/$ spent	Change to Imbalance Risk/$ spent	Strategy "fit" in portfolio
881q	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX	XXXX	HIGH
881r	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX	XXXX	HIGH
882a	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	Evaluated by long-term quantitative team.			
882b	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX	XXXX	MED
882c	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX	XXXX	MED
882d	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX	XXXX	HIGH
882e	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX	XXXX	MED
882f	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX	XXXX	HIGH
882g	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX	XXXX	LOW
883a	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX	XXXX	HIGH
883b	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX	XXXX	HIGH
883c	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	Evaluated by long-term quantitative team.			
883d	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	Evaluated by long-term quantitative team.			
883e	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX	XXXX	HIGH

REDACTED VERSION

Quantitative (Short Term)

System PPAs (not project specific)										
Code	Fuel Type	Product Name / Description	Owner	Term	MW	Hours / Heat Rate	Overall Ranking (short term)	Change to Expected Power Costs/$ spent	Change to Imbalance Risk/$ spent	Strategy "fit" in portfolio
883f	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX	XXXX	HIGH
883g	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	Evaluated by long-term quantitative team.			
883h	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	Evaluated by long-term quantitative team.			
883i	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX	XXXX	MED
883j	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX	XXXX	MED
883k	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX	XXXX	MED
883l	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX	XXXX	MED

[1] See attached tables defining incremental energy delivery amounts (Energy Increments tab).
[2] See attached tables defining incremental energy delivery amounts (Energy Increments tab). Begin with Q4-09.

OVERALL RANKING KEY	
HIGH	= More Favorable / Less Risks
MED	= Favorable
LOW	= Less Favorable / More Risks

STRATEGY "FIT" IN PORTFOLIO KEY	
HIGH	= Fits Well
MED	= Would Fit if Removed Q4 08 and/or Q1 (
LOW	= Structure Does Not Fit

REDACTED VERSION

Business Commercial

Code	Fuel Type	Project Name	Owner/ Developer	Location	MW	COD	Rating	Business/Commercial Evaluation Criteria
800	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	n/a	Proposal withdrawn
801	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
802	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
803	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
804	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
805	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	
806	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	
807	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
809	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
825	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
826	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
827	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
828	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
829	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
830	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
831	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
831	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
832	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
833	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
834	NatG	Mint Farm Energy Center	Wayzata	Longview, WA	310	Jan-2008	HIGH	Attractive capital costs, operatiang project, modern CCCT technology, low heat rate, potential synergy with PSE's 7FA fleet; transmission secured to PSE's sytem

REDACTED VERSION

Business Commercial

Code	Fuel Type	Project Name	Owner/ Developer	Location	MW	COD	Rating	Business/Commercial Evaluation Criteria
850	Coal	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
851	Hydr	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
852	Hydr	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
853	Hydr	XXXX	XXXX	XXXX	XXXX	XXXX	n/a	XXXX

System PPAs (not project specific)

Code	Fuel Type	Product Name / Description	Owner	Term	MW	Hours / Heat Rate	Rating	Business & Commercial Evaluation Criteria
875	PPA	Fixed Price PPA offers, 2-6 yrs	Barclays Bank PLC	varies	[1]	varies	HIGH	Products evaluated well, solid counterparty
876	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
877	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
878	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
879	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
880	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
881	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
882	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
883	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX

[1] See attached tables defining incremental energy delivery amounts (Energy Increments tab).
[2] See attached tables defining incremental energy delivery amounts (Energy Increments tab). Begin with Q4-09.

REDACTED VERSION

Transmission

Code	Fuel Type	Project Name	Owner/ Developer	Location	MW	COD	Rating	Transmission Evaluation Criteria
800	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	n/a	Proposal withdrawn
801	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
802	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
803	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
804	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
805	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
806	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
807	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
809	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
825	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
826	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
827	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
828	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
829	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
830	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
831	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
832	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
833	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
834	NatG	Mint Farm Energy Center	Wayzata	Longview, WA	310	Jan-2008	HIGH	Has 293 MW transmission available with delivery to our system starting July 1, 2008

REDACTED VERSION

Transmission

Code	Fuel Type	Project Name	Owner/ Developer	Location	MW	COD	Rating	Transmission Evaluation Criteria
850	Coal	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
851	Hydr	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
852	Hydr	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
853	Hydr	XXXX	XXXX	XXXX	XXXX	XXXX	n/a	XXXX

KEY	
HIGH	= More Favorable / Less Risks
MED	= Favorable
LOW	= Less Favorable / More Risks

REDACTED VERSION

Technical

Code	Fuel Type	Project Name	Owner/ Developer	Location	MW	COD	Rating	Technical & Plant Ops Evaluation Criteria
800	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
801	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
802	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
803	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
804	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
805	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
806	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
807	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
809	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
825	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
826	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
827	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
828	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
829	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
830	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
831	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
832	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
833	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
834	NatG	Mint Farm Energy Center	Wayzata	Longview, WA	310	Jan-2008	HIGH	Similar to Goldendale with 7FA. Good heat rate, good operations crew.

REDACTED VERSION

Technical

Code	Fuel Type	Project Name	Owner/ Developer	Location	MW	COD	Rating	Technical & Plant Ops Evaluation Criteria
850	Coal	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
851	Hydr	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
852	Hydr	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
853	Hydr	XXXX	XXXX	XXXX	XXXX	XXXX	n/a	XXXX

KEY	
HIGH	= More Favorable / Less Risks
MED	= Favorable
LOW	= Less Favorable / More Risks

REDACTED VERSION

Fuel Supply

Code	Fuel Type	Project Name	Owner/ Developer	Location	MW	COD	Rating	Fuel Supply Evaluation Criteria
800	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	TBD	ETA for GEC assessment is 05-02-08
801	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	TBD	ETA for GEC assessment is 05-02-08
802	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	TBD	ETA for GEC assessment is 05-02-08
803	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	TBD	ETA for GEC assessment is 05-02-08
804	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	TBD	ETA for GEC assessment is 05-02-08
805	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	TBD	ETA for GEC assessment is 05-02-08
806	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	TBD	ETA for GEC assessment is 05-02-08
807	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	TBD	ETA for GEC assessment is 05-02-08
809	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	TBD	ETA for GEC assessment is 05-02-08
825	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
826	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
827	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
828	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
829	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
830	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
831	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
832	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
833	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
834	NatG	Mint Farm Energy Center	Wayzata	Longview, WA	310	Jan-2008	MED	Requires transportation on Cascade (not currently available) or a proprietary pipeline (both moderately expensive options); requires NWP Blue Bridge pipeline expansion for access to AECO or Rockies; requires Sunstone for access to Rockies. (Limitations are purely economic.)

REDACTED VERSION

Fuel Supply

Code	Fuel Type	Project Name	Owner/ Developer	Location	MW	COD	Rating	Fuel Supply Evaluation Criteria
850	Coal	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
851	Hydr	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
852	Hydr	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
853	Hydr	XXXX	XXXX	XXXX	XXXX	XXXX	n/a	XXXX

KEY	
HIGH	= More Favorable / Less Risks
MED	= Favorable
LOW	= Less Favorable / More Risks

REDACTED VERSION

Environmental

Code	Fuel Type	Project Name	Owner/ Developer	Location	MW	COD	Rating	Evaluation Criteria
800	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	MED-HIGH	XXXX
801	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
802	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	MED-LOW	XXXX
803	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
804	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
805	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
806	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
807	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
809	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
825	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
826	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED-LOW	XXXX
827	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED-HIGH	XXXX
828	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
829	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
830	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
831	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
832	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
833	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
834	NatG	Mint Farm Energy Center	Wayzata	Longview, WA	310	Jan-2008	HIGH	Permitted plant with no apparent compliance issues.

REDACTED VERSION

Environmental

Code	Fuel Type	Project Name	Owner/ Developer	Location	MW	COD	Rating	Evaluation Criteria
850	Coal	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
851	Hydr	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
852	Hydr	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
853	Hydr	XXXX	XXXX	XXXX	XXXX	XXXX	n/a	XXXX

KEY	
HIGH	= More Favorable / Less Risks
MED	= Favorable
LOW	= Less Favorable / More Risks

REDACTED VERSION

Real Estate

Code	Fuel Type	Project Name	Owner/ Developer	Location	MW	COD	Rating	Real Estate Evaluation Criteria
800	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	MED-HIGH	XXXX
801	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
802	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	MED-LOW	XXXX
803	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
804	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
805	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
806	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
807	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	MED-HIGH	XXXX
809	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	MED-HIGH	XXXX
825	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED-HIGH	XXXX
826	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED-LOW	XXXX
827	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED-LOW	XXXX
828	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	n/a	XXXX
829	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	n/a	XXXX
830	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	n/a	XXXX
831	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED-HIGH	XXXX
832	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
833	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED-HIGH	XXXX
834	NatG	Mint Farm Energy Center	Wayzata	Longview, WA	310	Jan-2008	MED-HIGH	Project site is owned. Will need to review title, surveys, etc., if selected to proceed to phase two.

REDACTED VERSION

Real Estate

Code	Fuel Type	Project Name	Owner/ Developer	Location	MW	COD	Rating	Real Estate Evaluation Criteria
850	Coal	XXXX	XXXX	XXXX	XXXX	XXXX	LOW-MED	XXXX
851	Hydr	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
852	Hydr	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
853	Hydr	XXXX	XXXX	XXXX	XXXX	XXXX	n/a	XXXX

KEY	
HIGH	= More Favorable / Less Risks
MED	= Favorable
LOW	= Less Favorable / More Risks

REDACTED VERSION

Insurance

Code	Fuel Type	Project Name	Owner/ Developer	Location	MW	COD	Rating	Insurance Evaluation Criteria
800	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	Neutral	XXXX
801	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	Neutral	XXXX
802	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	Neutral	XXXX
803	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	Neutral	XXXX
804	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	Neutral	XXXX
805	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	Neutral	XXXX
806	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	Neutral	XXXX
807	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	Neutral	XXXX
809	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	Neutral/High	XXXX
825	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	Neutral	XXXX
826	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	Neutral	XXXX
827	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	Neutral	XXXX
828	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	Neutral	XXXX
829	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
830	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	Neutral	XXXX
831	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
832	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
833	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
834	NatG	Mint Farm Energy Center	Wayzata	Longview, WA	310	Jan-2008	MED	Due to recent loss experience, GE 7FA gas turbines are subject to high deductibles and the highest gas turbine property insurance rates.

REDACTED VERSION

Insurance

Code	Fuel Type	Project Name	Owner/ Developer	Location	MW	COD	Rating	Insurance Evaluation Criteria
850	Coal	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
851	Hydr	XXXX	XXXX	XXXX	XXXX	XXXX	Neutral	XXXX
852	Hydr	XXXX	XXXX	XXXX	XXXX	XXXX	Neutral	XXXX
853	Hydr	XXXX	XXXX	XXXX	XXXX	XXXX	n/a	XXXX

KEY	
HIGH	= More Favorable / Less Risks
MED	= Favorable
LOW	= Less Favorable / More Risks

REDACTED VERSION

Credit

Code	Fuel Type	Project Name	Owner/ Developer	Location	MW	COD	Rating	Parent Credit Rating	Credit Evaluation Criteria
800	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX	XXXX
801	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX	XXXX
802	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX	XXXX
803	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX	XXXX
804	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX	XXXX
805	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX	XXXX
806	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX	XXXX
807	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX	XXXX
809	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX	XXXX
825	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX	XXXX
826	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX	XXXX
827	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX	XXXX
828	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX	XXXX
829	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX	XXXX
830	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX	XXXX
831	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX	XXXX
832	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX	XXXX
833	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX	XXXX
834	NatG	Mint Farm Energy Center	Wayzata	Longview, WA	310	Jan-2008	MED	NA	No financials to review at this time. More information needed.

REDACTED VERSION

Credit

Code	Fuel Type	Project Name	Owner/ Developer	Location	MW	COD	Rating	Parent Credit Rating	Credit Evaluation Criteria
850	Coal	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX	XXXX
851	Hydr	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX	XXXX
852	Hydr	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX	XXXX
853	Hydr	XXXX	XXXX	XXXX	XXXX	XXXX	n/a	XXXX	XXXX

REDACTED VERSION

System PPAs (not project specific)

Code	Fuel Type	Product Name / Description	Owner	Term	MW	Hours / Heat Rate	Rating	Parent Credit Rating	Credit Evaluation Criteria
875	PPA	Fixed Price PPA offers, 2-6 yrs	Barclays Bank PLC	varies	[1]	varies	HIGH	AA	Credit terms not specified.
876	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX	XXXX
877	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX	XXXX
878	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX	XXXX
879	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX	XXXX
880	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX	XXXX
881	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX	XXXX
882	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX	XXXX
883	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX	XXXX

[1] See attached tables defining incremental energy delivery amounts (Energy Increments tab).
[2] See attached tables defining incremental energy delivery amounts (Energy Increments tab). Begin with Q4-09.

Power Supply Operations

Code	Fuel Type	Project Name	Owner/ Developer	Location	MW	COD	Rating	Team Evaluation Criteria
800	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	n/a	Proposal withdrawn.
801	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
802	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
803	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
804	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
805	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
806	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
807	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
809	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
825	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
826	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
827	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
828	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
829	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
830	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
831	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
832	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
833	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
834	NatG	Mint Farm Energy Center	Wayzata	Longview, WA	310	Jan-2008	HIGH	Availabiltiy of transmission and gas transport a plus

REDACTED VERSION

Power Supply Operations

Code	Fuel Type	Project Name	Owner/ Developer	Location	MW	COD	Rating	Team Evaluation Criteria
850	Coal	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
851	Hydr	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
852	Hydr	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
853	Hydr	XXXX	XXXX	XXXX	XXXX	XXXX	n/a	XXXX

System PPAs (not project specific)

Code	Fuel Type	Product Name / Description	Owner	Term	MW	Hours / Heat Rate	Rating	Team Evaluation Criteria
875	PPA	Fixed Price PPA offers, 2-6 yrs	Barclays Bank PLC	varies	[1]	varies	MED-HIGH	High ranking to the On-peak structures. Med reanking to the ATC proposals.
876	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	MED-HIGH	XXXX
877	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
878	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW-MED	XXXX
879	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
880	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
881	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
882	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
883	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX

[1] See attached tables defining incremental energy delivery amounts (Energy Increments tab).
[2] See attached tables defining incremental energy delivery amounts (Energy Increments tab). Begin with Q4-09.

REDACTED VERSION

Maximum Energy Increments (25 MW)

On-Peak

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2008												
2009												
2010	425	475	925	950	825	650	50	-25	275	425	550	400
2011	525	500	975	875	875	850	175	100	525	450	575	300
2012	1225	1025	1525	1350	1375	1375	800	775	1100	1000	1250	1225
2013	975	950	875	575	300	275	425	550	750	700	1025	1025
2014	1125	1100	1025	600	325	275	425	575	775	725	1050	1050
2015	1150	1125	1050	600	350	300	450	600	800	750	1075	1075

ATC

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2008												
2009												
2010	325	400	750	725	600	375	-150	-225	100	300	400	350
2011	450	450	800	675	650	575	-25	-125	325	325	450	275
2012	1125	950	1325	1125	1100	1100	550	525	875	825	1075	1075
2013	975	950	875	575	300	275	425	550	750	700	1025	1025
2014	1125	1100	1025	600	325	275	425	575	775	725	1050	1050
2015	1150	1125	1050	600	350	300	450	600	800	750	1075	1075

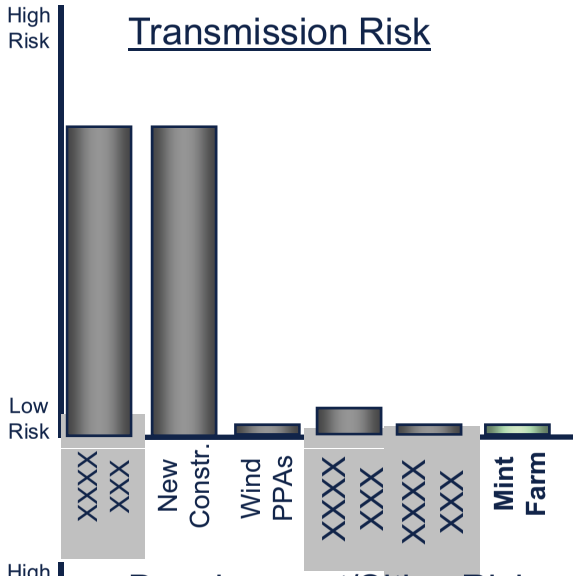
KWI Position
Aurora position
Long term B2 Energy need

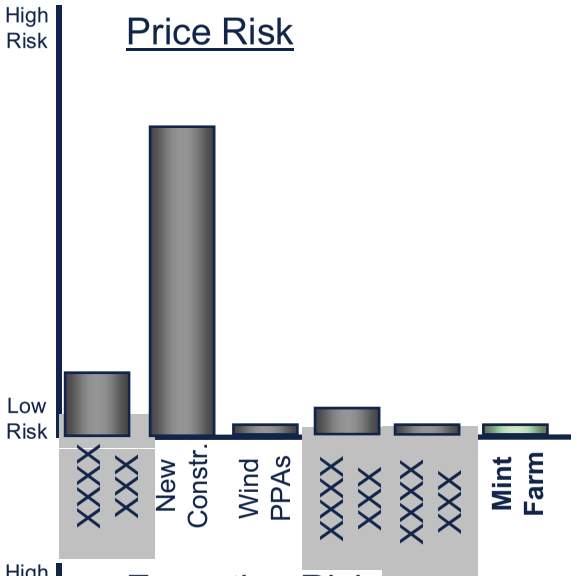
Phase II

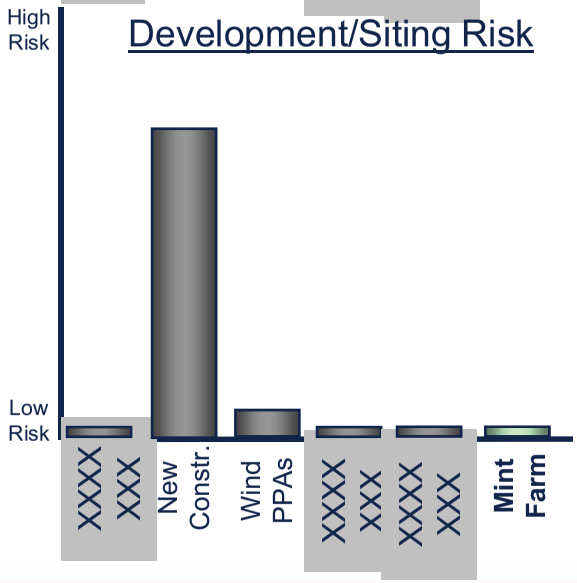
Qualitative Analysis

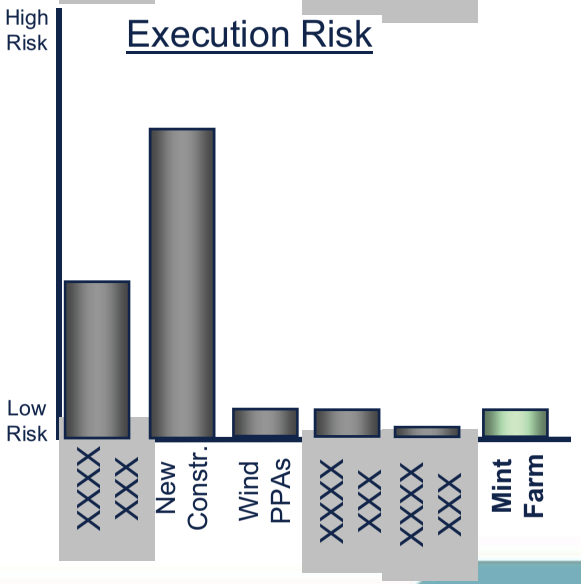
Phase II Qualitative Evaluation

Qualitative Evaluation – Key Risks









REDACTED VERSION

Qualitative Evaluation – Natural Gas

REDACTED VERSION

REDACTED as
HIGHLY CONFIDENTIAL per
WAC 480-07-160

Qualitative Evaluation - Wind

REDACTED VERSION

REDACTED as
HIGHLY CONFIDENTIAL per
WAC 480-07-160

Phase II Qualitative Rankings

REDACTED VERSION

REDACTED as
HIGHLY CONFIDENTIAL per
WAC 480-07-160

Results

RFP Results - Final Selections*

REDACTED VERSION

REDACTED as
HIGHLY CONFIDENTIAL per
WAC 480-07-160

2008 RFP
Phase II Proposal Rankings

Project Code	Project Name	Capacity MW	Quantitative Rating	Business & Commercial	Transmission	Tech / Plant Ops	Fuel Supply	Enviro	Real Estate	Insurance	Power Supply Ops	Community	Credit	Accounting	Selected?
WIND															
801	XXXX	XXXX	HIGH	HIGH	HIGH	MED	HIGH	HIGH	MED-LOW	Neutral	MED	HIGH	HIGH	See Acctng tab	Short List
803	XXXX	XXXX	HIGH	HIGH	HIGH	LOW	HIGH	HIGH	MED-LOW	Neutral	MED	HIGH	HIGH	See Acctng tab	Short List
804	XXXX	XXXX	Offer withdrawn												
809	XXXX	XXXX	Offer withdrawn												
NATURAL GAS															
825	XXXX	XXXX	MED	MED	HIGH	HIGH	HIGH	HIGH	MED-HIGH	Neutral	HIGH	HIGH	MED	See Acctng tab	Continuing Investigation
826	XXXX	XXXX	MED	LOW	MED	MED	MED	MED	MED-LOW	Neutral	MED	HIGH	HIGH	See Acctng tab	Not Selected
829	XXXX	XXXX	MED	MED	HIGH	HIGH	HIGH	LOW	n/a	HIGH	HIGH	MED	MED	See Acctng tab	Continuing Investigation
831	XXXX	XXXX	LOW / HIGH	MED	LOW	HIGH	HIGH	MED	MED	MED	HIGH	MED	HIGH	See Acctng tab	Continuing Investigation
834	Mint Farm Energy Center	310	MED	HIGH	HIGH	HIGH	HIGH	MED-HIGH	MED-HIGH	MED	HIGH	HIGH	MED	See Acctng tab	Short List

System PPAs (not project specific)

			Quantitative (Short Term)					Qualitative				
Project Code	Project Name	MW	Quant Rating (Long Term)	Quant Rating (Short Term)	Change to Expected Power Costs/$ spent	Change to Imbalance Risk/$ spent	Strategy "fit" in portfolio	Business & Commercial	Power Supply Ops	Credit	Accounting	Selected?
875e	XXXX	XXXX	LOW	The short-term quantitative group completed their review during Phase I. Phase II quantitative evaluation is performed by the long-term quantitative team.				HIGH	MED	HIGH	See Acctng tab	Not Selected
875g	Fixed Price PPA, 4 yr, winter, ATC	25-275*	MED					HIGH	MED	HIGH	See Acctng tab	Short List
875h	XXXX	XXXX	MED					HIGH	MED	HIGH	See Acctng tab	Not Selected
881e	XXXX	XXXX	LOW					LOW	LOW	HIGH	See Acctng tab	Not Selected

*See attached tables defining incremental energy delivery amounts (Energy Increments tab).

HIGH	More Favorable / Less Risks
MED	Favorable
LOW	Less Favorable / More Risks

REDACTED VERSION

Quantitative

Code	Fuel Type	Project Name	Owner/ Developer	Location	MW	COD	Overall Ranking	Supporting Comments / Summary Findings	Levelized Cost Rank	Benefit Ratio Rank	Portfolio Benefit Rank
801	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	High	XXXX	Best	Best	Best
803	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	High	XXXX	Best	Best	Better
804	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	Offer withdrawn.				
809	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	Offer withdrawn.				
809	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	Offer withdrawn.				
825	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	Medium	XXXX	Good	Best	Best
826	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	Medium	XXXX	Best	Better	Better
829	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	Medium	XXXX	Best	Good	Good
831	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	Low	XXXX	Better	Good	Good
831	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	High	XXXX	Better	Good	Best
834	NatG	Mint Farm Energy Center	Wayzata	Longview, WA	310	Jan-2008	Medium	Rates better than a generic gas. Moderate size makes us long in the near term. Resource Additions are lumpy length, at some point in time may be inevitable.	Better	Good	Good

REDACTED VERSION

Quantitative

System PPAs (not project specific)											
Code	**Fuel Type**	**Product Name / Description**	**Owner**	**Term**	**MW**	**Hours / Heat Rate**	**Ranking**	**Supporting Comments / Summary Findings**	**Levelized Cost Rank**	**Benefit Ratio Rank**	**Portfolio Benefit Rank**
875e	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	Low	XXXX	Best	Better	Good
875g	PPA	Fixed Price PPA, 4 yr, winter, ATC	Barclays Bank PLC	11/1/2011 to 10/31/2015	25-275*	ATC	Medium	Structure fits with our need. Competitive market pricing at time of bid. Will be repriced to current market and will change ranking results. Offers price certainty	Best	Best	Good
875h	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	Medium	XXXX	Best	Better	Good
881e	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	Low	XXXX	Best	Good	Good

KEY	
Best	= Most Favorable
Better	= More Favorable
Good	= Less Favorable

REDACTED VERSION

REDACTED VERSION

Quantitative

					Current Trends			Monte Carlo		Green World		
Code	Fuel Type	Project Name	Scenario Dispersion Rank	Dynamic Analysis Rank	Levelized $/MWh	Portfolio Benefit	Benefit Ratio	Mean Portfolio Cost ($bil)	Avg. 10 Worst Portfolio Cost ($bil)	Levelized $/MWh	Portfolio Benefit	Benefit Ratio
801	Wind	XXXX	Best	Best	XXXX	158.3	0.361	14.989	16.194	XXXX	148.7	0.348
803	Wind	XXXX	Best	Good	XXXX	49.3	0.500	15.103	16.309	XXXX	44.7	0.454
804	Wind	XXXX										
809	Wind	XXXX										
809	Wind	XXXX										
825	NatG	XXXX	Good	Best	XXXX	111.4	0.323	15.036	16.196	XXXX	103.4	0.317
826	NatG	XXXX	Good	Best	XXXX	78.0	0.182	15.066	16.233	XXXX	61.2	0.117
829	NatG	XXXX	Good	Good	XXXX	21.9	0.034	15.127	16.345	XXXX	-38.3	-0.046
831	NatG	XXXX	Best	Good	XXXX	13.3	0.007	15.152	16.334	XXXX	14.6	0.007
831	NatG	XXXX	Best	Best	XXXX	145.5	0.095	15.012	16.211	XXXX	143.8	0.088
834	NatG	Mint Farm Energy Center	Best	Good	XXXX	45.0	0.049	15.115	16.308	XXXX	47.3	0.047

Quantitative

System PPAs (not project specific)					Current Trends			Monte Carlo		Green World		
Code	Fuel Type	Product Name / Description	Scenario Dispersion Rank	Dynamic Analysis Rank	Levelized $/MWh	Portfolio Benefit	Benefit Ratio	Mean Portfolio Cost	Avg. 10 Worst Portfolio Cost	Levelized $/MWh	Portfolio Benefit	Benefit Ratio
875e	PPA	XXXX	Good	Good	XXXX	30.9	0.192	15.122	16.321	XXXX	40.1	0.215
875g	PPA	Fixed Price PPA, 4 yr, winter, ATC	Good	Good	XXXX	40.0	0.301	15.111	16.315	XXXX	73.5	0.554
875h	PPA	XXXX	Good	Good	XXXX	28.9	0.140	15.120	16.324	XXXX	87.7	0.426
881e	PPA	XXXX	Good	Good	XXXX	14.5	0.060	15.144	16.330	XXXX	31.6	0.115

KEY	
Best	= Most Favorable
Better	= More Favorable
Good	= Less Favorable

REDACTED VERSION

REDACTED VERSION

Quantitative

Code	Fuel Type	Project Name	High Capital Cost			Low Capital Cost			Low Growth		
			Levelized $/MWh	Portfolio Benefit	Benefit Ratio	Levelized $/MWh	Portfolio Benefit	Benefit Ratio	Levelized $/MWh	Portfolio Benefit	Benefit Ratio
801	Wind	XXXX	XXXX	160.4	0.366	XXXX	157.1	0.359	XXXX	161.6	0.366
803	Wind	XXXX	XXXX	50.0	0.507	XXXX	50.0	0.507	XXXX	50.5	0.512
804	Wind	XXXX									
809	Wind	XXXX									
809	Wind	XXXX									
825	NatG	XXXX	XXXX	104.7	0.304	XXXX	118.9	0.345	XXXX	139.2	0.477
826	NatG	XXXX	XXXX	73.7	0.172	XXXX	84.1	0.197	XXXX	98.6	0.287
829	NatG	XXXX	XXXX	23.6	0.036	XXXX	20.4	0.031	XXXX	47.3	0.086
831	NatG	XXXX	XXXX	18.3	0.010	XXXX	8.9	0.005	XXXX	12.2	0.008
831	NatG	XXXX	XXXX	150.1	0.098	XXXX	140.6	0.092	XXXX	152.3	0.118
834	NatG	Mint Farm Energy Center	XXXX	47.4	0.051	XXXX	42.6	0.046	XXXX	42.5	0.055

Quantitative

System PPAs (not project specific)			High Capital Cost			Low Capital Cost			Low Growth		
Code	Fuel Type	Product Name / Description	Levelized $/MWh	Portfolio Benefit	Benefit Ratio	Levelized $/MWh	Portfolio Benefit	Benefit Ratio	Levelized $/MWh	Portfolio Benefit	Benefit Ratio
875e	PPA	XXXX	XXXX	29.5	0.184	XXXX	33.2	0.207	XXXX	-0.8	-0.005
875g	PPA	Fixed Price PPA, 4 yr, winter, ATC	XXXX	38.3	0.289	XXXX	42.3	0.319	XXXX	11.9	0.090
875h	PPA	XXXX	XXXX	27.2	0.132	XXXX	31.2	0.152	XXXX	-11.1	-0.054
881e	PPA	XXXX	XXXX	13.0	0.054	XXXX	14.6	0.060	XXXX	-33.3	-0.137

KEY	
Best	= Most Favorable
Better	= More Favorable
Good	= Less Favorable

REDACTED VERSION

Business Commercial

Code	Fuel Type	Project Name	Owner/ Developer	Location	MW	COD	Ranking	Supporting Comments / Summary Findings
801	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
803	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
804	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	Offer withdrawn.	
809	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
825	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
826	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
829	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
831	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
834	NatG	Mint Farm Energy Center	Wayzata	Longview, WA	310	Jan-2008	HIGH	Attractive capital costs for a recently commissioned, low heat rate project. Some uncertainty around emissions permitting. Limited window of availability. Has transmission and gas transport solutions. Would have synergies with existing 7FA fleet.

REDACTED VERSION

Business Commercial

System PPAs (not project specific)								
Code	Fuel Type	Product Name / Description	Owner	Term	MW	Hours / Heat Rate	Ranking	Supporting Comments / Summary Findings
875	PPA	3 fixed Price PPA offers, 4-6 years	Barclays Bank PLC	varies	25-275*	varies	HIGH	Offer evaluates well economically.
881	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX

[1] See attached tables defining incremental energy delivery amounts (Energy Increments tab).
[2] See attached tables defining incremental energy delivery amounts (Energy Increments tab). Begin with Q4-09.

KEY	
HIGH	= More Favorable / Less Risks
MED	= Favorable
LOW	= Less Favorable / More Risks

REDACTED VERSION

Transmission

Code	Fuel Type	Project Name	Owner/ Developer	Location	MW	COD	Ranking	Supporting Comments / Summary Findings
801	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
803	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
804	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	Offer withdrawn.	
809	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	Proposal was not submitted through 2008 RFP. No new qualitative data for evaluation during Phase II.	
825	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
826	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
829	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
831	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
834	NatG	Mint Farm Energy Center	Wayzata	Longview, WA	310	Jan-2008	HIGH	293 MW transmission service secured, South of Alston flowgate impacts for additional 17 MW

REDACTED VERSION

Transmission

System PPAs (not project specific)								
Code	Fuel Type	Product Name / Description	Owner	Term	MW	Hours / Heat Rate	Ranking	Supporting Comments / Summary Findings
875	PPA	3 fixed Price PPA offers, 4-6 years	Barclays Bank PLC	varies	25-275*	varies	HIGH	Delivery at MIDC hub, utilize BPA transmission capacity rights to deliver to PSE system
881	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX

[1] See attached tables defining incremental energy delivery amounts (Energy Increments tab).
[2] See attached tables defining incremental energy delivery amounts (Energy Increments tab). Begin with Q4-09.

KEY	
HIGH	= More Favorable / Less Risks
MED	= Favorable
LOW	= Less Favorable / More Risks

REDACTED VERSION

Technical

Code	Fuel Type	Project Name	Owner/ Developer	Location	MW	COD	Ranking	Supporting Comments / Summary Findings
801	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
803	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX
804	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	Offer withdrawn.	
809	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	Proposal was not submitted through 2008 RFP. No new qualitative data for evaluation during Phase II.	
825	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
826	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
829	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
831	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
834	NatG	Mint Farm Energy Center	Wayzata	Longview, WA	310	Jan-2008	HIGH	1) 260 MW @ a 6,968 BTU/kWh 2) New plant with <3000 fired hours 3) 1x1 CCCT GE 7FA Proven Technology 4) Duct Firing, Steam Augmentation & Evap Inlet Cooling to boost power if needed for up to ~320MW

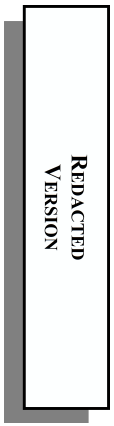
REDACTED VERSION

Technical

System PPAs (not project specific)								
Code	Fuel Type	Product Name / Description	Owner	Term	MW	Hours / Heat Rate	Ranking	Supporting Comments / Summary Findings
875	PPA	3 fixed Price PPA offers, 4-6 years	Barclays Bank PLC	varies	25-275*	varies	n/a	
881	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	n/a	XXXX

[1] See attached tables defining incremental energy delivery amounts (Energy Increments tab).
[2] See attached tables defining incremental energy delivery amounts (Energy Increments tab). Begin with Q4-09.

KEY	
HIGH	= More Favorable / Less Risks
MED	= Favorable
LOW	= Less Favorable / More Risks



Fuel Supply

Code	Fuel Type	Project Name	Owner/ Developer	Location	MW	COD	Ranking	Supporting Comments / Summary Findings
801	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
803	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
804	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	Offer withdrawn.	
809	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	Offer withdrawn.	
825	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
826	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
829	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
831	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
834	NatG	Mint Farm Energy Center	Wayzata	Longview, WA	310	Jan-2008	HIGH	Requires transportation on Cascade (capacity available) and requires NWP meter station upgrade (may be bundled with Blue Bridge upgrades); requires NWP Blue Bridge pipeline expansion for access to AECO or Rockies; requires Sunstone for access to Rockies. (Limitations are purely economic.)

REDACTED VERSION

Fuel Supply

System PPAs (not project specific)								
Code	Fuel Type	Product Name / Description	Owner	Term	MW	Hours / Heat Rate	Ranking	Supporting Comments / Summary Findings
875	PPA	3 fixed Price PPA offers, 4-6 years	Barclays Bank PLC	varies	25-275*	varies	n/a	
881	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	n/a	XXXX

[1] See attached tables defining incremental energy delivery amounts (Energy Increments tab).
[2] See attached tables defining incremental energy delivery amounts (Energy Increments tab). Begin with Q4-09.

KEY	
HIGH	= More Favorable / Less Risks
MED	= Favorable
LOW	= Less Favorable / More Risks

REDACTED VERSION

Environmental

Code	Fuel Type	Project Name	Owner/ Developer	Location	MW	COD	Ranking	Supporting Comments / Summary Findings
801	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	High	XXXX
803	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	High	XXXX
804	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	Offer withdrawn.	
809	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	Proposal was not submitted through 2008 RFP. No new qualitative data for evaluation during Phase II.	
825	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	High	XXXX
826	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	Medium	XXXX
829	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	Low	XXXX
831	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	Medium	XXXX
834	NatG	Mint Farm Energy Center	Wayzata	Longview, WA	310	Jan-2008	Medium-High	Investigation of necessary modifications to Air Permit & Operations to meet PSE load requirements still in progress. Further analysis required before ranking further.

REDACTED VERSION

Environmental

System PPAs (not project specific)								
Code	Fuel Type	Product Name / Description	Owner	Term	MW	Hours / Heat Rate	Ranking	Supporting Comments / Summary Findings
875	PPA	3 fixed Price PPA offers, 4-6 years	Barclays Bank PLC	varies	25-275*	varies	High	No fatal flaws noted at this time.
881	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	High	XXXX

[1] See attached tables defining incremental energy delivery amounts (Energy Increments tab).
[2] See attached tables defining incremental energy delivery amounts (Energy Increments tab). Begin with Q4-09.

KEY	
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LOW	= Less Favorable / More Risks

REDACTED VERSION

Real Estate

Code	Fuel Type	Project Name	Owner/ Developer	Location	MW	COD	Ranking	Supporting Comments / Summary Findings
801	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	MED-LOW	XXXX
803	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	MED-LOW	XXXX
804	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	Offer withdrawn.	
809	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	Proposal was not submitted through 2008 RFP. No new qualitative data for evaluation during Phase II.	
825	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED-HIGH	XXXX
826	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED-LOW	XXXX
829	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	n/a	XXXX
831	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
834	NatG	Mint Farm Energy Center	Wayzata	Longview, WA	310	Jan-2008	MED-HIGH	Project site is owned.

REDACTED VERSION

Real Estate

System PPAs (not project specific)								
Code	Fuel Type	Product Name / Description	Owner	Term	MW	Hours / Heat Rate	Ranking	Supporting Comments / Summary Findings
875	PPA	3 fixed Price PPA offers, 4-6 years	Barclays Bank PLC	varies	25-275*	varies	n/a	
881	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	n/a	XXXX

[1] See attached tables defining incremental energy delivery amounts (Energy Increments tab).
[2] See attached tables defining incremental energy delivery amounts (Energy Increments tab). Begin with Q4-09.

KEY	
HIGH	= More Favorable / Less Risks
MED	= Favorable
LOW	= Less Favorable / More Risks

REDACTED VERSION

Insurance

Code	Fuel Type	Project Name	Owner/ Developer	Location	MW	COD	Ranking	Supporting Comments / Summary Findings
801	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	Neutral	XXXX
803	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	Neutral	XXXX
804	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	Offer withdrawn.	
809	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	Proposal was not submitted through 2008 RFP. No new qualitative data for evaluation during Phase II.	
825	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	Neutral	XXXX
826	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	Neutral	XXXX
829	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
831	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
834	NatG	Mint Farm Energy Center	Wayzata	Longview, WA	310	Jan-2008	MED	Due to recent loss experience, GE 7FA gas turbines are subject to high deductibles and the highest gas turbine property insurance rates.

REDACTED VERSION

Insurance

System PPAs (not project specific)								
Code	Fuel Type	Product Name / Description	Owner	Term	MW	Hours / Heat Rate	Ranking	Supporting Comments / Summary Findings
875	PPA	3 fixed Price PPA offers, 4-6 years	Barclays Bank PLC	varies	25-275*	varies	n/a	
881	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	n/a	XXXX

[1] See attached tables defining incremental energy delivery amounts (Energy Increments tab).
[2] See attached tables defining incremental energy delivery amounts (Energy Increments tab). Begin with Q4-09.

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REDACTED VERSION

Credit

Code	Fuel Type	Project Name	Owner/ Developer	Location	MW	COD	Ranking	Parent Credit Rating	Supporting Comments / Summary Findings
801	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX	XXXX
803	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX	XXXX
804	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	Offer withdrawn.		
809	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	Offer withdrawn.		
825	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX	XXXX
826	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX	XXXX
829	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX	XXXX
831	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX	XXXX
834	NatG	Mint Farm Energy Center	Wayzata	Longview, WA	310	Jan-2008	MED	NA	Counterparty is strong, but agreement provides for somewhat limited credit protections.

REDACTED VERSION

Credit

System PPAs (not project specific)									
Code	Fuel Type	Product Name / Description	Owner	Term	MW	Hours / Heat Rate	Ranking	Parent Credit Rating	Supporting Comments / Summary Findings
875	PPA	3 fixed Price PPA offers, 4-6 years	Barclays Bank PLC	varies	25-275*	varies	HIGH	AA	Credit terms look good.
881	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX	XXXX

[1] See attached tables defining incremental energy delivery amounts (Energy Increments tab).
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REDACTED VERSION

Insurance

Code	Fuel Type	Project Name	Owner/ Developer	Location	MW	COD	Ranking	Supporting Comments / Summary Findings
801	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	See comments	XXXX
803	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	See comments	XXXX
804	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	Offer withdrawn.	
809	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	Proposal was not submitted through 2008 RFP. No new qualitative data for evaluation during Phase II.	

REDACTED VERSION

Insurance

Code	Fuel Type	Project Name	Owner/ Developer	Location	MW	COD	Ranking	Supporting Comments / Summary Findings
825	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	See comments	XXXX
826	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	See comments	XXXX
829	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	n/a	XXXX
831	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	n/a	XXXX
834	NatG	Mint Farm Energy Center	Wayzata	Longview, WA	310	Jan-2008	n/a	Ownership agreement where Derivatives Accounting group does not review. Confirmed with Nathan, that Mint Farm's existing hedge agreement would **not** be part of the purchase agreement. Should this change and taking on Mint Farm's existing hedge contract is considered as part of the purchase, then a derivative impact assessment will need to be performed. At this time no assessment was made.

REDACTED VERSION

Insurance

System PPAs (not project specific)								
Code	Fuel Type	Product Name / Description	Owner	Term	MW	Hours / Heat Rate	Ranking	Supporting Comments / Summary Findings
875	PPA	3 fixed Price PPA offers, 4-6 years	Barclays Bank PLC	varies	25-275*	varies	See comments	There is a derivative impact regarding this contract. However, a determination has not been made as far as the final accounting treatment (i.e. Normal Purchase Normal Sale, Cash Flow Hedge or Mark to Market). It has been identified that the contract will change as the RFP process moves into negotiations. A more thorough analysis will need to be performed by the Derivatives group in order to provide more insight as to the actual accounting impact.
881	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	See comments	XXXX

[1] See attached tables defining incremental energy delivery amounts (Energy Increments tab).
[2] See attached tables defining incremental energy delivery amounts (Energy Increments tab). Begin with Q4-09.

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MED	= Favorable
LOW	= Less Favorable / More Risks

REDACTED VERSION

Power Supply Operations

Code	Fuel Type	Project Name	Owner/ Developer	Location	MW	COD	Ranking	Supporting Comments / Summary Findings
801	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
803	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
804	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	Offer withdrawn.	
809	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	Proposal was not submitted through 2008 RFP. No new qualitative data for evaluation during Phase II.	
825	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
826	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
829	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
831	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
834	NatG	Mint Farm Energy Center	Wayzata	Longview, WA	310	Jan-2008	HIGH	Availabiltiy of transmission and gas transport a plus - more intra hour flexibility

REDACTED VERSION

Power Supply Operations

System PPAs (not project specific)								
Code	Fuel Type	Product Name / Description	Owner	Term	MW	Hours / Heat Rate	Ranking	Supporting Comments / Summary Findings
875	PPA	3 fixed Price PPA offers, 4-6 years	Barclays Bank PLC	varies	25-275*	varies	MED	High ranking to the On-peak structures. Med ranking to the ATC proposals.
881	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	LOW	XXXX

[1] See attached tables defining incremental energy delivery amounts (Energy Increments tab).
[2] See attached tables defining incremental energy delivery amounts (Energy Increments tab). Begin with Q4-09.

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LOW	= Less Favorable / More Risks

REDACTED VERSION

Community

Code	Fuel Type	Project Name	Owner/ Developer	Location	MW	COD	Ranking	Supporting Comments / Summary Findings
801	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
803	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
804	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	Offer withdrawn.	
809	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
825	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
826	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	HIGH	XXXX
829	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
831	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	MED	XXXX
834	NatG	Mint Farm Energy Center	Wayzata	Longview, WA	310	Jan-2008	HIGH	The city is very receptive to local ownership of the facility. The energy facility is a high priority for the council, Community opposition is limited to very sporadic concerns over noise. There are concerns to a small degree over Canadian ownership as the local mill was purchased by a Candian firm and jobs were cut.

REDACTED VERSION

Community

System PPAs (not project specific)								
Code	Fuel Type	Product Name / Description	Owner	Term	MW	Hours / Heat Rate	Ranking	Supporting Comments / Summary Findings
875	PPA	3 fixed Price PPA offers, 4-6 years	Barclays Bank PLC	varies	25-275*	varies	n/a	
881	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	n/a	XXXX

[1] See attached tables defining incremental energy delivery amounts (Energy Increments tab).
[2] See attached tables defining incremental energy delivery amounts (Energy Increments tab). Begin with Q4-09.

KEY	
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LOW	= Less Favorable / More Risks

REDACTED VERSION

Maximum Energy Increments (25 MW)

On-Peak

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2008												
2009												
2010	425	475	925	950	825	650	50	-25	275	425	550	400
2011	525	500	975	875	875	850	175	100	525	450	575	300
2012	1225	1025	1525	1350	1375	1375	800	775	1100	1000	1250	1225
2013	975	950	875	575	300	275	425	550	750	700	1025	1025
2014	1125	1100	1025	600	325	275	425	575	775	725	1050	1050
2015	1150	1125	1050	600	350	300	450	600	800	750	1075	1075

ATC

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2008												
2009												
2010	325	400	750	725	600	375	-150	-225	100	300	400	350
2011	450	450	800	675	650	575	-25	-125	325	325	450	275
2012	1125	950	1325	1125	1100	1100	550	525	875	825	1075	1075
2013	975	950	875	575	300	275	425	550	750	700	1025	1025
2014	1125	1100	1025	600	325	275	425	575	775	725	1050	1050
2015	1150	1125	1050	600	350	300	450	600	800	750	1075	1075

KWI Position
Aurora position
Long term B2 Energy need

Attachment 4

Quantitative Analysis

2008 All-Source RFP Evaluation

Quantitative Evaluation

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Table of Contents

Evaluation Process

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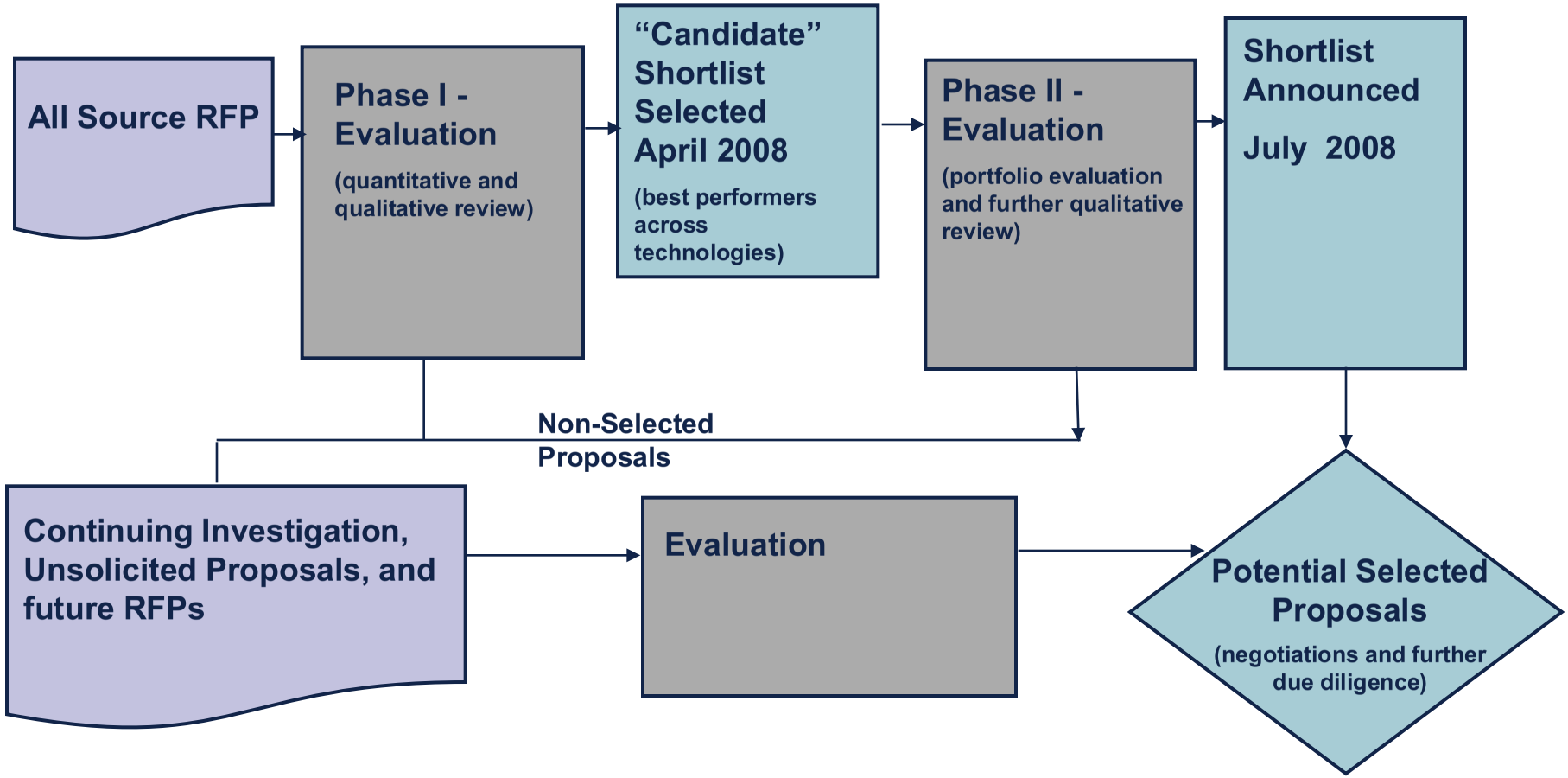
RFP Evaluation Objectives

- Evaluate every bid
- Identify lowest cost resources with reliable energy and capacity supply
- Select reliable and creditworthy counterparties
- Mitigate risks to ratepayers
  - Evaluate the financial impacts
  - Mitigate environmental risks
  - Mitigate exposure to higher fuel costs
- Achieve Energy Independence Act* objectives
- Negotiate definitive agreements

*Washington state's RPS

2008 RFP Evaluation



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Quantitative Evaluation Process

Phase 1 Phase 2

All Bids Evaluated-- Initial Bid Screen

Candidate Short List Identified

Portfolios Tested Against Different Risk Scenarios

Monte Carlo Simulation Evaluates Cost and Risk of Each Candidate and Several Combinations

Short Listed Respondents Will Be Thoroughly Evaluated

Portfolio Benefit

Benefit Ratio

Levelized Cost

Best performers across technologies

Candidate Short List

- Projects
- Contracts
- Emergent Opportunities

Portfolios, Existing Plant plus

- All Generic
- Individual Resource
- Combination of candidates

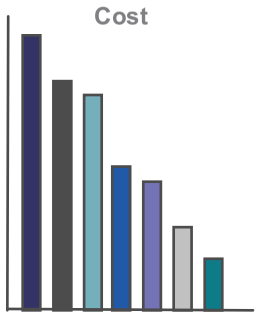
Current Trends Scenario

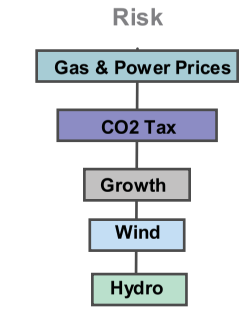
Green World Scenario

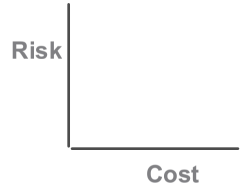
Low Growth Scenario

Low Technology Cost Scenario

High Technology Cost Scenario







Candidates by Scenario

- Portfolio Benefit
- Benefit Ratio
- Levelized Cost

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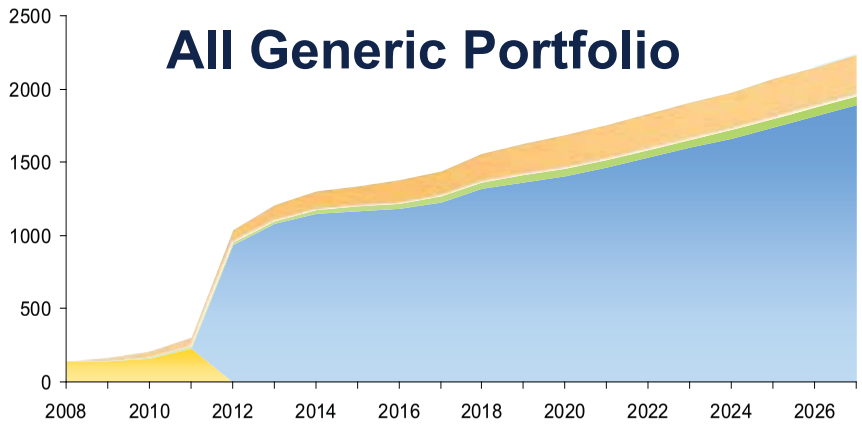
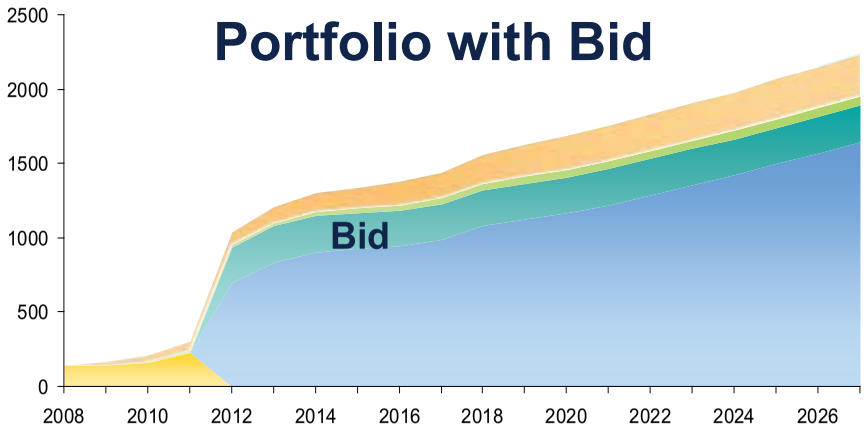
Bid Evaluation

- Stand-Alone Analysis
- Portfolio Analysis
- RPS bids replace generic wind
- End-effects





Favorable characteristics:

- Winter energy matching need and hourly shape matching load
- Efficient dispatch with low variable cost of fuel and transmission
- Cost effective in price scenarios

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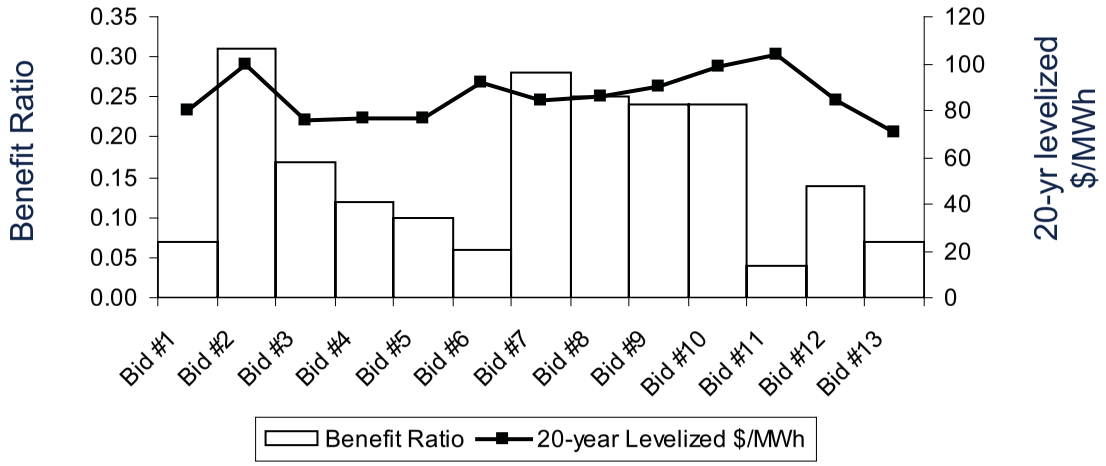
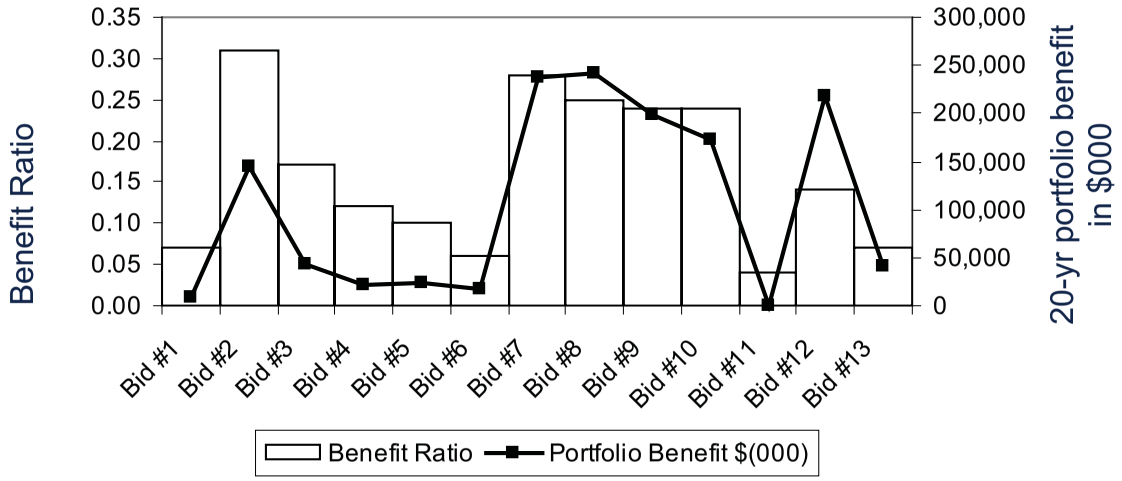
Quantitative selection metrics





Levelized cost is the average annual cost per MWh produced during a 20-year period + end effects for each project.

Portfolio benefit is the 20-year present value of all portfolio benefits + end effects derived from each project in comparison to the 2007 IRP generic portfolio.

Portfolio benefit ratio is the present value of portfolio benefits divided by the present value of the project revenue requirements

PSE Discount Rate 8.4%

PSE RFP Scenarios

Current Trends

Moderate Gas Prices

Moderate Carbon Costs

Moderate Load Growth

Low Growth

Low Gas Prices

Moderate Carbon Costs

Low Load Growth

Green World

High Gas Prices

High Carbon Costs

Low Load Growth

Low Technology Cost

Current Trends +

Low Wind and CCCT Capital Cost

High Technology Cost

Current Trends +

High Wind and CCCT Capital Cost

Long Run Emissions Costs

Current Trends and Green World

Current Trends

Clear Skies -- Bush			
Nominal $/ton	2010	2020	2027
SO2	978	2105	3306
Nox	297	640	1006

Green World

Clean Air Planning Act -- Carper (EPA)			
Nominal $/ton	2010	2015	2020
SO2	1481	3191	5009
Nox	5742	1522	1809

Long Run CO2 Costs

Current Trends and Green World

Current Trends

Lieberman-Warner Bill (ICF)			
Nominal $/ton	2013	2020	2027
CO2	10.88	19.83	37.51

Green World

Lieberman-Warner Bill (MIT)			
Nominal $/ton	2013	2020	2027
CO2	46.19	72.25	113.01

Phase I

Quantitative Analysis

Phase I Process

Quantitative Analysis Tools

- ## AURORA

  PSE uses the AURORA model to forecast long-term power prices. The forecast is updated periodically to reflect changes in resource costs, natural gas prices, coal prices, and energy policies both at the national and state levels. Ultimately these changes will affect the long-term regional generation resource supply, both in magnitude and resource mix.

- ## KWI

  PSE's Energy Risk group assisted in the RFP evaluation and used the KWI Model to forecast portfolio risk in the one month to three year time frame. KWI was used to evaluate quantitative risk of short-term system PPAs

- ## Portfolio Screening Model (PSM)

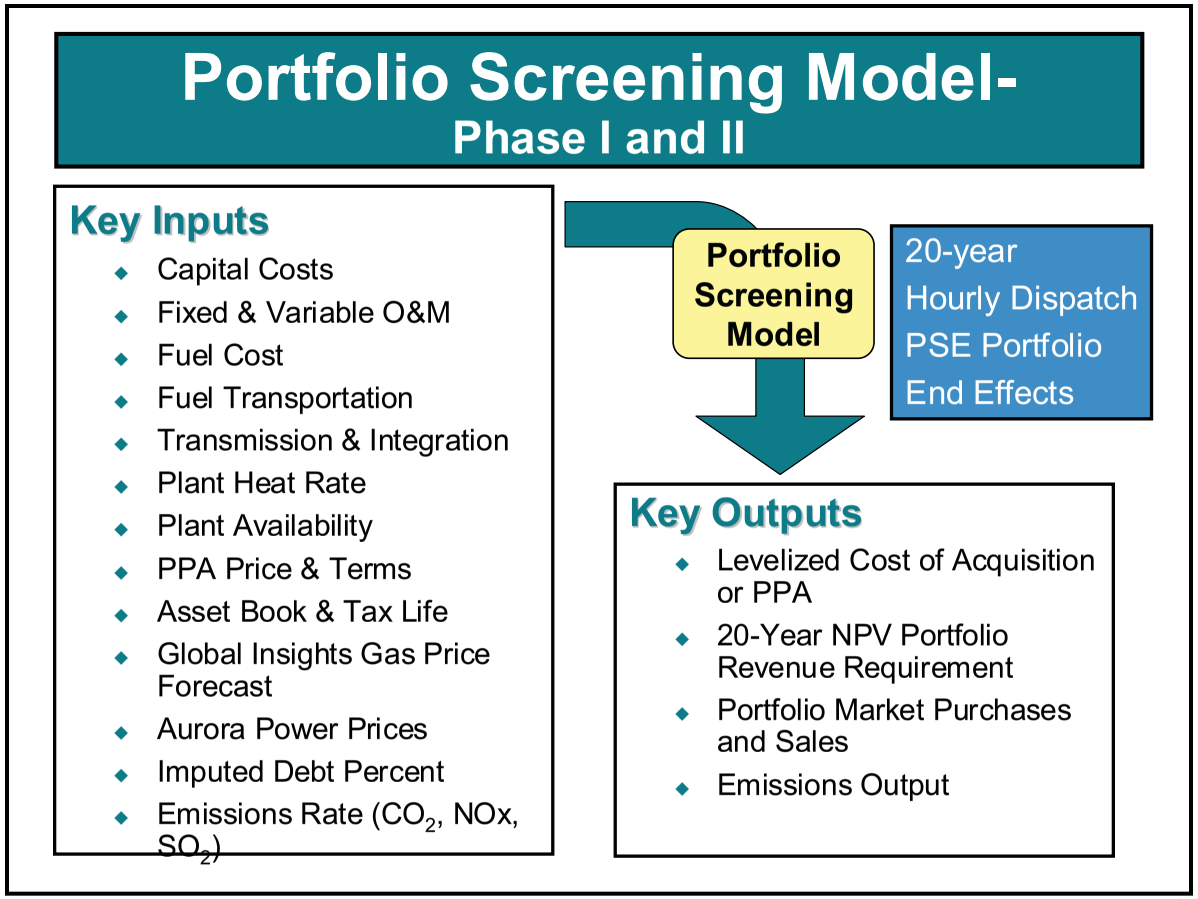
  (see following slide)

Aurora Scenario Revisions

Revisions for Current Trends	Levelized Price(09-27)	Pct Change
IRP07	$65.58	
Adopted Aurora Model V8.5	$65.22	-0.5%
Incorporated the latest WECC resource database	$60.87	-6.7%
Revised demand escalation rates for WA, OR, MT, ID	$62.07	2.0%
Used higher RPS for CA, CO, NM and OR	$60.18	-3.0%
Reduced coal build limits	$60.64	0.8%
Higher gas price forecasts from Global Insight	$63.41	4.6%
Adopted PSE resource updates based on GRC 07	$63.88	0.7%
Used slightly higher coal price forecasts	$63.94	0.1%
Raised CO2 taxes - RFP08	$66.33	3.7%
****Percent Change from IRP07**		1.2%

Quantitative Analysis Tools, cont.

- **Portfolio Screening Model** (PSM) is a proprietary model built for PSE and designed to simulate 20-year dispatch and the resulting levelized and portfolio costs. PSM was the primary analysis tool in the RFP.



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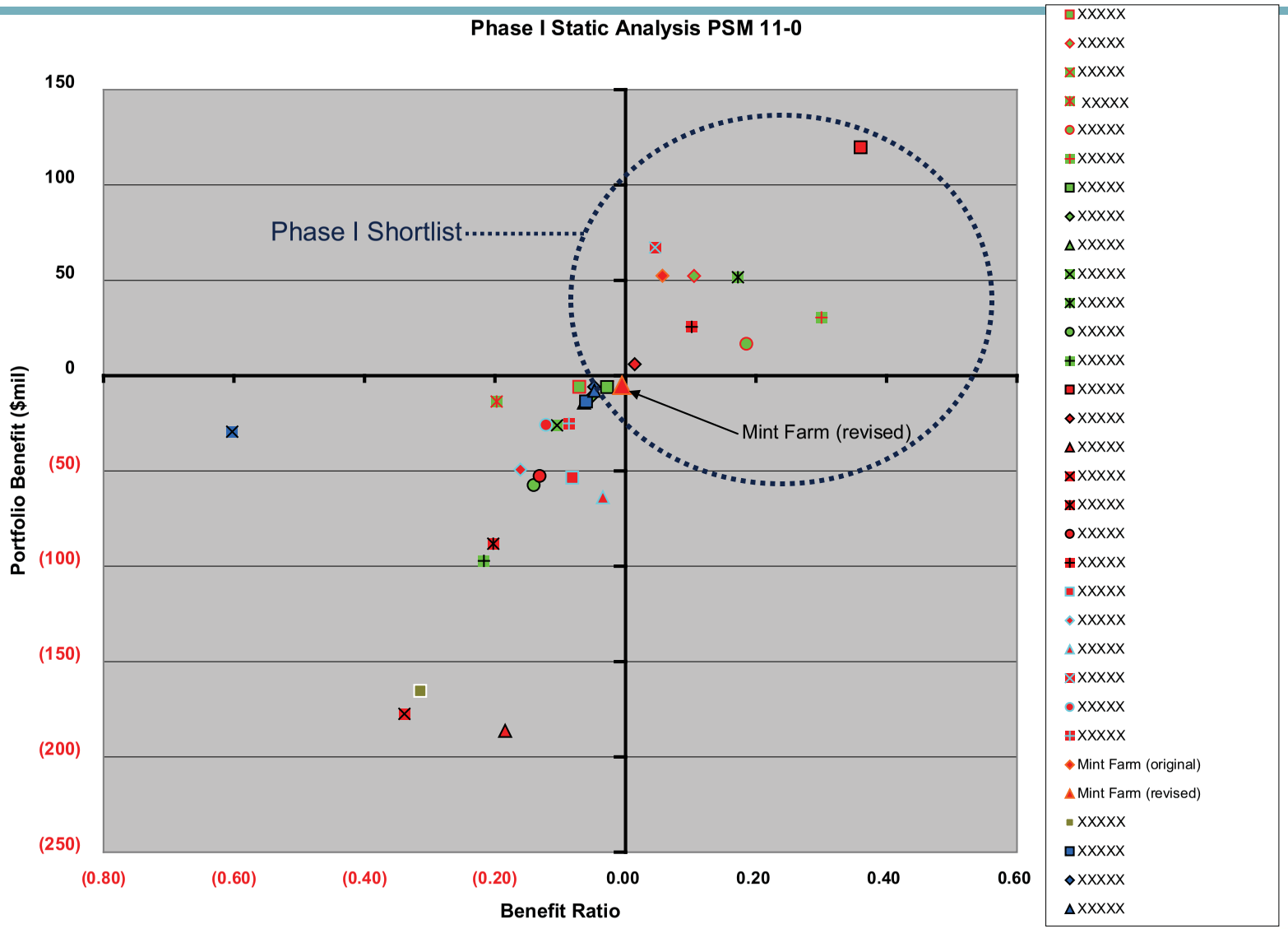
Phase I Quantiative Evaluation

Phase I - Quantitative Results



REDACTED VERSION

NOTE: XXXXXI (-0.36, -$504), XXXXX (-0.61,-$392), and XXXXX (-0.97,-$71) outliers were removed to improve visibility of other projects.
Mint Farm Phase I results revised as of June 28, 2008, to reflect removal of Mint Farm Duct Firing from meeting energy need.

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Phase I Quantitative Rankings: Projects & Project PPAs

REDACTED VERSION

REDACTED as HIGHLY CONFIDENTIAL per WAC 480-07-160

*Results as of April 30, 2008.

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Phase I Quantitative Rankings: System PPAs

REDACTED VERSION

REDACTED as HIGHLY CONFIDENTIAL per WAC 480-07-160

PUGET SOUND ENERGY
The Energy To Do Great Things

Phase I Quantitative Rankings: System PPAs

REDACTED VERSION

REDACTED as
HIGHLY CONFIDENTIAL per
WAC 480-07-160

PUGET SOUND ENERGY
The Energy To Do Great Things

Phase I Quantitative Rankings: System PPAs

REDACTED VERSION

REDACTED as
HIGHLY CONFIDENTIAL per
WAC 480-07-160

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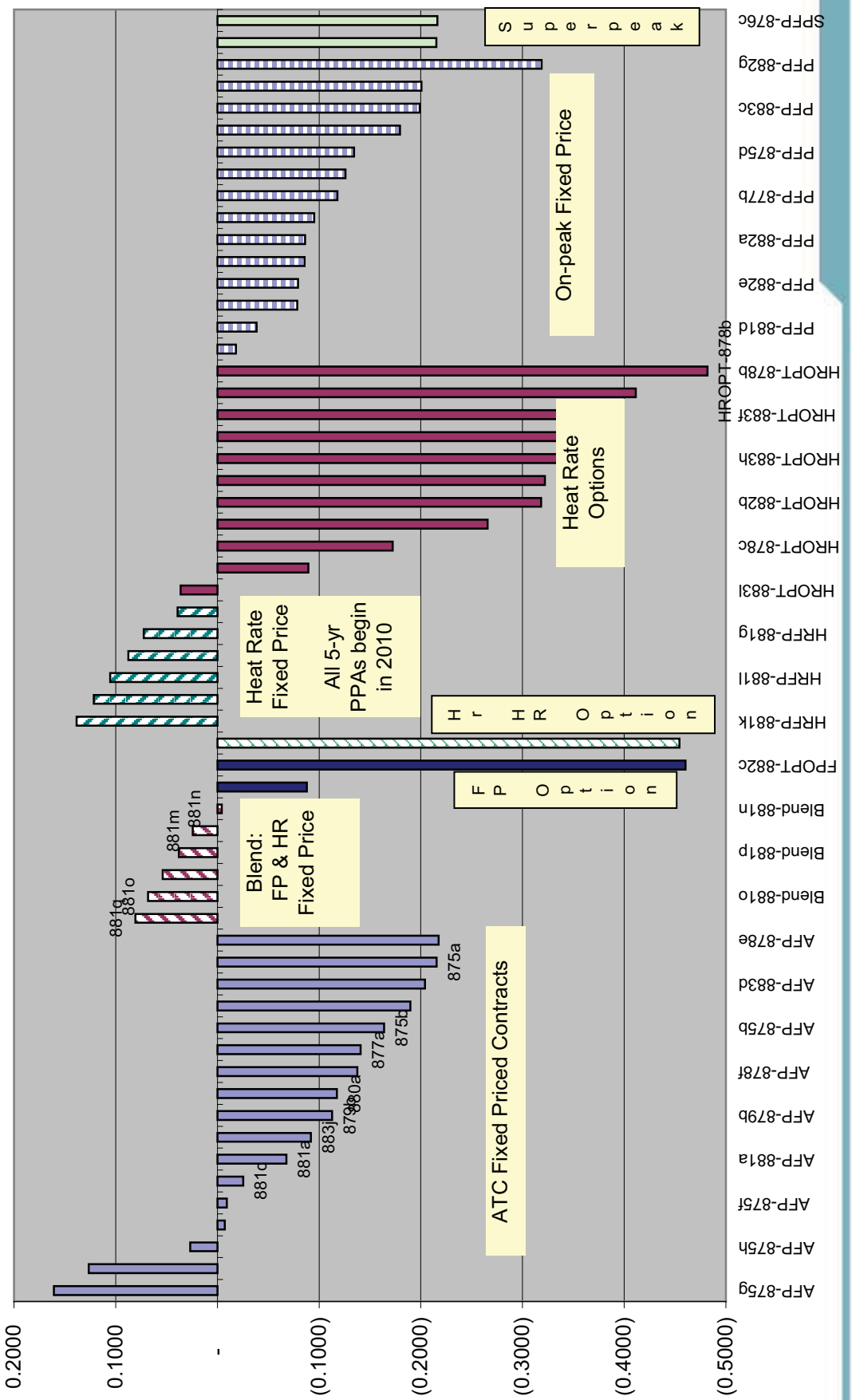
Benefit Ratios, All Products

Portfolio Benefit System PPAs

PPAs with label are in Energy Risk Group's Top 12



Comparative Ranking of Top 12 System PPA Results:

- 3 proposals ranked in the Top 12 PPAs for both the Energy Risk (using KWI Model) and PSM analyses
- Around the Clock (ATC) proposals that scale in capacity quantity over 3 to 5 years are most favorable for shorter-term PPAs

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Compare KWI and PSM Prices

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KWI: Official Marks 2008-03-06

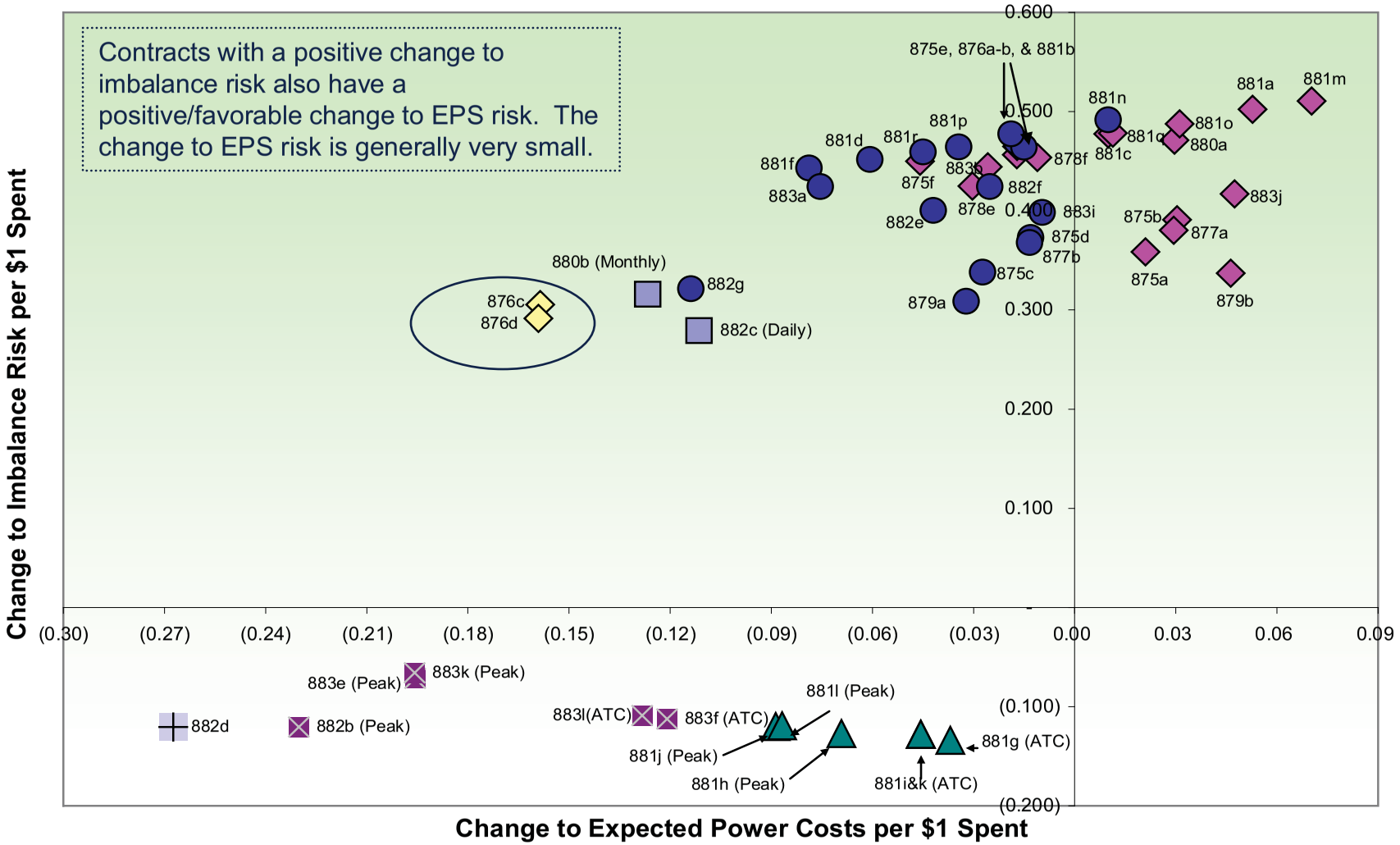
PSM: Average Official Marks 2007-08-01 to 2007-10-31

KWI & PSM Results

- What looks good in PSM
  - Longer term, later start
  - Fixed Price*
  - Heat Rate Fixed Price*
  - Winter/ Seasonally shaped
  - ATC, On Peak*
- What looks good in ERM KWI
  - Fixed Price*
  - Winter/ Seasonally shaped
  - ATC

* Price dependent

KWI Analysis - Addition of Super-Peak Proposals



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Phase I Candidate Short List

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Phase II

Quantitative Analysis

Phase II Process

Analysis Methods – Phase II

- Information requests and more in-depth qualitative analysis was performed on the Candidate Short List of projects.
- Projects were analyzed in four additional PSM scenarios:

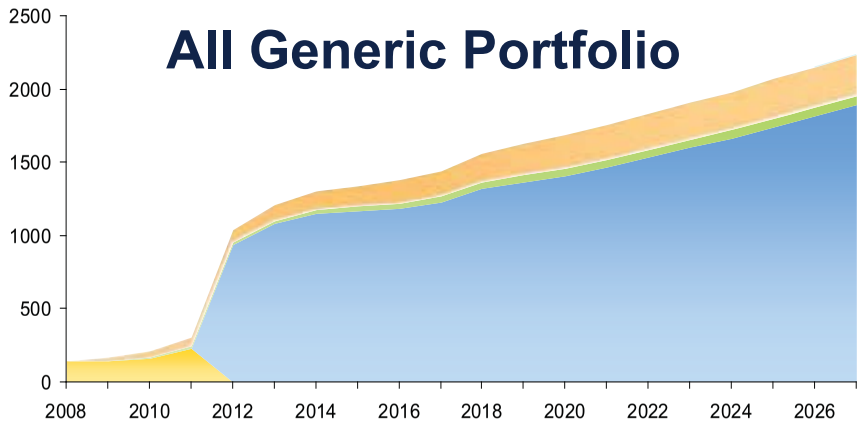
  Green World, High Capital Costs, Low Capital Costs, and Low Growth.
- Eight portfolios of projects were run in PSM to analyze their potential effect on each other.
- Monte Carlo (dynamic) analysis was used to evaluate risk by adjusting variables within PSM, including hydro and wind conditions.
  - Risk was evaluated as an average of the 10 worst trials from the 100 trials analyzed.

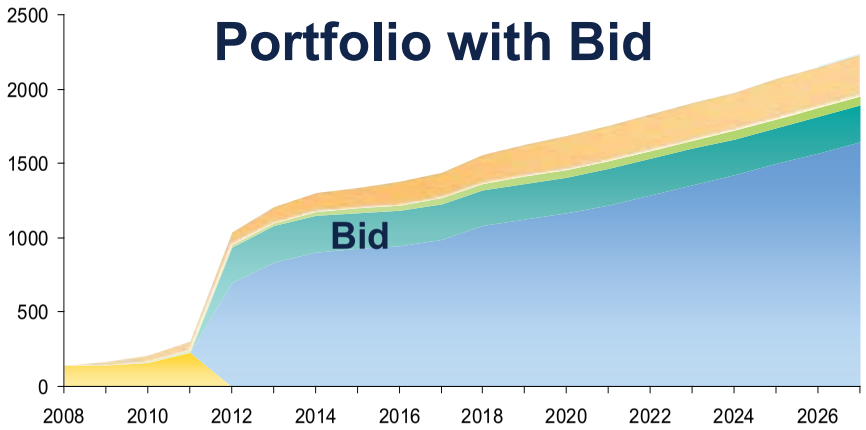
PSM Updates - Phase II

- Generic resource capital costs
  - Wind: ~$2,100/ kW (Phase I) to ~$2,764/ kW in 2010 (Phase II), based on PSE's market knowledge
  - CCGT: ~$1,000/ kW (Phase I) to ~$1,330/ kW in 2010 (Phase II), based on PSE market surveys of Engineering firms, IOUs, and CCGT Developers.
- Imputed Debt
  - S&P modified the way it assesses imputed debt to a PPA. The modification lowers imputed debt costs applied to PPAs.
- Aurora Fundamentals Electric Market Price Forecast runs
  - Updated with most recent forward gas prices forecasts
- O&M Costs for Wind
- BPA Wind Integration Transmission Tariffs
- Emissions logic in PSM

PSM Bid Evaluation Process

- Stand-Alone Analysis
- Portfolio Analysis
- RPS bids replace generic wind
- End-effects





Favorable characteristics:

- Winter energy matching need and hourly shape matching load
- Efficient dispatch with low variable cost of fuel and transmission
- Cost effective in price scenarios

PSM Scenarios Used in 2008 RFP Phase II

PSM Scenarios						
		Current Trends (Reference)	Green World	Low Growth	Low Capital Cost	High Capital Cost
PSE Demand w/ Cons		Base: 1.5%	Low: 1.3%	Low: 1.3%	Reference	Reference
Gas Price		Forward Marks for 2008-2012, and Global Insight's long run fundamental forecast	Forward Marks for 2008- and Global Insight's long run high forecast	Forward marks for and Global Insight's long run low forecast	Reference	Reference
Coal Price		Global Insight	Reference	Reference	Reference	Reference
Power Price		Current Trends (Reference)	Green World	Low Growth	Reference	Reference
Generic Resource Cost $/KW		PSE market based estimates with constant real costs for 20 years, Wind, CCCT and DF from private study	Reference	Reference	Wind and CCCT capital cost increasing at lower rate	Wind and CCCT capital Cost increasing at higher rate
Emissions (Nominal $/Ton)	CO2	Lieberman-Warner Bill (ICF) Start in 2013 2013: $10.88 2020: $19.83 2027: $37.51	Lieberman-Warner Bill (MIT) Start in 2013 2013: $46.19 2020: $72.25 2027: $113.01	Reference	Reference	Reference
	SO2	"Clear Skies" (Bush) Start in 2010 2010: $978 2020: $2105 2027: $3306	"Clean Air Planning Act" (Carper) 2010: $1481 2020: $3191 2027: $5009	Reference	Reference	Reference
	Nox	"Clear Skies" (Bush) Start in 2010 2010: $297 2020: $640 2027: $1006	"Clean Air Planning Act" (Carper) 2010: $5742 2020: $1522 2027: $1809	Reference	Reference	Reference
Production Tax Credits ($/MWh)		$20: 2008-2010 $10: 2011-2013 For all eligible technologies	Reference	Reference	Reference	Reference
RPS		Meet Current State RPS through 2027	Reference	Reference	Reference	Reference
REC Value ($/MWh)		2008: $6 2009: $7 2010: 10% 2011-2027: Increase at same rate as wind capital cost	Reference	Reference	Reference	Reference

- PSM scenarios are based on the 2007 IRP Report.
- Data in blue background was updated for RFP Phase II from the 2007 IRP values.

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Quantitative Selection Metrics

Levelized cost is the average annual cost per MWh produced during a 20-year period + end effects for each project.

Portfolio benefit is the 20-year present value of all portfolio benefits + end effects derived from each project in comparison to the 2007 IRP generic portfolio.

Portfolio benefit ratio is the present value of portfolio benefits divided by the present value of the project revenue requirements

PSE Discount Rate 8.4%

Phase II Quantitative Evaluation

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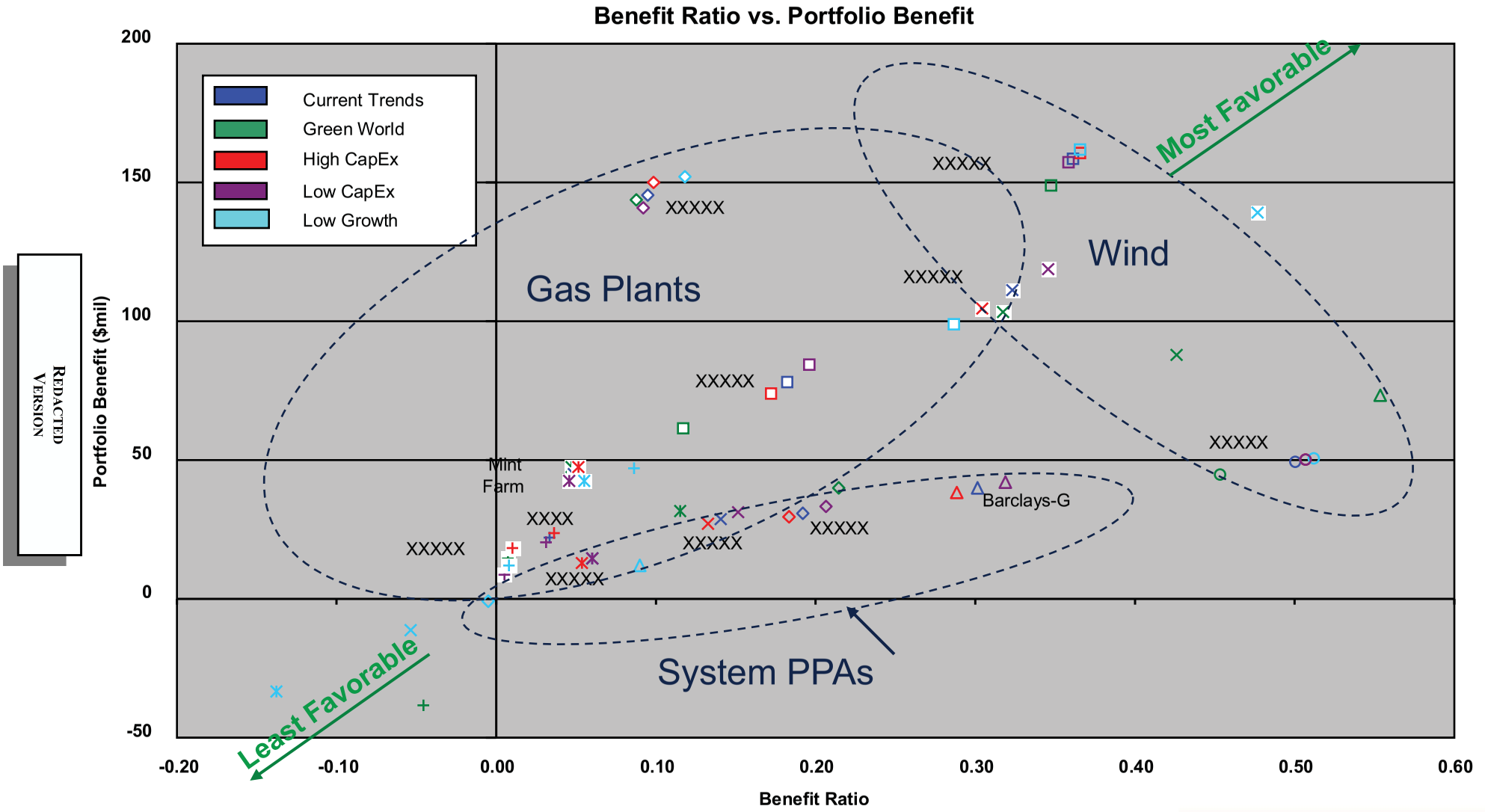
Phase II – Individual Projects: Static Results



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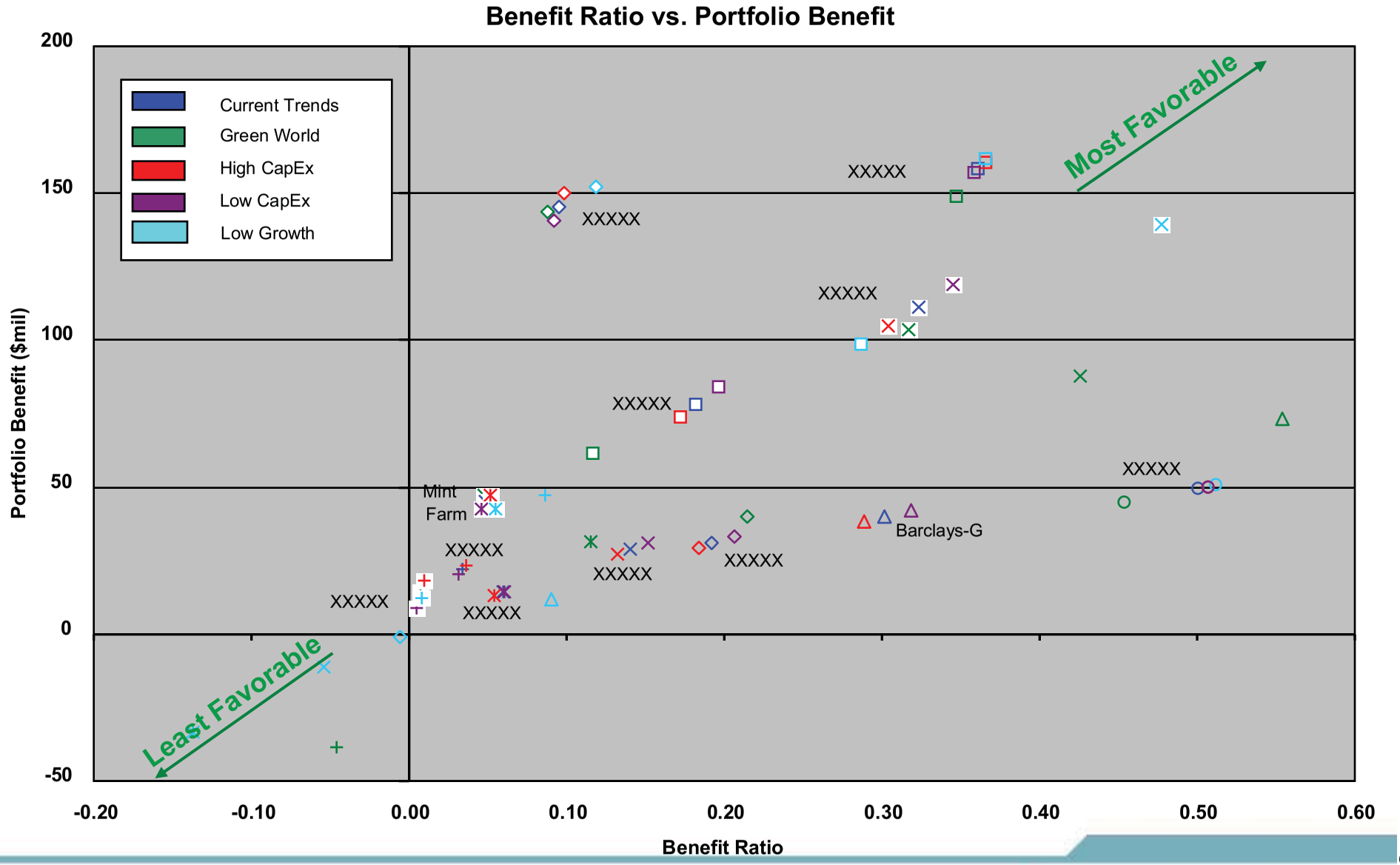
Phase II – Individual Projects: Static Results



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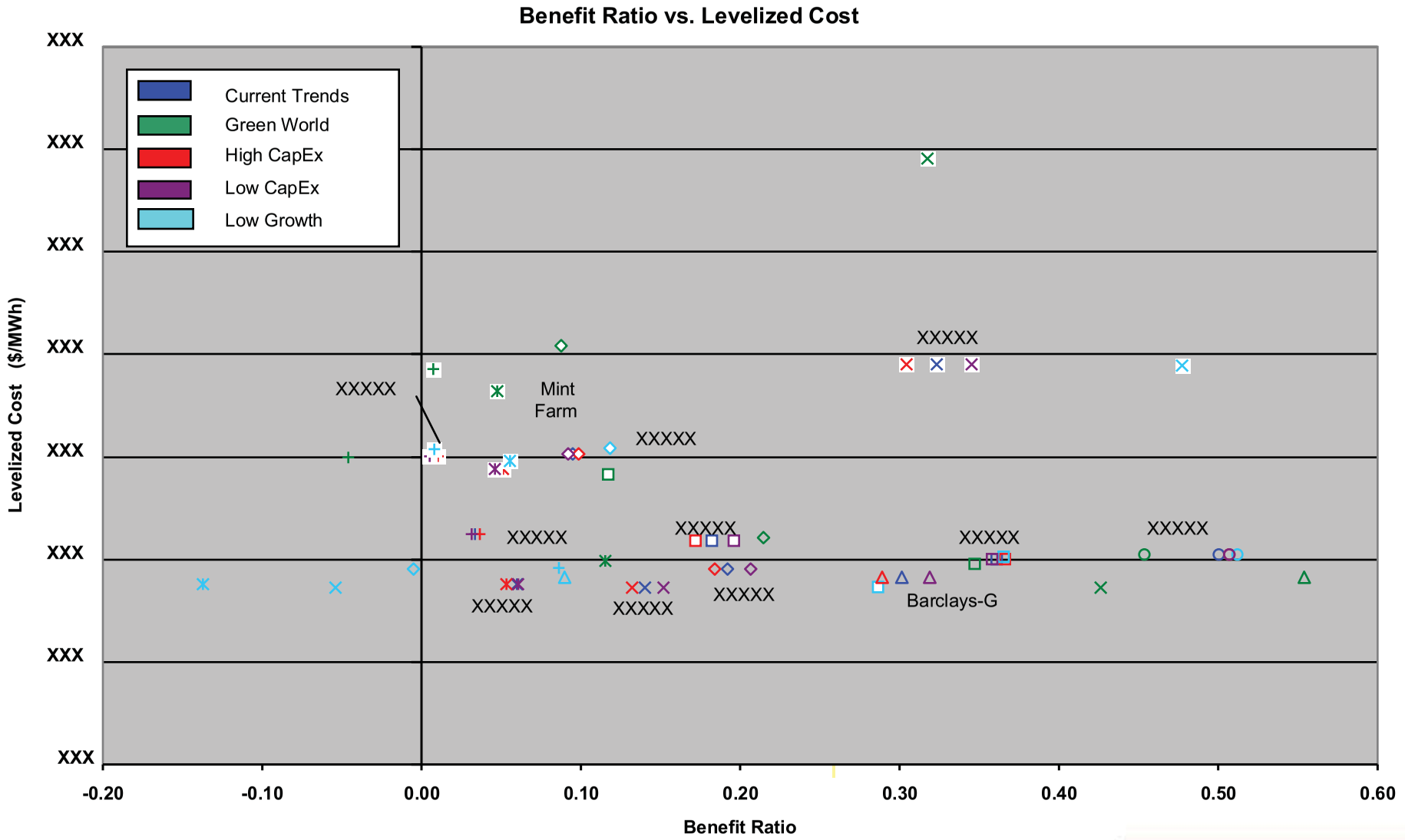
Phase II – Individual Projects: Static Results



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Phase II – Individual Projects: Levelized Cost

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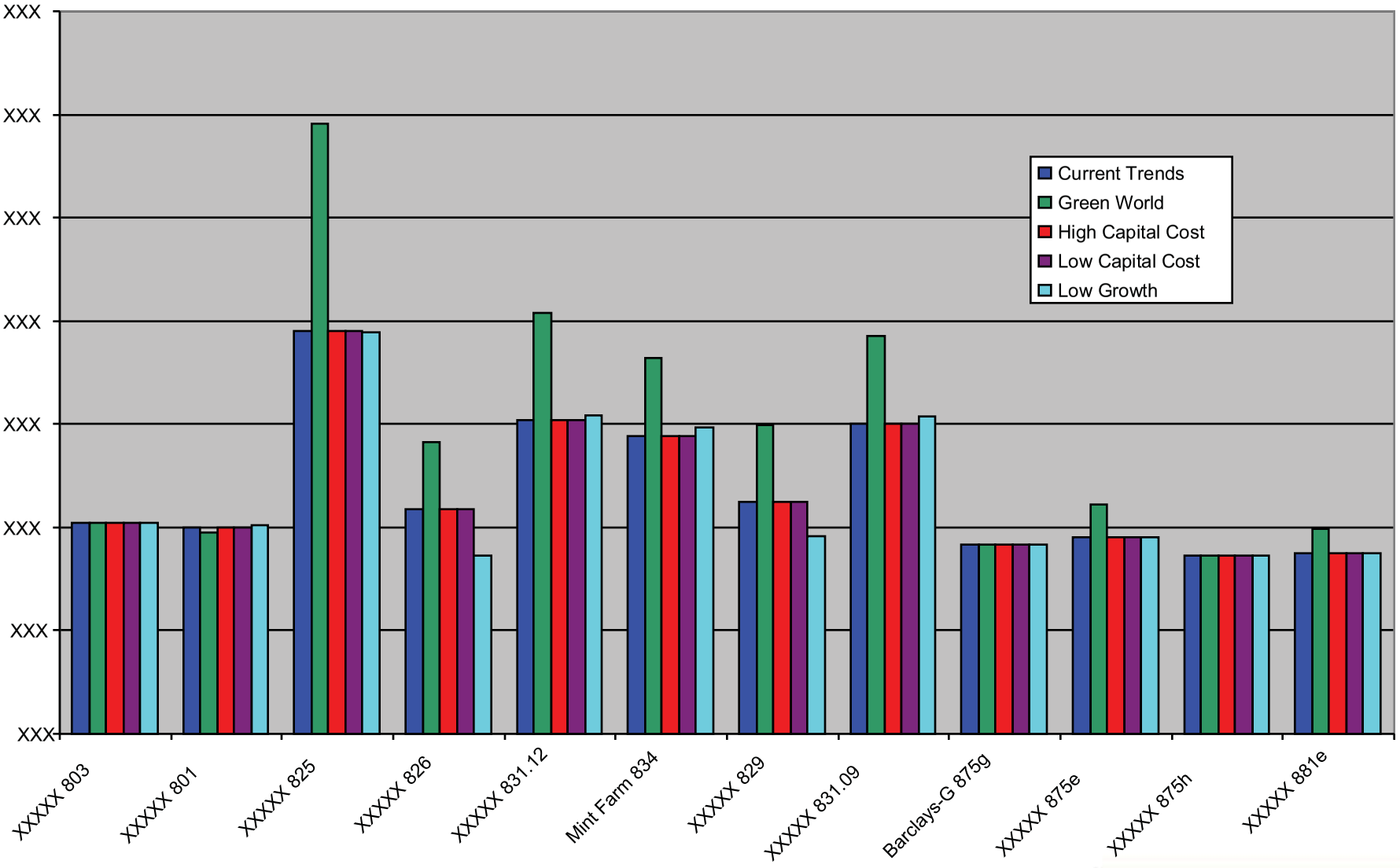

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Phase II – Individual Projects: Portfolio Benefit

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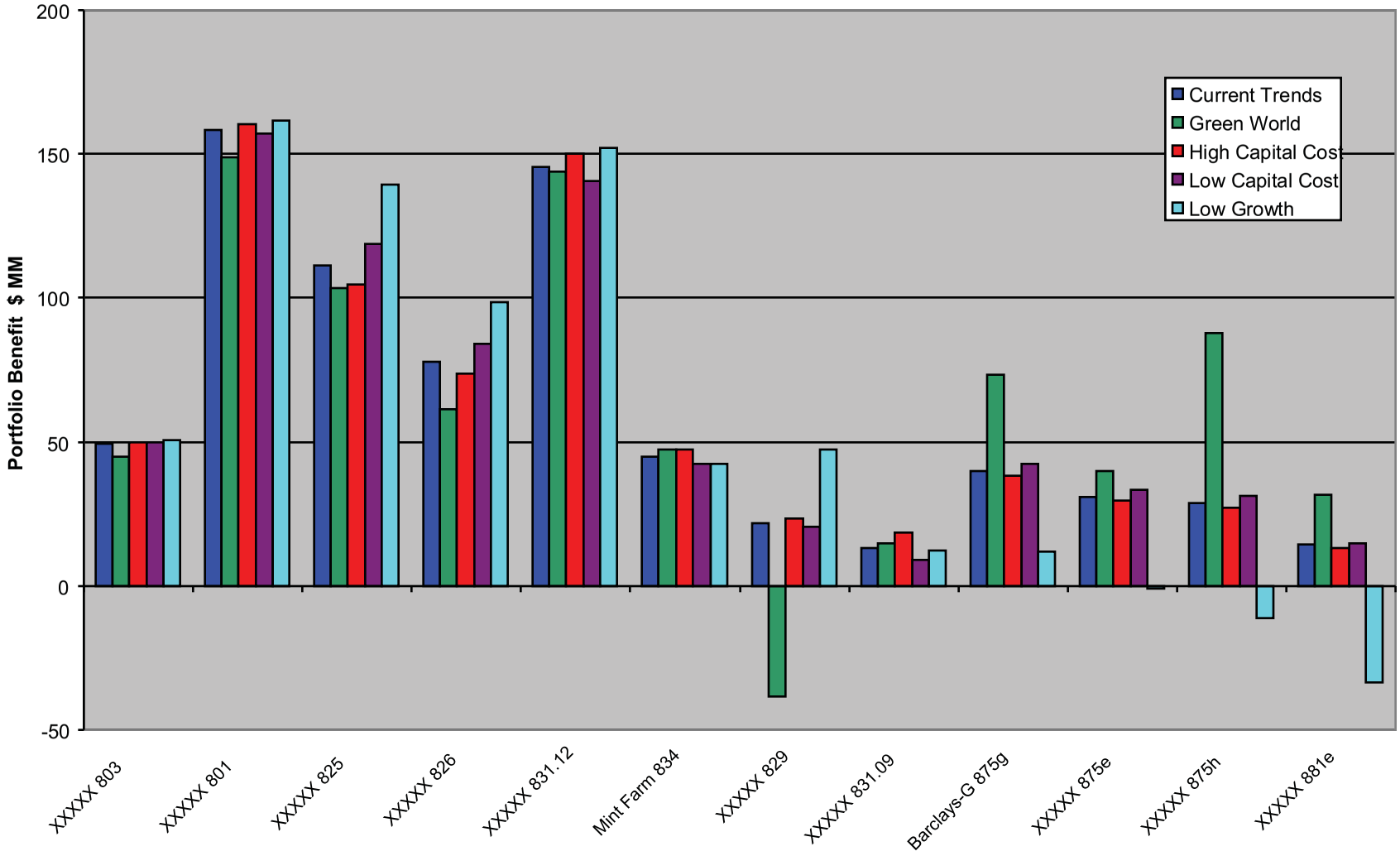

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Phase II – Individual Projects: Benefit Ratio

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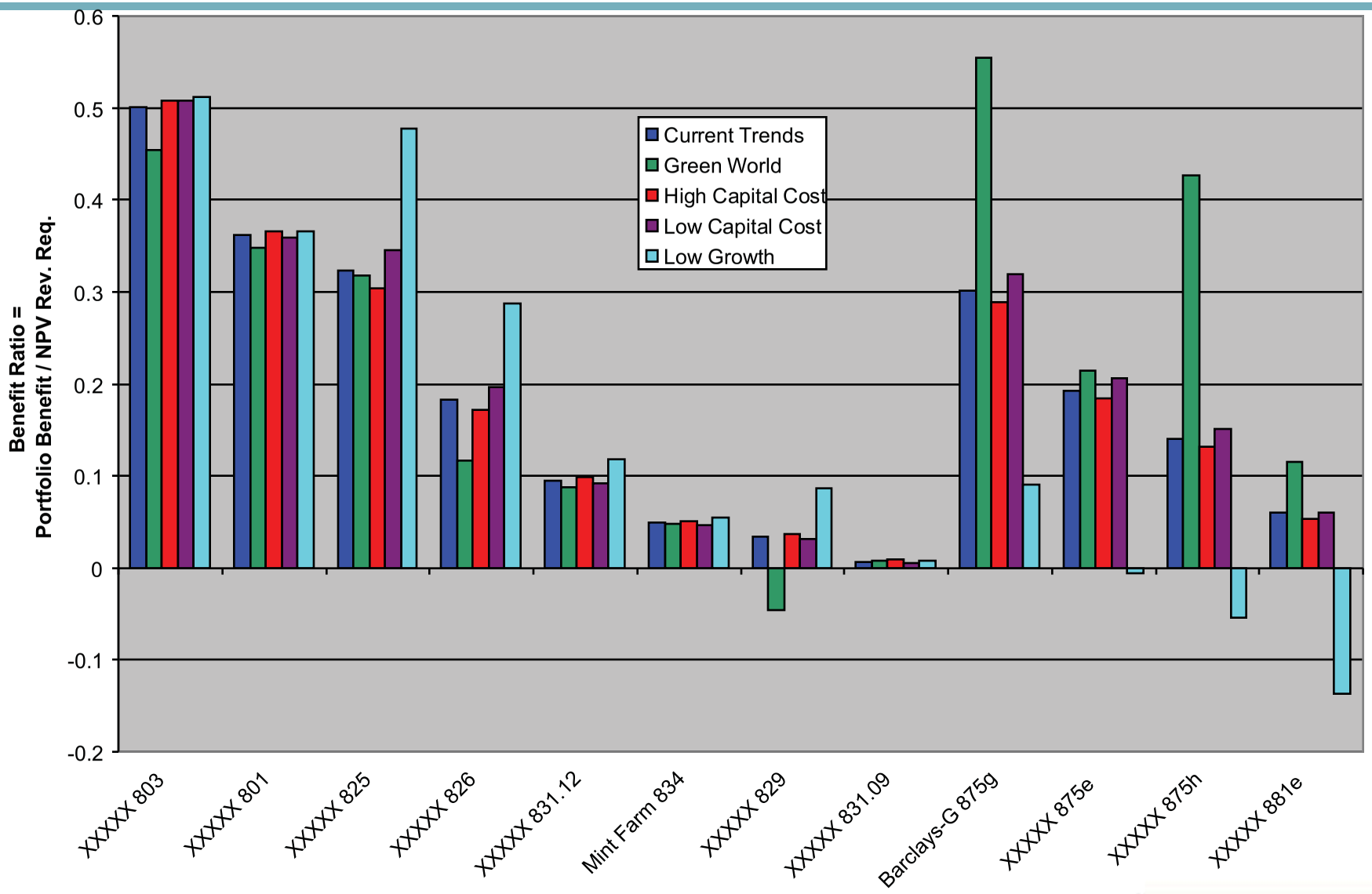

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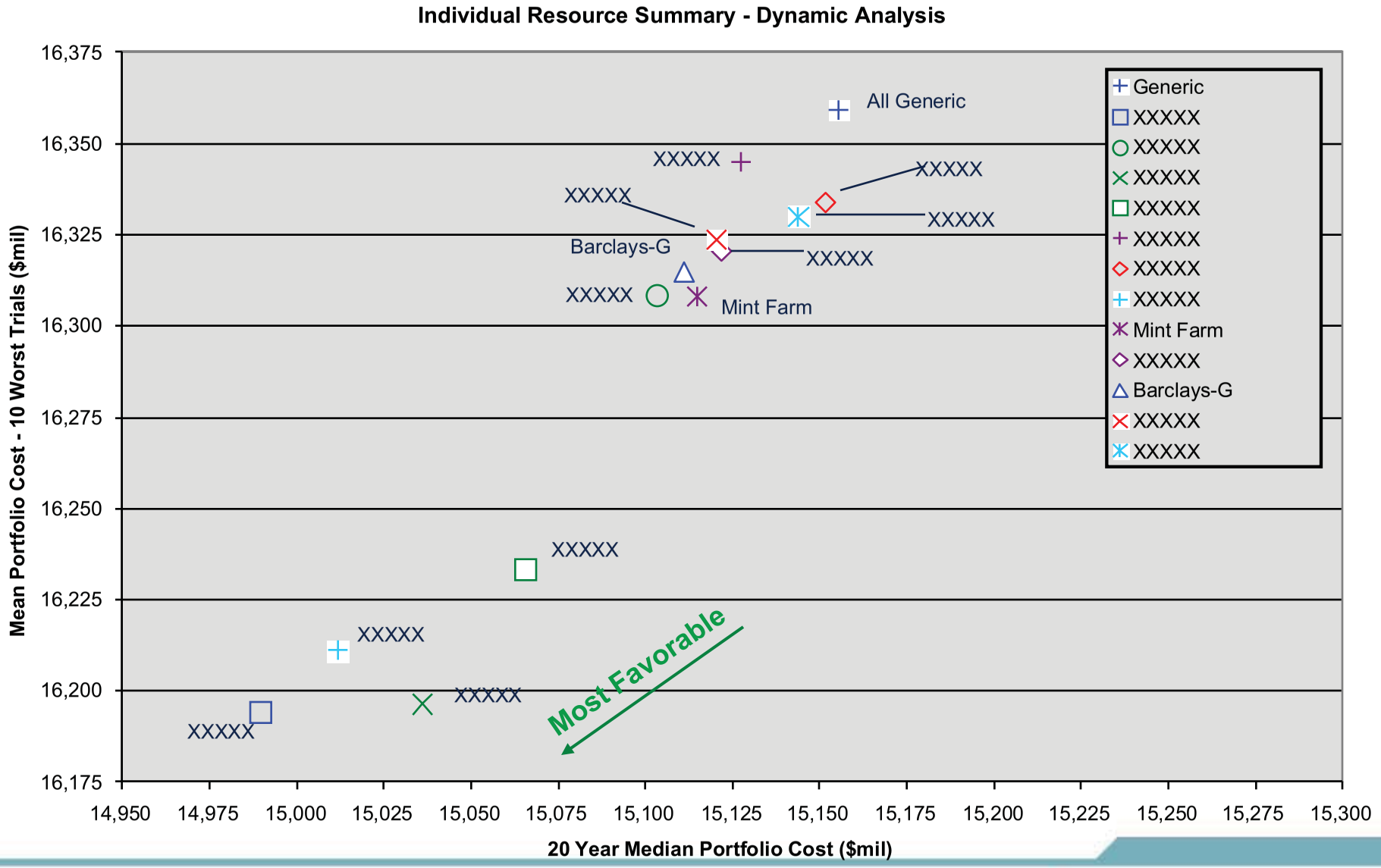
Phase II – Individual Projects: Dynamic Results



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Phase II – Portfolios: All Portfolios reduce cost

	Portfolios - Current Trends								
	1	2	3	4	5	6	7	8	9
	XXXXX XXXXX	XXXXX XXXXX	XXXXX XXXXX	XXXXX XXXXX	XXXXX XXXXX	XXXXX XXXXX	XXXXX XXXXX	XXXXX XXXXX	XXXXX XXXXX
	XXXXX XXXXX	XXXXX XXXXX	XXXXX XXXXX	XXXXX XXXXX	XXXXX XXXXX	XXXXX XXXXX	XXXXX XXXXX	XXXXX XXXXX	XXXXX XXXXX
	Mint Farm Own 2009		Mint Farm Own 2009	Mint Farm Own 2009		Mint Farm Own 2009			Mint Farm Own 2009
	XXXXX XXXXX	XXXXX XXXXX			XXXXX XXXXX				
		XXXXX	XXXXX	XXXXX			XXXXX	XXXXX	
				Barclays 4.5yr PPA			Barclays 4.5yr PPA		Barclays 4.5yr PPA
Total Cost ($bil)	$14.9	$14.8	$15.0	$14.9	$15.0	$15.1	$15.0	$15.0	$15.0
Levelized Cost ($/MWh)	$XXX	$XXX	$XXX	$XXX	$XXX	$XXX	$XXX	$XXX	$XXX
Portfolio Benefit ($MM)	$406.1	$492.7	$372.6	$406.9	$362.8	$261.8	$363.1	$328.8	$305.1
Benefit Ratio	0.14	0.20	0.21	0.21	0.18	0.18	0.36	0.37	0.19

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- Portfolio 9 is the RFP 2008 Shortlist
- Portfolio 20-year NPV total costs range from $14.8 Billion to $15.1 Billion, a difference of less than 2%.(1)
- Variation of Portfolio Benefit across portfolios is less than $231 million over 20 years.

(1) 20-year NPV total costs are the fixed and variable costs of the all new resources in the portfolio and only the variable costs of the existing resources.

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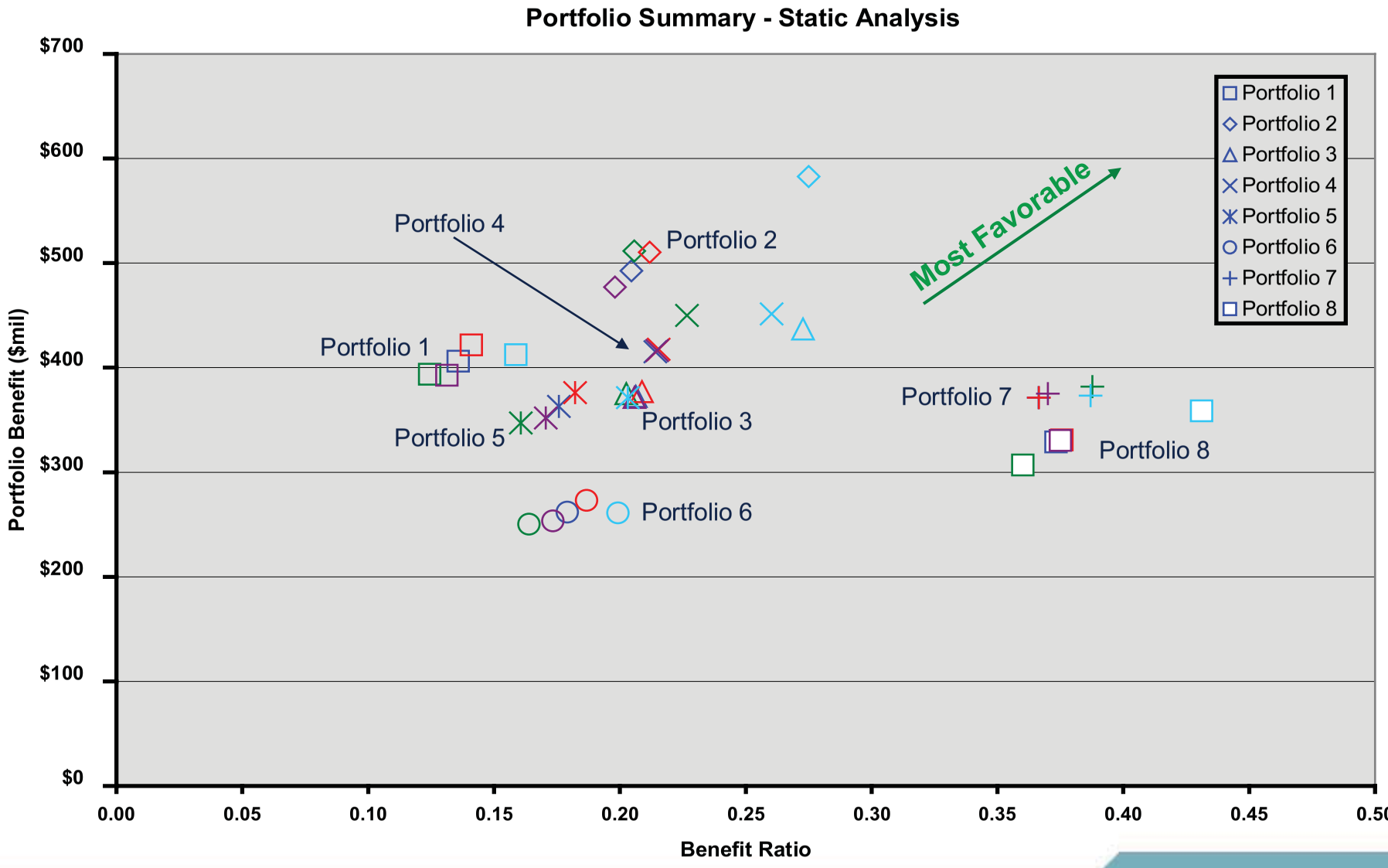
Phase II – Portfolios: Static Results



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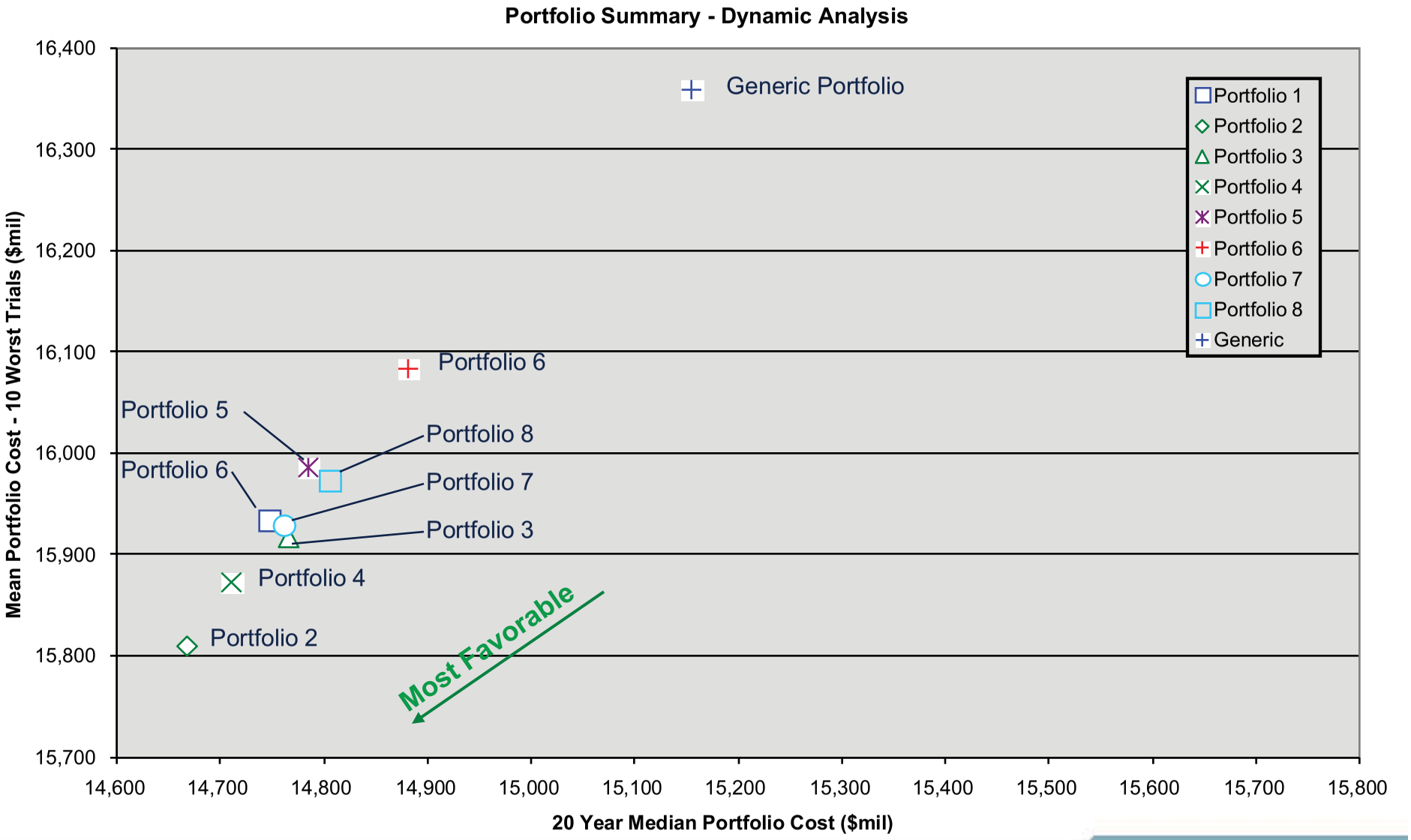
Phase II – Portfolios: Dynamic Results



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Phase II: Portfolio 3 in the Need Chart

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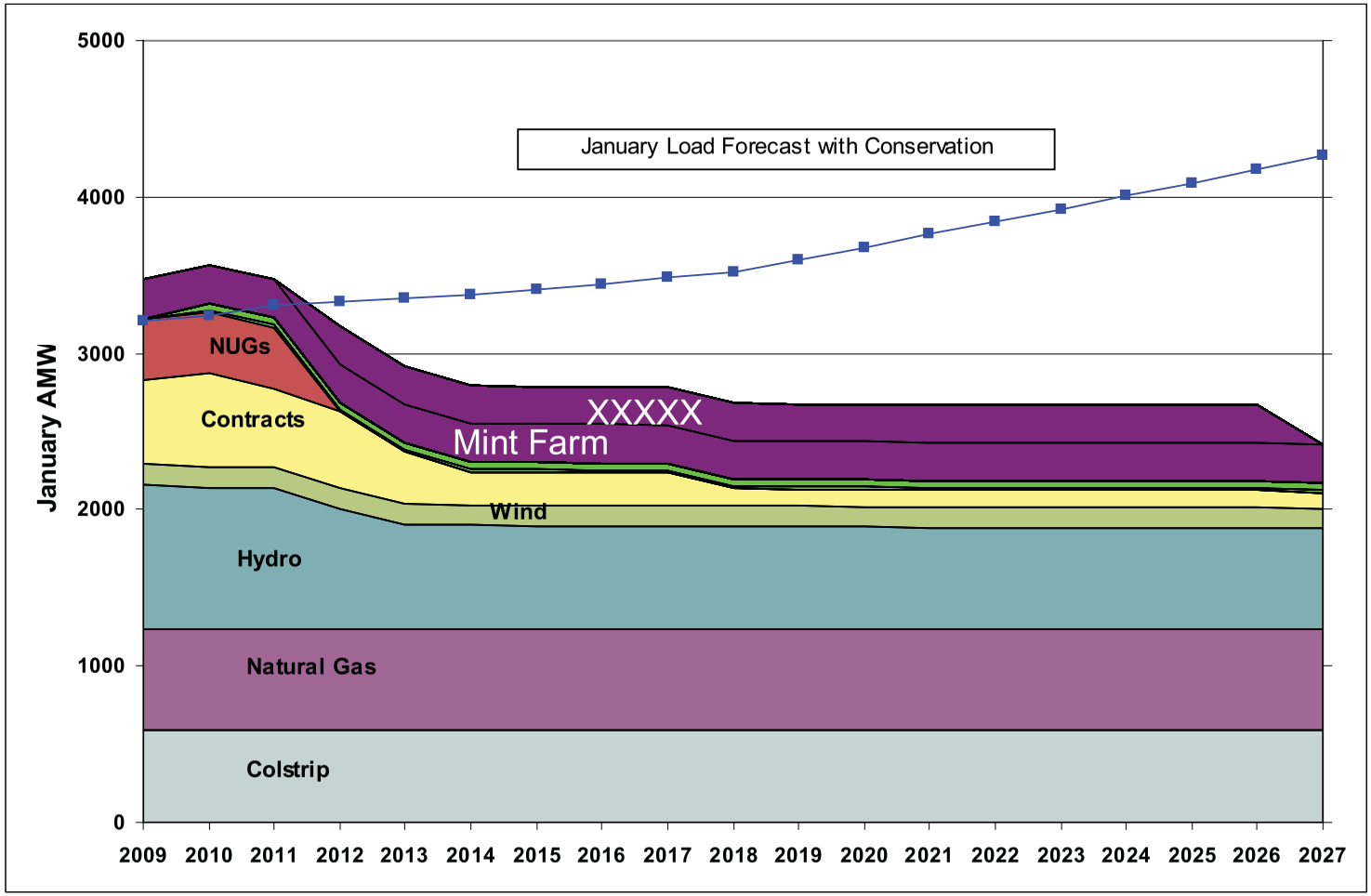

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Phase II: Portfolio 2 in the Need Chart

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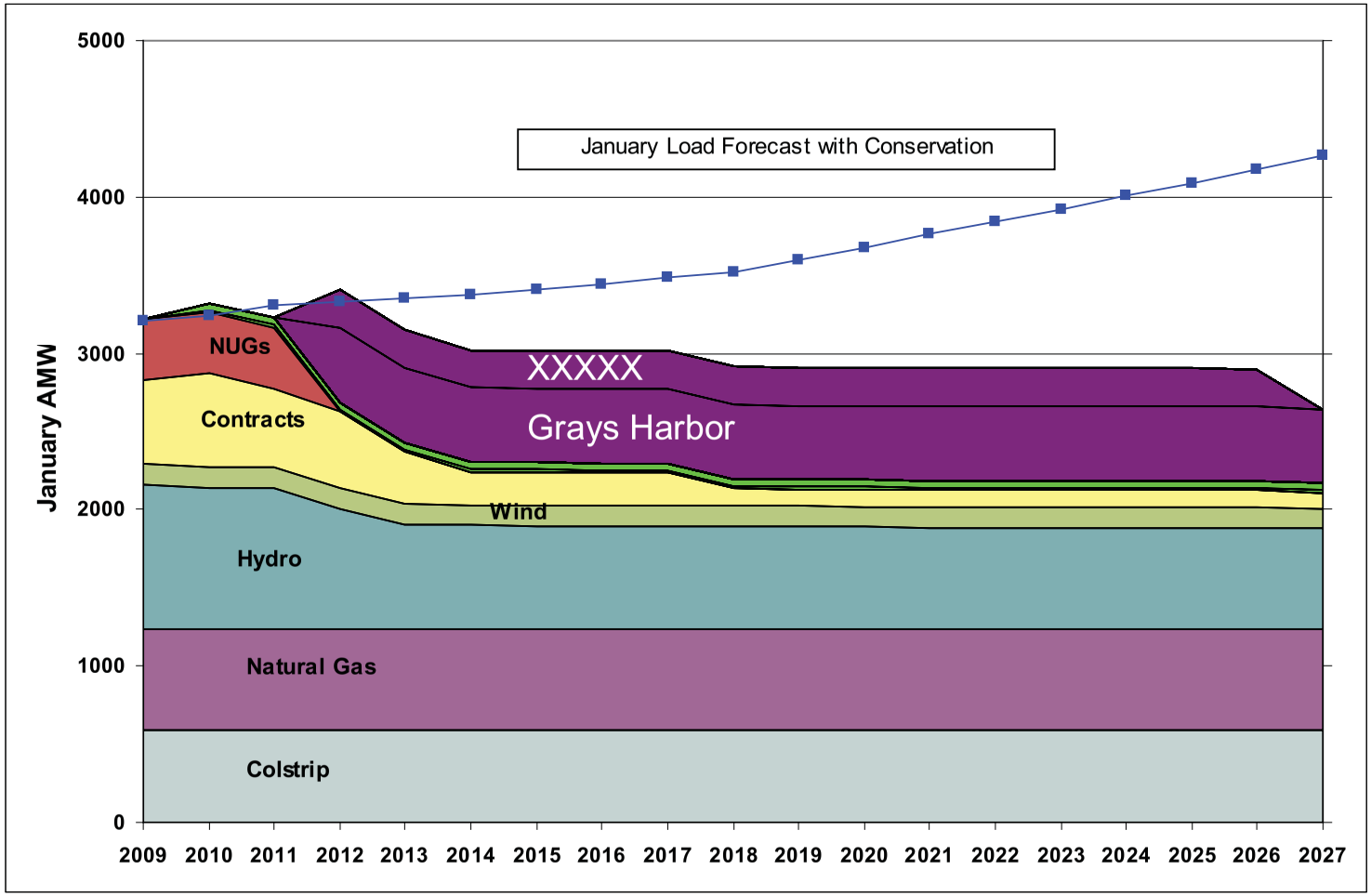

Phase II: Portfolio 8 in the Need Chart

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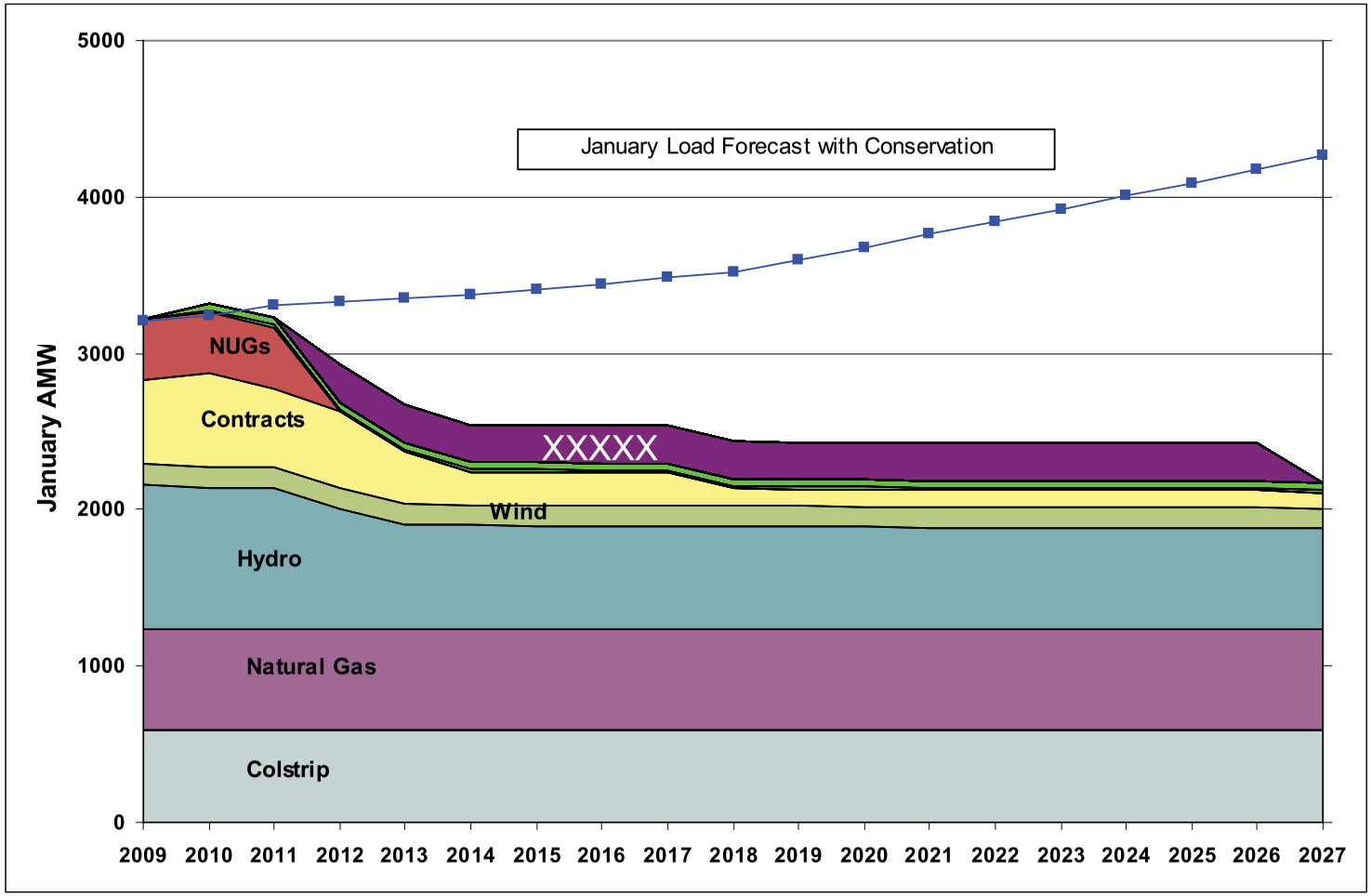

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Summary Ranking - Wind Projects

Code	Project Name	MW	Overall Ranking	Supporting Comments / Summary Findings	Levelized Cost Rank	Benefit Ratio Rank	Portfolio Benefit Rank	Scenario Dispersion Rank	Dynamic Analysis Rank
801	XXXXX	XXX	XXXX	XXXXX XXXXX	Best	Best	Best	Best	Best
803	XXXXX	XXX	XXXX	XXXXX XXXXX	Best	Best	Better	Best	Good
804	XXXXX	XXX	Offer withdrawn.						
809	XXXXX	XXX	Offer withdrawn.						
809	XXXXX	XXX	Offer withdrawn.						

REDACTED VERSION

KEY	
Best	Most Favorable
Better	Favorable
Good	Less Favorable

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Summary Ranking - Gas Projects

Code	Project Name	MW	Overall Ranking	Supporting Comments / Summary Findings	Levelized Cost Rank	Benefit Ratio Rank	Portfolio Benefit Rank	Scenario Dispersion Rank	Dynamic Analysis Rank
825	XXXXX XXXXX	XXX	Medium	XXXXX XXXXX XXXXX XXXXX XXXXX XXXXX XXXXX	Good	Best	Best	Good	Best
826	XXXXX XXXXX	XXX	Low	XXXXX XXXXX XXXXX XXXXX XXXXX XXXXX XXXXX	Best	Better	Good	Good	Best
829	XXXXX XXXXX	XXX	Medium	XXXXX XXXXX XXXXX XXXXX XXXXX XXXXX	Best	Good	Good	Good	Good

REDACTED VERSION

KEY	
Best	Most Favorable
Better	Favorable
Good	Less Favorable

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Summary Ranking - Gas Projects Cont.

REDACTED VERSION

Code	Project Name	MW	Overall Ranking	Supporting Comments / Summary Findings	Levelized Cost Rank	Benefit Ratio Rank	Portfolio Benefit Rank	Scenario Dispersion Rank	Dynamic Analysis Rank
831	XXXXX XXXXX	XXX	Low	XXXXX XXXXX XXXXX XXXXX XXXXX XXXXX	Better	Good	Good	Best	Good
831	XXXXX XXXXX	626	High	XXXXX XXXXX XXXXX XXXXX	Better	Good	Best	Best	Best
834	Mint Farm Energy Center	310	Medium	Rates better than a generic gas. Moderate size makes us long in the near term. Resource Additions are lumpy length, at some point in time may be inevitable.	Better	Good	Good	Best	Good

KEY

Best	Most Favorable
Better	Favorable
Good	Less Favorable

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Summary Ranking - System PPAs

Code	Product Name / Description	MW	Ranking	Supporting Comments / Summary Findings	Levelized Cost Rank	Benefit Ratio Rank	Portfolio Benefit Rank	Scenario Dispersion Rank	Dynamic Analysis Rank
875e	XXXXX XXXXX	XXX	Low	XXXXX XXXXX XXXXX XXXXX XXXXX XXXXX	Best	Better	Good	Good	Good
875g	Fixed Price PPA, 4 yr, winter, ATC	25-275*	Medium	Structure fits with our need. Competitive market pricing at time of bid. Will be repriced to current market and will change ranking results. Offers price certainty	Best	Best	Good	Good	Good
875h	XXXXX XXXXX	XXX	Medium	XXXXX XXXXX XXXXX XXXXX XXXXX XXXXX	Best	Better	Good	Good	Good
881e	XXXXX XXXXX	XXX	Low	XXXXX XXXXX XXXXX XXXXX XXXXX XXXXX XXXXX XXXXX	Best	Good	Good	Good	Good

REDACTED VERSION

KEY	
Best	Most Favorable
Better	Favorable
Good	Less Favorable

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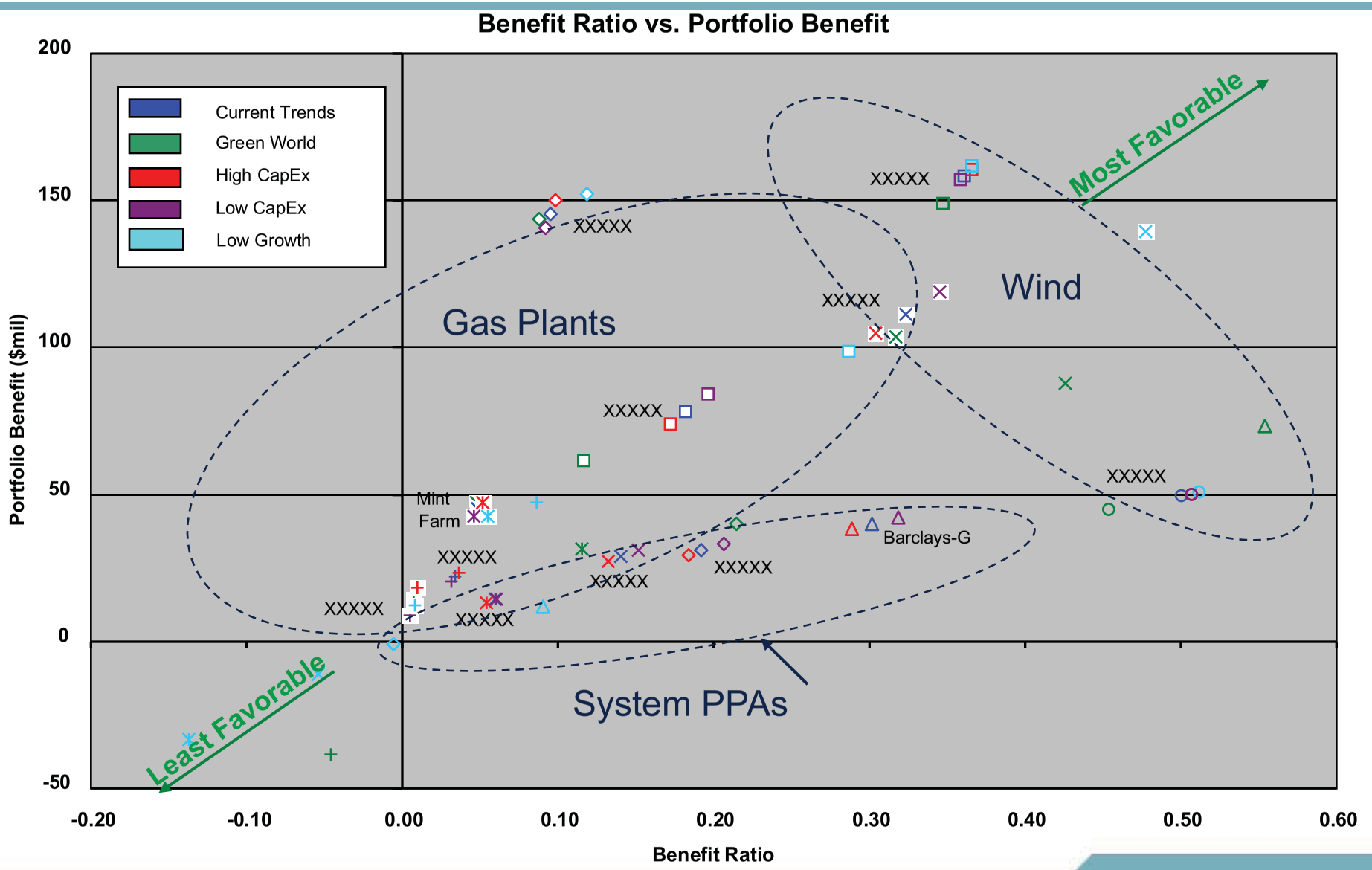
Results

All projects are favorable, need to look at risk



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Key Takeaways

- Quantitatively, everything on the Phase I Candidate Short List evaluated favorably
- Qualitative analysis of risks and benefits complements the quantitative evaluation
- Projects selected for the Final Short List are executable and minimize risk

RFP Results - Final Selections*

Final Short List

Project	Owner /Developer	Location	MW	Levelized Cost $/MWh	Portfolio Benefit $MM	Benefit Ratio	Status	Commercial Operation Date
XXXXX XXXXX	XXXXX	XXXXX	XXX	$XXX	$XXX	XXX	XXXXX	XXXXX
XXXXX XXXXX	XXXXX	XXXXX	XXX	$XXX	$XXX	XXX	XXXXX	XXXXX
Mint Farm Energy Center CCCT (ownership)	Wayzata Investment Partners	Longview, WA	310	$XXX	$44.97	0.05	Operating	2009
Fixed Price PPA, 4-year, winter, ATC	Barclays Bank PLC	n/a	25-275*	$XXX	$39.97	0.30	ATC	11/1/2011 to 3/31/2015

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Continuing Investigation List

Project	Owner /Developer	Location	MW	Levelized Cost $/MWh	Portfolio Benefit	Benefit Ratio	Status	Commercial Operation Date
XXXXXX XXXXX	XXXXX	XXXXX	XXX	$XXX	$XXX	XXX	XXXXX	XXXXX
XXXXX XXXXX	XXXXX	XXXXX	XXX	$XXX	$XXX	XXX	XXXXX	XXXXX
XXXXX XXXXX	XXXXX	XXXXX	XXX	$XXX	$XXX	XXX	XXXXX	XXXXX

*Does not include PSE development projects that did not come through the RFP projects.

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Attachment 5

Preliminary Screen

“Candidate” Short List

2008 RFP Phase I "Candidate" Short List (05-12-08)

Code	Fuel	Project	Owner /Developer	Location	MW	Levelized Cost $/MWh	Portfolio Benefit	Benefit Ratio	Status	Term	Offer	Comments
801	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	52,308	0.105	XXXX	XXXX	XXXX	XXXX
803	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	30,474	0.300	XXXX	XXXX	XXXX	XXXX
804	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	(5,982)	(0.028)	XXXX	XXXX	XXXX	XXXX
809	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	51,586	0.172	XXXX	XXXX	XXXX	XXXX
825	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	119,707	0.361	XXXX	XXXX	XXXX	XXXX
826	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	5,963	0.014	XXXX	XXXX	XXXX	XXXX
829	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	25,577	0.102	XXXX	XXXX	XXXX	XXXX
831	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	67,215	0.045	XXXX	XXXX	XXXX	XXXX
834	NatG	Mint Farm Energy Center	Wayzata Investment Partners	Longview, WA	310	XXXX	52,427	0.057	Operating	2009	ownership	Attractive capital cost for a completed, low heat rate plant.
875e	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	$20,154	0.127	XXXX	XXXX	XXXX	XXXX
875g	PPA	Fixed Price PPA, 4 yr, winter, ATC	Barclays Bank PLC	n/a	25-275*	XXXX	$22,413	0.161	ATC	11/1/2011 to 3/31/2015	4yr PPA; winter only; fixed price	Evaluated well economically, solid counterparty
875h	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	$5,796	0.027	XXXX	XXXX	XXXX	XXXX
881e	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	($1,790)	(0.007)	XXXX	XXXX	XXXX	XXXX
n/a	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	($23,167)-($11,719)	(0.1115)-(0.2169)	XXXX	XXXX	XXXX	XXXX
~~n/a~~	~~Wind~~	~~XXXX~~	~~XXXX~~	~~XXXX~~	~~XXXX~~	~~XXXX~~	~~($18,135)-($15,079)~~	~~(0.1187)-(0.1264)~~	~~XXXX~~	~~XXXX~~	~~XXXX~~	~~XXXX~~
n/a	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	TBD	TBD	XXXX	XXXX	XXXX	XXXX

PSE development projects. These projects did not come through the 2008 RFP process. Joint development project with RES scheduled to be presented to the Energy Management Committee for approval May 19, 2008.

* Delivery amounts vary by month and time of day.

REDACTED VERSION

Non-selected Proposals List

2008 RFP Phase I Non-Selected List (05-27-08)

Code	Fuel	Project	Owner /Developer	Location	MW	Levelized Cost $/MWh	Portfolio Benefit	Benefit Ratio	Comments
800	Wind	XXXX	XXXX	XXXX	XXXX	Proposal withdrawn.			
802	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	(488,753)	(0.615)	XXXX
805	Wind	XXXXX	XXXX	XXXX	XXXX	XXXX	(11,076)	(0.052)	XXXX
806	Wind	XXXXX	XXXX	XXXX	XXXX	XXXX	(14,127)	(0.064)	XXXX
807	Wind	XXXXX	XXXX	XXXX	XXXX	XXXX	(26,123)	(0.105)	XXXX
827	NatG	XXXXX	XXXX	XXXX	XXXX	XXXX	(186,393)	(0.185)	XXXX
828 (a-c)	NatG	XXXXX	XXXX	XXXX	XXXX	XXXX	(52,626)	(0.131)	XXXX
830	NatG	XXXXX	XXXX	XXXX	XXXX	XXXX	(49,349)	(0.161)	XXXX
832	NatG	XXXXX	XXXX	XXXX	XXXX	XXXX	(25,114)	(0.087)	XXXX
833	NatG	XXXXX	XXXX	XXXX	XXXX	XXXX	(70,945)	(0.974)	XXXX
850	Coal	XXXXX	XXXX	XXXX	XXXX	XXXX	(165,438)	(0.315)	XXXX
851 (a-c)	Hydr	XXXXX	XXXX	XXXX	XXXX	XXXX	(7,964)	(0.048)	XXXX
852	Hydr	XXXXX	XXXX	XXXX	XXXX	XXXX	(29,373)	(0.603)	XXXX
853	Hydr	XXXXX	XXXX	XXXX	XXXX	2005 RFP update. Not a complete proposal.			
876	PPA	XXXXX	XXXX	XXXX	XXXX	XXXX			XXXX
877	PPA	XXXXX	XXXX	XXXX	XXXX	XXXX			XXXX
878	PPA	XXXXX	XXXX	XXXX	XXXX	XXXX			XXXX
879	PPA	XXXXX	XXXX	XXXX	XXXX	XXXX			XXXX
880	PPA	XXXXX	XXXX	XXXX	XXXX	XXXX			XXXX
882	PPA	XXXX	XXXX	XXXX	XXXX	XXXX			XXXX
883	PPA	XXXX	XXXX	XXXX	XXXX	XXXX			XXXX

REDACTED VERSION

Attachment 6

Final Selections

Final Short List

2008 RFP Phase II Final Short List (07-15-08)

Project Information							Quantitative		
Code	Fuel	Project	Owner /Developer	Location	MW	Offer	Levelized Cost $/MWh	Portfolio Benefit $,000,000	Benefit Ratio
801	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	49	0.50
803	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	158	0.36
834	NatG	Mint Farm Energy Center Longview, WA	Wayzata Investment Partners	Longview, WA	310	ownership	XXXX	45	0.05
875g	PPA	Fixed Price PPA, 4 yr, winter, ATC	Barclays Bank PLC	n/a	75-275	4yr PPA; winter only; fixed price	XXXX	40	0.30

* This list does not include the PSE development projects that did not come through the 2008 RFP.

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2008 RFP Phase II Final Short List (07-15-08)

Project Information			Qualitative		
Code	Fuel	Project	Technology	Transmission	Summary Comments
XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
834	NatG	Mint Farm Energy Center Longview, WA	1 GE 7FA CT; 1 Fuji Electric steam turbine; HR 6968 Btu/kWh	293 MW firm PTP transmission to PSE's system at Covington; south of Alston flowgate impacts for additional 17 MW.	Attractive capital cost for a completed, low heat rate plant; provides synergy with PSE's 7FA fleet; one of two remaining CCCT plants in PNW, 293 MW firm PTP transmission to PSE's system
875g	PPA	Fixed Price PPA, 4 yr, winter, ATC	not applicable	Delivery to Mid-C; utiliize BPA transmission capacity rights to deliver to PSE sytem.	Firm purchase, delivery to Mid-C, strong counterparty, good economics, price will require refresh

REDACTED VERSION

Continuing Investigation List

2008 RFP Continuing Investigation List (07-15-08)

Project Information									Quantitative		
Code	Fuel	Project	Owner /Developer	Location	MW	Status	Term	Offer	Levelized Cost $/MWh	Portfolio Benefit $,000,000	Benefit Ratio
825	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	111	0.32
829	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	22	0.03
831	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	145	0.10

REDACTED VERSION

2008 RFP Continuing Investigation List (07-15-08)

Projecte Information			*Qualitative*		
Code	**Fuel**	**Project**	**Technology**	**Transmission**	**Qualitative Findings**
xxxx	xxxx	xxxx	xxxx	xxxx	xxxx
xxxx	xxxx	xxxx	xxxx	xxxx	xxxx
xxxx	xxxx	xxxx	xxxx	xxxx	xxxx

REDACTED VERSION

Non-selected Proposals List

2008 RFP Phase II Non-Selected Proposal List (07-09-08)

Project Information									Quantitative		
Code	Fuel	Project	Owner /Developer	Location	MW	Status	Term	Offer	Levelized Cost $/MWh	Portfolio Benefit $,000,000	Benefit Ratio
804	Wind	XXXX	XXXX	XXXX	XXXX	Proposal Withdrawn					
809	Wind	XXXX	XXXX	XXXX	XXXX	Proposal Withdrawn					
826	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	78	0.18
875e	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	31	0.19
875h	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	29	0.14
881e	PPA	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	15	0.06

REDACTED VERSION

2008 RFP Phase II Non-Selected Proposal List (07-09-08)

			Qualitative		
Code	**Fuel**	**Project**	**Technology**	**Transmission**	**Qualitative Findings**
XXXX	XXXX	XXXX	Proposal Withdrawn		
XXXX	XXXX	XXXX	Proposal Withdrawn		
XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
XXXX	XXXX	XXXX	XXXX	XXXX	XXXX

REDACTED VERSION

Status of Unsolicited Proposals

Active Unsolicited Proposals Status

Code	Fuel	Project Name	Owner/ Developer	Location City / County	MW	Capacity Factor	Status	Term	Offer	Current Status
854	Geo	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
835	NatG	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
809	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
810	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
811	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
812	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX

Active Unsolicited Self-Build Opportunities Status

Code	Fuel	Project Name	Owner/ Developer	Location City / County	MW	Capacity Factor	Status	Term	Offer	Current Status
n/a	Wind	Columbia-Garfield County Projects	PSE / RES	Columbia & Garfield Counties	1,250 (total)	32%	Development	2010-2015	Joint development	Joint development agreement with RES signed in December 2008. Total project size estimated 1,250 MW. PSE's share would be 625 MW.
n/a	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
n/a	Wind	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
n/a	Wind	Wild Horse Expansion	PSE / Horizon	Kittitas County, WA	52	25%	Development	2009	Own	PSE purchased development rights and assets from Horizon in February 2008.

REDACTED VERSION

Attachment 7

Reports to Senior Management

PSE Officer Update

February 12, 2008

2008 RFP – All Generation Sources

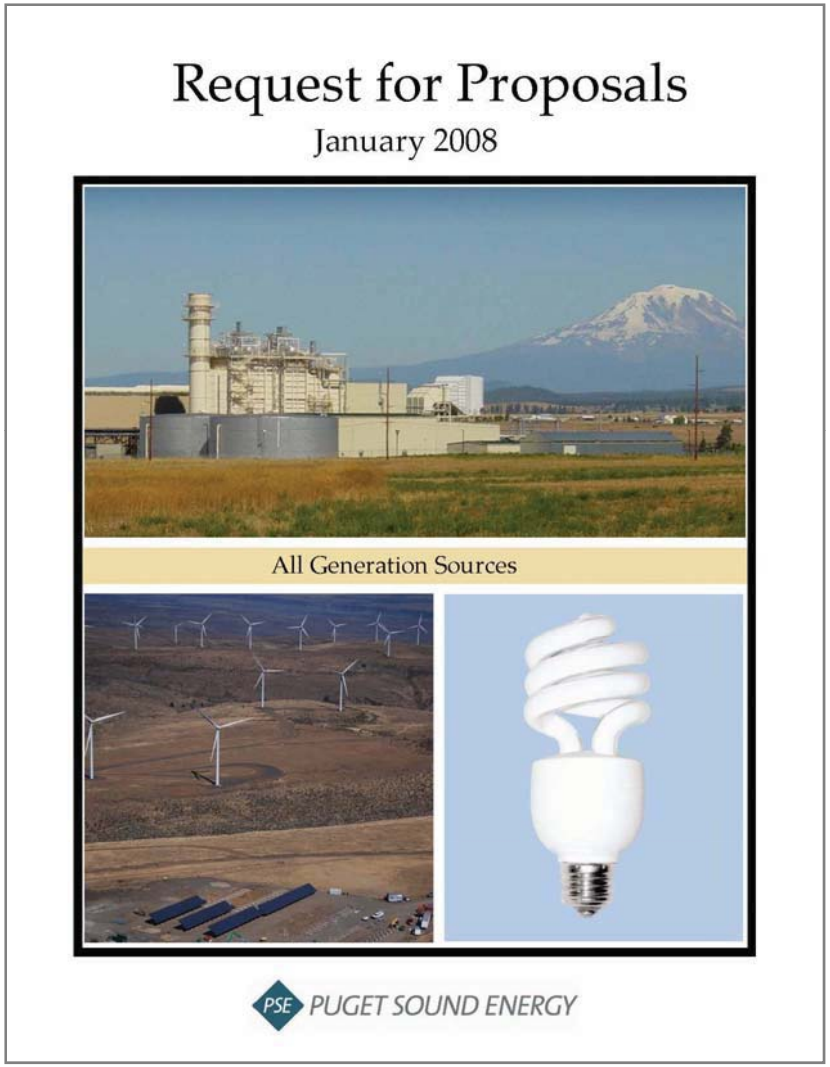
Christine Philipps

February 12, 2008

PUGET SOUND ENERGY

The Energy To Do Great Things

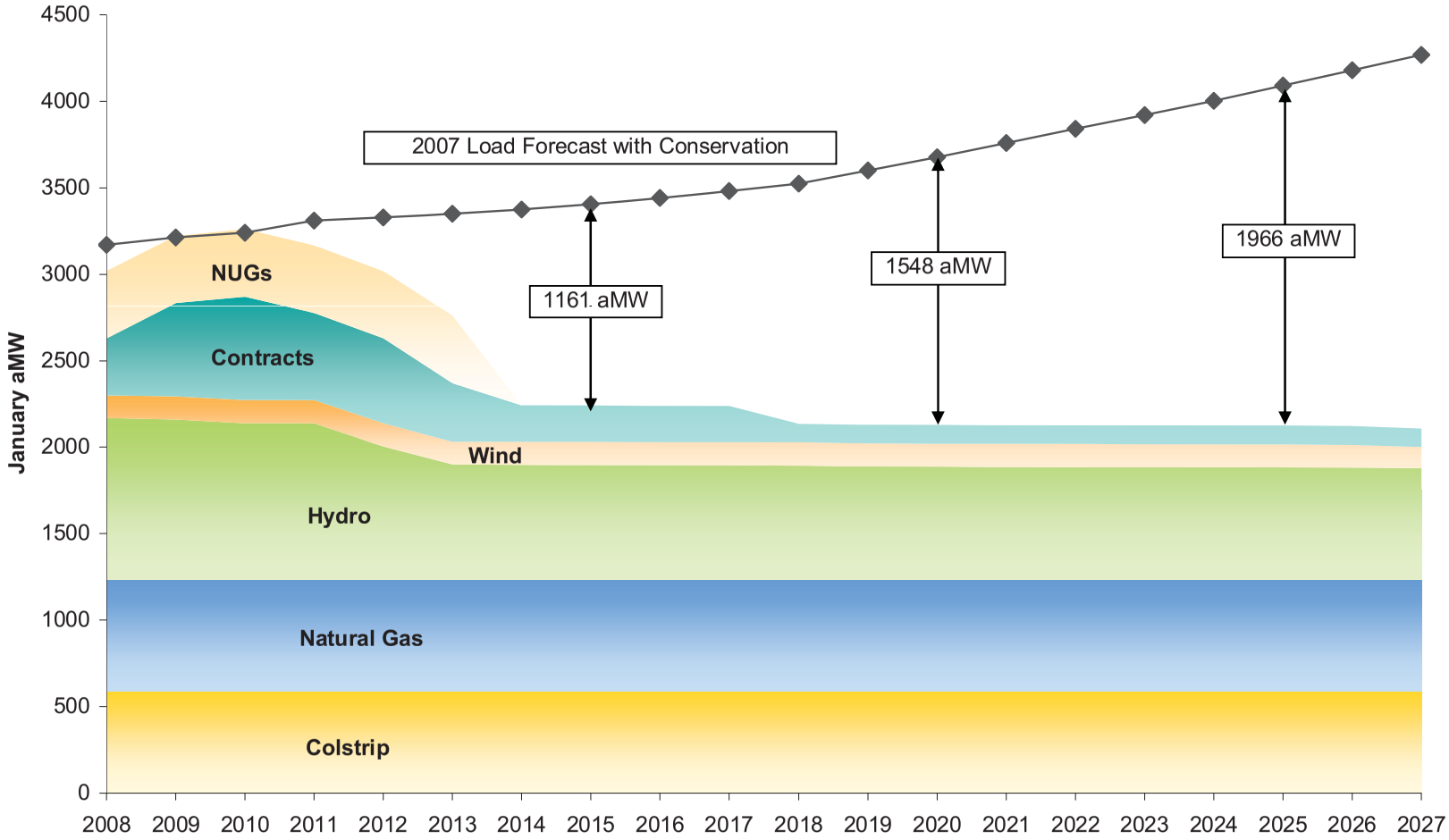
RFP Issued January 10, 2008



- All Generation Sources
- Existing and yet-to-be constructed generation sources
- Commercial on line date of 2015

PSE Energy Need

Draft as of 1/07/08



*Energy need before conservation, includes new contracts, new wind and hydro shapes, and Sumas

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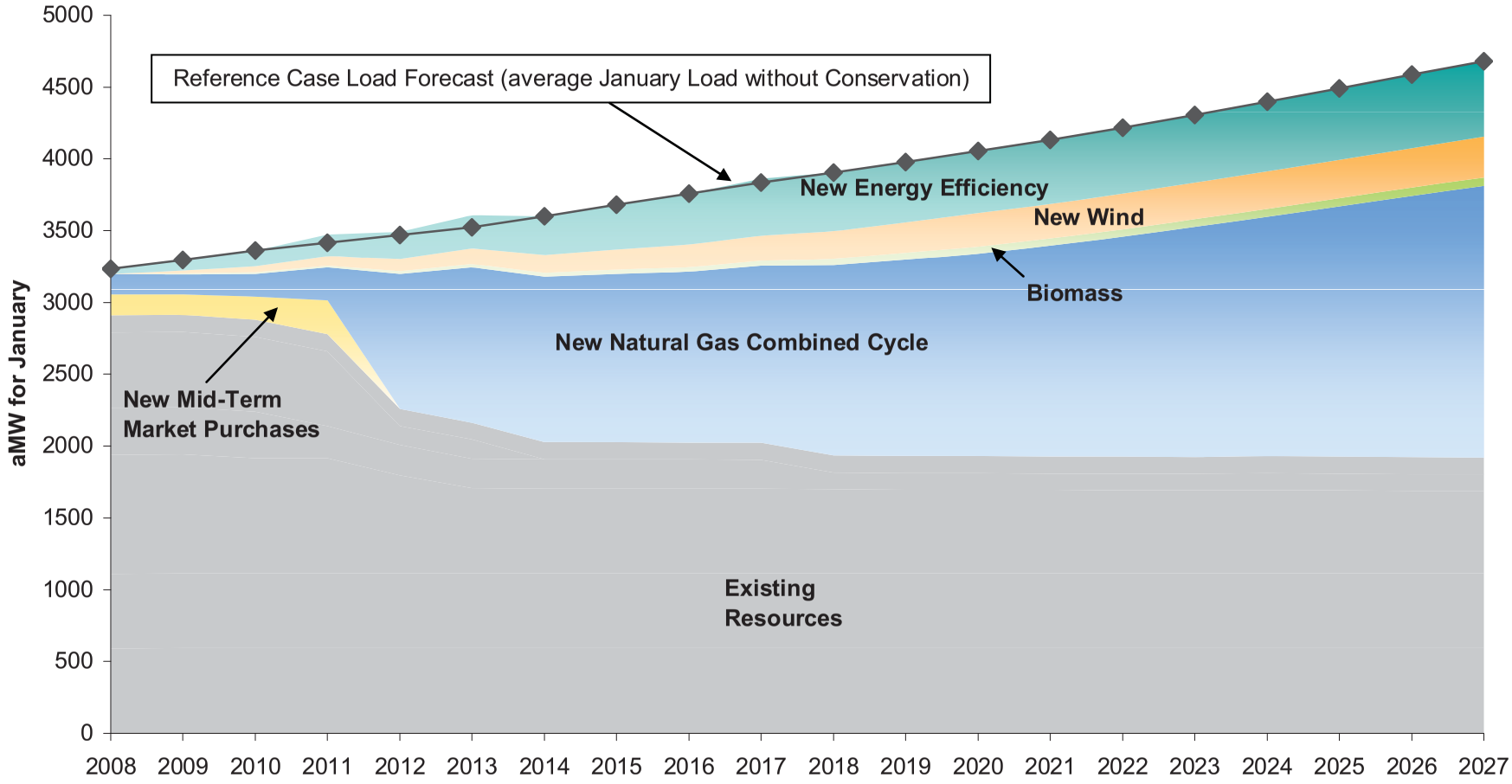
The Energy To Do Great Things

PSE Resource Strategy*

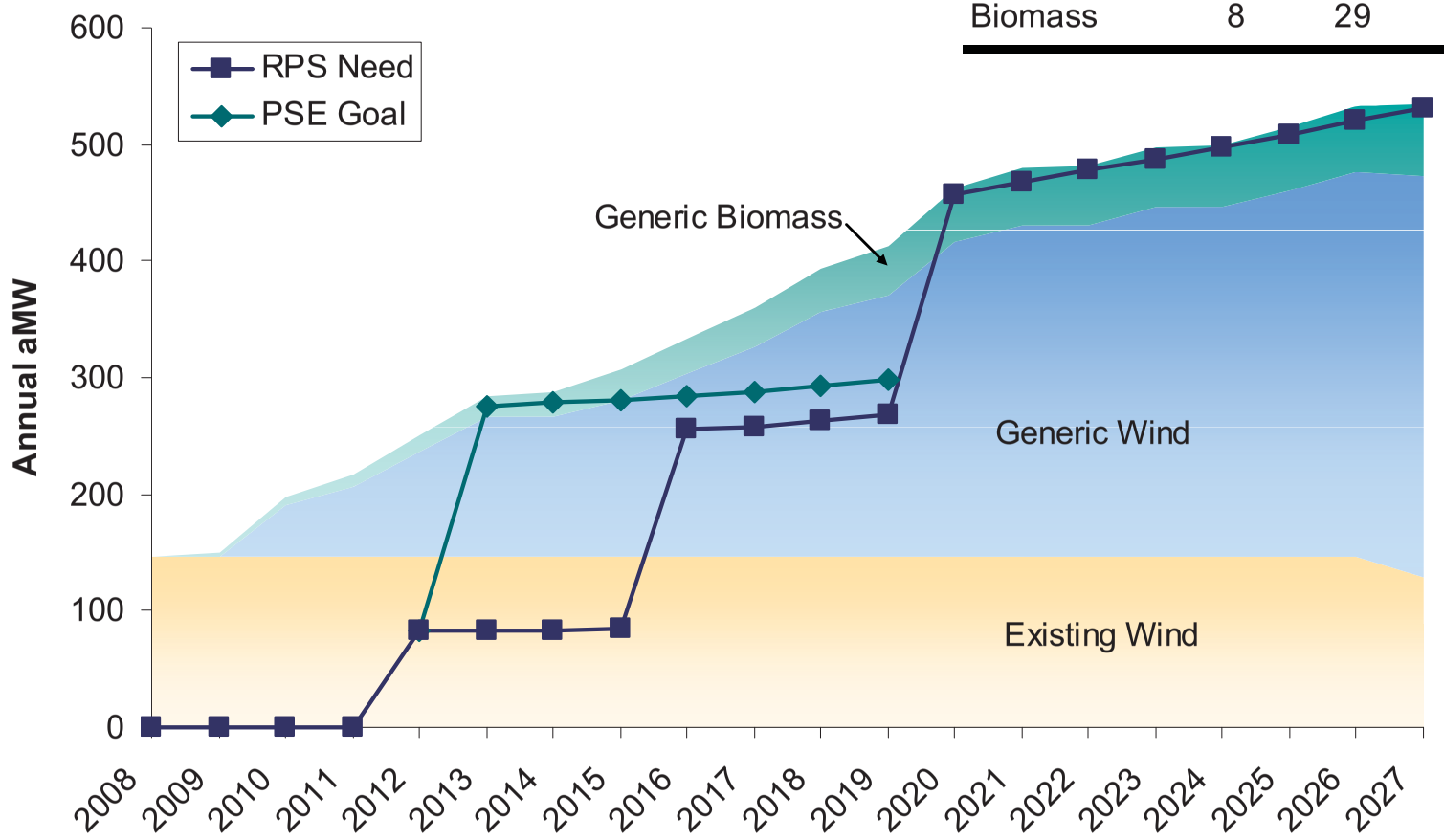


*Lowest Reasonable Cost Resource Portfolio, from May 2007 Integrated Resource Plan

PUGET SOUND ENERGY
The Energy To Do Great Things

More renewables – wind, some biomass…

New Additions (MW)				
	2010	2015	2020	2027
Wind	150	450	900	1150
Biomass	8	29	55	71



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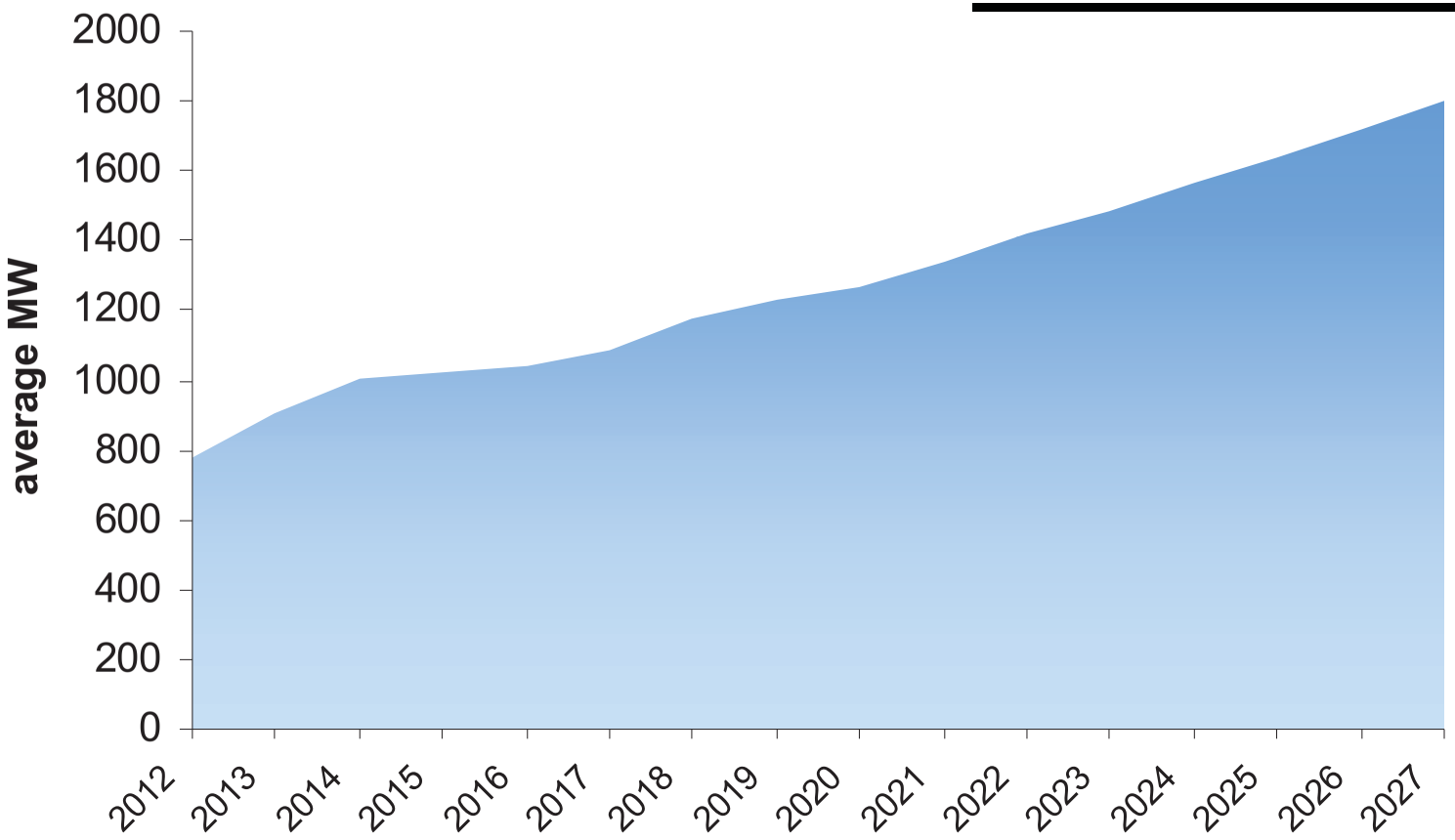
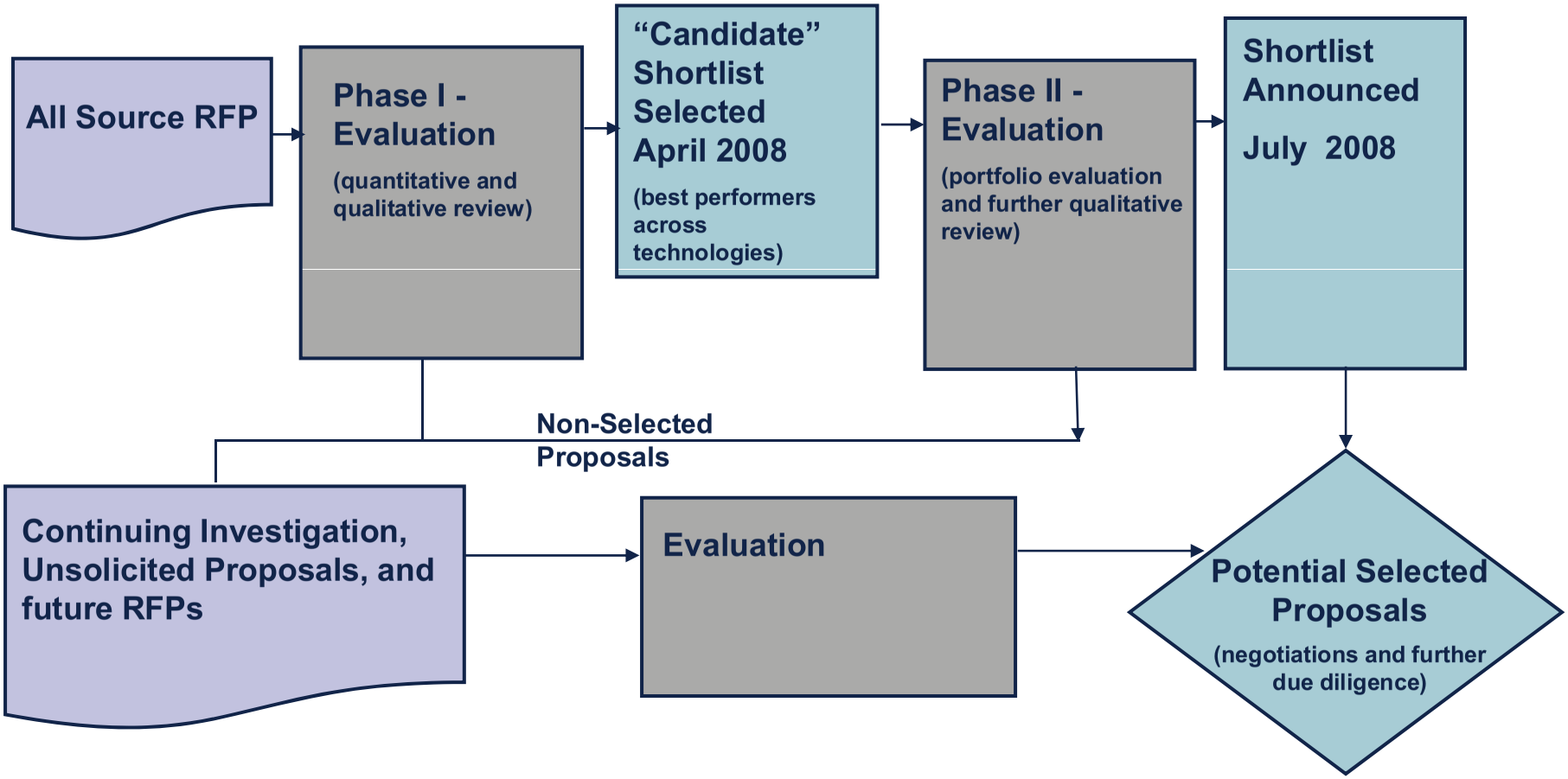
The Energy To Do Great Things

More natural gas combined cycle…

New Additions (MW)				
	2010	2015	2020	2027
Natural Gas	0	1075	1337	1900



2008 RFP Evaluation Process



RFP Evaluation Objectives

- Evaluate every bid
- Identify lowest cost, least risk resource
- Select creditworthy counterparty
- Mitigate risks to ratepayers
  - Evaluate the financial impacts
  - Mitigate environmental risks
  - Mitigate exposure to higher fuel costs

Evaluation Teams

Business / Commercial
Legal

Quantitative

Transmission
& Integration

IT

Environmental

Technical & Operations

Community Impacts

Insurance

Fuel Supply

Human Resources

Credit, Finance
& Accounting

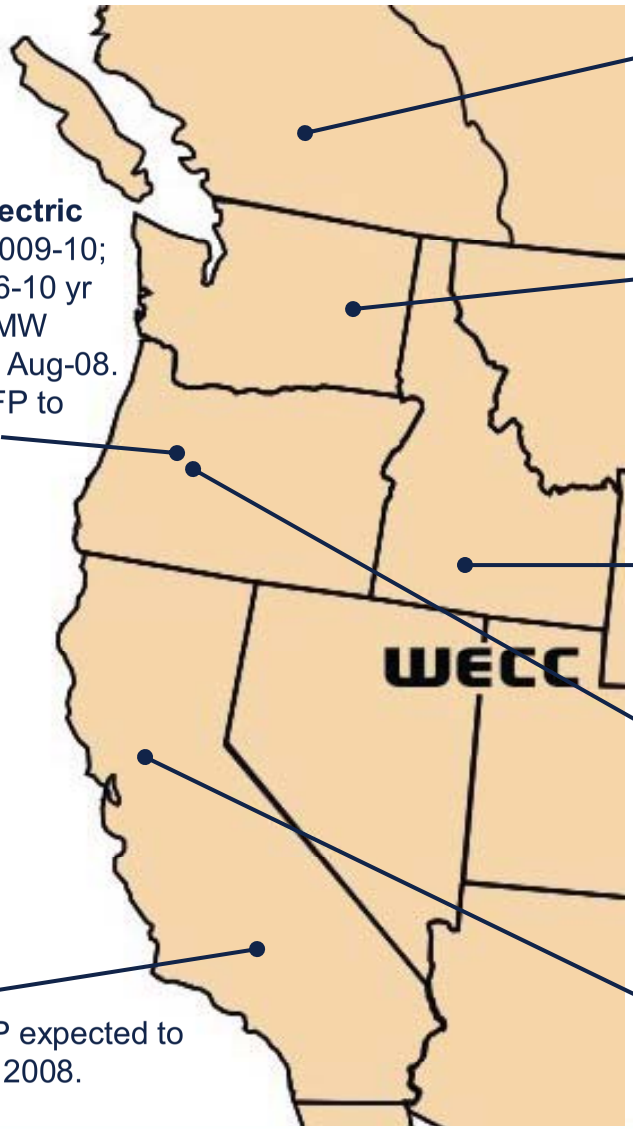
Real
Estate

Evaluation Criteria

- Compatibility with Need
- Cost Minimization
- Risk Management
- Public Benefits
- Strategic and Financial

Evaluation teams review the proposals for five primary criteria

Solicitations Underway by Western IOUs



BC Hydro
Feb. 2008 bioenergy call for power underway ("greenfield" generation or projects utilizing forest-based biomass). Seeking 1000 GW/yr firm energy. Short list Jun-08; call for Clean Power to be released in 2008.

Portland General Electric
Energy deficit as of 2009-10; RFP seeks 192 MW 6-10 yr PPAs and up to 218 MW renewables; short list Aug-08. Capacity products RFP to be released in 2009.

Avista
No current RFP. Long energy and capacity until 2011 (addition of Lancaster Generation Facility in 2010 extends this to 2017 for energy and 2015 for capacity); Resource strategy includes 350 MW CCCT, 300 MW wind and 35 MW other renewables between 2007 and 2017.

Idaho Power
Energy deficit beginning 2009; Geothermal RFP seeks 50-100 MW by June 2011. Final selection September 2008.

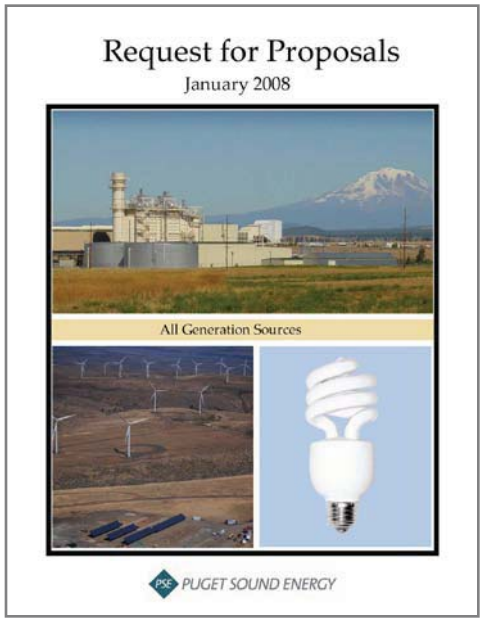
Pacificorp
Energy deficit beginning 2009; capacity deficit 2008-2010; 2008 Renewable RFP seeks up to 100 MW online by 2008 and 200 MW online by 2009; 2008 All Source RFP drafted. Final not yet released.

SoCal Edison
Next renewable RFP expected to be released in early 2008.

Pacific Gas & Electric (PG&E)
Renewables RFO to be released Jan. 2008; seeking 750,000 to 1,500,000 MWh per year.

PSE EMC Update

March 20, 2008



2008 Request for Proposals

Energy Management Committee

March 20, 2008

PUGET SOUND ENERGY

The Energy To Do Great Things

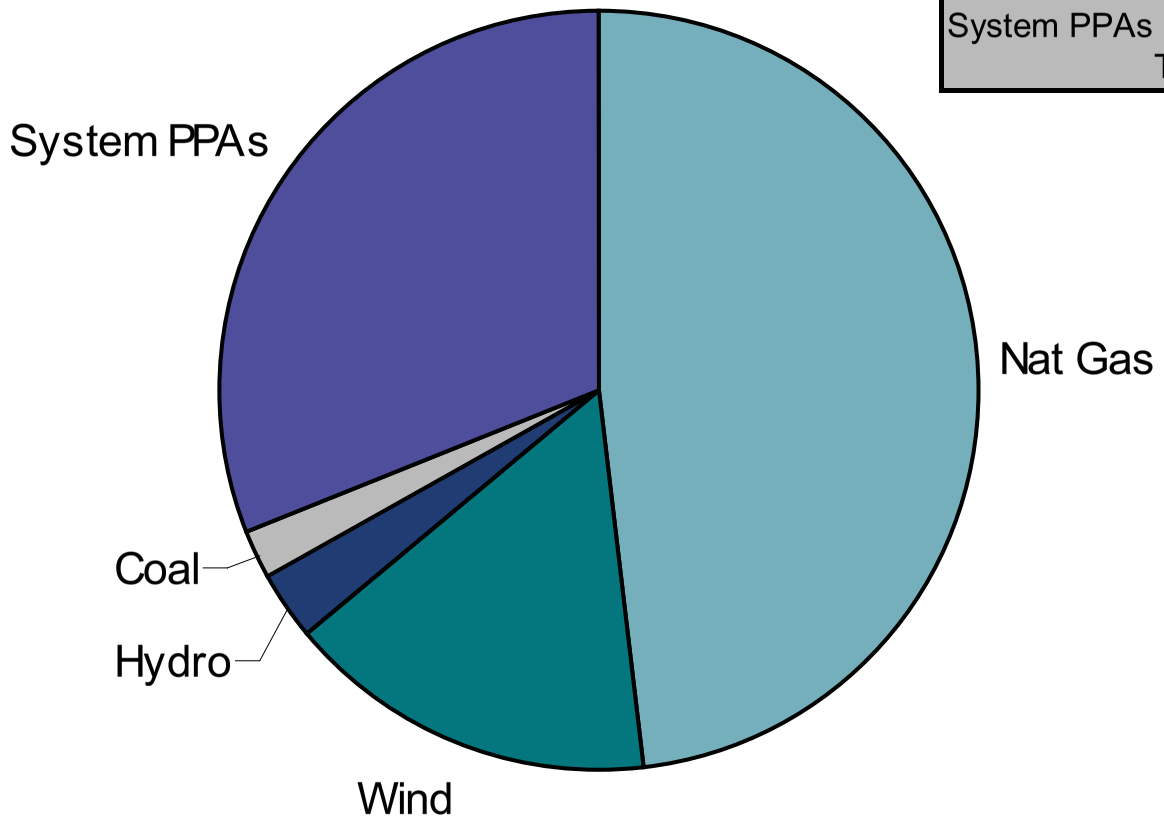
Roger Garratt

Director, Resource Acquisition

Proposals Received

Megawatts by Fuel Type

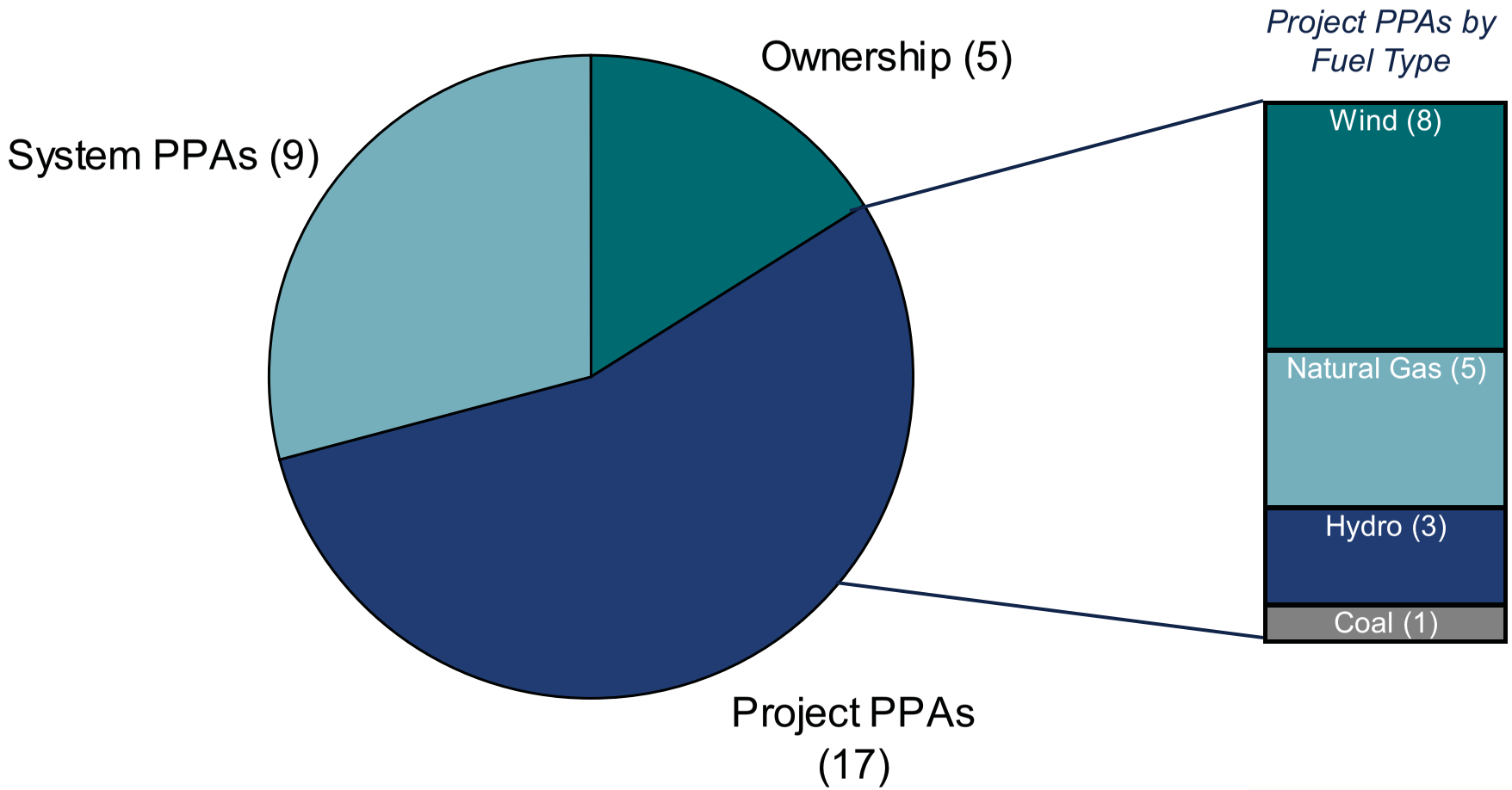
	# of MW	# Proposals
Nat Gas	2588	10
Wind	862	8
Hydro	165	3
Coal	100	1
System PPAs	1675	9
Total	5390	31



- 25 respondents
- 31 proposals
- 100+ Offers

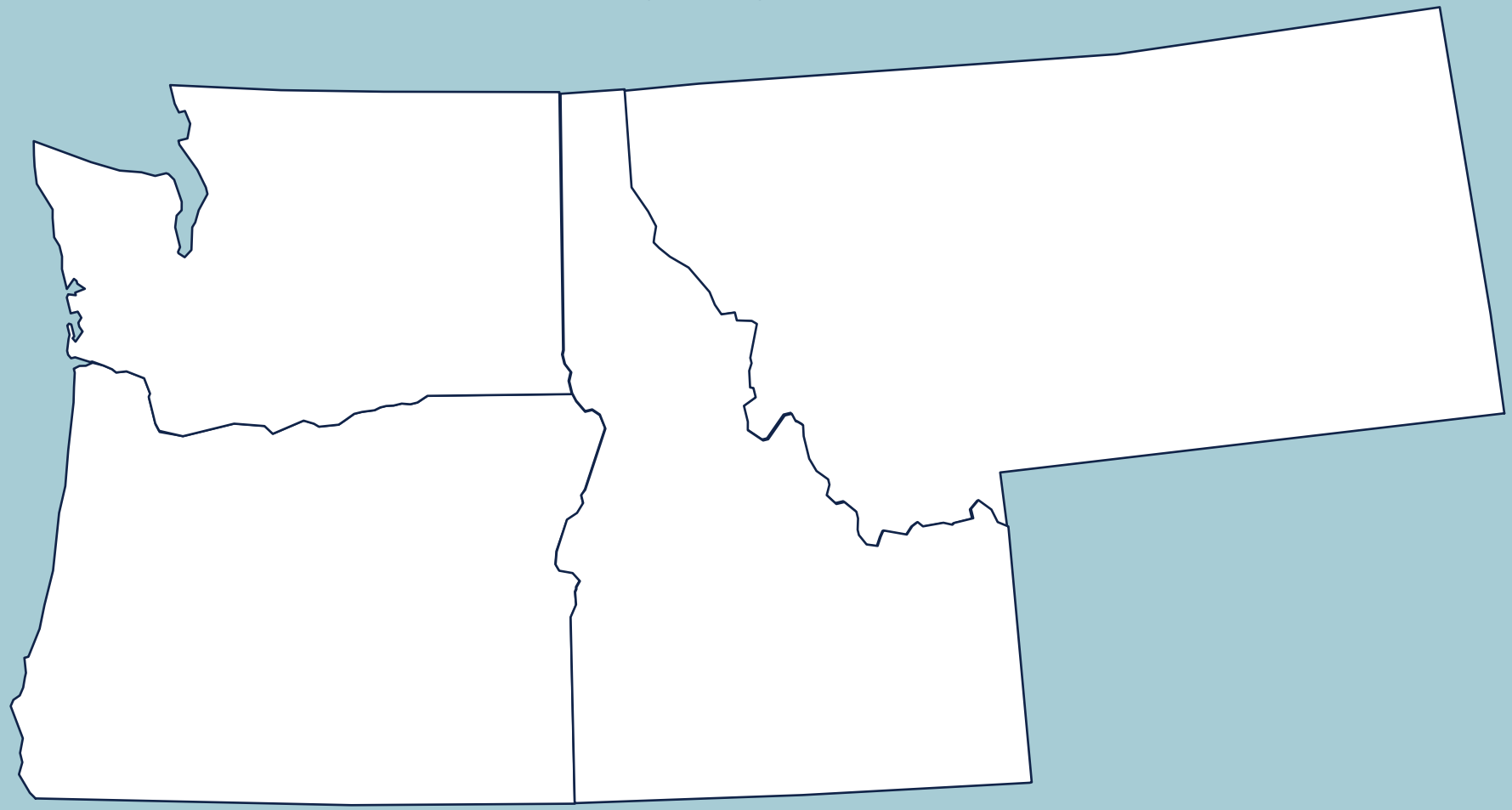
Proposals Received

Ownership vs. PPAs



Proposals Received

Resource Type by Location



REDACTED VERSION

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Ownership Proposals- All Natural Gas

Highly Confidential

RFP Proposals

Gen Type	Project Name	Owner / Developer	Location	Nominal Capacity (MW)	Commercial Structure	COD/Term	Status
NatG	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
NatG	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
NatG	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
NatG	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
NatG	Mint Farm Energy Center LLC	Mint Farm Energy Center LLC	Longview, WA	300	Ownership	1/1/08	Operating

REDACTED VERSION

Active Evaluations

Gen Type	Project Name	Owner / Developer	Location	Nominal Capacity (MW)	Commercial Structure	COD/Term	Status
NatG	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX

Wind RFP Proposals

Highly Confidential

Gen Type	Project Name	Owner / Developer	Location	Nominal Capacity (MW)	Commercial Structure	COD/Term	Status
Wind	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
Wind	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
Wind	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
Wind	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
Wind	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
Wind	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
Wind	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
Wind	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX

REDACTED VERSION

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The Energy To Do Great Things

Additional Active Wind Evaluations

Highly Confidential

REDACTED VERSION

Gen Type	Project Name	Owner / Developer	Location	Nominal Capacity (MW)	Commercial Structure	COD/Term	Status
Wind	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
Wind	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
Wind	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
Wind	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
Wind	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
Wind	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX

Next Step: Evaluate

2008 RFP shortened evaluation timeline

- "Candidate" Shortlist Selected: late April 2008
  - Select best performers across each technology
- Final Short List Announced: early July 2008
  - Best overall offers

Appendix

Natural Gas Proposals

Highly Confidential

REDACTED VERSION

Gen Type	Project Name	Owner / Developer	Location	Nominal Capacity (MW)	Commercial Structure	COD/Term	Status
NatG	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
NatG	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
NatG	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
NatG	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
NatG	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
NatG	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
NatG	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
NatG	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
NatG	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
NatG	Mint Farm Energy Center LLC	Mint Farm Energy Center LLC	Longview, WA	300	Asset Purchase	1/1/08	Operating

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The Energy To Do Great Things

Hydro and Coal Proposals

Highly Confidential

REDACTED VERSION

Hydro Proposals

Gen Type	Project Name	Owner / Developer	Location	Nominal Capacity (MW)	Commercial Structure	COD/Term	Status
Hydr	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
Hydr	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
Hydr	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX

Coal Proposal

Gen Type	Project Name	Owner / Developer	Location	Nominal Capacity (MW)	Commercial Structure	COD/Term	Status
Coal	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX

RFP System PPA Proposals

Highly Confidential

Gen Type	Project Name	Owner / Developer	Location	Nominal Capacity (MW)	Commercial Structure	COD/Term
PPA	Barclays - Various PPA Offers	Barclays Bank PLC	n/a	275	Fixed PPA, 6-7 yes	various
PPA	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
PPA	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
PPA	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
PPA	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
PPA	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
PPA	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
PPA	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
PPA	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
PPA	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX

REDACTED VERSION

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Wind Proposals

Highly Confidential

REDACTED VERSION

Gen Type	Project Name	Owner / Developer	Location	Nominal Capacity (MW)	Commercial Structure	COD/Term	Status
Wind	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
Wind	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
Wind	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
Wind	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
Wind	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
Wind	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
Wind	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
Wind	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX

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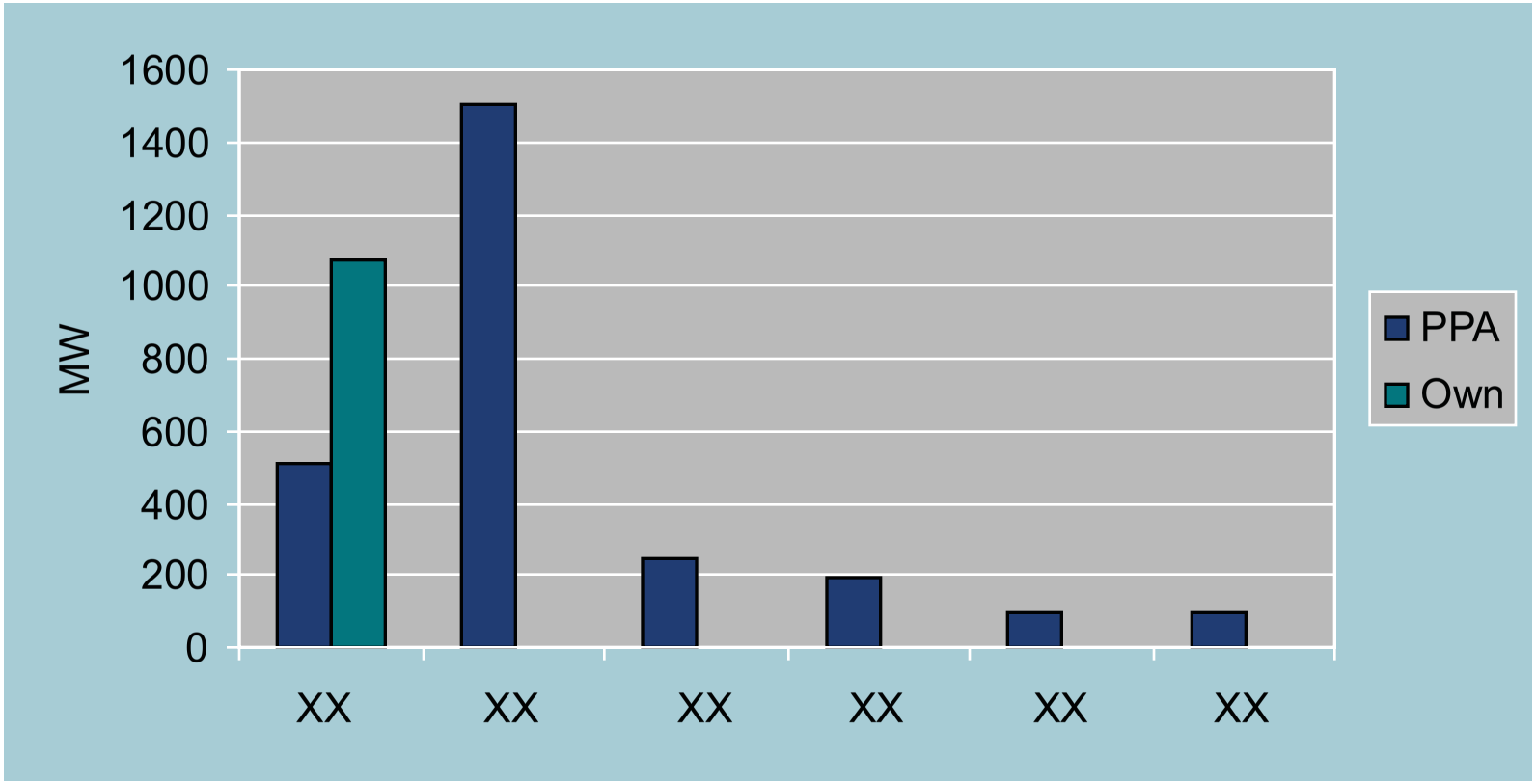
The Energy To Do Great Things

Proposals Received

Megawatts by Location

Ownership and PPA Projects



REDACTED VERSION

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The Energy To Do Great Things

PSE Officer Update

April 7, 2008

2008 Request for Proposals

RFP Update

April 3, 2008

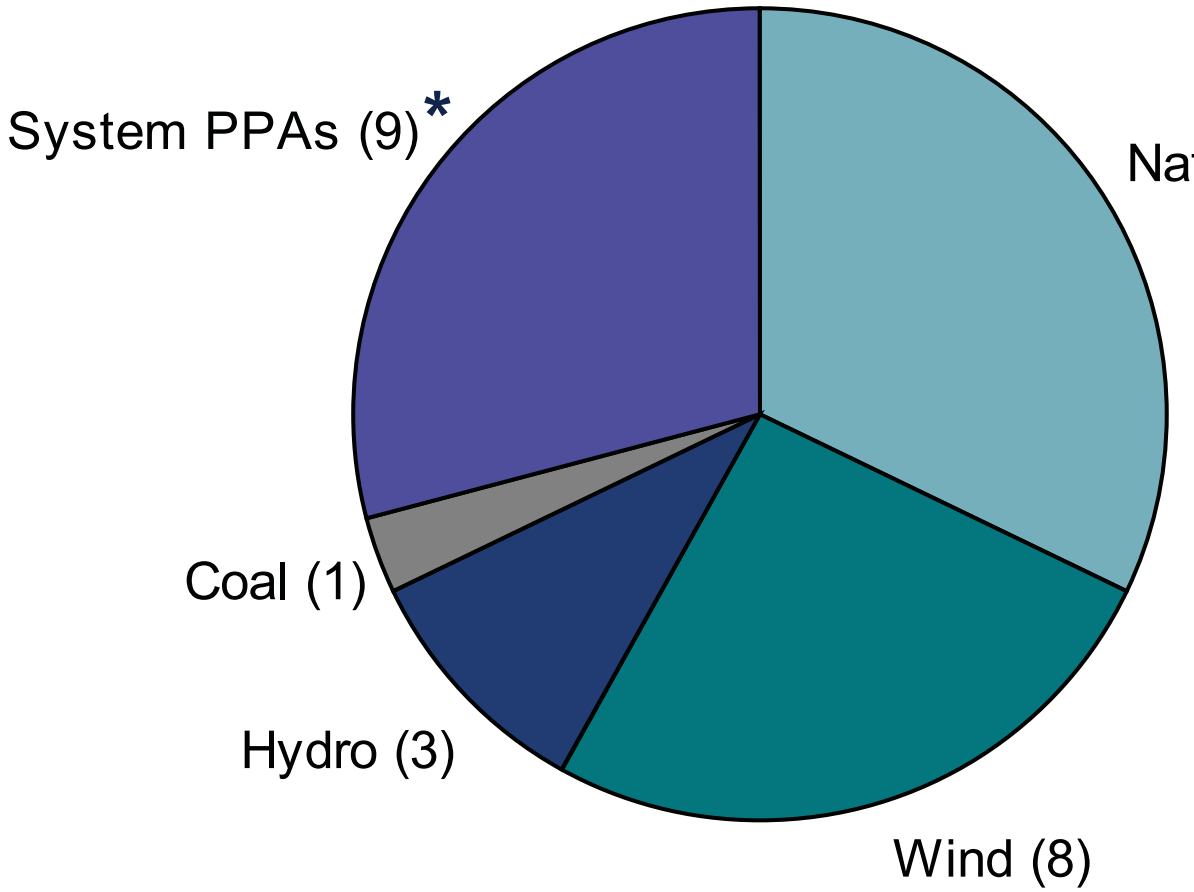
PUGET SOUND ENERGY

The Energy To Do Great Things

Christine Philipps

Manager, Resource Acquisition

Proposals Received – 31 Proposals and 5,390 MWs

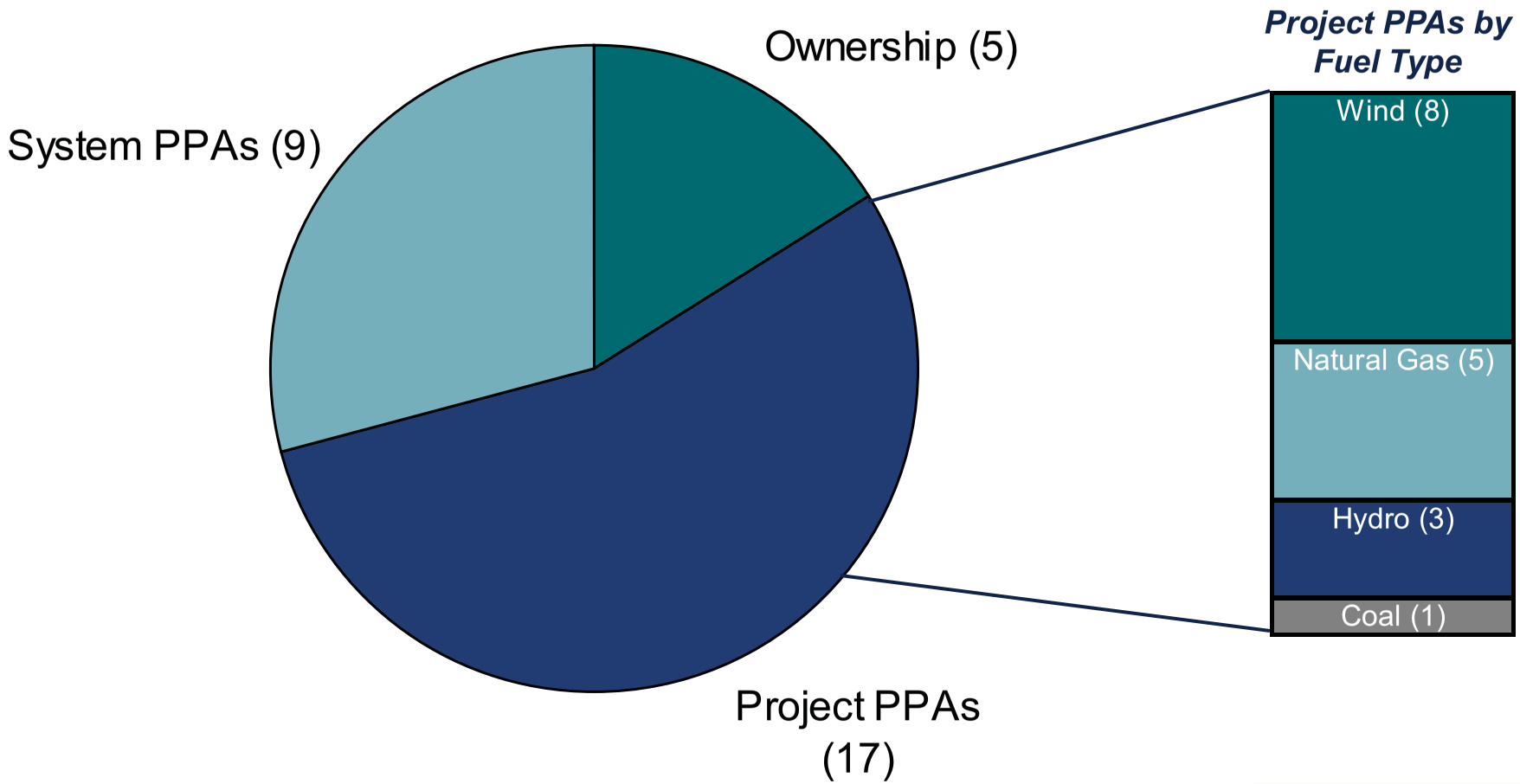


	# of MW
Nat Gas	2588
Wind	862
Hydro	165
Coal	100
System PPAs	1675
Total	5390

*Purchased Power Agreements (PPAs)

PUGET SOUND ENERGY
The Energy To Do Great Things

Proposals Received – Ownership vs PPAs*



*Purchased Power Agreements (PPAs)

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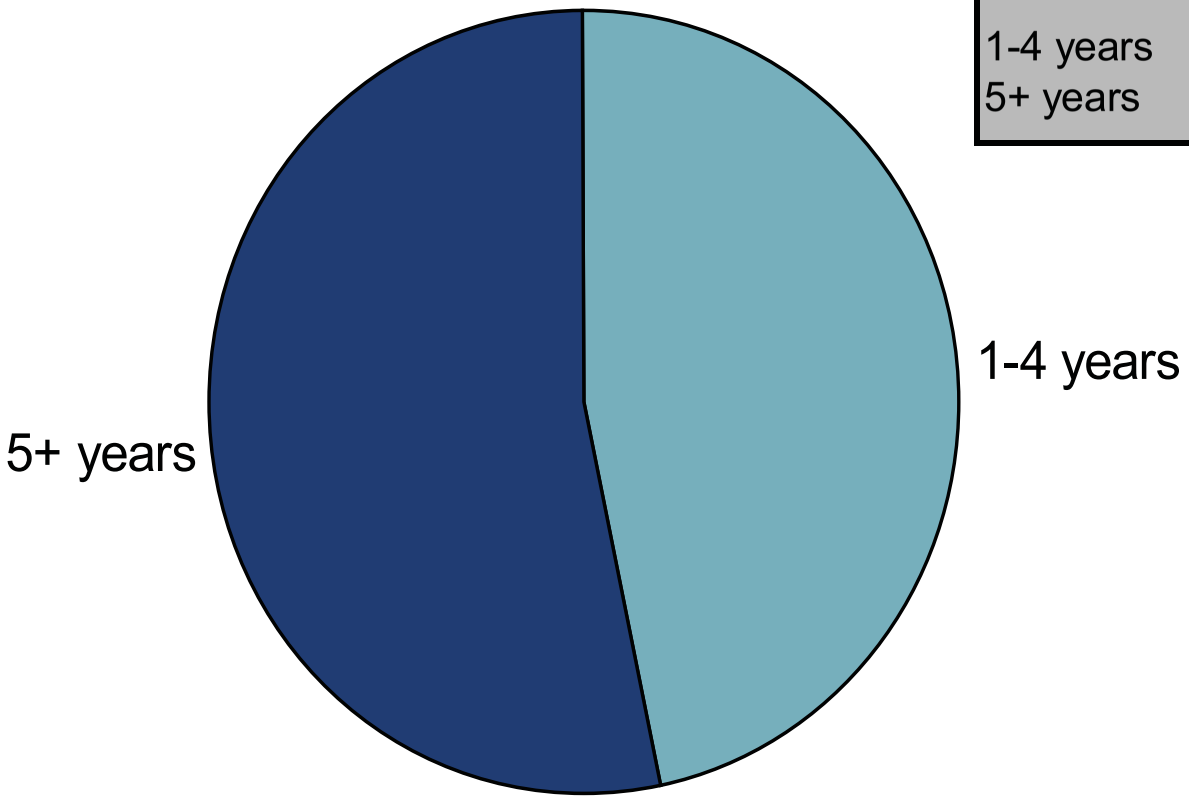
The Energy To Do Great Things

Proposals Received – System PPAs* by Term Length

	# of Offers
Total Number of Selected System PPA Offers	62
1-4 years	29
5+ years	33



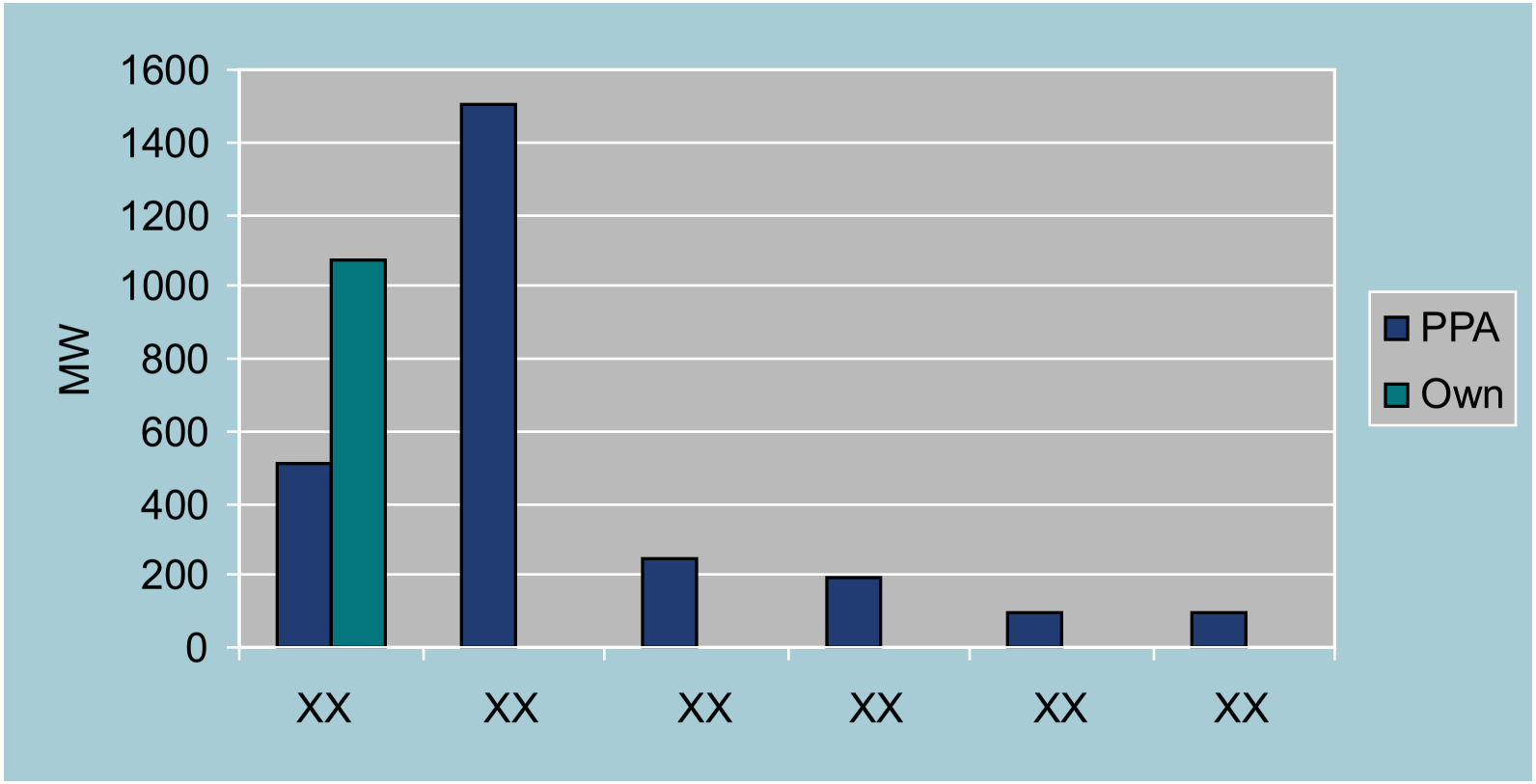
*Purchased Power Agreements (PPAs)

PUGET SOUND ENERGY
The Energy To Do Great Things

Proposals Received – By Location

Megawatts by Location

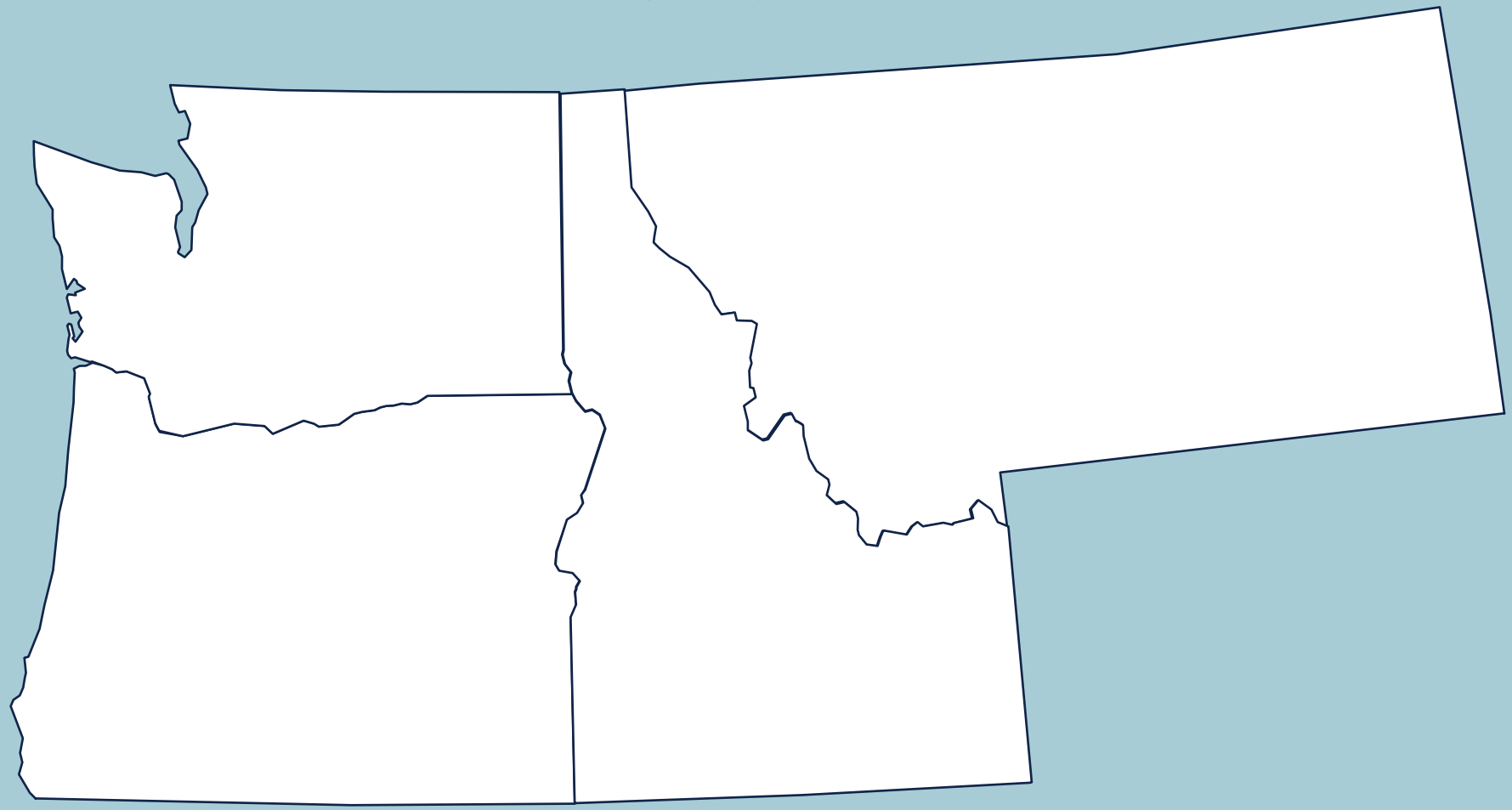
Ownership and PPA Projects



REDACTED VERSION

Proposals Received

Resource Type by Location

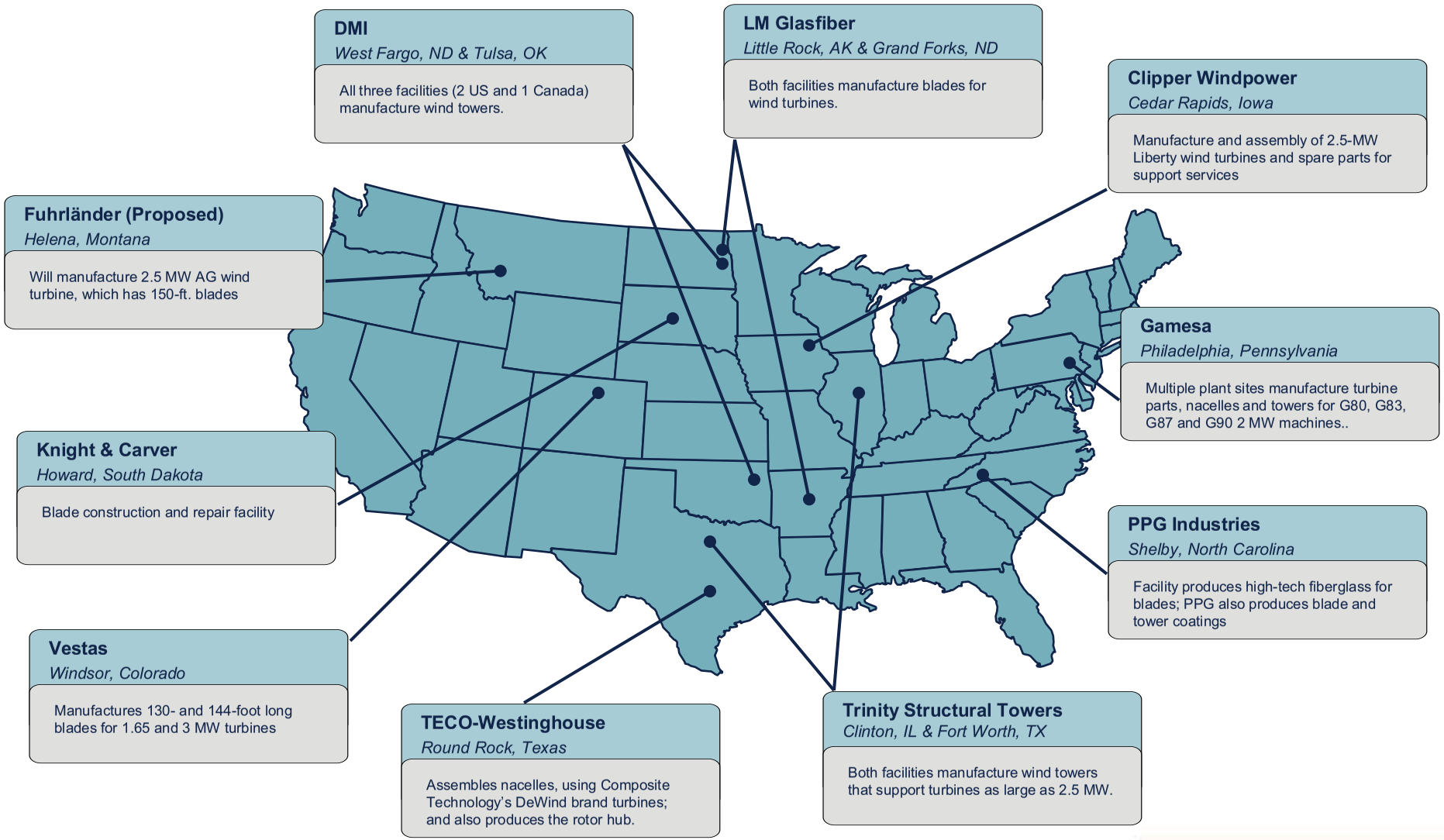


REDACTED VERSION

Market Observations

- Fewer proposals with less resource diversity
- Continued higher capital costs
- More wind power purchase agreements versus ownership opportunities
- Offers predicated on extension of PTC
- Regional transmission solutions gaining momentum
- Rise in wind component manufacturers in the US

Rise in Wind Component Manufacturers in the U.S.



Note: Map is illustrative only; it is not intended to be a representation of all wind component manufacturing in the U.S.

PUGET SOUND ENERGY
The Energy To Do Great Things

PSE Officer Update

May 2, 2008

Resource Acquisition Update

Roger Garratt
Director, Resource Acquisition & Emerging Technologies

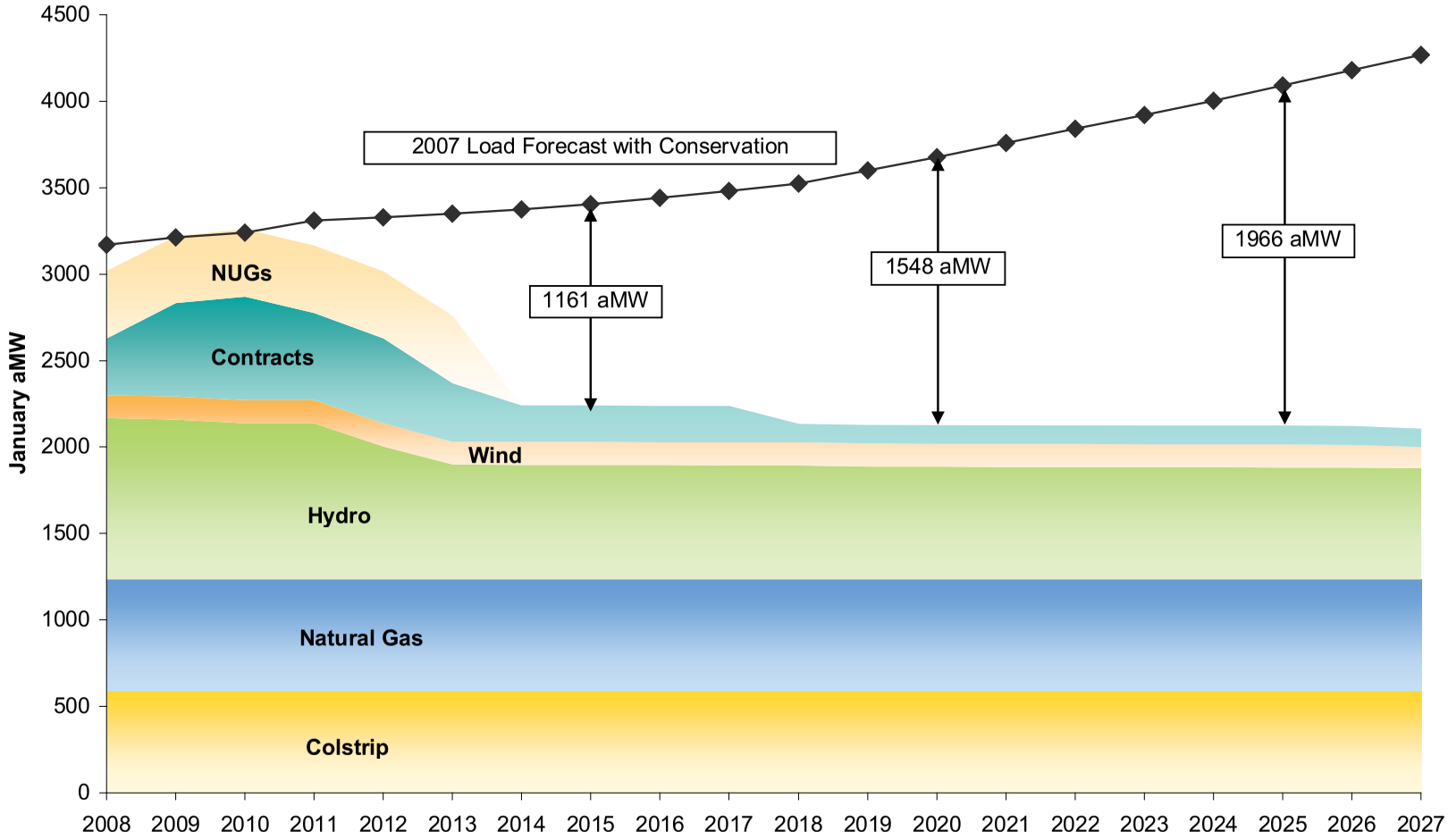
May 2, 2008

PUGET SOUND ENERGY
The Energy To Do Great Things

Agenda

- Load-Resource Balance & Strategy
- RFP Update
- Targeted Acquisitions
- Market Observations/Challenges
- Conclusions

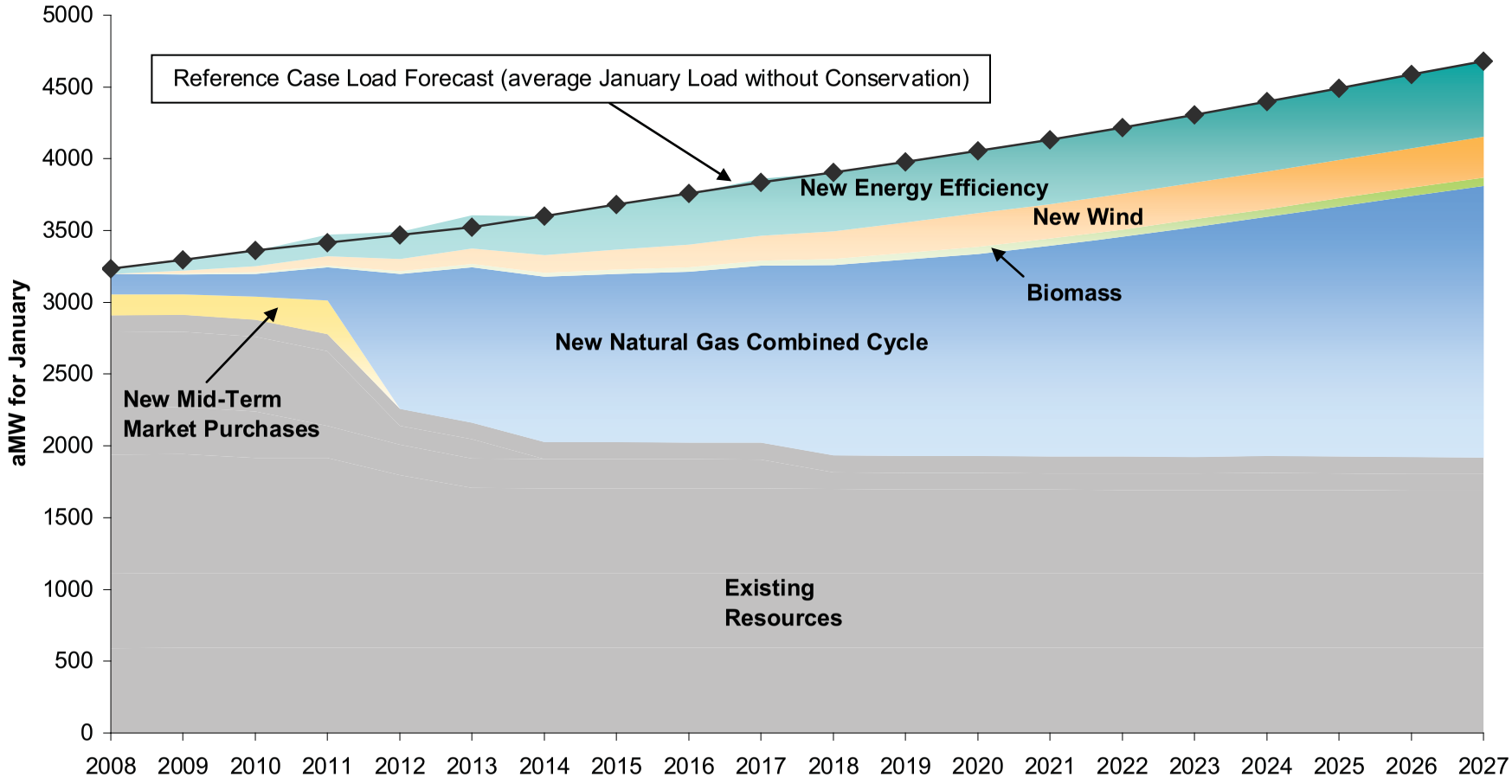
PSE Energy Need



*Energy need before conservation, includes new contracts, new wind and hydro shapes, and Sumas

PUGET SOUND ENERGY
The Energy To Do Great Things

PSE Resource Strategy



*Lowest Reasonable Cost Resource Portfolio, from May 2007 Integrated Resource Plan

PUGET SOUND ENERGY
The Energy To Do Great Things

Proposals Received

Megawatts by Fuel Type

	# of MW	# Proposals
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Hydro	165	3
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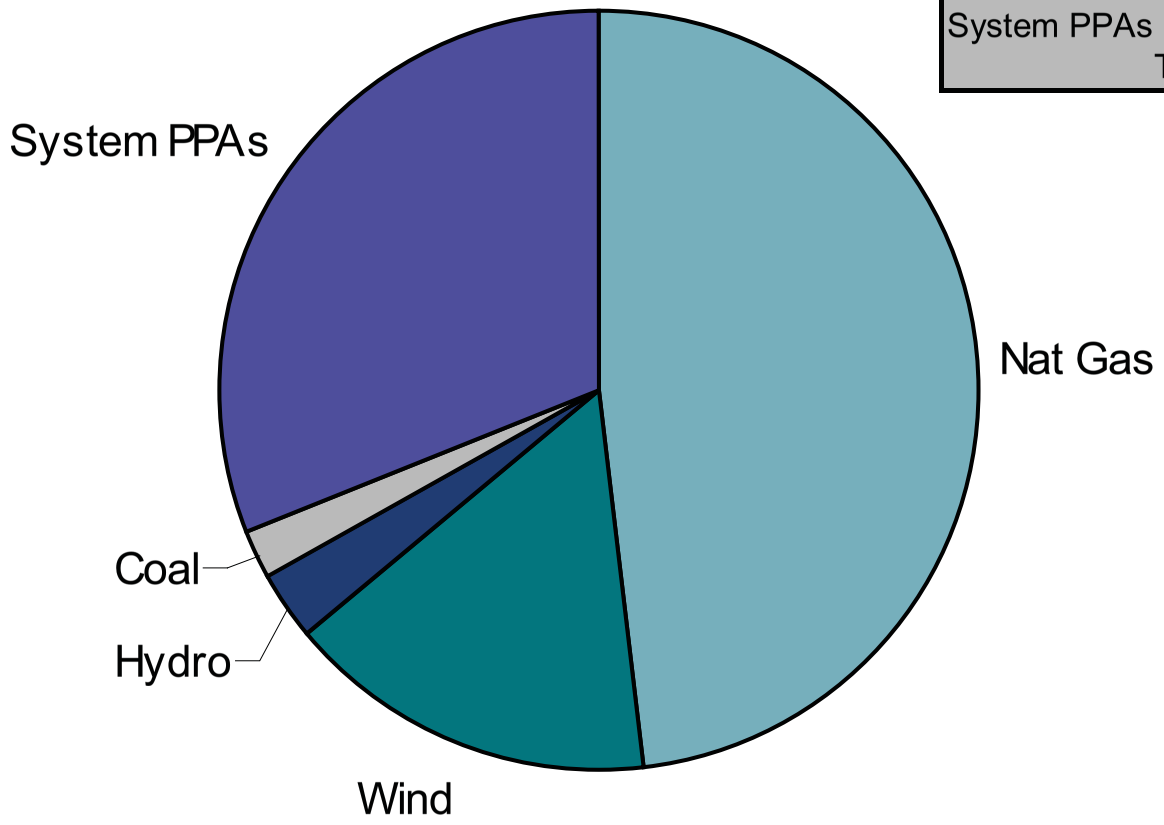
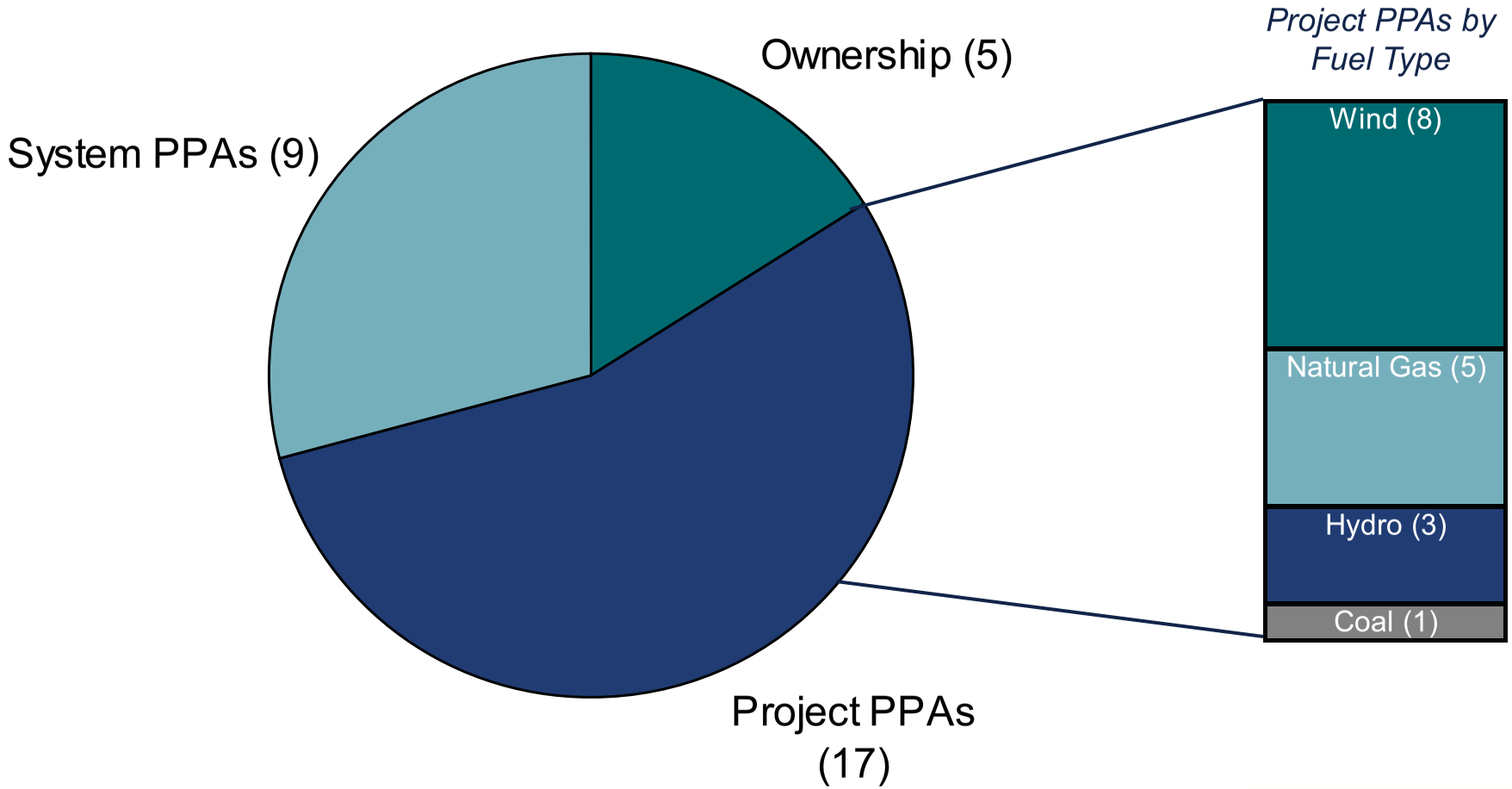
Total	5390	31



- 25 respondents
- 31 proposals
- 100+ Offers

Proposals Received

Ownership vs. PPAs



RFP Observations

- Fewer proposals with less resource diversity
- Continued higher capital costs
- More wind power purchase agreements versus ownership opportunities
- Offers predicated on extension of PTC

RFP Candidate Short List

Highly Confidential

Fuel	Project	Owner/Developer	Location	MW	Status	COD/Term	Offer	Technology	Transmission
Wind	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
Wind	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
Wind	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
Wind	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
NatG	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
NatG	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
NatG	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
NatG	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
NatG	Mint Farm Energy Center	Wayzata Invesment Partners	Longview, WA	310	Operating	n/a	ownership	1 GE 7FA CT; 1 Fuji Electric steam turbine; HR 6968 Btu/kWh	293 MW firm PTP transmission to PSE's system at Covington

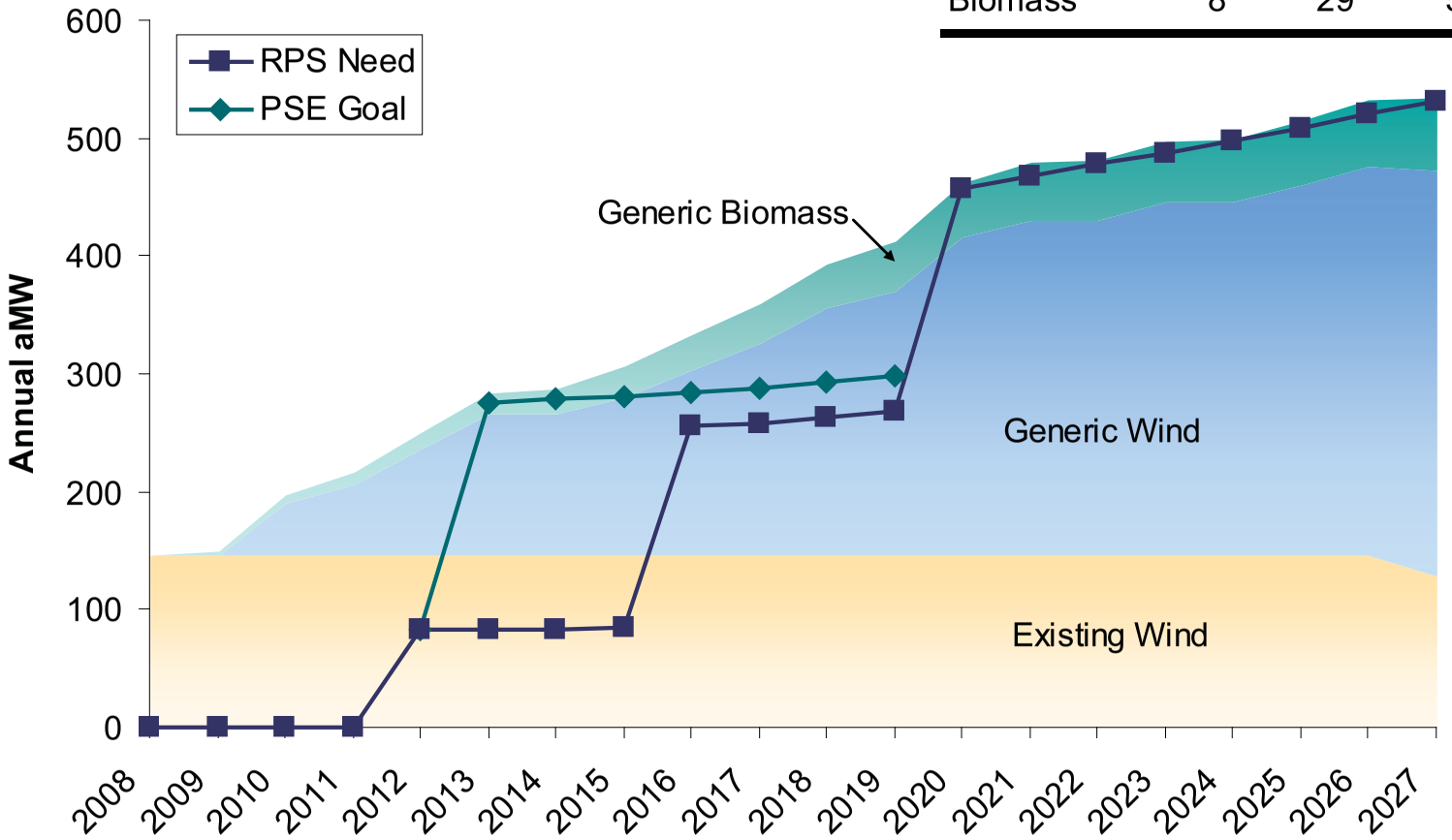
Note: Does not include selected System PPAs

REDACTED VERSION

PUGET SOUND ENERGY
The Energy To Do Great Things

Renewables Strategy

New Additions (MW)				
	2010	2015	2020	2027
Wind	150	450	900	1150
Biomass	8	29	55	71



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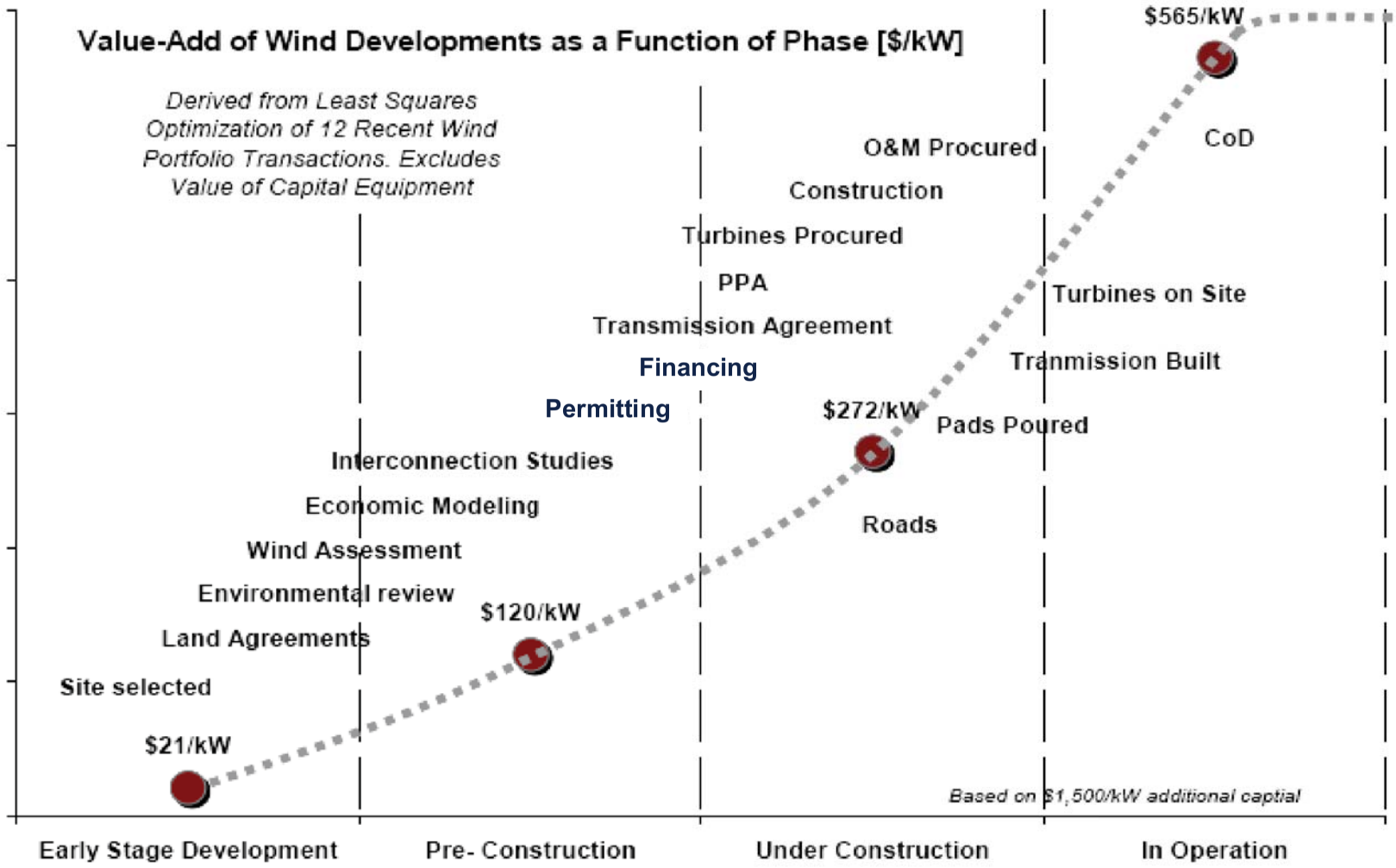
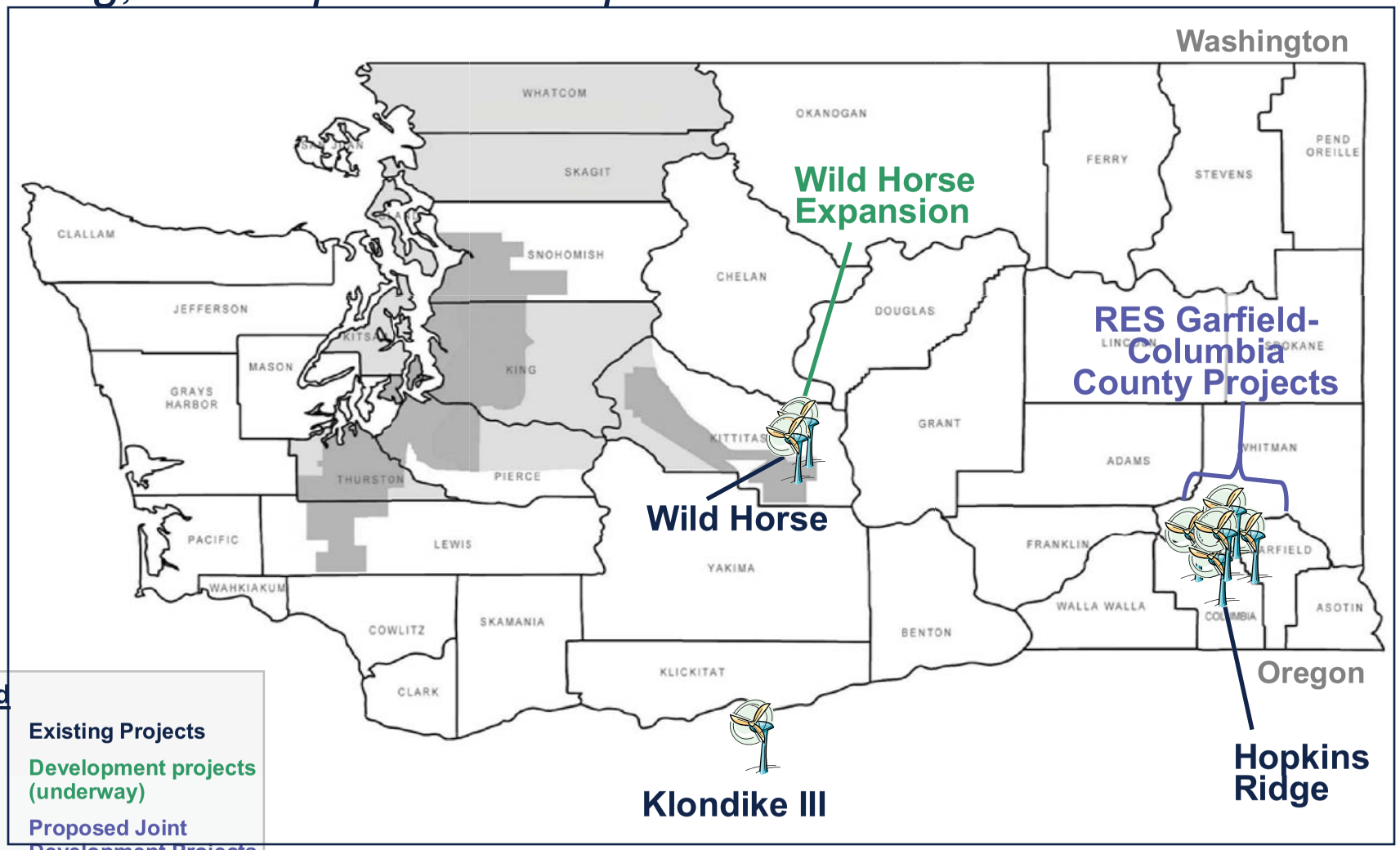
Wind Farm Development Value Chain



Source: Thorndike Landing analysis

PSE Wind Projects

Existing, Development & Proposed

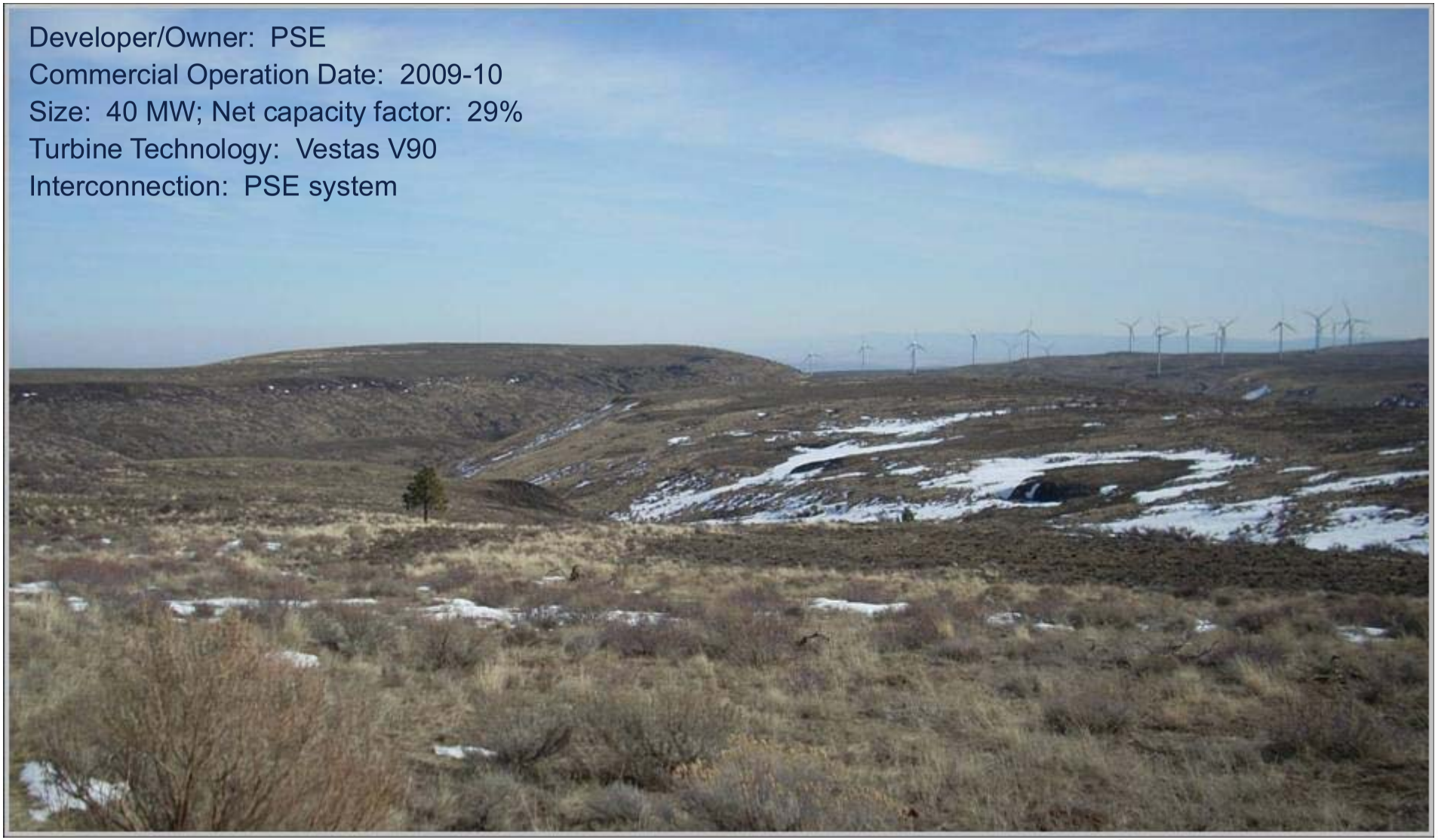


REDACTED VERSION

Legend

- Existing Projects
- Development projects (underway)
- Proposed Joint Development Projects

Wild Horse Expansion



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*Based on Draft GEC Wind Energy Assessment Report

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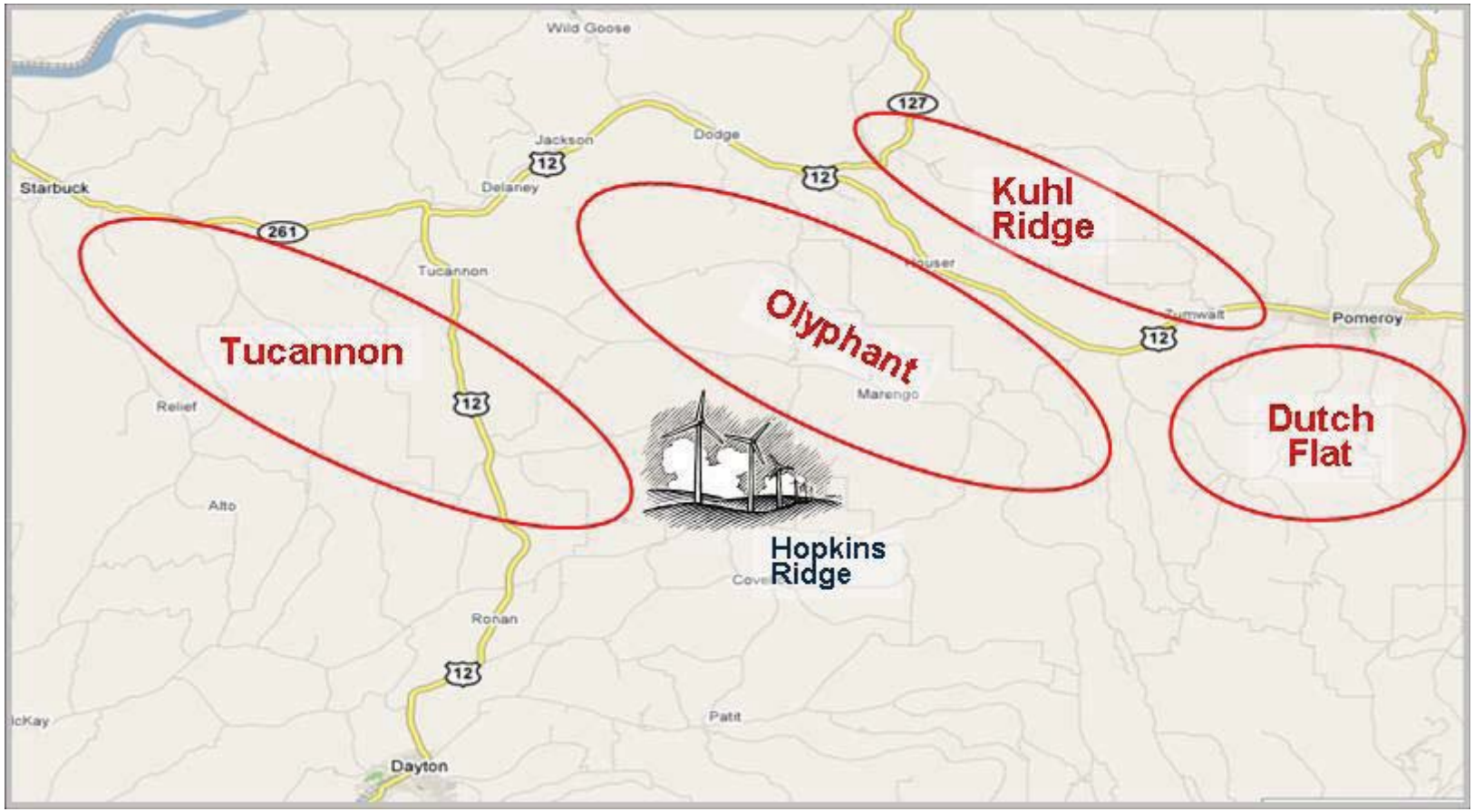
RES Joint Venture – Columbia & Garfield Counties, WA



Developer/Owner: RES 50%, PSE 50%
Commercial Operation Date: 2010-2015
Size: 1250 MW total (625 MW RES, 625 MW PSE)
Net capacity factor: ~32%
Turbine Technology: TBD
Interconnection: BPA system

*Based on Draft GEC Wind Energy Assessment Report

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*Based on Draft GEC Wind Energy Assessment Report

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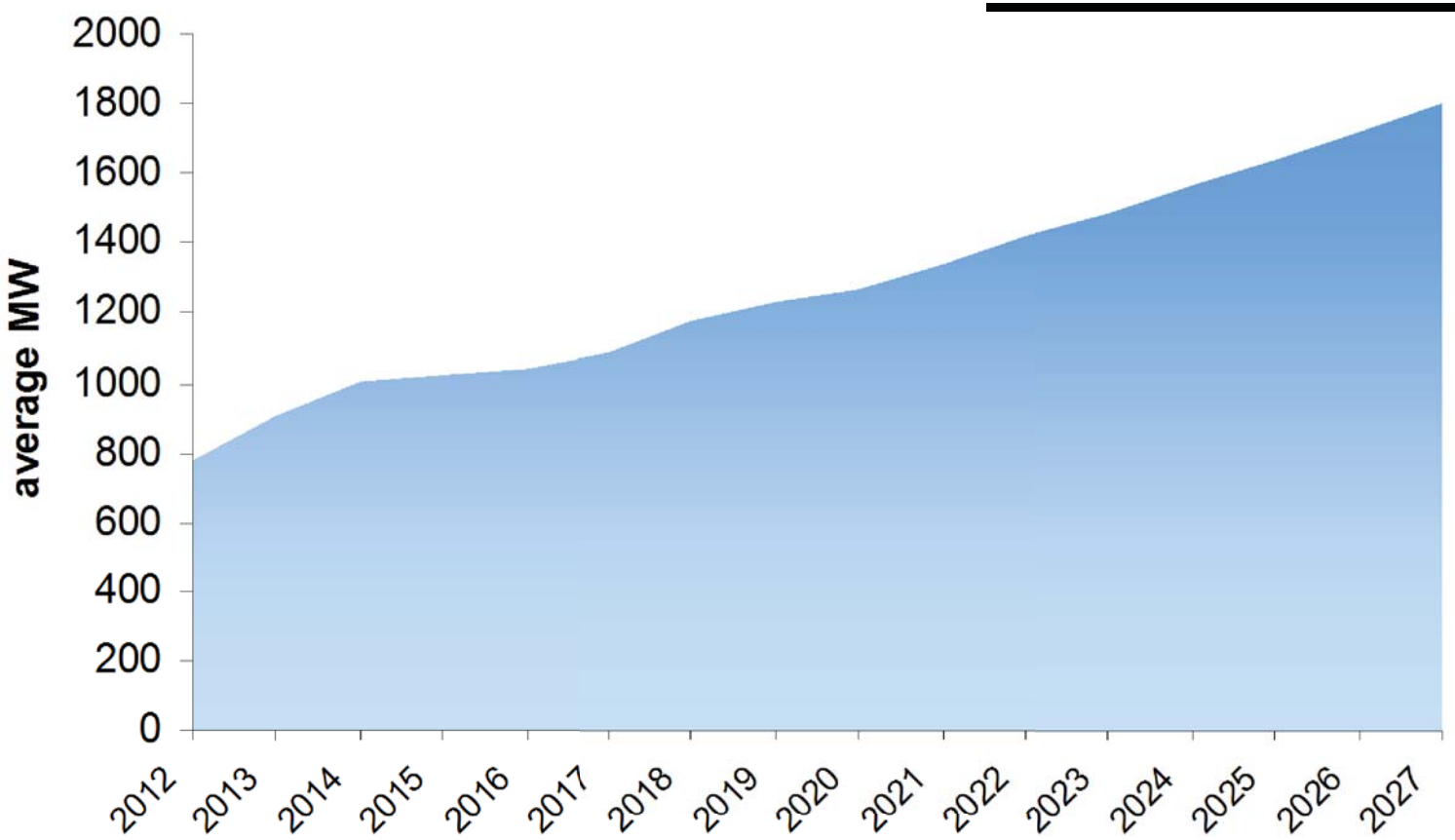
~800 MW of Natural Gas Combined Cycle by 2012

	New Additions (MW)			
	2010	2015	2020	2027
Natural Gas	0	1075	1337	1900



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Natural Gas Plant Opportunities

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REDACTED VERSION

Mint Farm Energy Center - Longview, WA

Plant Owner: Wayzata Investment Partners
Commercial Operation Date: January 2008
Size: 310 MW Gas-Fired CCCT plant; 1x1 configuration
Transmission/Interconnection: BPA

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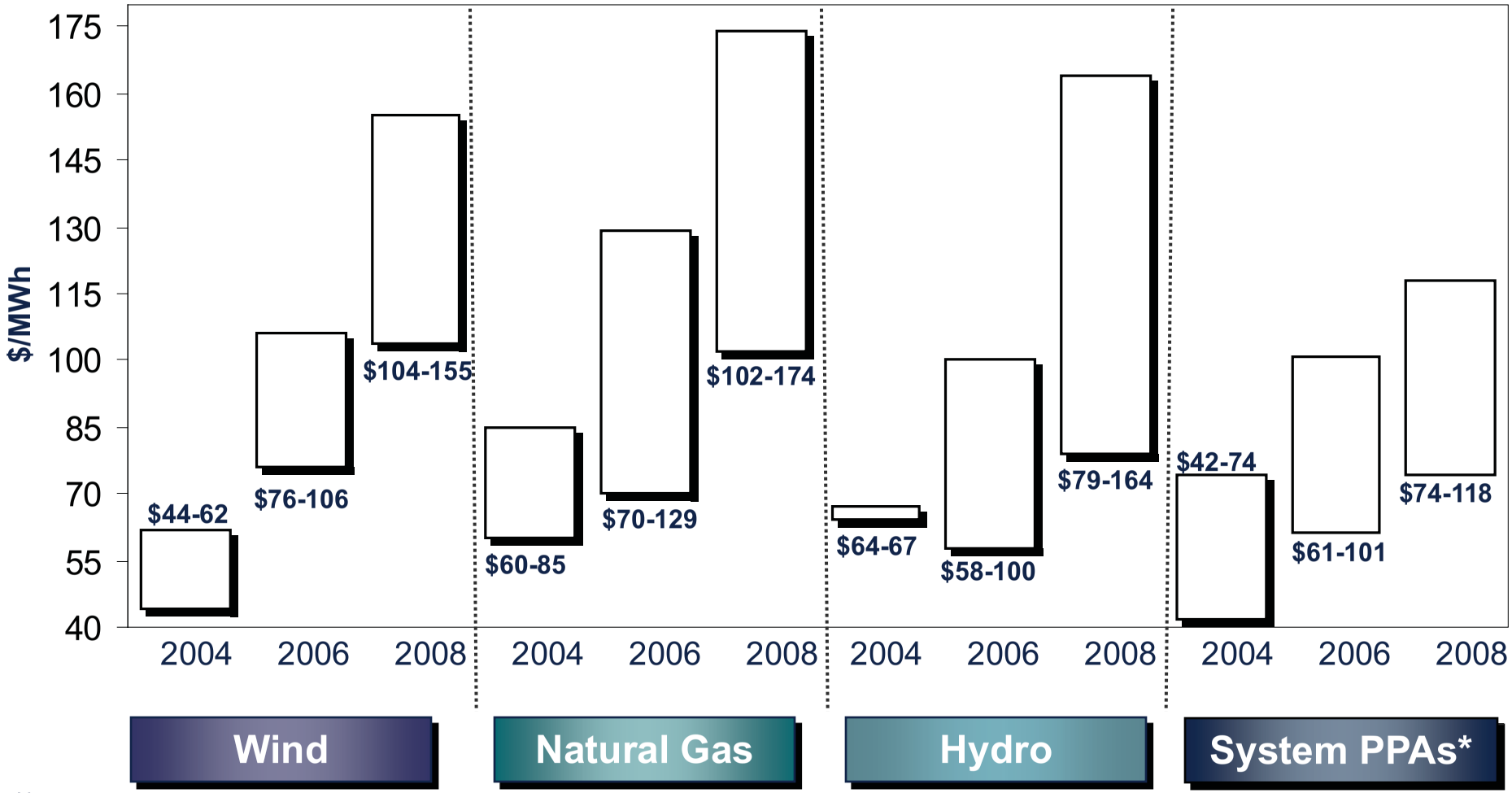
REDACTED VERSION

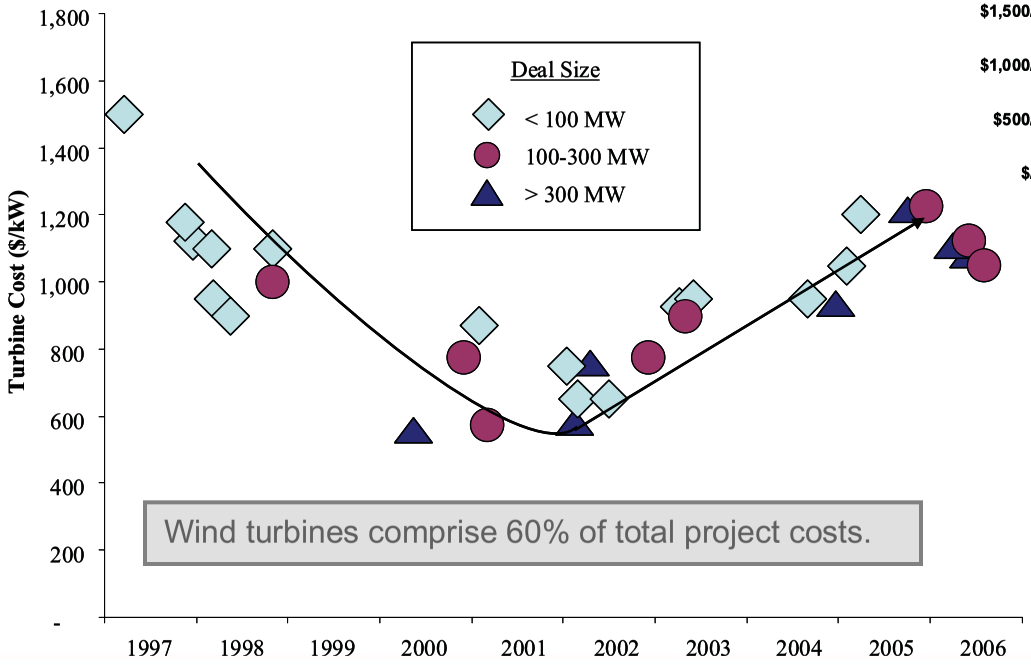
Levelized Resource Cost Comparison



Notes:
2004 prices represent Mid-C delivery.
2006 and 2008 prices represent deliveries to PSE's system.
*System PPAs are offers that are shorter term in nature and not tied to a specific resource.

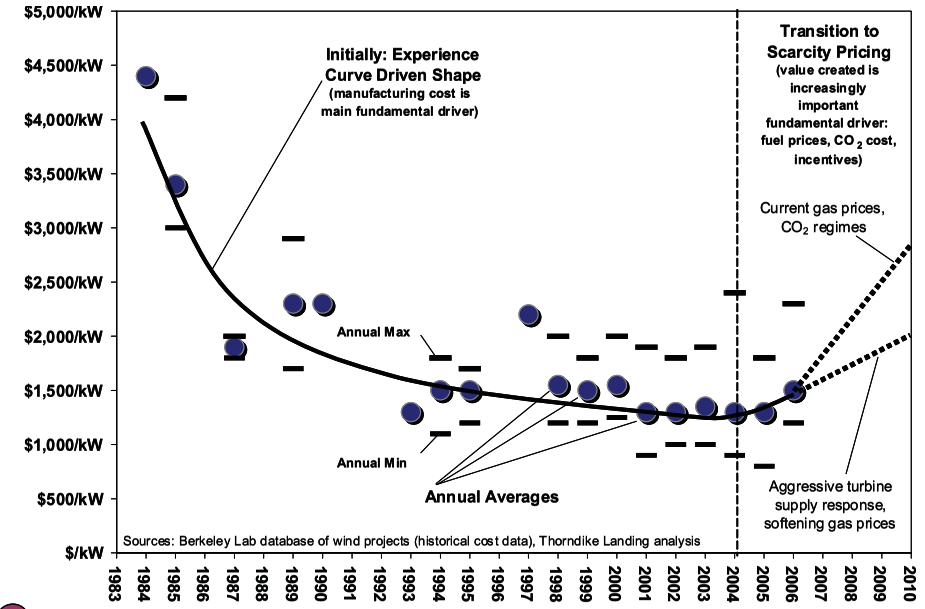
Rising Wind Project Costs

Rising Turbine Costs



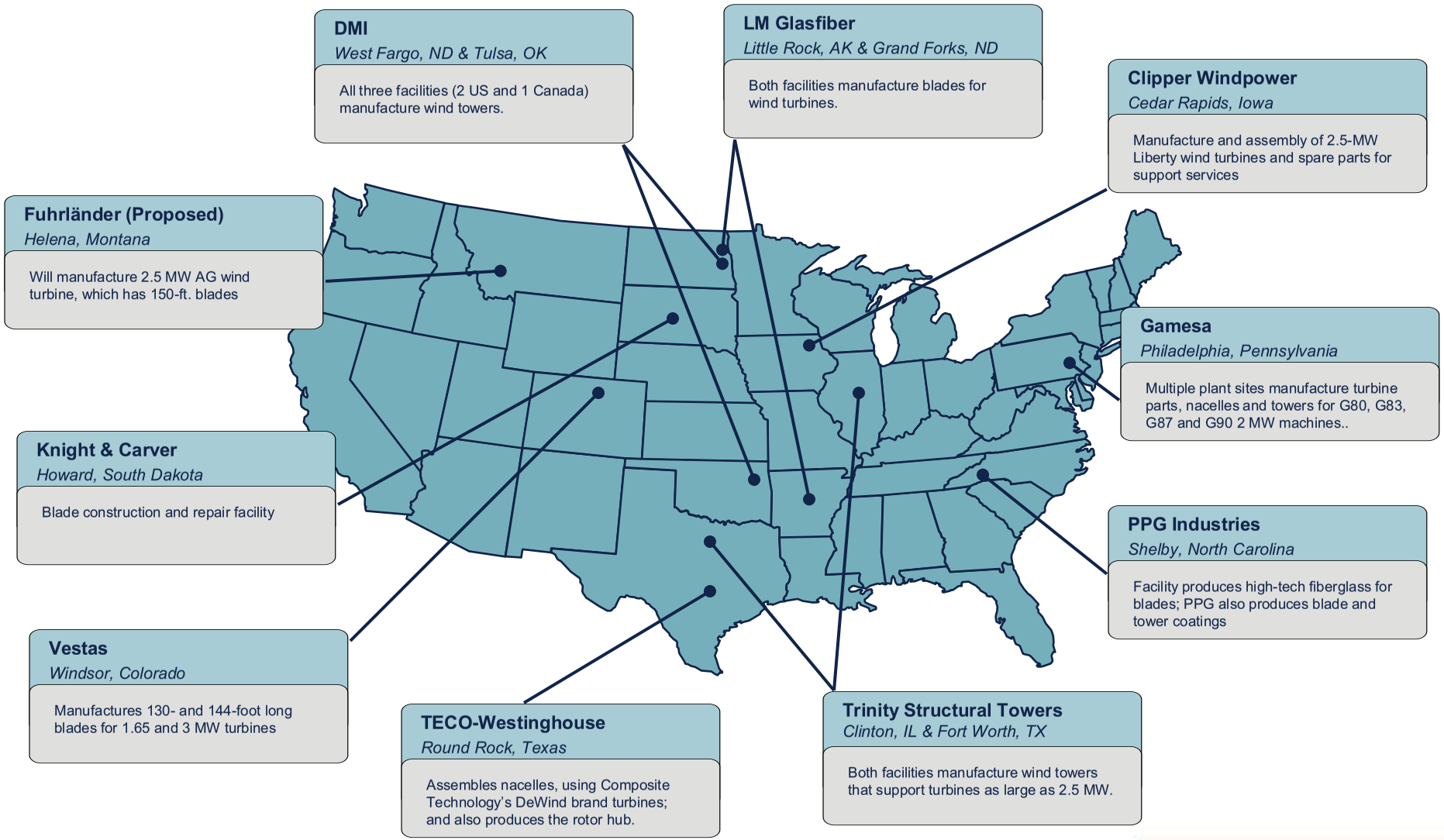
Wind turbines comprise 60% of total project costs.

Rising Installed Wind Project Costs



Charts Source:
Thorndike
Landing analysis

Rise in Wind Component Manufacturers in the U.S.



Note: Map is illustrative only; it is not intended to be a representation of all wind component manufacturing in the U.S.

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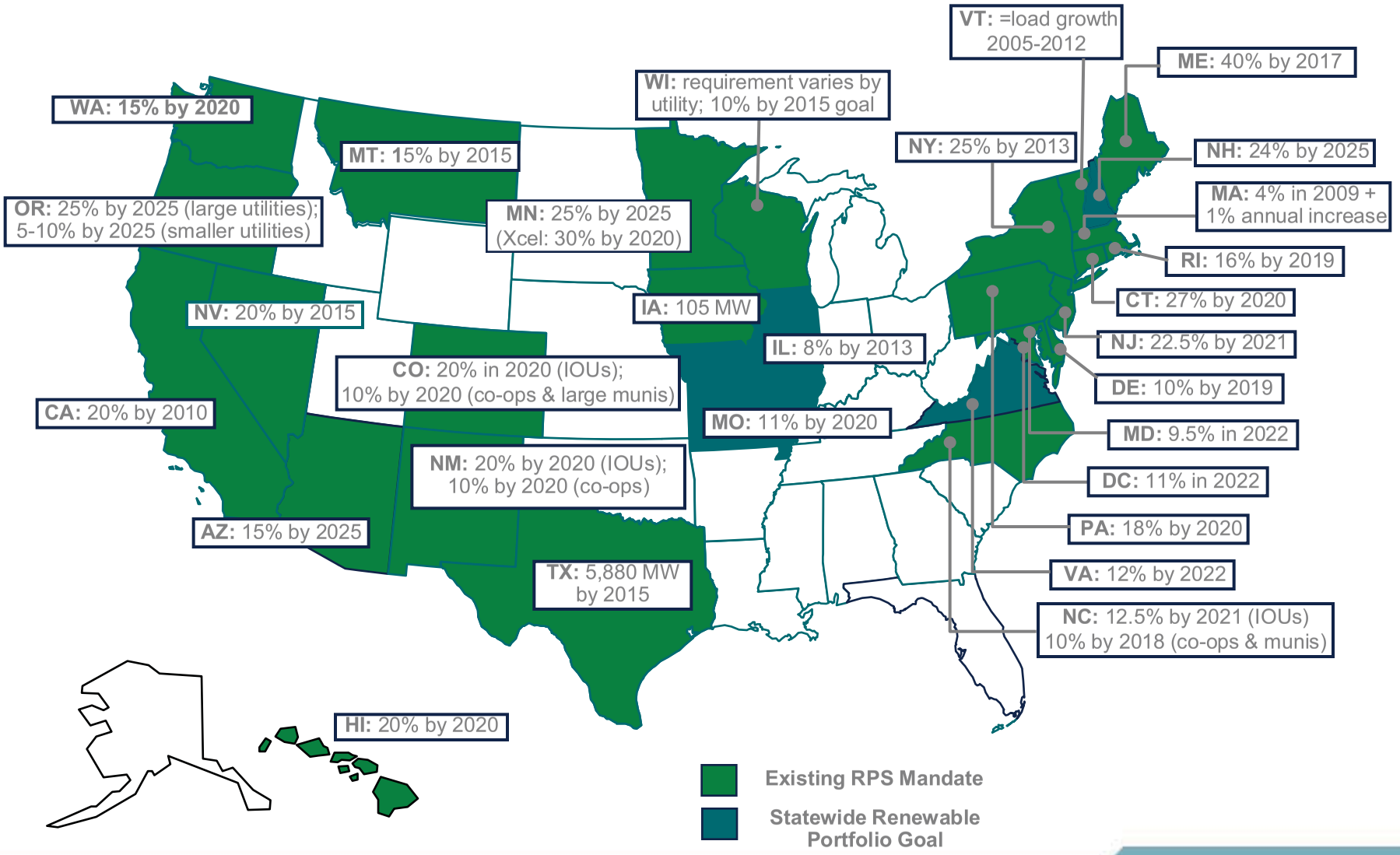
Renewable Portfolio Standards (RPS)



Sources: www.dsireusa.org and EEI, July 2007

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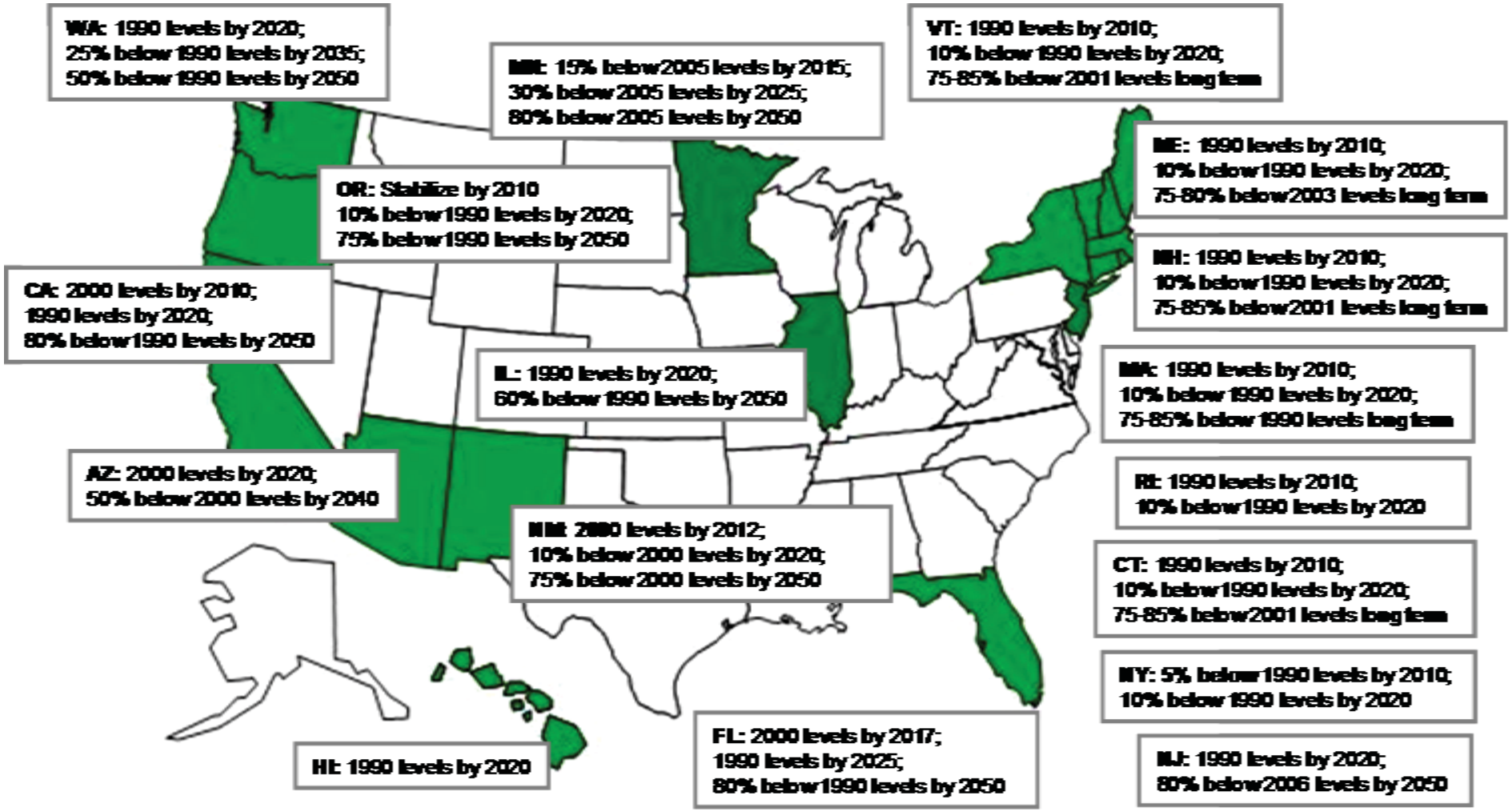
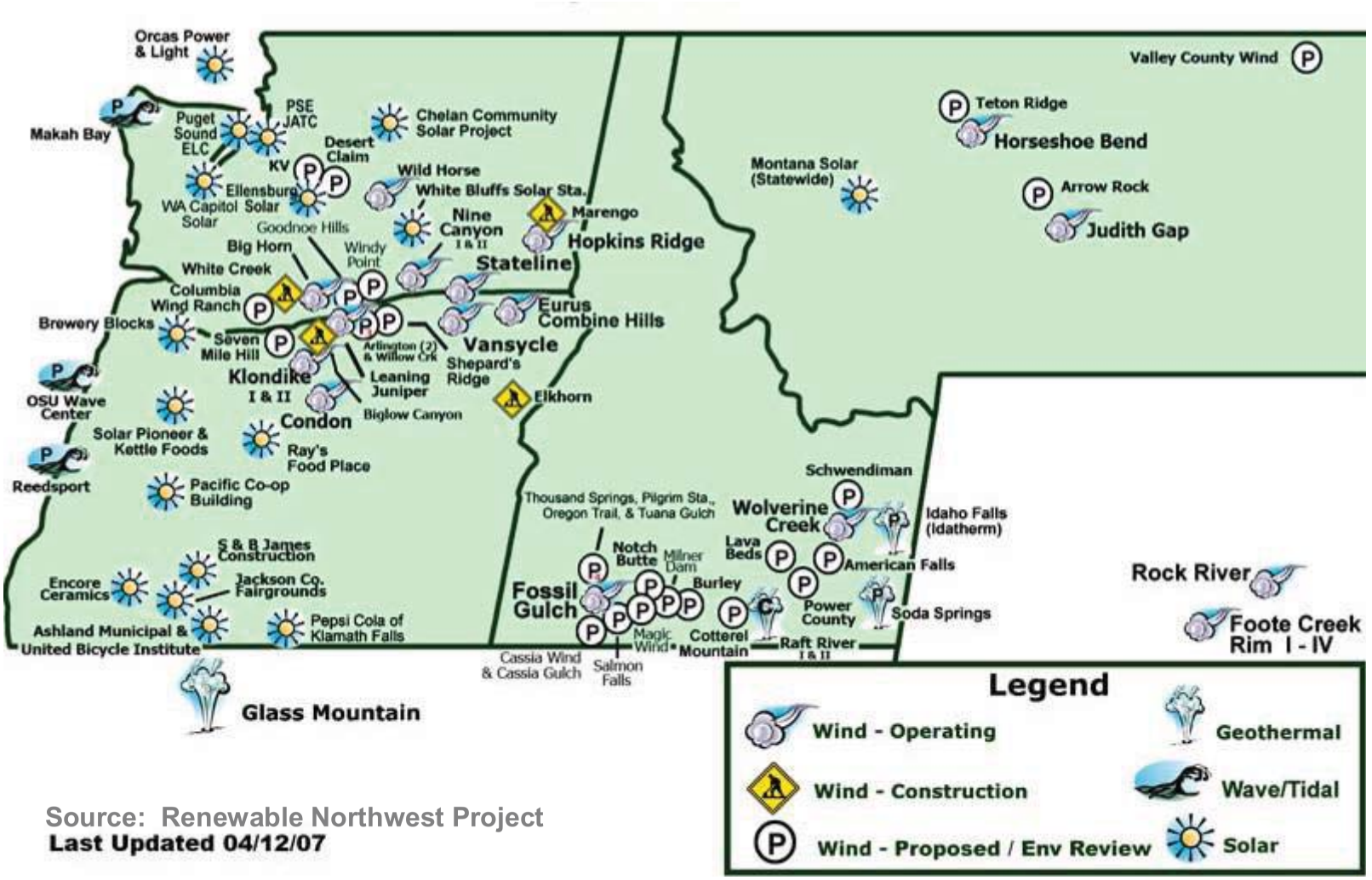
Greenhouse Gas (GHG) Targets



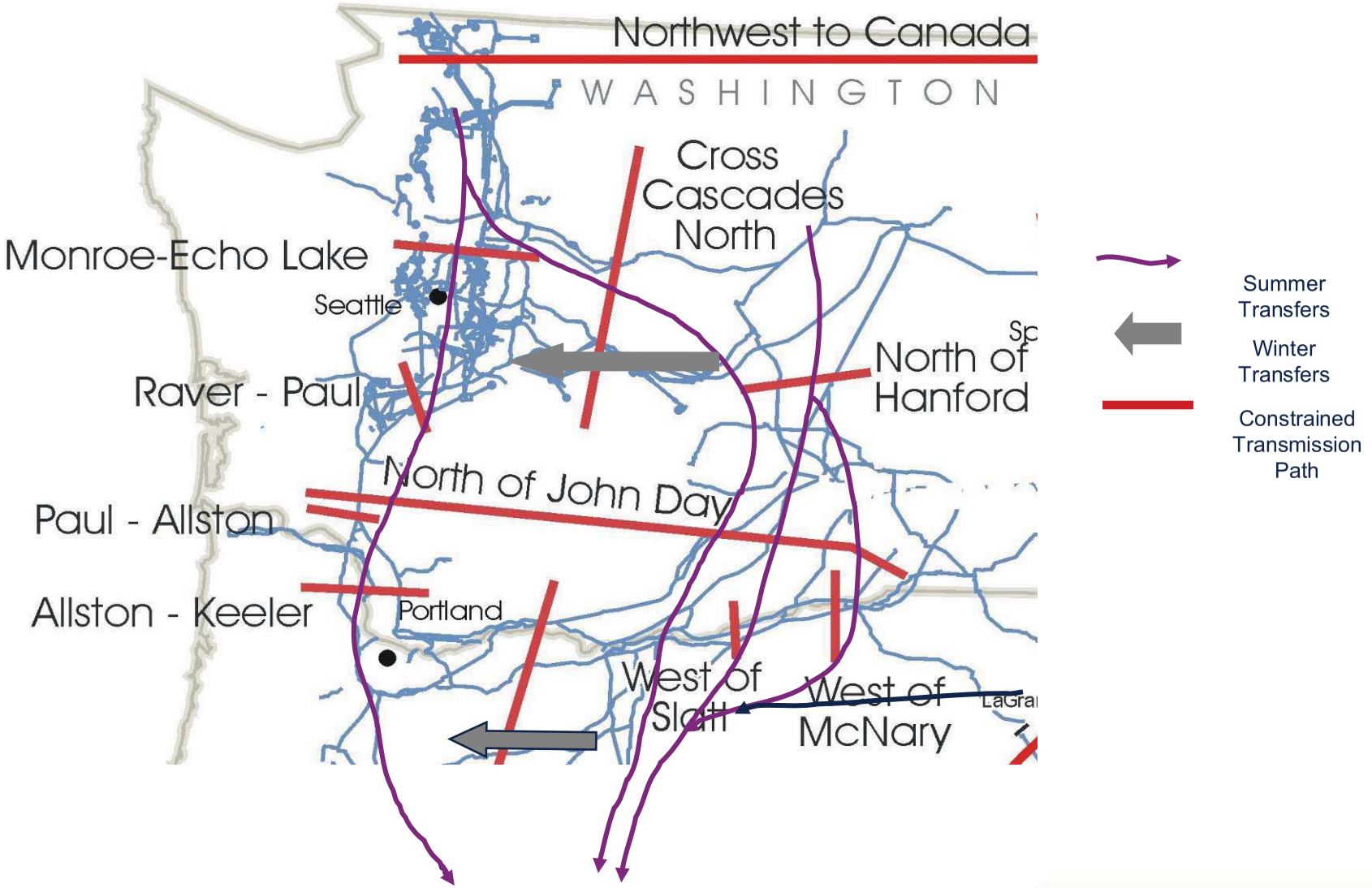
Source: www.pewclimate.org

Renewables development is booming



Source: Renewable Northwest Project
Last Updated 04/12/07

Additional transmission investment required



BPA Open Season

Open Season Schedule

- 4/15/08 - BPA transmission offers sent to all requestors through 5/15
- 5/15/08 – Last day to submit a transmission request
- 6/16/08 – Signed transmission offer(s) due to BPA
  - *PSE's commitment - $160M at current rates over life of transmission requests (between 5 and 30 years)*
- 6/27/08 – Refundable security deposit due
  - *PSE's current requests require security amounting to $13 million*
- Q3,08 – Earliest transmission may be offered
- 2012 - First transmission project completed

Conclusions

- Resource strategy must address societal concerns

  …GHG emissions and RPS requirements, while still meeting least cost planning criteria.

- The resource strategy must be customer focused

  …Energy efficiency, green power, and customer renewables.

- It's a Sellers' Market

  …caused by increasing competition for projects and a shortage of turbine supplies.

- Renewables are a valuable addition to the portfolio

  …they serve as a fossil fuel substitute, limit exposure to fuel price uncertainty and volatility, and hedge against GHG costs.

- Transmission system can accommodate

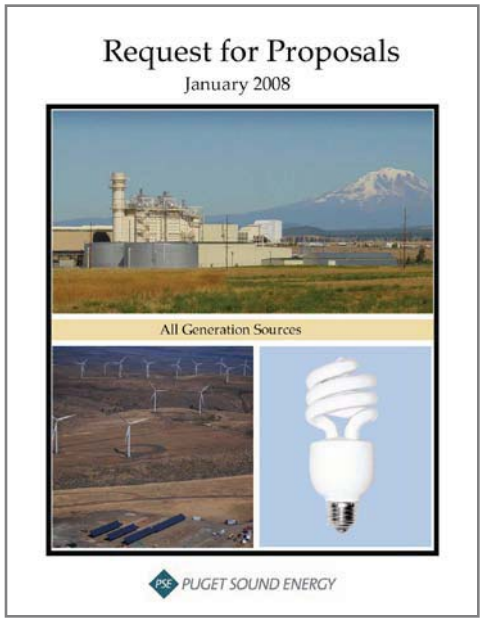
  …with additional transmission investment.

- Renewables alone cannot meet our future needs

  …we will require peaking and base load resources.

PSE EMC Update

July 17, 2008



2008 Request for Proposals

Energy Management Committee

July 17, 2008

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Roger Garratt

Director, Resource Acquisition

2008 RFP Final Selections*

REDACTED VERSION

Final Short List

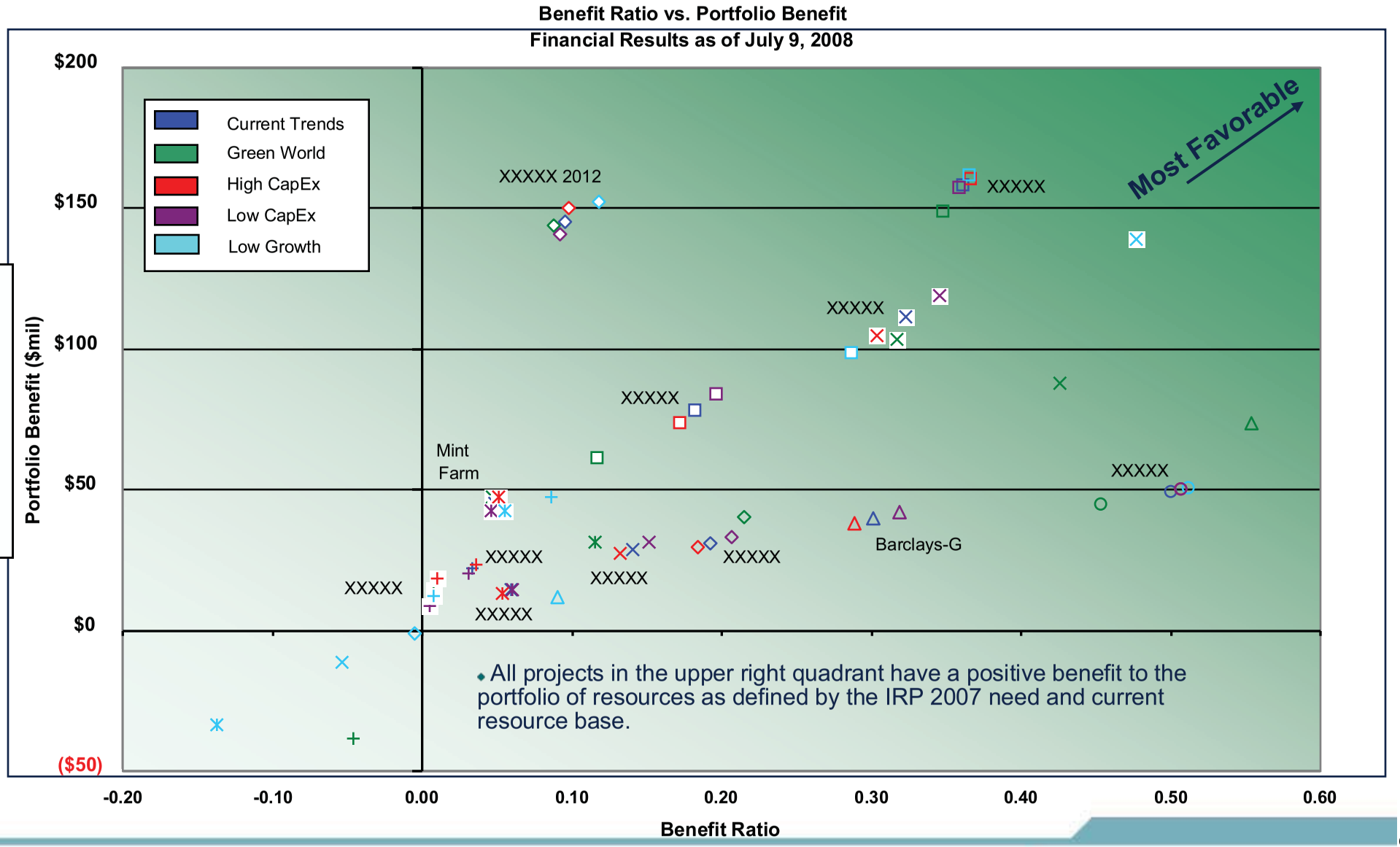
Project	Owner /Developer	Location	MW	Levelized Cost $/MWh	Portfolio Benefit $MM	Benefit Ratio	Status	Commercial Operation Date
XXXXX XXXXX	XXXXX	XXXXX	XXX	XXX	XXX	XXX	XXXXX	XXXXX
XXXXX XXXXX	XXXXX	XXXXX	XXX	XXX	XXX	XXX	XXXXX	XXXXX
Mint Farm Energy Center CCCT (ownership)	Wayzata Investment Partners	Longview, WA	310	XXX	$44.97	0.05	Operating	2009
Fixed Price PPA, 4-year, winter, ATC	Barclays Bank PLC	n/a	25-275*	XXX	$39.97	0.30	ATC	11/1/2011 to 3/31/2015

Continuing Investigation List

Project	Owner /Developer	Location	MW	Levelized Cost $/MWh	Portfolio Benefit	Benefit Ratio	Status	Commercial Operation Date
XXXXX XXXXX	XXXXX	XXXXX	XXX	XXX	XXX	XXX	XXXXX	XXXXX
XXXXX XXXXX	XXXXX	XXXXX	XXX	XXX	XXX	XXX	XXXX	XXXXX
XXXXX XXXXX	XXXXX	XXXXX	XXX	XXX	XXX	XXX	XXXXX	XXXXX

*Does not include PSE development projects that did not come through the RFP projects.

Quantitative Results



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Qualitative Evaluation - Wind

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WAC 480-07-160

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Qualitative Evaluation – Natural Gas

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HIGHLY CONFIDENTIAL per
WAC 480-07-160

REDACTED VERSION

Next Steps

- Notify Respondents
- Enter into negotiations with short-listed candidates

Appendix

2008 RFP "Candidate" Short List

Fuel	Project	Owner /Developer	Location	MW	Levelized Cost $/MWh	Portfolio Benefit	Benefit Ratio	Status	Term	Offer	Transmission
Wind	XXXXX	XXXXX	XXXXX	XXX	XXX	XXX	XXX	XXXXX	XXXXX	XXXXX XXXXX	XXXXX
Wind	XXXXX	XXXXX	XXXXX	XXX	XXX	XXX	XXX	XXXXX	XXXXX	XXXXX XXXXX	XXXXX XXXXX XXXXX
Wind	XXXXX	XXXXX	XXXXX	XXX	XXX	XXX	XXX	XXXXX	XXXXX	XXXXX	XXXXX XXXXX XXXXX
Wind	XXXXX	XXXXX	XXXXX	XXX	XXX	XXX	XXX	XXXXX	XXXXX	XXXXX	XXXXX XXXXX XXXXX XXXXX
NatG	XXXXX	XXXXX	XXXXX	XXX	XXX	XXX	XXX	XXXXX	XXXXX	XXXXX	XXXXX XXXXX
NatG	XXXXX	XXXXX	XXXXX	XXX	XXX	XXX	XXX	XXXXX	XXXXX	XXXXX	XXXXX XXXXX
NatG	XXXXX	XXXXX	XXXXX	XXX	XXX	XXX	XXX	XXXXX	XXXXX	XXXXX	XXXXX XXXXX
NatG	XXXXX	XXXXX	XXXXX	XXX	XXX	XXX	XXX	XXXXX	XXXXX	XXXXX	XXXXX
NatG	Mint Farm Energy Center	Wayzata Investment Partners	Longview, WA	310	XXX	52,427	0.057	Operating	2009	ownership	293 MW firm PTP transmission to PSE's system at Covington
PPA	XXXXX	XXXXX	XXXXX	XXX	XXX	XXX	XXX	XXX	XXXXX XXXXX	XXXXX XXXXX XXXXX	XXXXX
PPA	Fixed Price PPA, 4 yr, winter, ATC	Barclays Bank PLC	n/a	25-275*	XXX	$22,413	0.161	ATC	11/1/2011 to 3/31/2015	4yr PPA; winter only; fixed price	Delivery to Mid-C
PPA	XXXXX	XXXXX	XXXX	XXX	XXX	XXX	XXX	XXX	XXXXX XXXXX	XXXXX XXXXX XXXXX	XXXXX
PPA	XXXXX XXXXX	XXXXX	XXXX	XXX	XXX	XXX	XXX	XXX	XXXXX XXXXX	XXXXX XXXXX XXXXX XXXXX	XXX
Wind	Wild Horse Expansion	PSE	Kittitas County, WA	40	XXX	XXX XXX	XXX XXX	Development	2009-2010	ownership	PSE Wild Horse 230 kV substation.
Wind	Columbia-Garfield County Joint Development Projects	50/50 Joint Development PSE & RES	Columbia & Garfield Counties, WA	625 PSE/ 625 RES	TBD	TBD	TBD	Development	2010-2015	50% own	BPA Little Goose Substation 500 kV.

REDACTED VERSION

PSE development projects. These projects did not come through the 2008 RFP process. Joint development project with RES is scheduled to be presented to the Energy Management Committee for approval May 19, 2008.

PSE EMC Update

September 18, 2008

EMC Resource Acquisition/ Development Update

EMC Meeting September 18th, 2008

Nathan Adams

Chris Bevil

PSE PUGET SOUND ENERGY

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RFP Project Status

Short Listed Projects

Project/ Counterparty	Type	Size	Status
Mint Farm/ Wayzata	CCCT Own	310 MW	· Late stages of negotiations. · Agreement signing possible within weeks.
Market PPA/Various	PPA	50-75 MW	· Counterparties being preapproved for credit and WSPP · Solicitation likely in late Sep/early Oct
XXXXX XXXXX	XXXXX	XXX MW	· XXXXX · XXXXX
XXXXX XXXXX	XXXXX	XX MW	· XXXXX · XXXXX

REDACTED VERSION

Continuing Investigation

Project/ Counterparty	Type	Size	Status
XXXXX XXXXX	XXXXX	XXX MW	XXXXX
XXXXX XXXXX	XXXXX	XXX MW	XXXXX
XXXXX XXXXX	XXXXX	XXX MW	XXXXX

Market PPA Process/Next Steps

- Advance notice sent to counterparties Sept. 2nd indicating PSE's upcoming solicitation
- Pre-qualify counterparties for both contract and credit
- Clarify accounting treatment
- Conduct live price solicitation
  - Prices would be due at 8:00 am with a short time window for PSE analysis
  - If lowest price evaluates attractively in PSM, PSE will seek immediate approval from officers

Wild Horse Expansion

- Negotiation turbine supply agreement.
- Awaiting EFSEC environmental determination on permit amendment. County agreement to follow.
- Civil and electrical design work underway.
- Selection of BOP construction contractor underway.
- Final wind energy assessment report due 9/19/2008.
- Interconnection System Impact Study due 9/29/2008.
- Awaiting execution of Grant County Transmission Transfer Agreement.

RES JDA

- Target date to sign JDA is 9/30/2008. Resolution on several commercial issues, including the O&M services term sheet, are outstanding.
- Community relations, local government and agencies work continues.
- Hired local landowner and farmer for Project Coordinator position.
- Efforts underway to open Pomeroy office.
- Permitting strategy is being developed and refined - target date to submit permit application is 10/30/2008.
- Target COD for 1st 250 MW is 4Q 2011.

REDACTED VERSION

REDACTED as HIGHLY CONFIDENTIAL per WAC 480-07-160