EXHIBIT NO. \_\_\_(RG-11HC) DOCKET NO. UE-06\_\_/UG-06\_\_ 2006 PSE GENERAL RATE CASE WITNESS: ROGER GARRATT

#### BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

Docket No. UE-06\_\_\_\_ Docket No. UG-06

**PUGET SOUND ENERGY, INC.,** 

**Respondent.** 

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

### REDACTED VERSION

**FEBRUARY 15, 2006** 

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## 

## All-Source RFP Evaluation Review

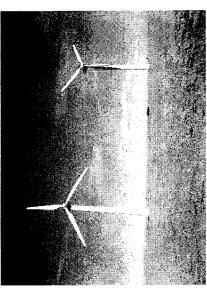
- Resource Acquisition Process
- RFP Goals & Products Requested
- Evaluation Process & Criteria
- Responses to RFP & Summary
- I Stage 1 Evaluation
- Short-List Selection Process
- Constrained List
- ASM Summary of Costs & Ranking
- Evaluation Summary Matrices by Type
- Most Favorable Summary Matrix
- Significant Comments & Decision
- Ratings vs. Cost Distribution
- Continual Investigating Selection
- Short-List Selection
- Post Stage 1 Status & Update
- Stage 2 Evaluation Process
- PSE Self-Build Options
- RFP Schedule



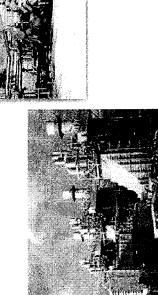
(RG-11HC)

Exhibit No.











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	Stage I Stage 2 broject(s) Evaluation Evaluation	Non-Selected projects	Evaluation Short-Listed Selected brojects brojects broject(s)	hort-listed Non-Selected	Pselected Braination Evaluation	<ul> <li>All but two Non-Short-listed as well as all of the Short-listed projects wind projects were officially resubmitted in the All-Source, some with revisions.</li> <li>** - Non-Short-Listed all-source projects and Non-Selected projects may be revised on an on-going basis to better meet PSE's</li> </ul>
Resource Acq	Proposals Evaluation	Non-Short-listed projects*	Proposals	Non-Short-listed projects	Proposals** & future RFPs	<ul> <li>Notes:         <ul> <li>- All but two Non-Short-listed as well as all of the Short-listed project Source, some with revisions.</li> <li>* - Non-Short-Listed all-source projects and Non-Selected projects material searchest cost Reamine in other and but to be allowed as the searchest of the searchest and but to be an an</li></ul></li></ul>

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## **All-Source RFP** RFP Evaluation Goals

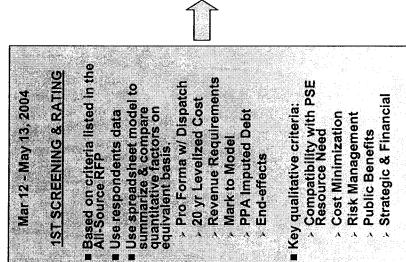
- Prudent selection of energy resources
- Consistent with PSE planning & strategies
- Apply evaluation criteria consistently
- Across range of 47 projects (89 proposal options) submitted
- In comparison to projects submitted in response to Wind RFP
- Document evaluation process and decision

All-S	Al-Source RFP Page 5 of 53
Requ	Request for All Generation Resources
∎ SSI	Issued RFP on February 4, 2004
•	Consistent with PSE Least Cost Plan; identified need up to ≈355 aMW of winter energy from 2005 through 2008
•	<ul><li>Contracting Scenarios</li><li>PPA</li></ul>
•	PSE Ownership
	Expect RFP to result in one or more projects
•	Anticipates meeting ≈50 aMW of 355 aMW through Wind RFP
•	COD by end of 2005
∎ R	Responses arrived on March 12, 2004
9 - S	Purcer sound energy

All-Source RFP **Evaluation Process** 

### First Stage Evaluation





Use Portfolio Screening Mode to determine & compare cost variability and risk.

Evaluate Specific Proposals within PSE Portfolio

Separate analysis for Transmission and integration alternatives.

Compatibility with PSE Resource Need

**Cost Minimization Risk Management** 

Public Benefits

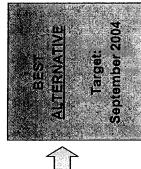
Appropriate comparison of PPA's and ownership alternatives.

### Second Stage Evaluation

May 13 - Jun 25, 2004.

SHORT-LIST





Strategic & Financial

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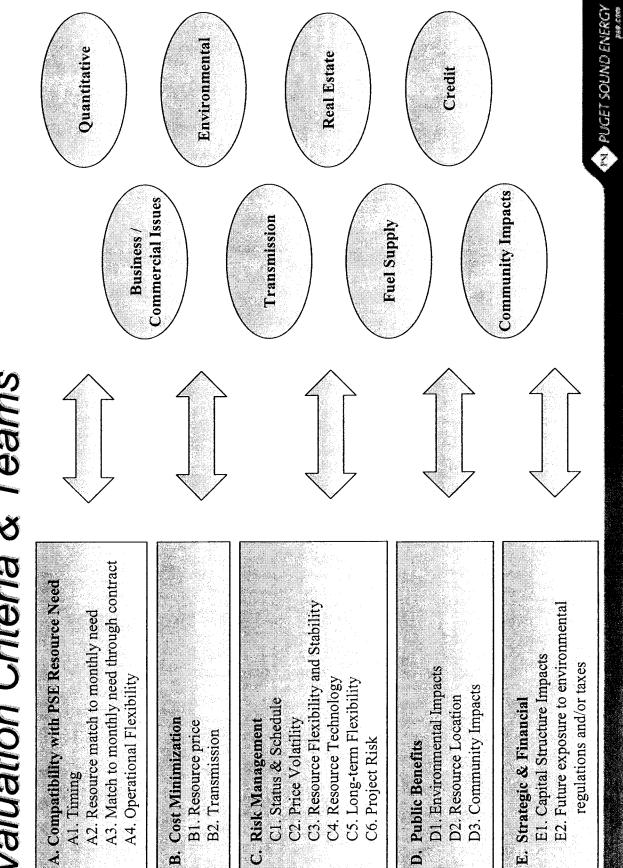
## All-Source RFP Evaluation Criteria

	<ul> <li>Reasonable exposure to future environmental regulations</li> </ul>	<ul> <li>Reasonable</li> <li>exposure to future state</li> </ul>	wroresare marker restructuring trends	<ul> <li>Contribute to regional energy needs</li> </ul>	<ul> <li>Limits balance sheet impact of imputed debt from PPAs</li> </ul>
The Park	<ul> <li>Lower portfolio emission levels</li> <li>Contribute to regional energy</li> </ul>	• Support renewable energy	objectives • Promote energy	efficiency (conservation and demand response)	
	<ul> <li>Balance potential future exposure to power purchase risk</li> </ul>	<ul> <li>Balance potential future exposure to power sales risk</li> </ul>	<ul> <li>Reasonable</li> <li>exposure to</li> <li>counterparty risk</li> </ul>		
	<ul> <li>Provide lowest cost alternative to meet energy and capacity needs</li> </ul>	<ul> <li>Includes costs of transmission</li> <li>upgrades and</li> <li>firming</li> </ul>			
A DECK	<ul> <li>Meet short and long term energy and capacity requirements</li> </ul>	<ul> <li>Balance capacity and energy needs without risk of excess capacity</li> </ul>	<ul> <li>Provide shaped resource to balance</li> </ul>	seasonality of load	

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All-Source RFP: Stage ' Evaluation Criteria & Teams

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# All-Source RFP: Stage 1 Evaluation Criteria Detail

A         I. Timing         Proposals knick         <	1 - <b>-</b>	<b>Evaluation Criteria</b>	Ex	Explanation of Criteria	Evaluation Teams
<ul> <li>Proposals which are available early in the acquisition time period (2005 through winter '07/'08) are preferred.</li> <li>Proposals that provide substantial assurances of being commercially available in 2005 are preferred.</li> <li>Proposals that provide substantial assurances of being commercially available in 2005 are preferred.</li> <li>Proposals where generation from the underlying generation asset closely match PSE's monthly energy requirements or whose output can be controlled by PSE are preferred over those which rely on shaping through short- or long-term arrangements.</li> <li>Proposals that provide a fixed amnual price to shape the underlying generation asset output to PSE monthly energy requirements are preferred.</li> <li>Proposals that provide a fixed amnual price to shape the underlying generation asset output to PSE monthly energy requirements are preferred.</li> <li>Proposals that provide annual price to shape the underlying generation asset output to PSE will not consider proposals for contractual shaping that are tied to an energy price index. Contracts for a term of 3 or more years are preferred.</li> <li>Proposals that provide PSE control of project output acceptable to PSE to respond to seasonal &amp; real-time fluctuations in load/resource balance and system reliability events are preferred.</li> <li>This includes, for example, displacement of the project in real-time and, for jointly-owned projects, the ability for PSE to elect to use for reliability purposes generation output that would otherwise have been displaced by the other owner.</li> </ul>	2a	tibility with PSE Resourd	ce Ne		
<ul> <li>"07/"08) are preferred.</li> <li>Proposals that provide substantial assurances of being commercially available in 2005 are preferred.</li> <li>Proposals that provide substantial assurances of being commercially available in 2005 are preferred.</li> <li>Proposals where generation from the underlying generation asset closely match PSE's monthly need</li> <li>Proposals that provide a fixed annual price to shape the underlying generation asset output to PSE monthly energy requirements are preferred.</li> <li>Proposals that provide a fixed annual price to shape the underlying generation asset output to PSE monthly energy requirements are preferred.</li> <li>Proposals that provide a fixed annual price to shape the underlying generation asset output to PSE monthly energy requirements are preferred.</li> <li>Proposals that provide PSE control of project output acceptable to PSE to respond to seasonal &amp; real-time fluctuations in load/resource balance and system reliability events are preferred.</li> <li>Proposals that provide PSE control of project output acceptable to PSE to respond to seasonal &amp; real-time fluctuations in load/resource balance and system reliability events are preferred.</li> <li>Proposals that provide PSE control of project output acceptable to PSE to respond to seasonal &amp; real-time fluctuations in load/resource balance and system reliability events are preferred.</li> <li>Proposals that provide PSE control of project output acceptable to PSE to respond to seasonal &amp; real-time fluctuations in load/resource balance and system reliability events are preferred.</li> <li>This includes, for example, displacement of the project in real-time and, for jointly-owned projects, the ability for PSE to elect to use for reliability purposes generation output that would otherwise have been displaced by the other owner.</li> </ul>		. Timing	٠	Proposals which are available early in the acquisition time period (2005 through winter	Tom MacLean - Resource Planner
<ul> <li>Proposals where generation from the underlying generation asset closely match PSE's monthly need monthly energy requirements or whose output can be controlled by PSE are preferred over those which rely on shaping through short- or long-term arrangements.</li> <li>Match to monthly</li> <li>Proposals that provide a fixed annual price to shape the underlying generation asset output to PSE monthly energy requirements are preferred.</li> <li>PSE will not consider proposals for contractual shaping that are tied to an energy price index. Contracts for a term of 3 or more years are preferred.</li> <li>Operational</li> <li>Proposals that provide PSE control of project output acceptable to PSE to respond to seasonal &amp; real-time fluctuations in load/resource balance and system reliability events are preferred.</li> <li>This includes, for example, dispatch or displacement of the project in real-time and, for jointly-owned projects, the ability for PSE to use on the project in real-time and, for jointly-owned projects, the ability for PSE to use of reliability purposes generation output that would otherwise have been displaced by the other owner.</li> </ul>			•	.07/'08) are preferred. Promosals that provide substantial assurances of heing commercially available in 2005 are	Jim Elsea - Financial Analysis
<ul> <li>Resource match to</li> <li>Proposals where generation from the underlying generation asset closely match PSE's monthly need monthly energy requirements or whose output can be controlled by PSE are preferred over those which rely on shaping through short- or long-term arrangements.</li> <li>Match to monthly energy requirements are preferred.</li> <li>PSE will not consider proposals for contractual shaping that are tied to an energy price index. Contracts for a term of 3 or more years are preferred.</li> <li>Operational Flexibility events are hubble to PSE to respond to seasonal &amp; real-time fluctuations in load/resource balance and system reliability events are preferred.</li> <li>This includes, for example, dispatch or displacement of the project in real-time and, for jointly-owned projects, the ability for PSE to elect to use for reliability purposes generation</li> </ul>				preferred.	Aliza Seelig - Resource Modeling
<ul> <li>Proposals where generation from the underlying generation asset closely match PSE's monthly need monthly energy requirements or whose output can be controlled by PSE are preferred over those which rely on shaping through short- or long-term arrangements.</li> <li>Match to monthly</li> <li>Proposals that provide a fixed annual price to shape the underlying generation asset output to PSE monthly energy requirements are preferred.</li> <li>Proposals that provide a fixed annual price to shape the underlying generation asset output to PSE will not consider proposals for contractual shaping that are tied to an energy price index. Contracts for a term of 3 or more years are preferred.</li> <li>Proposals that provide PSE control of project output acceptable to PSE to respond to seasonal &amp; real-time fluctuations in load/resource balance and system reliability events are preferred.</li> <li>This includes, for example, dispatch or displacement of the project in real-time and, for jointly-owned projects, the ability for PSE to use for reliability purposes generation output that would otherwise have been displaced by the other owner.</li> </ul>					Salman Aladin - Energy Risk Mgmt
<ul> <li>monthly need</li> <li>monthly energy requirements or whose output can be controlled by PSE are preferred over those which rely on shaping through short- or long-term arrangements.</li> <li>Proposals that provide a fixed annual price to shape the underlying generation asset output to PSE monthly energy requirements are preferred.</li> <li>PSE will not consider proposals for contractual shaping that are tied to an energy price index. Contracts for a term of 3 or more years are preferred.</li> <li>Proposals that provide PSE control of project output acceptable to PSE to respond to seasonal &amp; real-time fluctuations in load/resource balance and system reliability events are preferred.</li> <li>This includes, for example, dispatch or displacement of the project in real-time and, for jointly-owned projects, the ability for PSE to elect to use for reliability purposes generation output that would otherwise have been displaced by the other owner.</li> </ul>			•	Proposals where generation from the underlying generation asset closely match PSE's	Darrin Morgan - Financial Analyst
<ul> <li>Match to monthly</li> <li>Proposals that provide a fixed annual price to shape the underlying generation asset output need through contract</li> <li>PSE will not consider proposals for contractual shaping that are tied to an energy price index. Contracts for a term of 3 or more years are preferred.</li> <li>Proposals that provide PSE control of project output acceptable to PSE to respond to seasonal &amp; real-time fluctuations in load/resource balance and system reliability events are preferred.</li> <li>This includes, for example, dispatch or displacement of the project in real-time and, for jointly-owned projects, the ability for PSE to elect to use for reliability purposes generation output that would otherwise have been displaced by the other owner.</li> </ul>		monthly need		monthly energy requirements or whose output can be controlled by PSE are preferred over those which rely on channed through short, or long-term arrangements	Christine Philipps - Acquisition Manager
<ul> <li>Match to monthly</li> <li>Proposals that provide a fixed annual price to shape the underlying generation asset output to PSE monthly energy requirements are preferred.</li> <li>PSE will not consider proposals for contractual shaping that are tied to an energy price index. Contracts for a term of 3 or more years are preferred.</li> <li>Operational</li> <li>Proposals that provide PSE control of project output acceptable to PSE to respond to seasonal &amp; real-time fluctuations in load/resource balance and system reliability events are preferred.</li> <li>This includes, for example, dispatch or displacement of the project in real-time and, for jointly-owned projects, the ability for PSE to elect to use for reliability purposes generation output that would otherwise have been displaced by the other owner.</li> </ul>					Tom Hiester - Acquisition Manager
<ul> <li>need through contract</li> <li>PSE will not consider proposals for contractual shaping that are tied to an energy price index. Contracts for a term of 3 or more years are preferred.</li> <li>PSE will not consider proposals for contractual shaping that are tied to an energy price index. Contracts for a term of 3 or more years are preferred.</li> <li>Proposals that provide PSE control of project output acceptable to PSE to respond to seasonal &amp; real-time fluctuations in load/resource balance and system reliability events are preferred.</li> <li>This includes, for example, dispatch or displacement of the project in real-time and, for jointly-owned projects, the ability for PSE to elect to use for reliability purposes generation output that would otherwise have been displaced by the other owner.</li> </ul>	• •	3. Match to monthly	•	Dranacele that transide a fixed annual mixed to change the surderly find readers on the second anti-	Roger Garratt - Project Development
<ul> <li>PSE will not consider proposals for contractual shaping that are tied to an energy price index. Contracts for a term of 3 or more years are preferred.</li> <li>Proposals that provide PSE control of project output acceptable to PSE to respond to seasonal &amp; real-time fluctuations in load/resource balance and system reliability events are preferred.</li> <li>This includes, for example, displacement of the project in real-time and, for jointly-owned projects, the ability for PSE to elect to use for reliability purposes generation output that would otherwise have been displaced by the other owner.</li> </ul>			•	to PSE monthly energy requirements are preferred.	Dennis Parrish - Energy Supply
<ul> <li>Operational</li> <li>Proposals that provide PSE control of project output acceptable to PSE to respond to seasonal &amp; real-time fluctuations in load/resource balance and system reliability events are preferred.</li> <li>This includes, for example, displacement of the project in real-time and, for jointly-owned projects, the ability for PSE to elect to use for reliability purposes generation output that would otherwise have been displaced by the other owner.</li> </ul>			•	PSE will not consider proposals for contractual shaping that are tied to an energy price	Chris Bevil - Energy Resources
<ul> <li>Proposals that provide PSE control of project output acceptable to PSE to respond to seasonal &amp; real-time fluctuations in load/resource balance and system reliability events are preferred.</li> <li>This includes, for example, dispatch or displacement of the project in real-time and, for jointly-owned projects, the ability for PSE to elect to use for reliability purposes generation output that would otherwise have been displaced by the other owner.</li> </ul>				lines. Contracts for a term of 5 of more years are preferred.	Bill Donahue - Gas Resource Planning
<ul> <li>This includes, for example yound</li> <li>This includes, for example yound yound projects, output that would othervoil that would be wo</li></ul>	4		•	Promosals that around a DSE control of aroisot outant accessible to DSE to record to	Phillip Popoff - Gas Resource Planning
<ul> <li>This includes, for example, dispatch or displacement of the project in real-time and, for jointly-owned projects, the ability for PSE to elect to use for reliability purposes generation output that would otherwise have been displaced by the other owner.</li> </ul>		Flexibility	•	seasonal & real-time fluctuations in load/resource balance and system reliability events are	
jointly-owned projects, the ability for PSE to elect to use for reliability purposes generation output that would otherwise have been displaced by the other owner.			•	preterred. This includes for example dismatch or dismlacement of the nuclect in real-time and for	
output that would otherwise have been displaced by the other owner.				jointly-owned projects, the ability for PSE to elect to use for reliability purposes generation	
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All-Source	Evaluation CI

PSE prefers those proposals that satisfy its other evaluation criteria at the lowest cost
throughout the project life.
PSE prefers firm delivery of energy to its service area (particularly at points on its system at which the deliveries may be effected and used to serve load with no or limited transmission
congestion).
In the absence of assurance at the time of proposal of such firm delivery, PSE prefers promovals that provide a high likelihood of acquiring adenuate transmission rights to such
points.
Proposals that do not include firm transmission to such points, that would produce
congestion of that would increase rise valuations out costs will be compared unitavorately with other proposals and/or will be assessed the additional cost to PSE.

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Stage 1	(continued)
	Detail
urce RFP	Criteria .
All-Sour	Evaluation

Exhibit No. \_\_\_\_(RG-11HC) Page 11 of 53

(60 B)	Evaluation Teams		construction Tom MacLean - Resource Planner espondent Iim Flees - Financial Analysis				Christine Philipps - Acquisition Manager	Tom Hiester - Acquisition Manager	e preferred. Roger Garratt - Project Development	Dennis Parrish - Energy Supply	e deferred Chris Bevil - Energy Resources	oterminous Bill Donahue - Gas Resource Planning	Phillip Popoff - Gas Resource Planning	Lorna Luebbe - General Counsel	long-term Steve Secrist - Legal & Environmental	ferred. Michele McGrady - Environmental	Rachel Davis – Environmental	-term up to Nick Floros - Real Estate	Kurt Krebs - Real Estate	Steve St. Clair - Technical Services	ctions are Michael Jones - Energy Supply	v are Salvador Avalos - Energy Trading	Tom Dombout Disl Mana the
The minine time a surrer of	Explanation of Criteria		<ul> <li>All other things being equal, PSE prefers operating projects first, projects under construction second, and development projects third. With respect to development projects, respondent</li> </ul>	proposals that are able to demonstrate they have the experience and financial resources to complete the project and have made significant progress in securing necessary nermits	property rights, equipment, regulatory approvals, water rights, wastewater and disposal rights project arrements and all other rights to arrements and all other provides to arrements and arrements are arrements and arrements are arrewents are arrements are arrements are arrements are arrements are arrewents are arrewents are arrements are arrements are arrewents are arr	commercially operational project within the time proposed for commercial operation are	preferred.		<ul> <li>Proposals that provide significant long-term control of fixed and variable costs are preferred.</li> </ul>	1	<ul> <li>Proposals that provide flexibility to expand to meet PSE's growing needs or to be deferred as required are preferred</li> </ul>	Proposals that include project agreements and all other rights and arrangements coterminous	with power purchase delivery periods or project life are preferred.		<ul> <li>Proposals that are based on commercially proven technology with demonstrated long-term reliability and performance history are professed</li> </ul>	<ul> <li>Proposals that are based on technologies whose output may be controlled are preferred.</li> </ul>		<ul> <li>Proposals that provide PSE the flexibility to adjust its position in a resource long-term up to</li> </ul>	and including termination are preferred.		Proposals that involve minimal risk for timely plant completion within cost projections are	<ul> <li>Proposals that minimize exposure to environmental risk or other potential liability are</li> </ul>	
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	Evaluation Criteria	Risk Management	Status & Schedule						Frice volatility		and Stability				resource leconology			Long-term Flexibility		Drviant Dick	I INJOCH MISK		
	aci	а						Ċ	i	ſ				~	t.			S.			5		

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Criteria         Explanation of Criteria         Evaluation Teams           effs         Evaluation of Criteria         Evaluation of Criteria         Evaluation of Criteria           effs         Proposals with lower environmental impacts are preferred. Environmental impacts reterent the full range of issues evaluated in an environmental impact statement (EIS) or environmental the full range of issues evaluated in an environmental impact statement (EIS) or environmental assessment (EA).         Lorma Luebbe - General Counsel           Resource Location         Proposals that are located such that they provide benefits to the regional and PSE runnission system or require minimal or no transmission or fuel transportation paths are not dependent upon constrained transmission or fuel transportation paths are preferred.         Dome Zuebbe - General Counsel           Proposals that are not dependent upon constrained transmission or fuel transportation paths are preferred.         Nick Floros - Real Estate           Proposals that are located such that they are within PSE's control area are preferred.         Nick Floros - Real Estate           Proposals that are located such that they are within PSE's control area are preferred.         Proposals that are located such that they are within PSE's control area are preferred.           Community Impacts         Proposals that are located such that they are within PSE's control area are preferred.         Boug Floros - Real Estate           Community Impacts         Proposals that are located such that they are within PSE's control area are preferred.         Boug Floros - Real Estate	uan	õ	Evaluation Criteria Detail (continued)	
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<ul> <li>the full range of issues evaluated in an environmental impact statement (EIS) or environmental assessment (EA).</li> <li>Proposals that are located such that they provide benefits to the regional and PSE transmission system or require minimal or no transmission upgrades are preferred.</li> <li>Proposals that are not dependent upon constrained transmission or fuel transportation paths are preferred.</li> <li>Proposals that are located such that they are within PSE's control area are preferred.</li> <li>Proposals that are located such that they are within PSE's control area are preferred.</li> <li>Proposals that enconstrate support from public, local, state and federal government entities and Native American nations, if applicable, are preferred.</li> </ul>	Environmental	•	Proposals with lower environmental impacts are preferred. Environmental impacts refer to	Lorna Luebbe - General Counsel
<ul> <li>Proposals that are located such that they provide benefits to the regional and PSE transmission system or require minimal or no transmission upgrades are preferred.</li> <li>Proposals that are not dependent upon constrained transmission or fuel transportation paths are preferred.</li> <li>Proposals that are located such that they are within PSE's control area are preferred.</li> <li>Proposals that demonstrate support from public, local, state and federal government entities and Native American nations, if applicable, are preferred.</li> </ul>			the full range of issues evaluated in an environmental impact statement (EIS) or	Steve Secrist - Legal & Environmental
<ul> <li>Proposals that are located such that they provide benefits to the regional and PSE transmission system or require minimal or no transmission upgrades are preferred.</li> <li>Proposals that are not dependent upon constrained transmission or fuel transportation paths are preferred.</li> <li>Proposals that are located such that they are within PSE's control area are preferred.</li> <li>Proposals that demonstrate support from public, local, state and federal government entities and Native American nations, if applicable, are preferred.</li> </ul>				Michele McGrady - Environmental
<ul> <li>Proposal that are not dependent upon constrained transmission upgrades are preferred.</li> <li>Proposals that are not dependent upon constrained transmission or fuel transportation paths are preferred.</li> <li>Proposals that are located such that they are within PSE's control area are preferred.</li> <li>Proposals that demonstrate support from public, local, state and federal government entities and Native American nations, if applicable, are preferred.</li> </ul>	tion	•	Democrate that are located such that they would benefits to the regional and DCF	Rachel Davis - Environmental
<ul> <li>Proposals that are not dependent upon constrained transmission or fuel transportation paths are preferred.</li> <li>Proposals that are located such that they are within PSE's control area are preferred.</li> <li>Proposals that demonstrate support from public, local, state and federal government entities and Native American nations, if applicable, are preferred.</li> </ul>	11011	•	Froposais triat are rocated such that they provide ocherities to the regional and 1.32 transmission system or require minimal or no transmission upgrades are preferred.	Nick Floros - Real Estate
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<ul> <li>Proposals that demonstrate support from public, local, state and federal government entities and Native American nations, if applicable, are preferred.</li> </ul>				Scott Williams - Land Planner
ns, if applicable, are preferred.	pacts	•		Doug Faulkner - Resource Integration
Steve Johnson - Integration Analyst Brian Lenz - Community Relations Bill Donahue - Gas Resource Planning Phillip Popoff - Gas Resource Planning				Wayman Robinett - Resource Planning
Brian Lenz - Community Relations Bill Donahue - Gas Resource Planning Phillip Popoff - Gas Resource Planning				Steve Johnson - Integration Analyst
Bill Donahue - Gas Resource Planning Phillip Popoff - Gas Resource Planning				Brian Lenz - Community Relations
Phillip Popoff - Gas Resource Planning				Bill Donahue - Gas Resource Planning
				Phillip Popoff - Gas Resource Planning

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Stage 1	ail (continue
RFP:	<b>Criteria</b> Det
All-Source	Evaluation C

Evaluation Criteria		지난 영양 전에 가지 않는 것은 것이 같은 것 같은 것은 것 같은 것은 것 같은 것은 것 같은 것은 것 같은 것 같 ? ? ? ? ? ? ? ? ? ? ? ? ? ? ? ? ? ?
	<b>Explanation of Criteria</b>	Evaluation leam
Strategic & Financial		
E 1. Capital Structure	Proposals are preferred that do not increase PSE's exposure to adverse impact on its	Roger Garratt - Project Development
Impacts	financial position (e.g., by requiring PSE to impute debt, by otherwise adversely affecting PSE's financial leverage, onerating leverage, credit rating, cash flow, income statement or	Jim Elsea - Financial Analysis
	balance sheet, or by imposing credit requirements).	Darrin Morgan - Financial Analyst
		Christine Philipps - Acquisition Manager
2. Future exposure to	<ul> <li>Proposals for resources with lower potential exposure to future environmental regulations</li> </ul>	Tom Hiester - Acquisition Manager
environmental remilations and/or	and/or taxes are preferred.	Lorna Luebbe - General Counsel
taxes.		Steve Secrist - Legal & Environmental
		Michele McGrady – Environmental
		Rachel Davis – Environmental
		Bev Ikeda - Risk Control

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# All-Source RFP Highly Confidential per Responses to RFP (March 12, 2004)

Owner/ Developer	Resource	New or Existing	Capacity (MW)	60	Offers
	Wind	New		Dec-05	20-yr PPA or 100% Ownership
	Wind	New	I	Dec-05	20-yr PPA or 50% Ownership
	Wind	New	1	Dec-05	20-yr PPA or 100% Ownership
L	Wind	New	I	Jul-05	PPA + Ownership
	Wind	New	I	Aug-05	20-yr PPA or 20-yr PPA + 50% Ownership or 100% Ownership
	Wind	New		Feb-06	PPA or 50% PPA + 50% Ownership
	Wind	New		Oct-05	20-yr PPA or 100% Ownership
	Wind	New		Dec-05	30-yr PPA + 50% Ownership
	Wind	New	L	Dec-06	30-yr PPA + 50% Ownership
Ę	Wind	New		Dec-05	30-yr PPA + 50% Ownership
TEDACTEU	Wind	New		Nov-05	20-yr PPA
	Wind	New	ETE	Nov-05	20-yr PPA
	Hydro	New	D∀a	May-06	25-yr PPA
	Hydro	New	ЭН	Oct-07	100% Ownership
	Biomass (wood)	New		May-06	JV w/ PSE
	n/a	Existing		n/a	5-yr PPA
	Natural Gas	New		n/a	Equipment Purchase of 3-GE7FA CC Power Islands
	Coal	New		Dec-06	100% Ownership
	Coal	Existing		n/a	1-yr PPA
	Coal	New		late 2008	Up to 100% Ownership
	Natural Gas	New		10-lut	20-yr PPA + 50% Ownership
	Natural Gas	New		late 2007	20-yr PPA or 100% Ownership
	Natural Gas	New		late 2007	20-yr PPA or 100% Ownership

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Highly Confidential per WAC 480-07-160

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# All-Source RFP (wAC 480-07-1 Responses to RFP (continued)

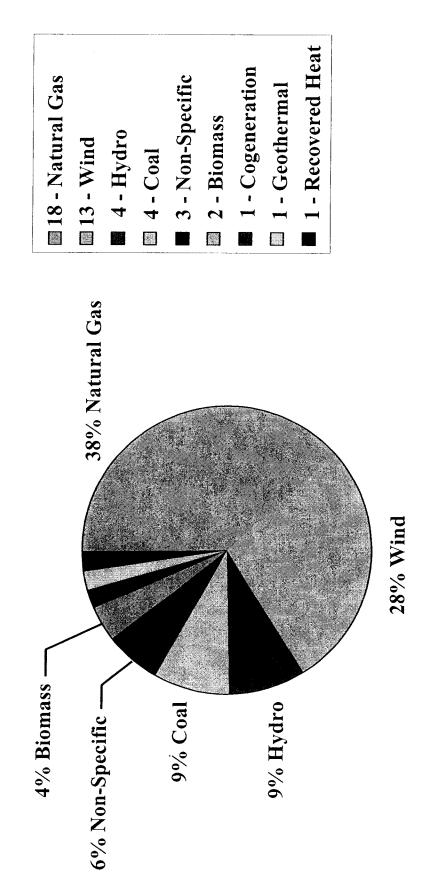
	Natural Gas (PPA Coal) Natural Gas	Existing Existing Existing	(MW)	Aug-02 n/a	10-yr PPA of Plant + 100% Ownership of 5-yr PPA
	Natural Gas Natural Gas	Suspended New	- 1	Nov-05 Late 2005	100% Ownership 20-yr PPA or 100% Ownership
	Natural Gas	New	1	Sep-07	25% or 50% or 70% Ownership ((PPA option available)
	Natural Gas	New	. 1	Dec-05	50% Ownership
	Hydro	Existing		late 2006	
	Natural Gas	New		May-07	20-yr PPA + Partial Ownership or 50% Ownership
	Natural Gas	Existing		Oct-03	1-yr PPA or 3-yr PPA or 100% Ownership
CIED	Natural Gas	New		Nov-06	20-yr PPA or 20-yr PPA + Ownership or 100% Ownership
HEDRY	Natural Gas	New		Apr-08	20-yr PPA or 100% Ownership
	Natural Gas	Suspended	ED	late 2005	100% Ownership
	Natural Gas	Existing	[L]	n/a	5-yr PPA (25 MWh)
	Natural Gas	Existing	VŒ	Feb-09	100% Ownership or 7.5-yr Lease Renewal
	Cogen	New	RF B	Jan-07	100% Ownership
	Recovered Heat	New		De 2005	20-yr PPA or 100% Ownership
	Hydro	New		Mar-05	25-yr PPA
	n/a	Existing		n/a	1-yr PPA (100 MWh)
	Geothermal	New	Ī	Sep-07	20-yr PPA (potential partial ownership)
	Natural Gas	Existing		n/a	PPA assignments
	Wind	New		Nov-05	20-yr PPA
	Biomass (wood)	New	1	Jun-06	20-yr PPA or 100% Ownership
	n/a	Existing		n/a	3 Tolling-based Proposals
	Coal	Existing		n/a	Capacity w/ associated energy from

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## All-Source RFP Summary of Proposals

47 - Proposals with options for PPA, Ownership and/or Hybrid 39 - Owners/Developers



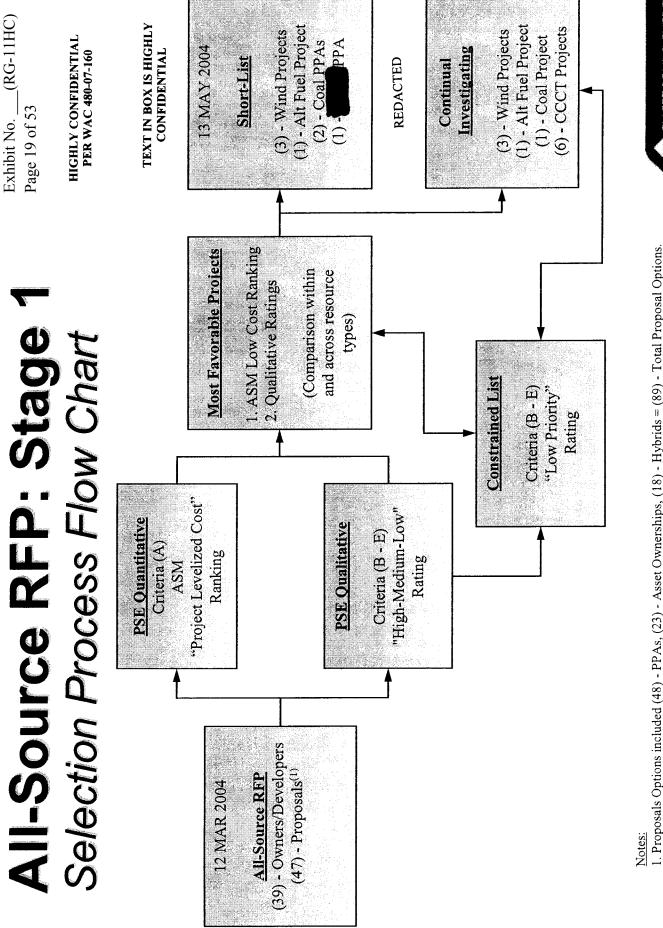
Summary is based on initial draft figures from bid opening. All figures are not final and subject to change and revision at any future date.

A N	All-Source RFP Summary of Proposals		Exhibit No(RG-11HC) Page 17 of 53
47	- Total Proposals with options for	Proposal	Proposal Breakdown
;		18	- Natural Gas Projects
39	- Different Owners/Developers	• •	iu -new 6 -Existing
89	- Total Proposal Options	•	2 -Suspended
	-	13	- Wind Projects
	33 - New Projects	•	13-New
<b>i</b> 1		4	- Hydro Projects
	ſ	•	3 -New
	2 - Suspended Projects	•	1 -Existing
		4	- Coal Projects
	12 - Wind Projects Re-Submitted from	٠	2 -New
	'2004 Wind RFP'	•	2 -Existing
	1 - New Wind Project	ო •	- Non-specific Power Purchases
		7	- Biomass (wood) Projects
Opti	<b>Options Breakdown</b>	•	2 -New
	24 - PPA and/or Ownership		- Cogeneration Project
	13 - PPA only	•	1 -New
	9 - Ownership only		- Geothermal Project
		•	1 -New
			<ul> <li>Recovered Heat Project</li> </ul>
		•	1 -New Prices Sound Evenency
-17			

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## All-Source RFP: Stage 1 Short-List Selection Process

- Level 1 Screening "Constrained" List
- Acquisition Screening Model (ASM) Cost Ranking
- **Qualitative Evaluation Ratings**
- Combined the review and ratings of each:
- ASM Cost Ranking
- Qualitative Evaluation Ratings
- Review of "Most Favorable" Projects
- Selection to "Short-List" vs. "Continual Investigating" List
- 7 Projects selected for Stage 2 Evaluation



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1. Proposals Options included (48) - PPAs, (23) - Asset Ownerships, (18) - Hybrids = (89) - Total Proposal Options.

Instruction       Constrained". Unstituents       Highly WA.         Ameri / Devoloper       Content accountation       Explored accountation       W.A.         Big Noter / Devoloper       Content accountation       Devolution       Provest operation         Big Noter / Devoloper       Content accountation       Devolution       Provest operation         Big Noter / Devoloper       Content accountation       Devolution       Provest operation         Big Noter / Devoloper       Content accountation       Provest of the value       Provest of the value         Content accountation       Devolution       Provest of the value       Provest of the value       Provest of the value         Content accountation       Devolution       For examples on across SPA, scart mention of exchange option       Examples of the value       Provest of Modary. No firm transmission available at this time         Big Notarismission across SPA, scart mention of exchange option       Examples of the value       Examples of the value         Content action       Devolution is not mature.       Provest of Modary. No firm transmission available at this time       Examples of the value         Big Notarismission across SPA, scart mention of exchange option       Examples of the value       Examples of the value         Content acting across SPA, scart mention of exchange option       Examples of the value       Examples of the va	4		All-Source R	<b>CFP: Stage 1</b> Exhibit No. Page 20 of Page 2	Exhibit No(RG-11HC) Page 20 of 53
Code         Type         Project Name         Ormer / Developer         Contract incomensation           A13         H         A1         H         A1         H         Projects         B2         Rains on mortim manusmission         B2         Rains on mortime and compared from the source and onget commercial feasibility of the devi- dight surfacement only. While the basel behavior of the water C4         This projects and commercial feasibility of the devi- dight surfacement only. While the basel behavior of the water C4         This projects and commercial feasibility of the devi- dight surfacement only. While the basel behavior of the water C4         This projects and commercial feasibility of the devi- dight surfacement only. While the basel behavior of the water C4         This projects and commercial feasibility of the devi- dight surfacement only.           A23         C         Tarsmission solution is not marken.         B2         Neet of MCNay; No firm transmission available at this time           A34         C         Tarsmission solution is not marken.         B2         Only 2 noules the commercial feasibility of the devi- diant available at this time           A34         C         Tarsmission available at this time         B2         Only 2 noules the commercial feasibility of the di- diant the solution is optinanterin the commercial feasibility	ľ	eve	1 Screen	Constrained" List	Highly Confidential per WAC 480-07-160
H     H       H     H       H     H       H     H       H     H       H     H       H     H       C     Latility of the devices/proposer and ownall commercial feasibility of the device       G     Taris project does not appear to have permits, and the source and longevty of the valent       G     Taris project does not appear to have permits, and the source and longevty of the valent       G     Taris project does not appear to have permits, and the source and longevty of the valent       G     Cuality of the devices/proposer and ownall commercial feasibility of the device       G     Cuality of the devices/proposer and ownall commercial feasibility of the device       G     Cuality of the devices/proposer and ownall commercial feasibility of the device       G     Cuality of the devices/proposer and ownall commercial feasibility of the device       G     Cuality of the devices/proposer and ownall commercial feasibility of the device       G     Cuality of the devices/proposer and ownall commercial feasibility of the device       G     Cuality of the devices/proposer and ownall commercial feasibility of the device       G     Cuality of the devices/proposer and ownall commercial feasibility of the device       G     Cuality of the devices/proposer and ownall and ownall ownall and ownall and ownall ownall and ownall ownall and ownall ownall and ownall and ownall ownallable at this time	Code	Type Proje	Owner / Developer	a "Constrained" Justification	Recommendation
H     Cl     Uttle fechnical information is provided for     mojects       C     This project does not appear to have permits, and the source and longevity of the water inght is proposal is for equiparient only. While the basic technology appears solid, there is c     C       C     C     Consoleration     C       C     C     Consoleration     C       C     C     Consoleration     Consoleration       C     C     Vest of Michary: No firm transmission available at this tinne <th>A13</th> <th>I</th> <th></th> <th></th> <th>Low Priority</th>	A13	I			Low Priority
C     This projects     C/d     This projects     C/d     This projects       C     This projects     This projects     This projects     Solution       C     This projects     Transmission solution is not mature.     C/d     Transmission solution is not mature.       C     Considerable permission solution is not mature.     C/d     Considerable permission solution is not mature.       C     Considerable permission solution is not mature.     C/d     C/d     Considerable permission solution is not mature.       C     Considerable permission solution is not mature.     C/d     C/d     Considerable permission solution is not mature.       C     Considerable permission solution is not mature.     C/d     C/d     C/d     Considerable permission solution is not mature.       C     Considerable permission solution is not mature.     C/d     C/d     C/d     Considerable permission solution is not mature.       C     Considerable permission solution is not mature.     C/d     C/d     C/d     C/d       D/d     Color permission across BPA, scant mention of exchange option     C/d     C/d     C/d       C     Considerable permission across BPA, scant mention of exchange option     C/d     C/d     C/d       D/d     C/d     West of McNary. No firm transmission across BPA, scant mention of exchange option     C/d     C/d<	A14	T		Little technical information is provided for the projects	Low Priority
C     This proposal soft of equipment only. While the basic factomology appears sold, there is reconcidential period is not mature.       C     Quality of the developer/proposer and overall commercial feasibility of the deal basic properties of mature.       C     Quality of the developer/proposer and overall commercial feasibility of the developer/proposer and overall commercial feasibility of the deal basic properties.       C     Quality of the developer/proposer and overall commercial feasibility of the developer/proposer and overall commercial feasibility of the deal basic properties.       C     Quality of the developer/proposer and overall commercial feasibility of the deal basic properties.       C     Quality of the developer/proposer and overall commercial feasibility of the deal basic properties.       C     Quality of the developer/proposer and overall commercial feasibility of the deal composition and complete in the developer properties of the developer provide developer properties of the developer provide developer properties of the developer properties of the developer provide developer provide developer properties of the developer provide developer provide developer provide developer provide developer provide developer provide developer developer proproduct of the developer properties of the				This project does not appear to have permits, and the source and longevity of the water right is unclear.	
Id         Ct         Quality of the developer/proposer and overall commercial feasibility of the deal           C         C         Quality of the developer/proposer and overall commercial feasibility of the deal           C         Nest of McNary. No firm transmission available at this time           C         C         Nest of McNary. No firm transmission available at this time           C         C         Nest of McNary. No firm transmission available at this time           B         Nest of McNary. No firm transmission available at this time           B         Only 2 routes for connection to grid: 1         Imperiation           C         C         Nest of McNary. No firm transmission available at this time           B         Only 2 routes for connection to grid: 1         Imperiation           N         Farst of available at this time         Impercipation           B         Only 2 routes for connection to grid: 1         Impercipation           N         Farst of available at this time         Impercipation           C         The units are 23 years of and have engine controls and emission controls of that intra-           N         Farst of area of area or	A17	U	0	This proposal is for equipment only. While the basic technology appears solid, there is considerable permitting, operational, and completion risk.	Low Priority
C       B2       Transmission solution is not mature.         G       C       No transmission across BPA, scant mention of exchange option         G       C       West of McNary. No firm transmission available at this time         G       C       West of McNary. No firm transmission available at this time         G       C       West of McNary. No firm transmission available at this time         B2       West of McNary. No firm transmission available at this time         B2       Only 2 routes for connection to grid: 1       To precised         C       B2       Only 2 routes for connection to grid: 1       To precised         C       B2       Only 2 routes for connection to grid: 1       To precised       Internation provided.         C       The units are connection to grid: 1       To precised       Internation provided.       Internation provided.         C       The units are connection to grid: 1       Installed       Is not a expected to molection         C       The units are connection to grid: 1       Is not availe option       Internation         C       The units are connection to grid: 1       Is not availe option       Internation         C       The units are connection to grid: 1       Is not availe option       Internation         C       The units are fERA. Locense appears to have	A18	<u>ന</u>			Low Priority
G     No transmission across BPA, scant mention of exchange option       G     C     Nest of McNary. No fim transmission available at this time       B     West of McNary. No fim transmission available at this time       B     West of McNary. No fim transmission available at this time       B     West of McNary. No fim transmission available at this time       B     West of McNary. No fim transmission available at this time       B     West of McNary. No fim transmission available at this time       B     Only 2 routes for connection to grid. 1       C     The proposed equipment is currently installed       C     The units are 23 years old and have engine controls of that       N     Notation provided.       C     The units are 23 years old and have engine controls of that       N     Notation provided.       C     The units are 23 years old and have engine controls of that       N     Notation provided.       N     The units are 23 years old and have engine controls of that       N     Notation provided.       N     The units are 23 years old and have engine controls of that       N     Notation for formation provided.       N     The units are 23 years old and have engine controls of that       N     Notation for formation provided.       N     Notation for formation provided.       N     Notation for form	A20	U	Ω		HOLD - Pending resolution of Transmission
C       In Bankruptor,         C       Vest of McNary. No firm transmission available at this time         C       Vest of McNary. No firm transmission available at this time         C       Vest of McNary. No firm transmission available at this time         C       Vest of McNary. No firm transmission available at this time         B       Vest of McNary. No firm transmission available at this time         B       Vest of McNary. No firm transmission available at this time         B       Only Z routes for connection to grid. 1         C       The proposed equipment is currently installed       is not a vable option         C       The units are 23 year pool and have engine controls and emission controls of that information provided.       is not a vable option         C       The units are 23 year proving the controls would cost approximate       is not a vable option         C       The units are 23 year product within purvew of EPN, product not expected to provide available at this time       is not a vable option         N       C       The units are 23 year product within purvew of EPN, product not expected to provide available at this time       is not a vable option         N       C       The matter of the transmission available at this time       is not a vable option         N       S       Second of the transmission available at this time       is not conform to PSE is prove kW0300			8	Τ	HOLD - Pending resolution of
G       West of McNary: No firm transmission available at this time         G       West of McNary: No firm transmission available at this time         B       West of McNary: No firm transmission available at this time         C       West of McNary: No firm transmission available at this time         B       Only 2 routes for connection to grid: 1       Rejected         C       B       Only 2 routes for connection to grid: 1       Implementation         C       B       Only 2 routes for connection to grid: 1       Implementation         C       B       Only 2 routes for connection to grid: 1       Implementation         C       B       Only 2 routes for connection to grid: 1       Implementation         C       The units are 23 years of and have engine controls and emission controls of that         M       C       The units are 23 years of and have engine controls and emission controls of that         M       A       A       A       A         BG       Mission available at this time       A       A         BG       West of McNary: No firm transmission available at this time       Miles for product the expected to provide and the transmission available at this time         A       BG       A       Milest of McNary: No firm transmission available at this time       Milestine         BG <t< td=""><td>A27</td><td>U</td><td><u></u></td><td></td><td>Transmission and resolution of Bankruntey filing</td></t<>	A27	U	<u></u>		Transmission and resolution of Bankruntey filing
G       West of McNary: No firm transmission available at this time         G       West of McNary: No firm transmission available at this time         G       West of McNary: No firm transmission available at this time         G       Only 2 routes for connection to grid; 1       Rejected         B2       Only 2 routes for connection to grid; 1       Rejected         B3       Only 2 routes for connection to grid; 1       Rejected         C4       The units are 23 years old and have engine controls and emission controls of that         N       Only 2 routes for moded.       The units are 23 years old and have engine controls of that         A1       The units are 23 years old and have engine controls and emission controls of that         N       Only 2 routes for moded.       The units are 23 years of and have engine controls of that         N       Only 2 routes for moded.       The provide       Analoge         A3       Vest of McNary: No firm transmission available at this time       Analoge         A3       Vest of McNary: No firm transmission available at this time       Model         B3       West of McNary: No firm transmission available at this time       Model       Model         C4       Transmission solution is not mature       Controls of steam to host no longer vable. Timing and       Model         C5       Transmission solution	A31	Ċ	<u> </u>		HOLD - Pending resolution of
G     West of McNary: No firm transmission available at this time       G     Mathematical and other       G     Diny 2 routes for connection to grid; 1       Figered     Error       G     Diny 2 routes for connection to grid; 1       Figered     Error       G     Diny 2 routes for connection to grid; 1       Figered     Error       G     Diny 2 routes for connection to grid; 1       Figered     Figered       G     The units are 23 years old and have engine controls and emission controls of that       Ninage.     Retroft of modem engine controls would cost approximate       C     Incomplete information provided;       Revew by EPM; 2 year product within purvew of EPM; product not expected to provide       A     Value to PSE's portfolio as it does not conform to SEF need; option products       BC     West of McNary; No firm transmission available at this time       C1     Supply and purchase of fuel and sale of steam to host no longer wable. Timing and       C2     Supply and purchase of fuel and sale of steam to host no longer wable. Timing and       C3     Results of permitting cannot be guaranteed.		>			Transmission
G     Ave.       G     Part of the proposed equipment is currently installed     Is not a vable option       G     The proposed equipment is currently installed     Is not a vable option       G     The proposed equipment is currently installed     Is not a vable option       G     The units are 23 years old and have engine controls and emission controls of that vintage. Retroft of modem engine controls would cost approximate     Incomplete information provided.       C1     The modem engine controls would cost approximate     Incomplete information provided.     Incomplete information provided.       N     Notage. Retroft of modem engine controls and emission controls of that information provided.     Incomplete information provided.     Incomplete information provided.       N     Incomplete information provided.     Incomplete information provided.     Incomplete information provided.       N     Incomplete information provided.     Incomplete information provided.     Incomplete information provided.       N     Incomplete information provided.     Incomplete information provided.     Incomplete information provided.       N     Incomplete information provided.     Incomplete information provided.     Incomplete information provided.       N     Incomplete information provided.     Incomplete information provided.     Incomplete information provided.       N     Incomplete information provided.     Incomplete information provided.     Incom	55 A	Ċ			HOLD - Pending resolution of
G       Diny 2 routes for connection to grid; 1       rejected         G       and other       is not a vable option         H       The units are 23 years old and have engine controls and emission controls of that         C4       The units are 23 years old and have engine controls and emission controls of that         Natage.       Retrofit of modern engine controls would cost approximate         Incomplete information provided,       is not a vable option         O       C4       The units are 23 years old and have engine controls of that         Incomplete information provided,       incomplete information provided,       is not a vable option         O       C4       The units are 23 years old and have engine controls of that         Incomplete information provided,       incomplete information provided,       incomplete information         O       C3       Review by EPM, 2 year product within purview of EPM; product not expected to provide         W       B2       West of McNary; No firm transmission available at this time         C       Secults of permitting cannot be guaranteed.       Transmission available at this time         C       Secults of permitting cannot be guaranteed.       Endote         C       B2       Transmission solution is not mature         C       B2       Transmission solution is not mature         <	2 2 2	D		20	*Review Fuel Supply Offer
G       The proposed equipment is currently installed         H       C4       The units are 23 years oid and have engine controls and emission controls of that vintage. Retroft of modem engine controls and emission controls of that in intrage. Retroft of modem engine controls would cost approximate         H       C4       The units are 23 years oid and have engine controls and emission controls of that vintage. Retroft of modem engine controls would cost approximate         C1       The units are 23 years oid and have engine controls would cost approximate         Incomplete information provided.       C1         C1       Incomplete information provided.         C3       Nutage. Retroft of modem engine controls would cost approximate         A3       generally suited for winter reliability. Option premiums significantly above KW 3000 value to PSE's portbilo as it does not conform to PSE's need: option products a generally suited for winter reliability. Option premiums significantly above KW 3000 value becault of provide aguaranteed.         B2       West of McNary: No firm transmission available at this time         C3       Secults of permitting cannot be guaranteed.         C4       Iransmission solution is not mature         B2       Transmission solution is not mature         C5       Farsmission solution is not mature         C6       results of permitting cannot be guaranteed.         C7       Supply and buck tort mature         C6	A34	ი		Only 2 routes for connection to grid; 1	Low Priority
G       The units are 23 years old and have engine controls and emission controls of that wintage. Retroft of modern engine controls would cost approximate         H       H         H       Incomplete information provided.         C1       Incomplete information provided.         C3       Review by EPM: 2 year product within purview of EPM; product not expected to provide value to PSE's portfolio as it does not conform to PSE's need; option products generally suited for winter reliability. Option premiums significantly above KW3000 valuat.         W       B2       West of MCNary; No firm transmission available at this time         C3       Supply and purchase of fuel and sale of steam to host no longer viable. Timing and C6         C4       Transmission solution is not mature         Mom Ist. The PPA will not be evaluated by the EPM group.				,	Low Priority
H       C1       Incomplete information provided, Incomplete information provided, alte April         C       Iate April       Iate April         C       Review by EPM; 2 year product within purview of EPM; product not expected to provide walue to PSE's portfolio as it does not conform to PSE's need; option products generally suited for winter reliability. Option premiums significantly above KW3000 valuat         W       B2       West of McNary; No firm transmission available at this time         C1       Supply and purchase of fuel and sale of steam to host no longer wable. Timing and C5         E2       Transmission solution is not mature         B2       Transmission solution is not mature         D       Monitor be guaranteed.         D       Farsuits of permitting cannot be guaranteed.         D       Transmission solution is not mature         D       Monitor. The PPA will not be evaluated by the EPM group.	A37	U	C		
0     A3     Review by EPM; 2 year product within purview of EPM; product not expected to provide value to PSE's need; option products       W     A3     generally suited for winter reliability. Option premiums significantly above KW3000 valuat       W     B2     West of McNary; No firm transmission available at this time       B3     C1     Supply and purchase of fuel and sale of steam to host no longer viable. Timing and C6       C1     Supply and purchase of fuel and sale of steam to host no longer viable. Timing and C6       M     B2     Transmission solution is not mature	A40	Т	U		Low Priority
0       A3       generally suited for winter reliability. Option premiums significantly above KW 3000         W       B2       West of McNary; No firm transmission available at this time         BG       C1       Supply and purchase of fuel and sale of steam to host no longer viable. Timing and         C       Supply and purchase of fuel and sale of steam to host no longer viable. Timing and         C       B2       Transmission solution is not mature         C       B2       Transmission solution is not mature         Model A16:       from list. The PPA will not be evaluated by the EPM group.					Low Priority - Energy Portofolio Management Review ranks
W     B2     West of McNary: No firm transmission available at this time       BG     C1     Supply and purchase of fuel and sale of steam to host no longer viable. Timing and       C     Supply and purchase of fuel and sale of steam to host no longer viable. Timing and       C     Issupts of permitting cannot be guaranteed.       D     D       Romoved A16:     from list. The PPA will not be evaluated by the EPM group.	A41	0	ط 		"LOW" and recommeds "Not to Pursue"
BG     C1     Supply and purchase of fuel and sale of steam to host no longer viable. Timing and C6       C6     results of permitting cannot be guaranteed.       C     B2     Transmission solution is not mature       Rowed A16:     from list. The PPA will not be evaluated by the EPM group.	A44	>			HOLD - Pending resolution of Transmission
C B2 Transmission solution is not mature temoved A16: from list. The PPA will not be evaluated by the EPM group.	A45	BG		Supply and purchase of fuel and sale of steam to host no longer viable. results of permitting cannot be guaranteed.	HOLD - Pending resolution of host and fuel supply
temoved A16: from list. The PPA will not be evaluated by the EPM group.	A47	U		Transm	HOLD - Pending resolution of Transmission
2 Removed A19: APS 1-year Centralia Coal PPA for 85MW. The EPM has completed their review and find the proposal exceptional.	NOTE: 1 2	S: Removed A1 Removed A1	from list. The PP APS 1-year Centralia Coal PPA for 85MW.	r will not be evaluated by the EPM group. The EPM has completed their review and find the proposal exceptional.	

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All-Source RFP	ທ 	tage	Je 1	ЩА	Exhibit No Page 21 of 53	_(RG-11HC)
ASM Summary of Pr	opc	roposal	Costs	(6)		
J.	ASM Res	ource Pro	ASM Resource Project Cost	<b>ASM C</b>	ASM Cost to Serve Load <sup>(2)</sup>	/e Load <sup>(2)</sup>
	Leveliz	Levelized 20-yr \$/MWh	\$/MWh	Leveli	Levelized 20-yr \$/MWh	//MWh
	Low _	High	Avg <sup>(1)</sup>	Low	High	$Avg^{(1)}$
Natural Gas Ownership	60	85	69	55	82	60
Natural Gas Ownership and PPA	63	79	68	55	70	60
Wind	44	96	56	46	91	57
Wood Waste	46	65	58	45	60	55
Geothermal	67	78	73	61	70	65
PPA <sup>(*)</sup> Gas	52	66	66	52	63	57
PPA <sup>(*)</sup> existing Coal <sup>(3)</sup>	42	70	56	51	65	57
PPA <sup>(*)</sup> new Hydro <sup>(4)</sup>	64	64	64	53	53	53
Heat Recovery	47	66	56	47	63	55
Coal Ownership	53	53	53	49	49	49
Total	42	66	62	45	91	58
<sup>(1)</sup> If only one bid evaluated so far, then that bid put in the average column	the aver	age colun	Π			
<sup>(2)</sup> Assumes PSE retail load shape and volume of load equal to plant capacity times availability	equal to	plant cap	acity times ave	ailability.		
<sup>(3)</sup> For first 10 years cost to serve load is \$48, remaining 10 years at market	ng 10 yea	ars at mar	ket			
<sup>(4)</sup> Project cost is higher because energy of PPA supplied during 6x16 on-peak hours	lied durin	g 6x16 or	1-peak hours			

MA PUICET SOUND ENERGY

 $^{(*)}$  All PPAs included imputed debt cost assuming S&P risk factor of 30%

- A	All-Source RFP: Stage 1	Bernibit No. (RG-11HC) Page 22 of 53
Acq	Acquisition Screening Model (ASM) Detinitions	lel (ASM) Definitions
ASM F	<b>ASM Resource Project Cost:</b>	
		twenty years of length of proposal
1/	/ project which is based upon the following inputs:	g inputs:
•	Plant characteristics:	PPA Cost Data
•	Capacity	<ul> <li>PPA fixed prices and escalation</li> </ul>
•	Heat rate	<ul> <li>PPA variable prices, and or variable adders</li> </ul>
•	Maintenance outage schedule	<ul> <li>Transmission costs fixed and variable</li> </ul>
•	Forced outage rate	<ul> <li>Tolling: fixed and variable gas</li> </ul>
•	Sample 8760 hour generation profile for wind projects	transportation, variable U&M strike price, seasonal and maintenance outage forecast,
•	Book and tax depreciation rates	Other Assumptions:
•	Emission rates for SO2, NOX, and CO2	Curci Assumptions.
•	Plant Cost Data:	<ul> <li>Costs of bottowning debt and equity capital.</li> <li>Uses the weighted average cost of capital</li> </ul>
•	Capital cost including AFUDC and deal	for levelizing costs.
•	Fixed O&M per kw of capacity.	AURORAS
•	Fixed A&G costs per kw of capacity (this will include property taxes and insurance)	<ul> <li>Power price = hourly output from AURORA5</li> <li>Trading values of emissions</li> </ul>
•	Variable O&M per MWh	<ul> <li>Imputed debt risk percentage</li> </ul>
•	Fuel transportation costs including fixed pipeline and lateral charges as well as pipeline commodity charges plus fuel use (losses) and Washington State use tax.	<ul> <li>Production tax credits for qualifying renewable projects</li> </ul>
•	Fixed and variable transmission costs including wheeling, ancillary services and imbalance or integration costs.	

All-Source RFP: Stage 1 Exhibit No. (RG-11HC) Acquisition Screening Model (ASM) Definitions	<ul> <li>ASM Cost to Serve Load:</li> <li>Surrogate for Portfolio Cost to help compare dissimilar products.</li> </ul>	It includes the cost of the acquisition or PPA and market sales and purchases of energy to match PSE's load shape exclusive of other PSE resources.	The 5-year levelized cost is used to look at short-term PPAs.		23.
	∢  ∎	•			

Exhibit No(RG-11HC) Page 24 of 53	Highly Confidential per WAC 480-07-160	Project         20-yr         Levelized           Levelized         Expected         Capacity           Cost         Cost         Factor           (\$ / MWh)         (\$ / MWh)         5 / MWh)		υ	Q	55		90	1	12 CHER			)5	96	33		33	008	5	<u>55</u>	5		FIR PUCET SOUND ENERCY
ΗĞ	bu	cob dity cob	n/a	Dec-05	Oct-05	Dec-05	n/a	May-06	Feb-06	Dec-05	Dec-05	Dec-05	Dec-05	Dec-06	Oct-03	n/a	Oct-03	late 2008	Nov-05	Dec-05	Jul-05	n/a	
	X	Capacity (MW)		[					<b> </b>	ED	'CL	ED∖	R	_				ļ		L			E E
	Ran	Status	Operating	Development	Development	Development	Operating	Development	Development	Development	Development	Development	Development	Development	Operating	Operating	Operating	Development	Development	Development	Development	Operating	1 Next S
Stage 1	Cost	Location								Q.	CTE	VQZ	ধ										Continued on Hext Slide
	elize	Proposal Option	2-yr PPA	100% Ownership	20-yr PPA or 100% Ownership	100% Ownership	10-yr PPA 100 to 200 MW Piant	JV w/ PSE	50% PPA + 50% Ownership	100% Ownership	30-yr PPA + 50% Ownership	100% Ownership	30-yr PPA + 50% Ownership	30-yr PPA + 50% Ownership	3-yr Tolling PPA Shaping	6-yr Seasonal Shaped PPA	1-yr Tolling PPA Shaping	100% Ownership	20-yr PPA or 20-yr PPA + 50% Ownership or 100%		PPA1 Busbar	5-yr PPA October - March	
All-Source R	ject Lev	Owner / Déveloper								(J.)													
l-Sol	M Pro	Type Project Name	U	>	×	8	U	BG	~	H	3	N. N	M	~	U	0	U	U	~	~	3	U	Gray Shade
	S	Code Ty	A19	A03 V	A07	A02b	A24b	A15 E	A06	A39 H	A08	A01	A10	A09	A32c	A16	A32b	A20	A05	A02a	A04	A25b	
		Rank	1	1	ر س	(AIT) 4	on Den	0 0/1	-	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~	6	10	₹ \$	1	4		4						24

(HC)	ber	Levelized Capacity Factor																	<del>.</del>			<u>.</u>		L NEKCY
(RG-11HC)	Highly Confidential per WAC 480-07-160	20-yr Expected Cost (\$ / MWh)			•			•		A.F.D.	LONC'	Ad												TWEI SUNU ENERCY
Exhibit No Page 25 of 53	Highly C WAC	Project Levelized Cost (S / MWn)					<u> </u>		<b> </b>			<del> </del>	<del> </del>	<b> </b>					<del> </del>	+	<u> </u>			
Ex Pa	<u>S</u>	g	n/a	Jun-06	n/a	Dec-05	No 405	Nov-05	late 2005	Aug-02	Sep-07	late 2006	Oct-03	n/a	Sep-07	n/a	late 2007	Jan-05	20-Inc	late 2007	Jan-07	Nov-05	Nov-05	
	kir	Capacity (MW)		1	1			1	1	י ם ו	I J.LC	 DV(1 	' [3]XI 	1			 		ł			I		
7	Ranking	Status	Operating	Development	Operating	Development	Suspended	Development	Suspended	Operating	Development	Operating / Development	Operating	Operating	Development	Operating	Development	Operating	Development	Development	Development	Development	Development	
Stage		Location								QJ	U)	ED	¥											
RP:	<u> </u>	Proposel Option	5-yr PPA Sept - March	20-yr PPA Energy Pricing	Jan05 - Mar08 Baseload tolling	50.2% Ownership w BPA Transmission	100% Ownership	20-yr PPA	100% Ownership	100% Ownership of and 10-yr PPA 100	70% Ownership	2-yr Bridge + 20-yr Seasonal On-Peak PPA	100% Ownership	Sept-Mar 5-yr Unit Contigent	20-yr PPA + potential partial ownership	PPA assignments	100% Ownership	5-yr Tolling PPA (25 MWh)	20-yr PPA + 50% Ownership	100% Ownership	100% Ownership	20-yr PPA	20-yr PPA	
Source F	Project Leve	Ówner / Developer							<u> </u>			(J. A.		<u> </u>			<u></u>							a "Constrained" List and an
All-S	SM P	Type Project Name		BG	0	U	U	A	<u>۔</u> ں	U	U	т	0	o	GT	U	U	U	U	ს	0	3	3	Gray Shade
	AS	Code Ty	A25a (	A45 B	A46 0	A29 (	A26 (	A44 V	A35 (	A24a (	A28 (	A30 H	A32a (	A47 (	A42 G	A43 (	A22 (	A36 (	A21 (	A23 (	A38 (	A12 V	A11 V	5 2 2 2 2 3 2
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4	All-Source RFP: Stage 1 Exhibit No. (RG-11HC) Page 26 of 53
Š	Selection of Projects by Type
•	Portfolio Screening Model (PSM) used in Stage 2 as principal quantitative evaluation tool
	<ul> <li>Calculates portfolio impacts for given set of resources</li> </ul>
•	Balanced mix of diversified resources has lowest cost and least risk per 2003 Least Cost Plan (LCP)
•	When considering Stage 1 "short list" selection, important to preserve opportunity to acquire a diversified resource mix
	<ul> <li>Selection of best projects, meeting all acceptable evaluation criteria from each resource type, should be considered</li> </ul>
	<ul> <li>Given current high gas prices and long-term forecasts, no gas projects selected for Stage 2 evaluation</li> </ul>
	<ul> <li>In Stage 2 evaluation, data from the most favorable gas projects will be run through PSM</li> </ul>
	<ul> <li>Should PSM runs indicate that gas projects would comprise all or a portion of the least cost PSE portfolio in near term, gas projects would be reconsidered for Stage 2.</li> </ul>
■ &	PSM analyses will also be compared to updated generic portfolios similar to those evaluated in 2003 LCP.

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Highly Confidential per WAC 480-07-160

Evaluation Summary Matrix by Type All-Source RFP: Stage 1

- Ranked by ASM 'Project Levelized Cost'
- Stage 1 Evaluation Criteria Ratings

	Community [D3]		нон	HIGH	MEDIUM	N/A	N/A
	Environmental [C1-C6-D1-E2]		LOW	нсн	LOW-MEDIUM	нСн	мол
	Real Estate [C1-C6-D2]		NON	NON	NOT	MEDIUM	ROW
	Technical [C4]		MEDIUM	нон	LOW	MEDIUM	гом
	Transmission [82 - C1 - D2]		LOW-MEDIUM	LOW-MEDIUM	MEDIUM	MEDIUM	MOT
	Fuel Supply [C1-C2-D2]		ROW	нюн	гом	LOW	N/A
M	Business / Commercial [A-B-C-D-E]		ROW	MEDIUM	гом	MEDIUM	ROW
STAGE 1 EVALUATION SUMMARY by TEAM	Project 20-yr Levelized Levelized Expected Capacity Cost Cost Factor (\$ / MWh) (\$ / MWh)	4.2.2					
S	Code Type Project	E FUEL	BG	Н	BG	GT	Ţ
PROPOSALS	Code Ty	ALTERNATE FUEL	A15 B	A39 H	A45 E	A42 G	A14 H

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OSALS     STAGE 1 Evaluation Summary by TEAM       Project     Zoyr     Lavelized     Business/ Lavelized     Fuel     Transmission       Type     Project     Zoyr     Lavelized     Business/ Supply     Fuel     Transmission       Type     Project     Zoyr     Lavelized     Business/ Supply     Fuel     Transmission       Anne     Cost     Cost     Cost     Cost     Cost     Cost       Si MWH     (S / MWH)     (S / MWH)     (S / WH)     (S / Control     Cost       ANTE FUEL     Low     Low     Low-MEDIUM     MEDIUM     Low       RED     REDACTED     Low     Low-MEDIUM     MEDIUM     Low       RED     REDACTED     Low     Low     Low     Low	E Costs Ver	Al-Source KFF: Stage 1 Evaluation Summary Matrix by Type Costs Very Attractive Undeveloped status of the proposal	Sun		ary Matrix Rating mainly reflects undeveloped status of	<b>Stage</b> Matrix by nainly reflects oped status of the	ary Matrix by Tyles Rating mainly reflects undeveloped status of the proposal			Highly Confidential per WAC 480-07-160	Ger
Project 20-yr Levelized Business / Fuel Transmission Formical Expected Cost Cost Expected Commercial Supply (5 / MWh) (5 / MWh	ROPOSALS	STAGE 1	EVALUATION SUI		AM						
REDACTED LOW MEDIUM MEDIUM MEDIUM LOW MEDIUM HIGH LOW TO WORK AND THE REDACTED TO WORK AND	Type			Levelized Capacity Factor	Business / Commercial [A-B-C-D-E]	Fuel Supply [C1-C2-D2]	Transmission [B2 - C1-02]	Technical [C4]	Real Estate [C1-C6-D2]	Environmental [C1-C6-D1-E2]	Community [D3]
BG     LOW     LOW-MEDIUM     MEDIUM     LOW       HR     MEDIUM     HIGH     LOW-MEDIUM     HIGH     LOW       BG     MEDIUM     HIGH     LOW-MEDIUM     HIGH     LOW       BG     MEDIUM     HIGH     LOW-MEDIUM     HIGH     LOW       BG     NEDACTED     Non-MEDIUM     HIGH     LOW     LOW       BG     Non-MEDIUM     HIGH     LOW-MEDIUM     HIGH     LOW       BG     Non-MEDIUM     HIGH     LOW-MEDIUM     HIGH     LOW       BG     Non-MEDIUM     HIGH     LOW-MEDIUM     HIGH     LOW	LTERNATE FUEL		7								
HR REDACTED HIGH LOW-MEDIUM HIGH LOW-MEDIUM HIGH LOW HIGH LOW OF REDACTED Constrained." List MEDIUM MEDUUM					ПОМ	Low	LOW-MEDIUM	MEDIUM	гом	( MOT	HOH
REDACTED REDACTED I ON "Constrained" List					MEDIUM	HIGH	LOW-MEDIUM	нон	гом	HIGH	HOH
Or     Higher Costs and/or     MEDIUM     MEDIUM       on "Constrained" List     on "Constrained" List		REDA	CTED					T OW	MO 1	LOW MEDIUM	MEDIUM
on "Constrained" List	A42 OT				Highe	r Costs a	and/or	MEDIUM	MEDIUM	11011	<del>\</del> \} <del>\</del>
	<u>244</u>				on "C	onstrain	ed" List	L'OW	LOW!	1 OW	V/V

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23 Gray Shade Pr Constrainer Links

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Highly Confidential per WAC 480-07-160

All-Source RFP: Stage 1 Evaluation Summary Matrix by Type

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PROPOSALS	SALS	STA	STAGE 1 EVALUATION SUMMARY by	ATION SUM	MARY by TEAM	MV						
Code	Type	Project Name	Project Levelized E: Cost (\$ / MWh) (\$	20-yr Expected Cost (\$ / MWh)	Levelized Capacity Factor	Business / Commercial [A-B-C-D-E]	Fuel Supply [C1-C2-D2]	Transmission (B2 - C1 - D2)	Technical [C4]	Real Estate [C1-C6-D2]	Environmental [C1-C6-D1-E2]	Community [D3]
POWER	R PURCI	POWER PURCHASE - Long-Term (>10yrs)	s)									
A24b	υ					HIGH	HIGH	<b>VERY HIGH</b>	N/A	N/A	MEDIUM-HIGH	HOIH
A30	I	5	CTED			нон	A/A	MEDIUM	N/A	N/A	MEDIUM-HIGH	N/A
A43	υ	RE	DAULTE		• • •	MEDIUM	MEDIUM	LOW-MEDIUM	N/A	N/A	MEDIUM-HIGH	HOIH
A13	I				4 <del></del>	гом	N/A	VERY LOW	MEDIUM	MEDIUM	ROW-MEDIUM	A/N
A40	I	م سر				LOW	N/A	LOW-MEDIUM	мол	гом	гом	MEDIUM
OWER	R PURCI	POWER PURCHASE • Short-Term (<10yrs)	S)									
A19	υ					HOH	нын	ИЕКҮ НІСН	нон	A/A	MEDIUM-HIGH	нон
A32c	ს					HIGH	MEDIUM	MEDIUM	нон	N/A	HIGH	HIGH
A16	0					HIGH	N/A	гом	N/A	N/A	HIGH	N/A
A32b	U		THE D			нюн	MEDIUM	MEDIUM	нісн	N/A	нсн	HIGH
A25b	U	RE	REDACT			MEDIUM	MEDIUM-HIGH	гом	N/A	N/A	MEDIUM	HIGH
A25a	U					MEDIUM	меріим-нісн	гом	N/A	N/A	MEDIUM	нон
A46	0					MEDIUM	гом	N/A	N/A	N/A	нен	N/A
A47	υ					нон	нісн	VERY LOW	N/A	N/A	LOW-MEDIUM	N/A
A36	υ	<b></b>				MEDIUM	гом	MEDIUM	гом	A/N	нон	N/A
A41	0	(				гом	N/A	N/A	N/A	A/N	MEDIUM	N/A
	e S	Grav Shade	****Constrained **								PUGET SOUND ENERGY	ND ENERGY

	All-Source RF	Ĺ	Stage	ge 1		Exhib Page	Exhibit No(RG- Page 30 of 53	(RG-11HC)
Ú	Evaluation Summary Matrix by Type	N N	<b>latri</b> )	× by	Typ	LI	Highly Confidential per WAC 480-07-160	Jer
On-Peak Produc (See Next Slide)	On-Peak Product (See Next Slide)	O K	osts Ver latings al	Costs Very Attractive and Ratings are Highly Favorable	e and avorabl	<u>.</u>		
PROPOSALS	STAGE 1 EVALUATION SUMMARY by TEAM	M						
Code Type	Project 20-yr Leveltzed Project Cost Cost Cost Cost Cost Cost Cost Cos	Business / Commercial [A-B-C-D-E]	Fuel Supply [C1-C2-D2]	Transmission [B2 - C1 - D2]	Technical [C4]	Real Estate [C1-C6-D2]	Environmental [C1-C6-D1-E2]	Community [D3]
POWER PURC	2							
A24b C		нісн	HIGH	<b>VERY HIGH</b>	N/A	N/A	MEDIUM-HIGH	нісн
A30 H		нон	N/A	MEDIUM	N/A	N/A	MEDIUM-HIGH	N/A
A13 G	REDACTED	MEDIUAA	MEDILIAA	LOW MEDUM	V/V	NIA		HICH
A13 H		Highe	Higher Costs and/or	and/or	MEDIUM		LOW MEDIUM	- VIA
40		on "C	on "Constrained" List	ed" List 📙	FOW	LOW	FOW	MEDIUM
POWER PURC	POWER PURCHASE - Short-Term (<10yrs)	I						
A19 C		нон	нон	VERY НІСН	нон	A/A	MEDIUM-HIGH	HIGH
A326 G		ысн	MEDIUM	AFDU IAA	нон	NVA	нон	нон
A16		Highe	Higher Costs and/or	and/or	VIV	VII V	НСН	N/A
A32b G		0,, uo	on "Constrained" List	ed" List 📙	нсн	V//V	нсн	HOH
A266 G	CTED	MEDIUM		1 CVM	V/14	MVA.	AEDIUNA	HIGH
A25a C	RUN	MEDIUM	MEDIUM LIICH	FOW	V/N	V,N	MEDIUM	
0 944		MEDIUM	LOW	<b>N</b> 1/A	14</td <td>4114</td> <td></td> <td>- 4/14</td>	4114		- 4/14
<u>A17 8</u>		11011	1 HCI 1	VERVLOW	V/N	V/14	TOW MEDIUM	N/A
900 O		MEDIUM	T-OW	MEDIUM	- FOW-	V/W	HOHI	Vite
		- FOW	74171	14/21	Y in	Yin	WEDIAN	<b>X</b>
30	Gray Shade						PUGET SOUND ENERGY	VD ENERGY

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ALCOLFOODED. CHORON A Page 31 of 53	oit No(RG-11HC) 31 of 53
PPA	Highly Confidential per WAC 480-07-160
<ul> <li>Acquisition Screening Model (ASM) used to quantify costs of All- Source proposals does not seem adequate to address value of some non-standard offers (e.g., PPA).</li> </ul>	s of All- ue of
offered On-Peak power during September through March.	gh March.
<ul> <li>Recommendation to take this offer through to "Short-List" to be evaluated by Portfolio Screening Model (PSM).</li> </ul>	to be
<ul> <li>In support of recommendation, On-Peak market prices during September - March were compared to the second proposed contract prices.</li> </ul>	ring proposed
<ul> <li>On a PV basis the contract is about \$ MWh lower than assumed market prices.</li> </ul>	wer than
<ul> <li>Given this, PPA merits further consideration in Stage 2 evaluation; therefore, selected for "Short-List".</li> </ul>	ge 2
TEXT IN BOX IS HIGHLY CONFIDENTIAL	
31	PUGET SOUND ENERGY

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Highly Confidential per WAC 480-07-160

Evaluation Summary Matrix by Type

All-Source RFP: Stage 1

awy and Community MEDIUM MEDIUM MEDIUM HIGH HIGH HIGH HIGH HIGH HIGH HIGH LOW LOW MO\_ [[03] A/A A/A A/A A/A A/A MEDIUM-HIGH Environmental MEDIUM-HIGH MEDIUM-HIGH [C1-C6-D1-E2] LOW-MEDIUM MEDIUM-HIGH MEDIUM MEDIUM MEDIUM MEDIUM MEDIUM MEDIUM MEDIUM HIGH HIGH HIGH HOH LOW LOW [C1-C6-D2] MEDIUM MEDIUM MEDIUM MEDIUM MEDIUM MEDIUM Estate MEDIUM LOW HIGH Real LOW LOW LOW A/A A/A N/A A/A A/A A/A Technical MEDIUM MEDIUM MEDIUM MEDIUM MEDIUM MEDIUM HIGH LOW HIGH HIGH LOW LOW [<u>C</u>4] LOW LOW LOW LOW LOW A/A Transmission [B2 - C1 - D2] MEDIUM-HIGH LOW-MEDIUM LOW-MEDIUM LOW-MEDIUM VERY LOW VERY LOW ИЕКҮ НІGH /ERY LOW **JERY LOW** MEDIUM MEDIUM HOH LOW LOW HOIH HIGH LOW A/A MEDIUM-HIGH MEDIUM-HIGH MEDIUM-HIGH MEDIUM-HIGH MEDIUM-HIGH Fuel Supply [C1-C2-D2] MEDIUM MEDIUM MEDIUM MEDIUM HIGH HIGH LOW HOH HIGH LOW LOW LOW N/A Commercial [A-B-C-D-E] MEDIUM **Business** MEDIUM MEDIUM MEDIUM MEDIUM MEDIUM MEDIUM MEDIUM MEDIUM MEDIUM HIGH LOW HIGH LOW LOW NOJ NOJ LOW STAGE 1 EVALUATION SUMMARY by TEAM Capacity Levelized Factor 20-yr Expected (\$ / MWh) Cost REDNCTED Gray Shade = Gonstrathed? List Project Levelized Cost (NWh) 'HERMAL (Natural Gas, Coal, Cogen) Project Name Type PROPOSALS ത Ø (2) (2) Ø Ø Ø ტ ഗ 0 Q Ø υ G ഗ ഗ U ഗ ტ Ċ Code A18 -A31 A33 A27 A34 A37 A20 A24a A32a A17 A29 A26 A35 A28 A22 A21 A23 A38

(RG-11HC) tial per -160		Community [D3]		N/A	N/A	HIGH	MEDIUM	HIGH	ROW	HIGH	HICH	HICH	нын	MEDIUM	MEDIUM	1 OIM	V/V	DI/A	NIA	- MO		
53 1fider 80-07		Environmental [C1-C6-D1-E2]		HIGH	МЕDIUM-НІСН	MEDIUM	MEDIUM	LOW-MEDIUM	MEDIUM-HIGH	HIGH	MEDILINA	MEDIUM HICH	MEDHIM	MEDIUM	MEDIUM	L OW	1 OW	нон	MEDILIMA	MEDITIM HIGH	חטח	
Ey Pa		Real Estate [C1-C6-D2]		гом	MEDIUM	4	4	4	M M	N/A		HICH	MEDULINA	MEDIUM	V//V	MEDULINA		I DVM	I OW	MEDULIM	VIN	
Typ		Technical [C4]		гом	LOW		ects	(	2	нен		нсн	I OM	T-OW	NO T	MO I	NO 1	N/A		MEDIUM	I OW	
FP: Stage 1 Pary Matrix by Type	ed	Transmission (82 - C1 / D2)		VERY LOW	LOW-MEDIUM	7 V T C.) T	Natural Gas Projects	Katings are Favorable	har costs valide	MEDIUM	LOW MEDILIM	and/or	ed" List –	WEDIUM		нын	VERY LOW	VEPVLOW	VEPY1.OW	MOT	חטח	
Stage Matrix by	Attractive but mission is Constrained	Fuel Supply [C1-C2-D2]		D NOT	MEDIUM-HIGH	N <del></del>	Natura			MEDIUM		Higher Costs and/or	on "Constrained" List		VIN.	I DIM	MOT	нон	MEDILIM-HIGH	нон	חטח	
Ч Ч Ч	Attractive but mission is Co	Business / Commercial [A-B-C-D-E]		MEDIUM	MEDIUM	NOT	MEDIUM	HOH	MEDIUM	нон	MEDUIM	Hiahe	, , , , , , , , , , , , , , , , , , ,		r ow	MOT	TOW	MEDIUM	MEDILIM	I OW	1 0144	
RF	Cost Attr Transmis	Levelized Capacity Factor			<u></u>	<u> </u>																
Sun	ATION	Expected Cost (\$ / MWh)							8													
ion	STAGE 1 EVAL	Project Levelized Cost (\$ / MWh							CIEN	- (LAH												="Constrained" Lis
All-Source R Evaluation Summ		i J	THERMAL (Natural Gas, Coal, Cogen)																			Gray Shade ="C
	iALS	Type Project Name	vL (Natural C	U	U	υ	U	U	υ	U	U	0	U	6	•	ų	0	U	e	4	C.	S Gr
	PROPOSALS	Code	THERMA	A20	A29	A26	A35	A24a	A28	A32a	A33	1	A23	88	Ē¥	814	<u>757</u>	<u>154</u>	5	23	203	

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Evaluation Summary Matrix by Type WAC 480-07-160 WAC 480-07-160 All-Source RFP: Stage 1

**TEXT IN BOX IS HIGHLY** CONFIDENTIAL

PROPOSALS	SALS		STAGE 1 EVALUATION SUMMARY by	UATION SUM	MARY by TEAM	W						
Code	Type	Project Mame	Project Levelized Cost (\$ / MWh)	20-yr Expected Cost (\$ / MWh)	Levelized Capacity Factor	Business / Commercial [A-B-C-D-E]	Fuel Supply [C1-C2-D2]	Transmission [B2 - C1 - D2]	Technical [C4]	Real Estate [C1-C6-D2]	Environmental [C1-C6-D1-E2]	Community [D3]
MIND												
A03	Μ					нен	MEDIUM	LOW	нен	MEDIUM	HIGH	нісн
A07	N				L <u></u>	MEDIUM	гом	LOW	LOW	гом	MEDIUM-HIGH	MEDIUM
A02b	3					MEDIUM	MEDIUM	нон	MEDIUM	MEDIUM	HIGH	HIGH
A06	3				<u>I.</u>	нюн	MEDIUM	МЕDIUM-НІСН	MEDIUM	MEDIUM	HIGH	MEDIUM
A08	3	<b>r</b>			<del></del>	MEDIUM	row	MEDIUM-HIGH	MEDIUM	MEDIUM	HOIH	MEDIUM
A01	×		t.	(j.		ПОМ	MEDIUM	HIGH	MEDIUM	MEDIUM	MEDIUM	row
A10	3		ADA			MEDIUM	гом	MEDIUM-HIGH	MEDIUM	HIGH	MEDIUM	row
409	3		÷			MEDIUM	LOW	MEDIUM-HIGH	MEDIUM	MEDIUM	HIGH	HIGH
A05	3					MEDIUM	гом	LOW	LOW	HIGH	MEDIUM	HIGH
A02a	×					MEDIUM	MEDIUM	HIGH	нон	MEDIUM	ндн	HIGH
A04	3	<b>1</b>				MEDIUM	гом	row	LOW	MEDIUM	LOW-MEDIUM	нон
A44	÷ M					MEDIUM	N/A	MEDIUM	N/A	нісн	MEDIUM-HIGH	HOH
A12	≥					MOT	гом	MON	LOW	LOW	LOW-MEDIUM	N/A
A11	×	1				LOW	LOW	row	MOT	ROW	LOW-MEDIUM	N/A
						-						

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	All-Source RFP: Stage 1 Evaluation Summary Matrix by Type Costs Attractive and TEXTINBOX IS HIGHLY Costs Costs Attractive and TEXTINBOX IS HIGHLY	ion S		TIN BOX	RFP: A mmary N	Sta	FP: Stage 1 Nary Matrix by		Exhit Page Page	Exhibit No. (RG-11HC Page 35 of 53 Highly Confidential per WAC 480-07-160 Wac 480-07-160 Costs Attractive but Wind Energy Assessment	(RG-11HC) Intial per 7-160 Dut essment
PROPOSALS		STAGE 1 EVALUATION SUMMARY		CONFIDENTIAL ARY by TEAM	NIIAL .			Ĕ	ales as	rates as Non-Financapte	capie
Code Type	Project Name	Project 2 Levelized Exp Cost Cost (\$ / MWh)	Ekpected Cost S ( MWh)	ized city or	Business / Commercial [A-B-C-D-E]	Fuel Supply [C1-C2-D2]	Transmission 192-61-021	Technical [C4]	Real Estate [C1-C6-D2]	Environmental [C1-C6-D1-E2]	Community [D3]
MIND											
A03 W					нісн		/ rom	нісн	MEDIUM	нон	нісн
A07 W					MEDIUM		/ row	гом	NON	MEDIUM-HIGH	MEDIUM
A02b W				<b>L</b>	MEDIUM	MEDIUM	нөн	MEDIUM	MEDIUM	нон	HOH
A06 W					нісн		MEDIUM-HIGH	MEDIUM	MEDIUM	нон	MEDIUM
A08 W					MEDIUM	row	MEDIUM-HIGH	MEDIUM	MEDIUM	нон	MEDIUM
A01 W		CIED	0		Low	MEDIUM	нөн	MEDIUM	MEDIUM	MEDIUM	LOW
A10		DED NO			AFFOLIAA	1 DIAL	MEDILIA LICH	AEDIUM	HOH	MEDIUM	LOW
800 800		2			📙 Highe	Higher Costs and/or	and/or	MEDIUM	MEDIUM	HICH	HCH
A05 W	T.T				O, uo □	on "Constrained" List	ed" List _	WO T		MEDIUM	
MO20 W	i- <u>t</u> -				MEDIUM	MEDULIA	пюн	H U I I	MEDILIM	нсн	нсн
<del>}</del>   ₹					MEDIUM	t OW	MOT	WO T	MEDIUM		HCH-
Art W					MEDIUM	V/74	MEDIUM	V/N		MEDIUM HIGH	HOIL
<del>~ 31</del>					FOW	FOW	LOW	row.	1-0W	LOW MEDIUM	N/N
Hiah Pe	High Permitting Risk	Risk due to			LOW	L OW	TOW	TOW.	LOW	LOW MEDIUM	- V N
35		5								PAS PUGET SOUND ENERGY	ND ENERCY

Code	"Most Favorable	-		Status	Capacity (MW)		Location a status cop cost cost cost cost cost cost cost cost
LTERN A15	ALTERNATE PUEL		Particular State			1 . F	- SE
A39				Development	1	May-06	
Na Na	POWER PURCHASE			Development		Dec-05	
A19	U	2-yr PPA		Operating		n/a	
A24b	U	10-yr PPA 100 to 200 MW		Operating	1	n/a	
A30	Т	Z-yr Bridge + 20-yr Seasonal On-Peak PPA		Operating / Development	1	late 2006	
RMA	THERMAL (Natural Gas, Coal, Cogen)				т. 1		
A20	ΰ	100% Ownership	a II	Development	ED	late 2008	•
A29	0 S	50.2% Ownership w BPA Transmission	L⊃¥	Development	rcT	Dec-05	CIED
A26	C CL	100% Ownership	ЕD	Suspended	A <b>U</b> E	Nov-05	AUIA
A35	0	100% Ownership	ধ	Suspended	EN I	late 2005	•
A24a	ບ ,	100% Ownership of and 10-yr PPA 100		Operating	1	Aug-02	
A28	ອ <b>ໍ</b>	70% Ownership		Development	1	Sep-07	
A32a	U	100% Ownership		Operating	1	Oct-03	
MIND					1		
A03	W	100% Ownership		Development	, ,	Dec-05	
A07	×	20-yr PPA or 100% Ownership		Development	 1	Oct-05	
A02b	Ŵ	100% Ownership		Development	† 1	Dec-05	
A06	×	50% PPA + 50% Ownership		Development	<del>†</del>	Feb-06	
A08	×	30-yr PPA + 50% Ownership		Development		Dec-05	
A01		100% Ownership		Development		Dec-05	

Exhibit No. \_\_\_\_(RG-11HC) Page 37 of 53

Highly Confidential per WAC 480-07-160

All-Source RFP: Stage 1 Significant Comments & Decision

"SHORT-LIST"	*Need to decide if PSE Ownership is a feasible option *PPA is not attractively priced	*Ne¢	ORMAT	HR Sumas Recovered Heat OR
"Continual Investigating"	*Very early stages of development *Fuel Supply Plan not fully developed *Very little emissions data. Assumes that only cleanup will be paticulates. *BFB supposed to cut NOx and convert CO to CO2.	*Ver *Fue *BFE	REDACTED	r -
DECISION	Significant Comments	evelized cost //MWh)	۳ بـ -	Owner / Developer

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\_\_(RG-11HC) Page 38 of 53 Exhibit No.

Highly Confidential per WAC 480-07-160

All-Source RFP: Stage 1 Significant Comments & Decision

DECISION	LSIT-LYOHS.	"SHORT-LIST"	"SHORT-LIST"
Significant Comments	*Reviewed & Evaluated by EPM *Recommendation is to Pursue *Product has many benefits: provides reliability, good exchange value, and loss savings *Price is DJ Mid-C Index minus	*Low Cost & Low Risk PPA	*On Peak PPA is worth evaluating in the Portfolio Model *May be about to ower than assumed market prices
Project Levelized Cost (\$ / MWh)		CTED	
Owner / Developer	Arizona Public Service (APS)	TUNCTET	RP
Code Type Project Name OWER PURCHASE	APS - Centralia 2-yr PPA	10-yr PPA	- 22-yr Seasonal On-Peak PPA
Code Type Projec	U	υ	I
e H	A19	A24b	A30

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53	Highly Confidential per WAC 480-07-160	DECISION		"Continual Investigating"	"Continual Investigating"	"Continual Investigating"	"Continual Investigating"	"Continual Investigating"	"Continual Investigating"	"Continual Investigating"	
RFP: Stage 1 Page 39 of 53 Page 39 of 53	<u>u</u>	Significant Comments		<ul> <li>Not expected to get service agreement without improvements through West of Hatwai.</li> <li>*Must assume that PSE can live with non-firm transmission or wait for more Cross Cascades transmission</li> <li>*Contains a coal supply proposal from the transmission of reserves are known but may require the plant owner(s) to operate the mine as well</li> </ul>	*The hinvolvement (optional) makes transaction look like a tolling deal. *The multurbine represents a major development effort on the part of resolve combustion and cooling issues; this turbine may present significant risks to long-term operation.	*No transmission request in BPA queue; Cross Cascades path is expected to sell out before contract is offered	*Project attractively priced *Fixed fuel charges of approx. The month *No transmission request in; two constraints on I-5, others in queue will use capacity	*LM6000 units with quickstart capability may have optionality and/or capacity value *Concern with	<ul> <li>PSE Interconnection will be extremely expensive</li> <li>*PP very high in queue, should receive a transmission offer shortly. Their path to John Day has higher impacts than delivering the power to PSE</li> <li>*CT technology is a concern: Users are just getting to the first combustion inspections and only one has reached the hot gas path interval. None have reached the 48k hour major inspection yet</li> </ul>	*Attractive plant	
All-Source RFI		Code Type Project Owner / Levelized Cost Developer Cost	THERMAL (Natural Gas, Coal, Cogen)	Solution of the second se	A29 G	A26 G	A35 G	A24a G	A28 G	A32a G	
			АЛН	CONFIDENTIAL TEXT IN BOX IS HIG							

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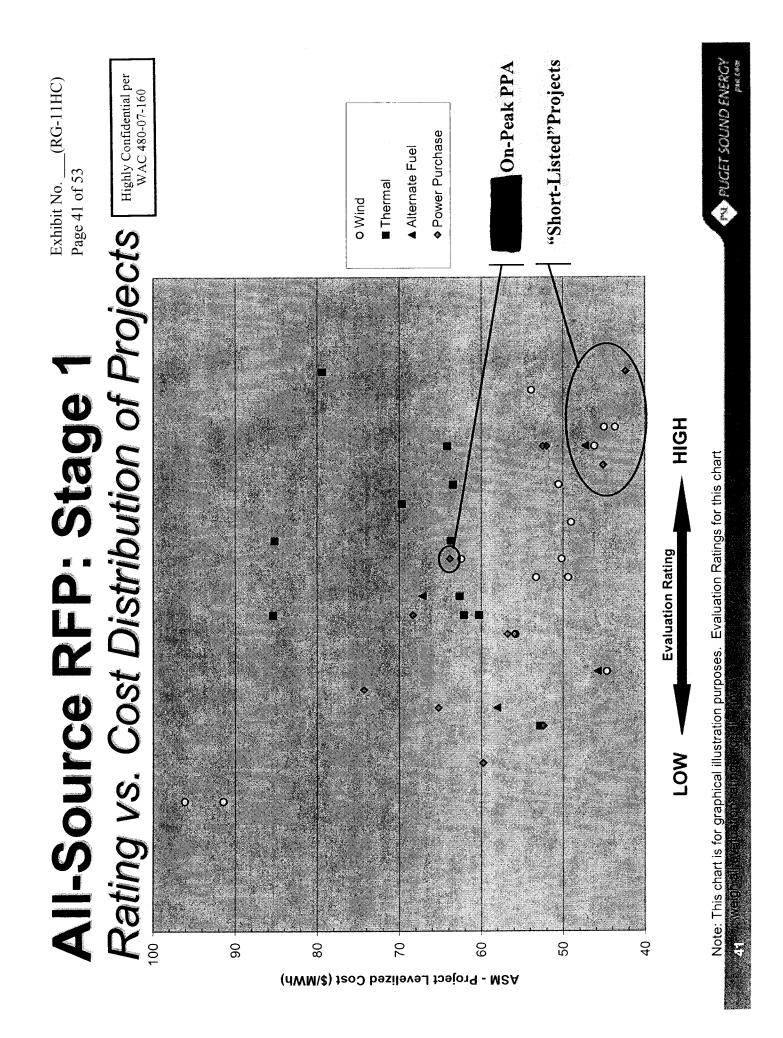
WAC 480-07-160

All-Source RFP: Stage 1 Significant Comments & Decision

Highly Confidential per

Type Project Name		Owner/ Developer	Project Levelized Cost (\$ /MWh)	Significant Comments	DECISION
W Hopkins Ridge RES	RES		-	Transmission Constraints: *Wrong side of the 'West of McNary' cutplane; Not expected to get service agreement without completion of McN - JDA. *The project is too low in the transmission queue to have any certainty of receiving firm transmission.	
W REDACTED			(	* <u>Non-Financable</u> : Rated "LOW" in the Wind Data and Energy Assessment evaluation *No transmission requested on BPA, way down in queue; Cross Cascades path is expected to sell out before contract is offered *No formal easements or leases in place for	"Continual Investigating"
W Wild Horse Zilkha	Zilkha		ACTED	*Second Ranked Project in Wind RFP *Most significant issue is	"SHORT-LIST"
M			BEDY	*First Ranked Project in Wind RFP *Currently pursuing through due diligence *Began commerical discussions	"SHORT-LIST"
W ; REDACTED	TED			* <u>Non-Financable</u> : Rated "LOW" in the Wind Data and Energy Assessment evaluation	"Continual Investigating"
~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~				Permit Obstables: project	"Continual Investigating"

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	All-Source RFP: Stage 1 Exhibit No. (RG-11HC) Page 42 of 53
Ŏ	Continual Investigating Selection
•	"Continue Investigating" list defined as those projects that PSE's Stage 1 evaluation has shown as being attractive, but currently face obstacles such as transmission constraints.
	PSE will continue to monitor status of these projects as Stage 2 progresses and depending on negotiations with those "Short-listed".
	It is possible these projects could advance.
•	Current and forward gas prices render the natural gas projects uneconomical as compared to other resource alternatives identified in "Short-List".
	PSE will continue investigating these projects with ongoing discussions with developers/owners.
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### Continual Investigating Selection Summary Page 43 of 53 Exhibit No. All-Source RFP: Stage 1

Project Levelized Cost (\$ / MWh)						1	a I	CLE	EDV	ר א ו	1		·····	
co		May-06		late 2008	Dec-05	Nov-05	late 2005	Aug-02	Sep-07	Oct-03		Dec-05	Oct-05	Dec-05
Capacity (MW)							LED	D¥C	BE					
Status		Development		Development	Development	Suspended	Suspended	Operating	Development	Operating		Development	Development	Development
Location							a IFD	D∳C	JA					
Proposal Option		JV w/ PSE		100% Ownership	50.2% Ownership w BPA Transmission	100% Ownership	100% Ownership	100% Ownership of and 10-yr PPA	70% Ownership	100% Ownership		30-yr PPA + 50% Ownership	20-yr PPA or 100% Ownership	100% Ownership
Owner / Developer							(ALL	OF DAY						
Type Project Name	ALTERNATE FUEL	BG	Ļ	U	U	U	U	U	U	U		8	8	3
C Ode	ALTERN	A15	THERMAL	A20	A29	A26	A35	A24a	A28	A32a	QNIM	A08	A07	A01

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	"Short-Listed" projects were both "Low Cost" and evaluated as "Low	WO I" se heteri
	Risk" through the integrated assessment of qualitative led to natural groupings.	e criteria that
-	The cost of projects selected to "Short-List" ranged from \$42 to \$48 excluding the non-standard control on-Peak PPA which after further analysis may prove to be below assumed market prices.	om \$42 to \$48 /hich after ket prices.
	The diversified mix of projects selected to the "Short-List" include:	_ist" include:
	<ul> <li>(1) Alternate fuel (recovered heat from gas compressors)</li> </ul>	s)
	<ul> <li>(2) Coal PPAs (10-yr &amp; 2-yr terms)</li> <li>(1) PPA (22-yr On-Peak)</li> </ul>	Highly Confidential per WAC 480-07-160
	<ul> <li>(3) Wind projects (3 of 4 from Wind RFP)</li> </ul>	
	Given current forecasted high gas prices, no gas projects selected for Stage 2 evaluation.	ects selected

All-Source RFP: Stage 1 Short-List Selection Summary

Exhibit No. \_\_\_\_(RG-11HC) Page 45 of 53

Highly Confidential per WAC 480-07-160

- (1) Alternate fuel (gas compressor recovered heat)
- (2) Coal PPAs (10-yr & 2-yr terms)
  - (1) PPA (22-yr On-Peak)
- (3) Wind project (3 of 4 from Wind RFP)

									r	$\square$	
Project Levelized Cost (\$ / MWh)				ED	[T]	SEDV	I 				
e		Dec-05		n/a	n/a	late 2006		Dec-05	Dec-05	Feb-06	-
Capacity (MW)			ф. 1	85				150	150		
Status		Development		Operating	Operating	Operating / Development		Development	Development	Development	
Location		Sumas, WA		Centralia, WA	DUTED	REDAULT		Columbia Co, WA	Kittitas Co, WA		
Proposal Option		100% Ownership		2-yr PPA	10-yr PPA 100 to 200 MW	2-yr Bridge + 20-yr Seasonal On-Peak PPA		100% Ownership	100% Ownership	50% PPA + 50% Ownership	
Owner / Developer		ORMAT		Arizona Public Service (APS)	. TED	REDACT		RES	Zikha		HIGHLY
Type Project Name	JEL	Sumas Recovered Heat	HASE	APS - Centralia 2-yr PPA	10-yr PPA	Peak PPA		Hopkins Ridge	Wild Horse	REDACTED	TEXT IN BOX IS HIGHLY
Type	ATE FI	НR	PURCI	U	υ	Т		×	3	8	
Code	ALTERNATE FUEL	A39	POWER PURCHASE	A19	A24b	A30	DNIM	A03	A02b	A06	

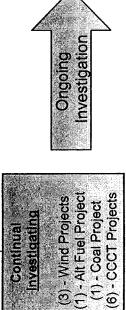
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	All-Source RFP	Exhibit No(RG-11HC) Page 46 of 53
	Post Stage 1 Status Update	Highly Confidential per WAC 480-07-160
	A19: APS 2-yr PPA	
	<ul> <li>Anticipate close by June 4; contract to be completed by June 11</li> </ul>	pleted by June 11
	A06: REDACTED	
	<ul> <li>Leading candidate from Wind RFP</li> </ul>	
АЛН	<ul> <li>Negotiations have resulted in PSE 100% Ownership with flat rovalty fee</li> </ul>	ership with flat
ISIH SI JAITN2	<ul> <li>ASM Levelized Cost = \$ /MWh</li> </ul>	
ONEIDI XOB NI	<ul> <li>PSE drafting LOI to send to by June 4</li> </ul>	
TXIT O		
	A24: REDACTED	
	<ul> <li>Revised inputs to ASM shows levelized cost = \$</li> </ul>	HWWh
	<ul> <li>Ranking moves to 2nd in Thermal &amp; 1st in Natural Gas, but</li> </ul>	tural Gas, but
	remains on "Continual Investigating" List	NA BLICET SOLIND ENERGY
	<b>46</b>	south output into a set

	Exhibit No(RG-11HC) Page 47 of 53
Post Stage 1 Status Update	Highly Confidential per WAC 480-07-160
A31: REDACTED	
<ul> <li>Removed from "Constrained" List; BPA has indicated an increased interest in the McNary - John Day line construction</li> </ul>	ndicated an ine construction
A33: REDACTED	•
<ul> <li>Removed from "Constrained" List; BPA has indicated an increased interest in the McNary - John Day line construction</li> </ul>	indicated an line construction
A40: REDACTED	
<ul> <li>ASM Project Levelized Cost ≈\$ MWh</li> </ul>	/h
<ul> <li>No change to proposal ranking or ratings; remains on "Constrained" List</li> </ul>	nains on
TEXT IN BOX IS HIGHLY CONFIDENTIAL	
47	PUCET SOUND ENERCY

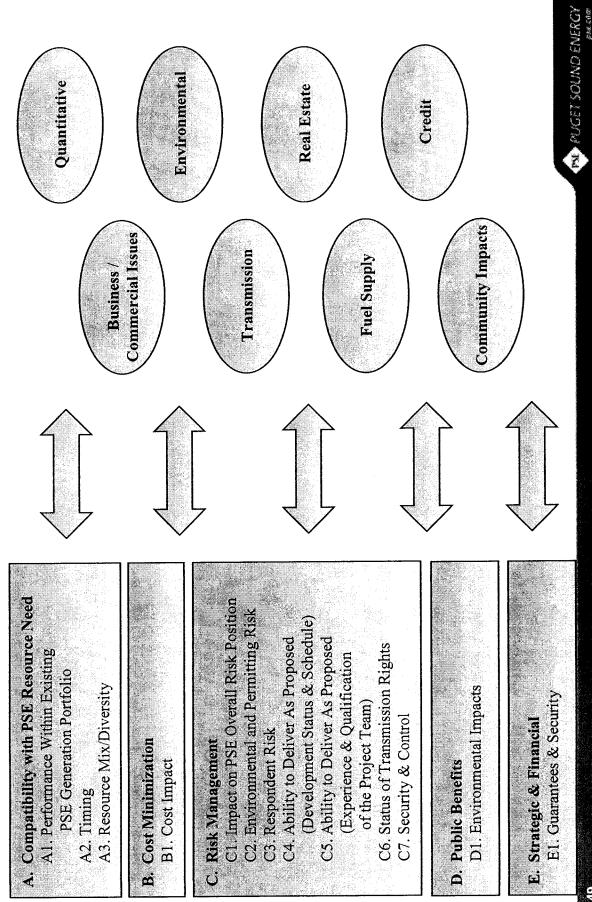
(RG-11HC) Selected Projects 25 JUNE 2004 Page 48 of 53 Exhibit No. PSM Cost Ranking
 Qualitative Ratings
 Due Diligence All-Source RFP: Stage 2 Stage 2 Screening Process Flow Chart **PSE Due Diligence** "High-Medium-Low" **PSE Quantitative** Portfolio Cost/Risk PSE Qualitative Criteria (A&B) Criteria (A,C-E) Criteria (C) Ranking Rating PSM HIGHLY CONFIDENTIAL **TEXT IN BOX IS HIGHLY PER WAC 480-07-160** (1) - Alt Fuel Project (3) - Wind Projects CONFIDENTIAL PPA (2) - Coal PPAs 13 MAY 2004 REDACTED Short-List T E



All-Source RFP: Stage 2

(RG-11HC) Page 49 of 53 Exhibit No.

Evaluation Criteria & Teams



4	All-Source RFP: Stage 2 Exhibit No. (RG-11HC) Page 50 of 53
Q	Quantitative Analysis - Process & Strategy
	Revisit LCP 2003 Generic Resource Strategy
	Step 1
	<ul> <li>Update supply tester to create representative scenarios of generic portfolios for testing in PSM</li> </ul>
	<ul> <li>Update PSM model</li> </ul>
	<ul> <li>Add wind variability logic (similar to Stage II of wind evaluations)</li> </ul>
	<ul> <li>Update generic plant assumptions (all-in cost, O&amp;M, FOR, heat rate, etc.)</li> </ul>
	<ul> <li>Update variability of power price and gas price</li> </ul>
	<ul> <li>Update coal market prices</li> </ul>
	Step 2
	<ul> <li>Run Aurora optimization with new generic plant assumptions</li> </ul>
	Step 3
	<ul> <li>Run PSM with new commodity prices, generic assumptions and price and wind variability for the generic portfolios to update LCP 2003 strateov</li> </ul>
	Determine optimum combination of all-source short-list projects
	Documentation of models and process
09.4	

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# All-Source RFP PSE Self-Build Options

- Tenaska Report
- Evaluation of 2 potential sites
- Dieringer / White River
- Frederickson
- Estimated Project Cost
- \$230M for 294 MW (\$784/KW)
- Conventional 7FA combined cycle w/ duct firing
- Includes \$31M for offsite infrastructure (gas, water, wastewater, transmission)
  - Includes \$46M for finance and insurance
- Not clear if permitting and real estate are included.
- Schedule
- 23 months from start of site work
- 26 months overall

Exhibit No. (RG-11HC) Page 52 of 53 Highly Confidential per WAC 480-07-160				q							ncluded			
All-Source RFP PSE Self-Build Options	A17 REDACTED	<ul> <li>Equipment-only proposal</li> </ul>	<ul> <li>Gas turbine, steam turbine, HRSG</li> </ul>	<ul> <li>"in the low \$ M range" for each power island</li> </ul>	REDACTED	<ul> <li>New General Electric LMS100 SCCT</li> </ul>	Irbine	◆ MW @ Btu/kWh	<ul> <li>Power island capital cost</li> </ul>	<ul> <li>\$ M for 204 MW (\$ VKW)</li> </ul>	<ul> <li>Offsite infrastructure, permitting, real estate not included</li> </ul>	<ul> <li>Schedule</li> </ul>	<ul> <li>Production schedule supports June 2006 COD</li> </ul>	TEXT IN BOX IS HIGHLY CONFIDENTIAL

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#### All-Source RFP Milestone Schedule

- WUTC Approval of RFP
- Final RFP Issued
- Pre-Proposal Conference
- Proposal Responses Due
- Stage 1 Evaluation
- Short-List Selection
- Stage 2 Evaluation
- WUTC Staff Review Meeting
- Identification of Selected Project(s)

#### **PPA Proposal(s)**

- Due Diligence Begins
- Execute Power Purchase Agreement(s)

## **Ownership Proposal(s)**

- Due Diligence Begins
- Execute Letter of Intent(s)
- Execute Definitive Agreement(s)

**к** 

January 28, 2004 February 4, 2004 February 11, 2004 March 12, 2004 May 13, 2004 May 13, 2004 May 13 - June 24, 2004 June 4, 2004

June 7, 2004 June 11 - July 16, 2004

June 28, 2004 July 9, 2004 September 1, 2004