

PacifiCorp
Draft RFP 2012
Responses due January 2007

2012 Request for Proposals Base Load Resources

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SECTION 1. INTRODUCTION

A. Purpose and Scope

The purpose of this document is to prescribe the process by which PacifiCorp (“the Company”) will request and evaluate proposals from third parties to fulfill a portion of the supply-side resource need identified in the Company’s 2004 Integrated Resource Plan Update and the 2004 update (“IRP”). The scope of this Request for Proposals (“RFP 2012”), subject to the limitations described herein, is focused on a supply-side resource capable of delivering energy and capacity in or to the Company’s network transmission system in the Company’s Eastern Control Area (“PACE”), and that fulfills the requirements of being a network resource.

Potential Bidders should note that the Company’s affiliates will not be eligible to respond to the RFP 2012. As described in more detail below, the Company has put in place prudent safeguards to assure that no bias occurs. The Company seeks proposals from all potential suppliers who can meet the conditions of RFP 2012.

In Chapter 5 (pages 45-49) of the 2004 IRP update the Company has identified a Preferred Portfolio as Portfolio number two. The Preferred Portfolio includes a Brownfield coal plant in Utah in 2012 and Brownfield coal plant in Wyoming 2014. In addition, the Preferred Portfolio includes 700MW of Front Office transactions on the east side of the system. Please refer to the Company’s web site at www.pacificorp.com to view the IRP. Bidders should note that although from a planning basis the IRP uses specific types of resources in the base case and in the preferred portfolio this should not be considered by Bidders to be the only resource type or technology that the Company is willing to consider. **Any Bidder who has a question with respect to any resource characteristic it is considering to bid is instructed to contact the Independent Evaluator (“IE”) described below.**

The Company may opt to contract for more or less power, depending among other things, on the quality of bids received in response to RFP 2012, updates to the Company’s forecasts, regional transmission availability and timing, and changes in the wholesale energy market conditions.

This introductory section describes the type, timing and amount of Base Load resources sought for 2012 through 2014 (“the Term”). Section 2 covers logistics such as where and when proposals must be submitted, Bidder fees and important policies and procedures. Section 3 provides information related to power delivery requirements, including RFP related requirements for those proposals involving interconnection of new generation facilities directly to the transmission system. Section 4 outlines the requirements to be included within each proposal. Section 5 outlines the evaluation process. Section 6 outlines the awarding and rejecting of proposals. The Appendices include all the required Attachments and Forms for each of the Eligible Resources.

The resource need assessment for the Term is outlined below. The total resource need is a combination of supply side resources and front office transactions required for the PacifiCorp’s system. The 1775MW assumes a 15% planning margin and the planned front office transactions for the east of 700MW. The resource need previously filled with market purchases on a planning basis will use an asset for the purposes of a benchmark in the RFP.

The chart below shows the total resource needs identified in the IRP by year during the term, the range of benchmark resource options by year and the difference between the total resource need and Company Benchmark being solicited in this RFP.

Resource	2012	2013	2014
Total Resources identified by year as a combination of Supply Side resources and Front Office purchases in the 2004 IRP Update.	1275MW	335MW to 935MW ¹	500MW
RFP2012			
	Hunter 600MW	Bridger 750MW	IGCC 250MW-600MW
	IPP 340MW		
Total Resources required in the RFP 2012	600MW to 940MW	750MW	250MW to 600MW
Total Resources in the Term			1600MW to 2290MW
Total Resources in the RFP 2012			1775MW

The issues of timing and requirements of resources in light of uncertain load growth, changes in technology, environmental requirements and costs (i.e. CO₂ and mercury impacts), market prices and resources availability and other factors are exacerbated by the trend toward long lead time coal based resources. To address such uncertainty the company has included two benchmark options that have different risk and cost profiles for the benchmark for 2012. To the extent Bidders want to propose in service date deferral options and or contract buyout options as a component of their bids, they should be sure to identify them clearly with specific triggers (i.e., triggers associated with specific milestones) within the Bidder's proposal. Potential Bidders should note that pursuant to applicable law, this RFP process will be subject to the safeguards of review by and involvement of an independent evaluator selected by the Utah Division of Public Utilities. More information concerning the role of the Independent Evaluator ("IE") is provided below.

B Eligible Resources

The Company is seeking up to four base load resource(s) for the Term of 2012, 2013, 2014. (See **Attachment 1** for an description of the engineering specifications, fuel type, technology, efficiency, location, projected life, transmission requirements and operation and dispatch characteristics of each Company Benchmark). Unless a resource qualifies for one of the exceptions outlined below, the minimum bid that will be accepted is for 100 MW of dependable capacity or greater and a minimum term of ten years. Any base load resource(s) bid must provide unit contingent or firm capacity and associated energy that are incremental to the Company's existing capacity and energy resources and are available for dispatch or scheduling by June 1, 2012, June 1, 2013 and or June 1, 2014.

¹ If resource quantities in the amount of Hunter and IPP benchmark are acquired in 2012, then the 2013 resources quantities are 335MW. If resource quantities only in the amount of IPP benchmark are acquired in 2012, then the 2013 resource requirement is 935MW.

For each proposal submitted by a Bidder, the Bidder **must** submit its individual proposal under only one of the eight Resource Alternatives or one of the two exceptions listed below. The Company will not consider a proposal unless the Bidder has selected one of the eight alternatives **or** one of the two exceptions of Eligible Resources listed in the Request for Qualifications (Appendix A and Appendix B). One Bidder may submit more than one proposal, but each proposal can be for only one Resource Alternative, which must specify the year within the Term or specify the Company's options within the Term for the Eligible Resource, designated by the Bidder.

The Company will not accept proposals where the Bidder retains the option to displace any resource for economic reasons and/or where the Bidder holds the unilateral option to select one or more alternate Point(s) of Delivery. In addition, the Company will not accept any proposal that provides for planned maintenance or planned derates (as defined by NERC) during the months of June through September or December through February in any year.

If a Bidder is submitting a proposal under any of the Eligible Resources that might be constructed in Utah and which require the engagement of one or more contractors (each a "Contractor") for purposes of constructing or modifying a physical facility, the Bidder shall, and shall cause the Contractor to award construction contracts and subcontracts of any tier for the Work (i) in compliance with the requirements of U.S. federal and Utah state laws and regulations and (ii) on a "Merit Shop" basis or (iii) through a project labor agreement. Each Contractor shall, subject always to the requirements of law or regulation or applicable collective bargaining agreement, and to the fullest extent commercially reasonable, perform the Work using a majority of Utah labor. Each Contractor shall, and shall require each of its subcontractors to, refrain from any discrimination against any employee on the basis of that employee's membership or non-membership in any labor organization. Contractor shall, and shall require its subcontractors to, comply with all applicable requirements of law or regulation regarding labor relations and employment matters. Any administrative or civil proceedings related to labor relations or employment matters related to the Work and filed against the Contractor or any subcontractor shall be promptly reported to Company. Nothing in this provision shall affect any obligation of any Contractor or its subcontractors pursuant to a collective bargaining agreement applicable to some or all of its performance of the Work or obligations pursuant to the Contract.

Subject to the exception outlined below for distributed generation, Qualifying Facilities ("QFs"), as defined under the regulations implementing the Public Utility Regulatory Policies Act of 1978 ("PURPA"), with 100 MW or greater of capacity are eligible to participate in this RFP 2012. QFs with 100 MW or greater of capacity and a minimum term of ten years or longer that elect to pursue traditional PURPA contracts rather than participate in this RFP 2012 will not be eligible for capacity payments under the traditional PURPA contract. Each QF Bidder must submit the required information in **Attachment 2** in order to be evaluated under this RFP 2012. Any QF Bidder that has a question regarding these provisions is instructed to contact the IE.

B. Resource Alternatives

The Company will consider bids that take one of the following forms: (1) Power Purchase Agreement; (2) Tolling Service Agreement; (3) Asset Purchase and Sale Agreement (PacifiCorp site); (4) Asset Purchase and Sale Agreement (Bidder Site); (5) Engineering, Procurement and

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Construction Contract (Currant Creek Site Only); (6) purchase of an existing facility; (7) purchase of a portion of a facility jointly owned or operated by the Company; or (8) restructuring of an existing Power Purchase Agreement or Exchange Agreement. Descriptions of each of these categories are set out below. Each bid must be for one and only one of the categories, although a Bidder may submit separate bids for energy and capacity from a single resource for any of the categories. The chart outlines a summary of the eligible forms which are then discussed in more detail.

Eligible Resources	Term	Location	Requirements
1) Power Purchase Agreements	Fixed term specified in the bid up to the life of the asset from a single resource located in or delivering to PACE under the PPA. Must be a minimum of 10 years and 100MW	Bidders can bid on their sites or on PacifiCorp ("PPW") sites; however, PPW is not required to operate the facilities, which cannot impact PPW existing generation on the site.	If the bidder bids on one of the PPW sites the bidder must bid a minimum of 420MW and 85% of the facility's dependable generation with no less than 420MW nominal generating capacity a minimum of 20 years and a maximum of the life of the asset. Life of asset will be evaluated consistent with IRP Table C.27 and C.28
2) Tolling Service Agreements	Same as #1 under the PPA	Same as #1	Same as #1
3) Asset Purchase and Sale Agreements on PPW sites	Life of asset will be evaluated consistent with IRP Table C.27 and C.28.	Currant Creek or Lake Side facilities.	Must be bid to result in the development and construction of a facility that complies with the specifications in the APSA and the specification for each site set forth in the Appendices
4) Asset Purchase and Sales Agreement	Life of asset will be evaluated consistent with IRP Table C.27 and C.28.	Facility built on a Bidder's site which is a new facility. If it is an existing facility, it should be bid under #6.	Must be pursuant to the APSA Contract; PPW will own and operate the facility following commercial operation. All bidders must complete Appendix C-2.
5) EPC Contract for Currant Creek	Life of asset will be evaluated consistent with IRP Table C.27	Currant Creek site.	Must be pursuant to the EPC Contract with a Fixed price bid in accordance with Attachment 19 and the specifications for Currant Creek. Must complete the information in Appendix C-3.
6) Purchase of an existing facility	Evaluation will be completed based on the remaining depreciated life of the asset. Life of the asset will be determined by the IRP Table C.27	A single resource located in or delivering to PACE.	Due Diligence of facility that PPW deems appropriate. Must complete information in Appendix C-4. PPW would own and operate the facility.

Eligible Resources	Term	Location	Requirements
7) Purchase of a portion of a facility jointly owned by and or operated by PPW.	Same as #6	Same as #6	Same as #6
8) Restructuring of existing Power Purchase Agreement or Exchange Agreement	Fixed term specified in the bid up to the life of the PPA or Exchange Agreement Must be a minimum of 10 years and 100MW	A single resource located in or delivering to PACE	The restructuring of the PPW or Exchange Agreement must result in incremental capacity and energy.
9) Exception: Distributed Generation	Minimum of 10 years	May be a consolidation of end use customer standby generation.	Minimum of 3MW
Exception: Load curtailment	Same as above	Existing end use PPW customers with a load that can be physically curtailed and must be not less than 25MW. The load must respond within 30 minutes prior to the hour and remain curtailed for one continuous hour blocks.	Bidder must adhere to the same terms and conditions as other supply side resources in the RFP 2012. PPW will not accept proposal for the financial curtailment nor will it accept proposal that result in PPW having a residual delivery obligation via any other contract, law or regulatory rule or order.

1. Power Purchase Bid

Power purchase bids must be for a fixed term at a stated price from a single resource located in or into PACE, and must be in the form of the Power Purchase Agreement (“PPA”) attached as Attachment 3. The source of energy and capacity for the PPA should be (a) a generation facility located on a Bidder-supplied site, (b) a generation facility located on one of the PacifiCorp sites identified in this RFP, or (c) from the Bidder’s electrical system. For purposes of this RFP 2012, the PacifiCorp Sites consist of real property currently owned by the Company immediately adjacent to the Company’s Currant Creek and Lake Side facilities.

In the event a Bidder proposes to locate a facility on a PacifiCorp Site, the Bidder must propose a PPA for quantity equal to no less than 85% of the facility’s dependable generation capacity, with such amount being no less than 420 MW nominal generation capacity, and a minimum term equal to or greater than 20 years or a maximum consistent with the IRP Table C. 27 and C.28 life of the asset. Design evaluation criteria that the Company will use for bid screening and evaluation purposes can be located in Appendix C (Tables C.27 and C.28) of the IRP. These minimums are put in place on PacifiCorp sites because both these sites are capable of second units, and PacifiCorp must ensure the value of these assets are used in the best interest of customers.

The Bidder should assume that the Company will not own or operate any facility bid into this category. All Bidders in this category must complete the information requested in **Appendices C-1 and D.**

In the event a facility is proposed to be located on a PacifiCorp Site, the Bidder must negotiate and enter into a lease or land purchase agreement acceptable to the Company, together with a Construction Coordination Agreement Appendix H. These negotiations will occur after the bidder is selected. **THIS RFP 2012 IS NOT AN OFFER TO SELL A PACIFICORP SITE TO ANY BIDDER, AND IN NO EVENT WILL PACIFICORP BE OBLIGATED TO SELL A PACIFICORP SITE TO ANY BIDDER. ANY SALE OF A PACIFICORP SITE WILL BE SUBJECT TO THE NEGOTIATION, EXECUTION AND DELIVERY OF ALL AGREEMENTS AND OTHER DOCUMENTS NECESSARY AND PROPER FOR THE SALE OF PROPERTY, AND TO PACIFICORP'S SATISFACTION, IN ITS SOLE DISCRETION, THAT SUCH TRANSACTION WILL BE IN THE BEST INTERESTS OF PACIFICORP'S CUSTOMERS AND WILL NOT IMPAIR IN ANY MANNER PACIFICORP'S OPERATION OF ITS FACILITIES THEN LOCATED ON OR ADJACENT TO THE PACIFICORP SITES.**

At the Bidder's request, the Company may agree to provide certain facility connection points at a PacifiCorp site for facilities located at a PacifiCorp Site. The estimated cost and description of these points are contained in Attachments 7 and 8; however, actual costs to the Bidder may vary.

Bidders should note that any proposal submitted in this category that proposes new construction of a generation facility must utilize the services of a single primary Contractor under a single engineer, procure, construct (EPC) contract. Any Contractor must be experienced with the type of facility being proposed and, in addition to any other credit provision described herein, this entity must have a Credit Rating that is BBB-/Baa3 or greater from S&P/Moody's or, if not publicly rated, an equivalent Credit Rating as determined by PacifiCorp Credit.

2. Tolling Service Agreement

Tolling Service Agreement bids must be for a fixed term at a stated price from a single resource located in or delivering to PACE, and must be in the form of the Tolling Service Agreement ("TSA") attached as Attachment 5. The facility from which the TSA is bid can be located on (a) a Bidder-supplied site, or (b) a PacifiCorp Site. In the event the Bidder proposes to locate a facility on a PacifiCorp Site(s), the Bidder must propose a TSA for an amount equal to no less than 85% of the facility's dependable generating capacity, with such amount being no less than 420 MW nominal generating capacity, and a minimum term equal to or greater than 20 years or a maximum consistent with the IRP Table C. 27 and C.28 life of the asset. Design evaluation criteria that the Company will use for bid screening and evaluation purposes can be located in Appendix C (Tables C.27 and C.28) of the IRP.

The TSA Bidder should assume that the Company will not own or operate any facility bid into this category. All Bidders in this category must complete the information requested in Appendices C-1 and D.

In the event a facility is proposed to be located on a PacifiCorp Site, the Bidder must negotiate and enter into a land purchase agreement acceptable to the Company, together with a Construction

Coordination Agreement substantially in the form attached as Appendix H. **THIS RFP 2012 IS NOT AN OFFER TO SELL A PACIFICORP SITE TO ANY BIDDER, AND IN NO EVENT WILL THE COMPANY BE OBLIGATED TO SELL A PACIFICORP SITE TO ANY BIDDER. ANY SALE OF A PACIFICORP SITE WILL BE SUBJECT TO THE NEGOTIATION, EXECUTION AND DELIVERY OF ALL AGREEMENTS AND OTHER DOCUMENTS NECESSARY AND PROPER FOR THE SALE OF PROPERTY, AND TO THE COMPANY'S SATISFACTION, IN ITS SOLE DISCRETION, THAT SUCH TRANSACTION WILL BE IN THE BEST INTERESTS OF THE COMPANY'S CUSTOMERS AND WILL NOT IMPAIR IN ANY MANNER THE COMPANY'S OPERATION OF ITS FACILITIES THEN LOCATED ON OR ADJACENT TO PACIFICORP'S SITES.**

At the Bidder's request, the Company may agree to provide certain facility connection points at a PacifiCorp Site for facilities located at a PacifiCorp Site. The estimated cost and description of these points are contained in **Attachments 7 and 8**; however, actual costs to the Bidder may vary.

The Bidder must specify in its bid whether the TSA will take the form of a financially settled physical TSA or physical TSA. Provided the TSA is (1) a financially settled physical tolling arrangement, the Bidder will be responsible to purchase the fuel, transportation, fuel-related O&M, and start-up charges, if any, or (2) a physical tolling arrangement, the Company will supply the fuel. In the case of physical tolling arrangements, the Bidder will be responsible for obtaining fuel transportation in quantities sufficient to operate the facility at its maximum capacity, and shall make all necessary assignment of such transportation rights to the Company for the term of the TSA.

If a TSA Bidder proposes to locate a facility on a PacifiCorp Site, and the Bidder proposes the utilization of the existing natural gas lateral to the site, then the Company will accept only a physical tolling arrangement that does not adversely impact the Company's existing fuel resource deliveries and cost at a PacifiCorp Site. PacifiCorp maintains contractual rights to 190,000 Dth/day of transportation capacity on each natural gas lateral connection to the Currant Creek and Lake Side sites. Assuming a capacity to burn natural gas at each plant of 95,000 Dth/day, PacifiCorp would release for such plant up to 95,000 Dth/day of transportation capacity on the respective laterals to each site.

Bidders are not limited to a physical tolling arrangement on a PacifiCorp Site as the Bidder may make its own arrangements for delivery of natural gas to a PacifiCorp Site.

Bidders should note that any proposal submitted in this category that proposes new construction of a generation facility must utilize the services of a single primary Contractor under a single engineer, procure, construct (EPC) contract. Any Contractor must be experienced with the type of facility being proposed and, in addition to any other credit provision described herein, this entity must have a Credit Rating that is BBB-/Baa3 or greater from S&P/Moody's or, if not publicly rated, an equivalent Credit Rating as determined by PacifiCorp Credit.

3. Asset Purchase and Sale Agreement on PacifiCorp Site

Asset Purchase and Sale Agreement ("APSA") bids for construction on a PacifiCorp Site must be in the form of the APSA attached as Attachment 6 and its Appendices which have the PacifiCorp Site specifications set forth therein. Any APSA proposal for development and construction on a

PacifiCorp Site (Lake Side or Currant Creek), must be bid that results in the development and construction of a facility that complies with the specifications in the APSA. Pricing for the purchase and sale of the facility can be structured to include progress payments, or as a single lump sum payment due upon achievement of commercial operation. The Company will in no event make progress payments to a Bidder unless each such payment results in the transfer of a tangible asset or a percentage ownership of an asset at the time each payment is made. Bidders must submit bids that comply with one of these two payment structures. All Bidders in this category must complete the information requested in Appendix C-2.

The Bidder will be required to enter into an APSA Contract, and a Construction Coordination Agreement, which is attached to the APSA as Appendix S. The Bidder shall be responsible for all aspects of the development and construction of the facility, including, but not limited to, permitting, engineering, procurement, construction and all related costs up to achieving commercial operation, with the exception of those costs to be borne by the Company to support start-up, testing, commissioning, and acceptance that are explicitly defined in the Bidder's proposal. Without limiting the foregoing, the Bidder shall be responsible for obtaining all rights and resources required to construct and provide an operational generation resource consistent with the Bidder's proposal. Such rights and facilities may include without limitation water, emissions reduction credits, wells and pipelines.

The Company may, but will not be required to, make available for the successful Bidder's purchase those rights and facilities outlined in Attachment 7 for Lake Side and Attachment 8 for Currant Creek. Bidder costs related to such rights and facilities subsequent to commercial operation of the facility shall be as defined in the APSA Contract.

In the event a facility is proposed to be located on a PacifiCorp Site, the Bidder must negotiate and enter into a lease or land purchase agreement acceptable to the Company, together with a Construction Coordination Agreement substantially in the form attached as Appendix S to the APSA. **THIS RFP 2012 IS NOT AN OFFER TO SELL A PACIFICORP SITE TO ANY BIDDER, AND IN NO EVENT WILL THE COMPANY BE OBLIGATED TO SELL A PACIFICORP SITE TO ANY BIDDER. ANY SALE OF A PACIFICORP SITE WILL BE SUBJECT TO THE NEGOTIATION, EXECUTION AND DELIVERY OF ALL AGREEMENTS AND OTHER DOCUMENTS NECESSARY AND PROPER FOR THE SALE OF PROPERTY, AND TO THE COMPANY'S SATISFACTION, IN ITS SOLE DISCRETION, THAT SUCH TRANSACTION WILL BE IN THE BEST INTERESTS OF THE COMPANY'S CUSTOMERS AND WILL NOT IMPAIR IN ANY MANNER THE COMPANY'S OPERATION OF ITS FACILITIES THEN LOCATED ON OR ADJACENT TO THE PACIFICORP SITES.**

Bidders should note that any proposal submitted in this category that proposes new construction of a generation facility must utilize the services of a single primary Contractor under a single engineer, procure, construct (EPC) contract. Any Contractor must be experienced with the type of facility being proposed and, in addition to any other credit provision described herein, this entity must have a Credit Rating that is BBB-/Baa3 or greater from S&P/Moody's or, if not publicly rated, an equivalent Credit Rating as determined by PacifiCorp Credit.

The aggregate of the “all-in” capital cost for the APSA resource shall include all payments to be made to the Bidder under the APSA and all Company costs. A complete listing of categories of Company costs can be found in Attachment 10.

4. Asset Purchase and Sales Agreement on a Bidder’s Site

APSA bids for construction on a Bidder-owned site must be in the form of the APSA attached as Attachment 6. A Bidder may propose an APSA for a facility located on a Bidder-owned site. Pursuant to the APSA Contract, the Company will own and operate the facility following commercial operation. All Bidders in this category must complete the information requested in Appendix C-2.

Pricing for the purchase and sale of the facility can be structured to include progress payments or as a single lump sum payment due upon achievement of commercial operation. The Company will in no event make progress payments to a Bidder unless each such payment results in the transfer of a tangible asset or percentage ownership of an asset at the time each payment is made according to a schedule set forth in the associated bid and acceptable to the Company.

This bid category is only for facilities that have not reached commercial operation as of the bid response date. In the event the facility being proposed is existing and commercially operable as of the bid response date, then the Bidder should submit a bid pursuant to Resource Alternative #6. The Bidder shall be responsible for all aspects of the development and construction of the facility, including, but not limited to, permitting, engineering, procurement, construction and all related costs up to commercial operation with the exception of those costs to be borne by the Company to support start-up, testing, commissioning, and acceptance that shall be explicitly defined in the Bidder’s proposal.

Bidders should note that any proposal submitted in this category that proposes new construction of a generation facility must utilize the services of a single primary Contractor under a single engineer, procure, construct (EPC) contract. Any Contractor must be experienced with the type of facility being proposed and, in addition to any other credit provision described herein, this entity must have a Credit Rating that is BBB-/Baa3 or greater from S&P/Moody’s or, if not publicly rated, an equivalent Credit Rating as determined by PacifiCorp Credit.

The Company will own and operate the facility following commercial operation. Any existing power supply obligations (if any) associated with the facility shall not be assigned to the Company unless the Company, in its sole discretion, accepts.

The aggregate of the “all-in” capital cost for the APSA resource shall include all payments to be made to the Bidder under the APSA and all Company costs. A complete listing of categories of Company costs can be found in Attachment 9 and Attachment 10.

5. Engineering, Procurement, and Construction Contract (“EPC Contract”) for the Currant Creek Site (no proposals for an EPC contract at the Lake Side site will be accepted)

An EPC proposal can be bid at the Currant Creek PacifiCorp Site only. The EPC Contract must be in the form of a fixed price bid, and may be structured to include progress payments or a single lump

sum payment due upon achievement of commercial operation. The Company will, in no event, make progress payments to the Bidder unless each such payment results in the simultaneous transfer of a tangible asset or a percentage ownership of an asset at the time each such payment is made. Bidders must bid one of these two payment structures and in accordance with the EPC Contract in Attachment 19 and the specifications for Currant Creek contained therein. All Bidders in this category must complete the information requested in Appendix C-3.

The Company will be responsible for the development and permitting of the proposed facility at the Currant Creek site. The Company's assumptions for all aspects of development on the Currant Creek site are outlined in Attachment 8. The successful Bidder shall be responsible for all development and permitting and any other costs not identified in Attachment 8.

The aggregate of the "all-in" capital cost for the EPC resource and Owner's Cost in Attachment 10 shall include all payments to be made to the Bidder and all Company costs. A complete listing of categories of Company costs can be found in Attachment 10.

Bidders should note that any proposal submitted in this category shall result in the Bidder directly performing the EPC services, as opposed to utilizing a sub-EPC contractor. A Bidder in this category must be experienced with the type of facility being proposed and, in addition to any other credit provision described herein, this entity must have a Credit Rating that is BBB-/Baa3 or greater from S&P/Moody's or, if not publicly rated, an equivalent Credit Rating as determined by PacifiCorp Credit.

6. Purchase of an Existing Facility

In the event sale of an existing facility is proposed by a Bidder, and if the facility is interconnected to PACE and commercially operable as of the bid response date, the Company will consider purchasing, owning and operating the facility. Any such purchase would be contingent on disclosure to the Company by the Bidder of all information regarding the facility that may be material to the Company's decision to make the purchase, including without limitation all potential or existing claims or liabilities, on the Company's completion of and satisfaction with the results of such due diligence inquiries that the Company may deem appropriate in its sole discretion, and on the transfer of good and marketable title to the Company by the Bidder, free and clear of any and all liens and encumbrances. Such inquiries may include, but will not be limited to, site inspections, interviews, audit of all applicable books, contracts, forecasts, and records, and/or an assessment of past, future, or potential environmental liabilities. In addition, any existing network or point-to-point transmission rights associated with the facility's output must be released and reassigned to the Company, at the Company's option.

Such due diligence will be performed by qualified generation experts, who may be third-party legal and environmental experts and consultants satisfactory to the Company in its sole discretion, in addition to Company personnel. The Company reserves the right to no longer consider the resource, if in its sole discretion; it determines that there are aspects of the resource not in the best interest of the Company and its customers. The Company will require the following information outlined in **Appendix C-4** to be provided by the Bidder in order to determine if the asset will be evaluated and the priorities of the evaluation.

Existing power supply obligations associated with the facility, if any, shall not be assigned to the Company unless the Company, in its sole discretion, accepts such assignment.

The Company's aggregate "all-in" capital cost for the EPC resource shall include all payments to be made to the Bidder.

7. Agreement Purchase of a Portion of a Facility Jointly Owned and/or Operated by PacifiCorp

A Bidder may propose that the Company purchase all or an additional portion of a facility in which the Company already has an existing ownership interest or one that the Company currently operates. Any such purchase by the Company would be contingent upon disclosure to the Company by the Bidder of all information regarding the facility and the Bidder's interest that may be material to the Company's decision to make the purchase, including without limitation, potential or existing claims or liabilities, on the Company's completion of and satisfaction with the results of such due diligence inquiries that the Company may deem appropriate in its sole discretion, and on the transfer of good and marketable title to the Company by the Bidder of the Bidder's interest, free and clear of any and all liens, claims and encumbrances. The Company's due diligence inquiries may include, but will not be limited to, an audit of all applicable books and records, and/or an assessment of past, future, or potential environmental liabilities. In addition, any existing network or point-to-point firm transmission rights associated with the facility's output owned or controlled by the Bidder must be released and reassigned to the Company, at the Company's option.

Such due diligence will be performed by qualified generation experts, which may be third-party legal and environmental experts and consultants, in addition to Company personnel. The Company reserves the right to no longer consider the resource, if in its sole discretion it determines that there are aspects of the resource that are not in the best interests of the Company and/or its customers. The Company will require the following information outlined in **Appendix C-4** to be provided by the Bidder, in order to determine if the asset will be evaluated and the priorities of the evaluation.

The Company would own and operate the prospective facility following closing on the sale. Existing power supply obligations associated with the facility, if any, shall not be assigned to the Company unless the Company, in its sole discretion, accepts such assignment.

8. Restructure of an Existing Power Purchase Agreement or an Exchange Agreement and/or Buyback of an Existing Sales Agreement.

The Company will accept proposals under this category of bids for one or more of (a) restructuring of an existing PPA between the Company and the Bidder; (b) an Exchange Agreement between the Company and the Bidder; and (c) the termination or buyback of an existing agreement for the sale of energy and capacity by the Company to the Bidder in the PACE.

If the bid calls for the restructuring of an existing PPA between the Company and the Bidder, such restructuring must result in making available to the Company incremental dependable energy and capacity in an amount of not less than 100 MW within PACE during the summer season (June through September) for delivery as provided in this RFP 2012 starting June 1, 2012, June 1 2013 or June 1, 2013 for a minimum term of ten years. The Bidder would assign any and all existing

network or point-to-point firm transmission rights associated with the incremental energy and capacity to the Company at the Company's request at no additional cost should the Company select this bid.

If the bid calls for an exchange agreement, such agreement would provide for the delivery by the Bidder to the Company of dependable energy and capacity in an amount of not less than 100 MW for delivery of a minimum of a ten-year term as described in this RFP, in exchange for power to be supplied by the Company to the Bidder at another location, other than PACE and/or during another time period.

9. Eligible Resources Exceptions

As noted above, all resources must be for 100 MW of dependable capacity and for a minimum period of 10 years, except to the extent that the resources qualify for one of the two exceptions set forth below:

a) Distributed Generation

Bids constituting "Distributed Generation" may be smaller than 100 MW; however, they must still meet the ten-year term flexibility resource requirement and Point(s) of Delivery. For the purpose of this RFP 2012, "Distributed Generation" means Combined Heat and Power (CHP) generation facilities with a nominal continuous generation capacity of 3 MW or more.

A bid that proposes to consolidate end-use customer standby generation such that the combined dependable capacity of the generation qualifies as a flexible resource when dispatched, and is equal to or greater than 3 MW, will be deemed to satisfy this definition.

Nothing in this RFP 2012 is intended to prevent the ability of owners of facilities that qualify for QF status under PURPA and that are less than 100 MW in size from seeking contracts outside this RFP 2012 as provided under PURPA and the rules and regulations of the Utah PSC. Contracts entered into outside this RFP 2012 process may not qualify for capacity payments, however.

b) Load Curtailment

While this RFP 2012 is not intended to implement the Demand Side management (DSM) initiatives contained in its IRP, the Company does consider certain types of load management measures to be appropriate for consideration under this RFP 2012. The Company has found that bilateral agreements with large end-use customers for the physical curtailment of load have proven to be effective in reducing the need for incremental energy and capacity at critical times. As a result, the Company invites end-use customers to bid physical load curtailment under this RFP 2012. Any such bid must meet the following requirements: (a) the Bidder must be an existing end-use customer of the Company; (b) the load to be curtailed must be not less than 25 MW; (c) the curtailment must be a physical curtailment of the load; (d) the load to be curtailed must respond to the curtailment order 30 minutes prior to the hour within and remain curtailed for continuous one-hour blocks; (e) the Company must not have any residual delivery obligation upon exercising its curtailment rights hereunder under any other contract, law, regulation or order, and Bidder must waive any and all rights to assert any such contrary rights; and (f) the Bidder must provide the Company with

contractual surety and adequate credit assurances that such load curtailment will take place at times and in amounts required by this RFP 2012. The Company will not accept proposals for the financial curtailment of load nor will it accept physical load curtailment proposals that result in the Company having a residual delivery obligation via any other contract, law, or regulatory rule or order.

SECTION 2. LOGISTICS

A. Schedule of RFP 2012 Actions: RFP 2012 Is Being Issued as of October, 2006

The anticipated schedule will be:

Event	Anticipated Date
RFP 2012 issued	October 2006
RFP bid conference	Issued + 15 days
RFQ form	Issued + 30 days
Responses due	Issued + 75 days
Evaluation complete	Issued + 120 days
Bidder negotiation	Issued + 270 days
PacifiCorp decision	Issued + 280 days
Utah Public Service Commission approval proceeding -180 days	Issued + 460 days
Avoided cost filing ²	Issued + 500 days

Bidders should note that the above schedule is an anticipated schedule only and is subject to change. The Company accepts no liability to the extent the actual schedule is different from the anticipated schedule.

B. Prebid Conference

- Time: tbd
- Date: tbd
- Location: tbd

Interested parties and Bidders may submit questions prior to the RFP bid conference, so that such questions may be addressed in a more timely fashion. All information, including the pre-bid conference materials, questions and answers will be posted by PacifiCorp on the PacifiCorp website at www.pacificorp.com prior to the issuance of the final approved RFP 2012. After the final approval of the RFP 2012 the IE will be responsible to maintain and post all material on a website established by the IE.

² Updated avoided costs filing by state will be made to the extent required by law or regulatory order.

C. Request for Qualification (RFQ) Bid forms (Appendix A and B)

Bidders who intend to be considered as part of this RFP 2012 process **must** return the “RFQ Form” (**Appendix A and B**) to the IE no later than close of business on the date indicated in Section 2. The IE will provide each Bidder who has met the qualifications under the RFQ (which will include creditworthiness, demonstrated capability, experience, performance references and qualifications to deliver the indicated Eligible Resource option selected on the form) with a bid number. The Bidder will be required to submit its proposal(s) utilizing only the bid number, and with no other identifying information. **Each Bidder is expected to adequately blind its proposals such that the bid number is the only identifying aspect of the bid.**

D. Submission of Bids

Each Bidder must submit to the Public Service Commission’s office to the attention of:
Independent Evaluator

Merrimack Consulting PacifiCorp RFP 2012

a signed original and 10 hard copies of each bid and any required forms, and
two electronic copies of the bid and any required forms (on two separate compact discs) that are in PDF format.

The IE will review all submissions, to ensure that only bid numbers are in the proposals and electronic submissions, prior to forwarding them to the RFP 2012 team. All bids must be submitted utilizing only the assigned bid number(s) and such must be transmitted by express, certified or registered mail or hand delivered to:

PacifiCorp RFP 2012
Independent Evaluator
Merrimack Consulting PacifiCorp RFP 2012
Address: 160 E 300 S
Salt Lake City, Utah

Bids will be accepted until 5 p.m. Pacific Prevailing Time on January X, 2007. Any bids received after this time, at the Company’s discretion, will be returned by the IE, unopened to the Bidder.

All bids will be reviewed by the IE to determine that they are adequately blinded and then will be provided to the RFP 2012 Evaluation team for further analysis. The IE will provide an original copy (with a cross-reference table to Bidders) to the Company’s credit, risk and legal departments who will have access to the unblinded Bids and will not be allowed to discuss specific bids with the Blinded individuals in the Evaluation Team or with the Benchmark Team. To the extent the IE determines that any proposal is not adequately blinded, the IE will determine if the IE can effectuate effective blinding itself or, as determined by the IE, may request that the Bidder undertake the appropriate blinding. If the Bidder is nonresponsive to the IE’s requests, then the bid will be rejected by the IE and returned to the Bidder.

E. RFP 2012 Team

A Bid Team will be established by the Company prior to the final Approval of the RFP 2012. The Bid Team shall consist of an Evaluation Team and a Benchmark Team which will be made up of various work groups within the Company. The composition of the Bid Evaluation Team and the Benchmark Team and their primary roles and responsibilities of each Team are shown below. Additional Protocols between the Teams are outlined in Attachment 4:

Work Group	Roles
Independent Evaluator (IE)	The IE has been hired by the Utah Public Service Commission to ensure a fair and reasonable process is used in the RFP 2012. The IE will provide oversight of the RFP 2012 process and will validate, audit and review all aspects of all proposals, providing an oversight to the process and validation on the models, inputs, assumption(s), risk assessment, and generation specifications for the PacifiCorp Sites and the Benchmark resources. See Attachment 4 for Roles, Function and Communications of IE.
Evaluation Team : Origination (Blinded prior to Shortlist)	Overall coordinator of the process. Bid process management for all proposals and coordination with the IE and all of the work groups. Evaluation of the non price components of the analysis.
Evaluation Team: Structuring and Pricing (S&P), and Integrated Resource Planning (Blinded prior to Shortlist)	Economic analysis and modeling including the validation on the inputs to the risk assessment of the bid.
Evaluation Team: Commercial and Trading Regulated Transmission Manager (Blinded prior to Shortlist)	Assist S&P and Origination with transmission requests and evaluations in determining the appropriate costs and/or agreements.
Evaluation Team: Environmental (Blinded prior to Shortlist)	Air, water and discharge, emission credits, site permits and facilities.
Evaluation Team: Credit (Unblinded)	Credit screening, evaluation and monitoring throughout the process.
Evaluation Team: Legal and Risk (Unblinded)	Legal will confirm compliance of bids to requirements of RFP and its Forms, Attachments and Appendices; conduct of legal process; conducting due diligence inquiries; supervising any documentation entered into as part of the RFP process. Risk will validate the internal modeling of the proposals and the company benchmark.
Benchmark Team: Generation and/or Third-Party Engineering Consultant (as needed) Blinded will not have discussion with the Evaluation Team or the Bidders without IE present.	Development of the Benchmark Resources. Specifying, evaluating and confirming conformity with design specifications; conducting, as needed, technological and operational due diligence, generation expertise, environmental due diligence on all resources.

F. Bidder Evaluation Fees

To help defray the cost of the IE, each Bidder shall submit with each of its bid proposals a nonrefundable “Bid Fee” of \$10,000. Bidders submitting a bid in Resource Alternative category #9 (CHP and load curtailment) shall have a per-bid fee of \$1,000. A Bidder submitting more than one bid will be required to submit a bid fee for each bid.

Bidders may submit multiple bid proposals in response to this RFP 2012. The IE and the Company shall determine in their sole discretion whether a Bidder's submission constitutes one or more proposals, for purposes of assessing the foregoing fee.

Bid proposals for the same site and the same generation technology and size will be considered a single bid proposal; provided, that all such proposals are submitted under only one Resource Alternative. If a bid is submitted under more than one Resource Alternative then the bid will be considered as two separate proposals, and two separate bid fees will be required. A single proposal that offers two in service years will only be required to pay for one bid evaluation fee.

G. Effectiveness of Bids

Each bid proposal must remain open for acceptance by the Company from the date of submittal through February 2008, unless earlier released in writing by the Company. To the extent that any pricing is subject to market indices (inflation, steel prices etc) the Bidder must identify which components of their capacity prices is subject to these movements, and what triggers will effectuate these changes and when pricing will be fixed.

H. Procedural Items

1. Request for Qualification (RFQ) Bid Form

Each Bidder must complete and submit to the IE the RFQ Bidders Form which consists of Appendix A and B for each Resource Alternative it intends to submit in its proposal to participate in the RFP 2012 by the date called out in Section 2. The Company will require each Bidder to meet the specific credit requirements and capability requirements outlined below.

Bidders Qualification, Capability and Credit in the RFQ Bid Form (Appendix A and B)

Each Bidder must be able to demonstrate its Credit Capability and its capability, experience and qualification under each Eligible Resource. This should include but not be limited to its ability to perform its obligations that would arise upon execution and delivery of the documents associated with the Company's acceptance of the Bidder's bid, and references to support its capability in each of the selected Eligible Resources options which it will be submitting in this RFP.

Appendix A and B will be attached to the RFQ Bid Form and must be completed to receive a bid number by the IE for each Eligible Resource. In Appendix A, the bidder must provide demonstrate that the bidder's project development team has successfully completed the development and commissioning of at least one generation project with characteristics similar to the proposed project. The proposal must pose an acceptable level of development and technology, as determined by PacifiCorp's bid evaluation team. In Appendix B the Bidder must be investment grade or have the ability to post credit assurance to qualify as an investment grade entity. Each bidder must provide the requested financial and credit information and indicate if it is not investment grade what its ability will be to post any necessary credit assurances to be equivalent to an investment grade entity. All Bidders must demonstrate how they can meet Security requirements in the appropriate Pro forma Agreement for the Eligible Resource they are proposing and how they intend to qualify. If appropriate, the Bidder will be notified that it will not be eligible to submit a proposal.

Eligible Bidders will then be permitted to submit proposal(s) into the RFP 2012 process. In the event that the Bidder's credit status changes at any time after submission of a bid into the RFP 2012 process, PacifiCorp Credit reserves the right to request updated information pursuant to the Credit Appendix B, to reevaluate the Bidder and to request further credit assurances. In the event that the Bidder does not provide evidence of its ability to provide such further credit assurances, the Company reserves the right to reject the Bidder's proposal after consultation with the IE and return the bid fee.

The Bidder will be required to demonstrate its ability to post credit assurances in the amounts outlined in the Credit Matrix in Appendix B. A Bidder must be able to demonstrate its ability to post any necessary credit assurances in the form of a comfort letter from a proposed guarantor or from a financial institution that would be issuing a Letter of Credit. The amount of any credit assurances to be provided will be determined based upon (a) the Credit Rating in the Credit Matrix of either the Bidder or the entity providing credit assurances on behalf of the Bidder, (b) the size of the project, and c) the type of Eligible Resource bid.

The Credit Rating will be the lower of: (x) the most recently published senior, unsecured long-term debt rating (or corporate rating if a debt rating is not available) from Standard & Poor's ("S&P") or (y) the most recently published senior, unsecured debt rating (or corporate rating if a debt rating is not available) from Moody's Investor Services. If option (x) or (y) is not available, the Credit Rating will be determined by PacifiCorp Credit through an internal process review and utilizing a proprietary credit scoring model developed in conjunction with S&P. All Bidders will receive a Credit Rating which will determine the amount of any credit assurances to be posted.

Please note that should a Bidder be an existing counterparty with PacifiCorp, PacifiCorp Credit reserves the right to protect itself from counterparty credit concentration risk and require credit assurance in addition to that outlined in the Credit Matrix.

In the event that the Bidder posts a Letter of Credit as collateral it must be issued by a bank acceptable to the Company in the Company's reasonable discretion, and be in form and substance consistent with the form of the Letter of Credit set out in **Attachment 11**.

2. Submission of Proposals by Bidders

All bid proposals must be received by the IE no later than the date specified in Section 2. All bid proposals must be in the format set forth in the RFP 2012 Proposal Form for the specific Eligible Resource as indicated in, Section 3 which outlines the requirements for each Eligible Resource. The RFP 2012 Proposal Form identifies all the required Attachments and Forms for each Resource Alternative selection the Bidder intends to submit. Any bid proposal that does not contain all of the required information by the due date called out in Section 2, will be subject to rejection as nonresponsive by the Company. It is each Bidder's responsibility to submit additional information related to its bid proposal if such information will materially improve the value of its bid proposal or the Company's understanding thereof.

Each bid proposal must be signed by an officer of the bidding company via an Officer Certification **found in Appendix E**.

- a) Each bid must include a statement by the Bidder that the Terms and Conditions of the Attachment, selected as part of the Resource Alternatives submitted by Bidder, are acceptable to the Bidder or identify any and all exceptions to the Proforma contracts when submitting the proposal.
- b) Proposals must clearly specify all pricing terms. Any and all index prices and or price escalations must be full explained. Proposals with pricing that is subject to change prior to February 2008 must explain what triggers the change, what the change are tied to and any information the Company will require to evaluated the pricing risks associated with the proposal. All pricing must be in terms of nominal dollars. Prices and dollar figures quoted will be assumed to be in nominal terms for the year in which they occur unless clearly stated otherwise. The Form Pricing Input Sheet contains the applicable pricing inputs which will be required to be completed by the Bidder for the bid to be evaluated. This Form Pricing Input Sheet includes inputs such as start/end date, point of interconnection, resource type, variable and fixed O&M, start-up costs, capacity payment or capital expenditures, PPA or TSA escalation rates, heat rates and capacity levels adjusted for both expected temperature, degradation per the manufacturer's recommended maintenance schedule, start-up charges, and a variety of other inputs, including specific published indices if applicable.

Bidder will also complete SFAS No. 13 Form (**Appendix F**), which will require the Bidder to complete the inputs to support the Bidder's assertion regarding Capital Lease versus Operating Lease.

- c) All bid proposals must be for a capacity greater than 100 MW EXCEPT FOR: (a) Distributed Generation which must be 3 MW or greater of installed capacity; and (b) end-use customers of the Company with physical load curtailment proposals for a minimum of 25 MW each.
- d) Bid proposal prices must include all costs that the Bidder expects the Company to pay associated with any of the eligible resources, including but not limited to station service, test energy, fuel for testing, gas lateral construction, electrical interconnection, and all costs (including fuel) incurred as necessary to accomplish synchronization.

3. Minimum Eligibility Requirements for Bidders

Bidders may be disqualified for failure to comply with the RFP 2012 if any of the requirements are not met. To the extent proposals do not comply with these requirements they will be deemed ineligible and will not be considered for further evaluation. PacifiCorp will return those proposals, in its sole discretion deems ineligible together with the bid evaluation fee. Reasons for rejection of a bidder or its bid include:

- a) Receipt of Proposal and or Request for Qualifications after the response deadline.
- b) Failure to meet the requirements and provide all the information requested in Section 3 of the RFP 2012.
- c) Failure to permit disclosure of information contained in the proposal to PacifiCorp agents, contractors or regulators.

- d) Any attempt to influence PacifiCorp or the IE in the evaluation of the proposals, outside the solicitation process.
- e) Any failure to disclose the real parties of interest in the proposal submitted.
- f) The Bidder is in current litigation or has threatened litigation against PacifiCorp.
- g) Proposal must include all applicable content requirements described in Section 3 for each Eligible Resource.
- h) Proposal must include a check for the appropriate Bid Evaluation fee.
- i) Proposal must clearly specify all pricing terms
- k) Proposals must offer unit contingent or system firm capacity and energy, and include appropriate contract term lengths and commercial operation dates.
- l) Proposal must not present any unacceptable level of development and technology risk, as determined by PacifiCorp in consultation with the IE.
- m) Proposal must demonstrate that the bidder project development team has successfully completed the developmental and commissioning of at least one generation project with characteristics similar to the proposed project.
- n) Bidder must demonstrate, to PacifiCorp's satisfaction that they can meet the security requirements for each Eligible Resource they are proposing consistent with the requirements in the appropriate Proforma Contracts for that resource.

4. Company's Reservation of Rights and Disclaimer

The Company reserves the right, without qualification and in its sole discretion, to reject any or all bids, and to terminate this RFP 2012 in whole or in part at any time. Without limiting the foregoing, the Company reserves the right to reject as nonresponsive any or all bid proposals received for failure to meet any requirement of this RFP 2012 outlined in Section 3 of the RFP 2012. The Company also reserves the right to request that the IE contact any Bidder for additional information. The Company further reserves the right without qualification and in its sole discretion to decline to enter into any agreement with any Bidder for any reason, including but not limited to change in regulation or regulatory requirements that impact the Company and/or any collusive bidding or other anticompetitive behavior or conduct.

Bidders who submit bid proposals do so without recourse against the Company, its parent company, its affiliates and its subsidiaries, or against any director, officer, employee, agent or representative of any of them, for any modification or withdrawal of this RFP 2012, rejection of any bid proposal, failure to enter into an agreement, or any other reason. The Bid Fees submitted by any Bidder, once the bid is accepted, will not be refunded (unless otherwise determined in the sole discretion of the Company) in the event of any modification or withdrawal of this RFP 2012, rejection of any bid proposal, or failure to execute an agreement.

5. Accounting

All contracts proposed to be entered into as a result of this RFP 2012 will be assessed by the Company for appropriate accounting and/or tax treatment. Bidders shall be required to supply the Company with any and all information that the Company reasonably requires in order to make such assessments.

Specifically, given the term lengths that PPA, TSA, and/or exchange proposals may cover in response to RFP 2012, accounting and tax rules may require either: (i) a contract be accounted for by PacifiCorp as a Capital Lease or Operating Lease³ pursuant to SFAS No. 13, or (ii) the seller or assets owned by the seller, as a result of an applicable contract, be consolidated as a Variable Interest Entity⁴ (VIE) onto PacifiCorp's balance sheet. To the extent a Bidder proposal results in an applicable contract, the following shall apply with respect to VIE treatment:

- The Company is unwilling to be subject to accounting or tax treatment that results from VIE treatment. As a result, all Bidders are required to certify, with supporting information sufficient to enable the Company to independently verify such certification, that none of their proposals will subject the Company to such VIE treatment. Bids that result in VIE treatment will be rejected.
- Further, any applicable contract that the Company executes will require that: (i) the Seller covenant that the Company will not be subject to VIE treatment at any point during the term of the agreement, and (ii) in the event that the contract causes the Company to be subject to VIE treatment at any point during the term of the agreement, unless cured, such treatment will constitute a seller event of default.

Each Bidder must also declare, in each of its proposals, whether or not each such proposal will subject the Company to Capital Lease treatment or Operating Lease treatment pursuant to SFAS No. 13. In any case for which the Bidder declares that the proposal will subject the Company to lease treatment pursuant to SFAS No. 13, after application of Emerging Issues Task Force ("EITF") 01-08 ("Determining Whether an Arrangement Contains a Lease"), the Bidder is required to certify such declaration (Capital Lease or Operating Lease), with supporting information sufficient to enable the Company to independently verify the Bidder's opinion of how the Company will be required to account for the proposal.

Each Bidder must also agree to make available at any point in the bid evaluation process, any and all financial data associated with the Bidder, the Facility and/or the PPA, TSA or other contract that PacifiCorp requires to independently verify the Bidder's accounting declarations or certifications required above. Such information may include, but may not be limited to, data supporting the

³ "Capital Lease" and "Operating Lease" - shall have the meaning as set forth in the Statement of Financial Accounting Standards ("SFAS") No. 13 as issued and amended from time to time by the Financial Accounting Standards Board.

⁴ "Variable Interest Entity" or "VIE" - shall have the meaning as set forth in Financial Accounting Standards Board ("FASB") Interpretation No. 46 (Revised December 2003) as issued and amended from time to time by the FASB.

economic life (both initial and remaining), the fair market value, executory costs, nonexecutory costs, and investment tax credits or other costs (including debt specific to the asset being proposed) associated with the Bidder's proposal. Financial data contained in the Bidder's financial statements (e.g., income statements, balance sheets, etc.) may also be required to provide additional information.

A SFAS No. 13 Form (Appendix F) must be completed to the extent the Bidder submits a proposal which results in either direct or inferred debt.

Cost Associated with Direct or Inferred Debt

PacifiCorp will take into account a cost associated with direct or inferred debt as part of its economic analysis in the initial screening.

- **Direct debt** results when a contract is deemed to be a Capital Lease pursuant to EITF 01-08 and SFAS No. 13 and the lower of the present value of the nonexecutory minimum lease payments or 100% of the fair market value of the asset must be added to PacifiCorp's balance sheet.
- **Inferred debt** results when credit rating agencies infer an amount of debt associated with a power supply contract and, as a result, take the added debt into account when reviewing PacifiCorp's credit standing.

In both instances, PacifiCorp would need to inject equity to maintain the same debt/equity ratio as before the power supply contract. Since equity has a cost, this cost will be taken into account when evaluating the bids to determine the short list.

For the purposes of RFP 2012, PacifiCorp will determine the amount of debt associated with each bid that would result in an applicable contract, derive the associated equity infusion, then include in its analysis the cost associated with the equity amount multiplied by the pre-tax difference between Return on Equity ("ROE") and PacifiCorp's Weighted Average Cost of Capital ("WACC"). Pre-tax ROE will be assumed to be equal to 16.92% and pre-tax WACC will be assumed to be 11.48%. The amount of debt will be the higher of the direct or inferred debt. This will be updated prior to the issuance of the final RFP 2012.

Direct debt will be determined for each year as of the beginning of the contract as the amount PacifiCorp must place on its balance sheet as a result of a Capital Lease. If the bid does not result in a Capital Lease then the amount of direct debt will be zero.

Inferred debt will be determined by utilizing the methodology used by Standard & Poor's in the article attached as Attachment 12. At the beginning of the contract, the net present value of the remaining fixed payments will be calculated using a 10% discount rate and then multiplied by a "risk factor." The risk factor will be 50%.

6. Confidentiality

The Company will attempt to maintain the confidentiality of all bids submitted, to the extent allowed by law or regulatory order, as long as such confidentiality does not adversely impact a regulatory proceeding.

It is the Bidder's responsibility to clearly indicate in its proposal what information it deems to be confidential. Bidders may not mark their entire proposal as confidential, but must mark specific information on individual pages to be confidential in order to receive confidential treatment for that information.

All information supplied to the Company or generated internally by the Company shall remain the property of the Company. Bidder shall maintain the confidentiality of such information and shall not be available to any entity before, during or after this RFP 2012 process unless required by law or regulatory order. The Bidder expressly acknowledges that the Company may retain information submitted by the Bidder in connection with this RFP 2012.

Only those Company employees who are directly involved in this RFP 2012 process or with the need to know for business reasons will be afforded the opportunity to view submitted bids or Bidder information.

Bidders should be aware that information supplied by Bidders may be requested and supplied during docketed regulatory proceedings, subject to appropriate confidentiality provisions applicable to that particular proceeding. This means that parties to docketed proceedings may request to view confidential information. If such a request were to occur, the Company will attempt to prevent such confidential Bidder information from being supplied to intervening parties who are Bidders or who may be providing services to a Bidder, but the Company shall not be held liable for any information that it is ordered to be released or that is inadvertently released.

Lastly, the Company intends to utilize its internal, proprietary, forward price projections in its evaluation process. The resulting projections and evaluations will not be shared with entities external to the Company, including with Bidders, unless required by law or regulatory order.

7. Regulatory Process

Utah Code § 54-17-101, *et seq.* requires PacifiCorp to use a solicitation process to construct or acquire a significant energy resource, defined as 100 MW or more with a dependable life of ten years or more. This law requires the participation of an independent evaluator, appointed by the Utah Public Service Commission, to actively monitor the solicitation process for fairness and compliance with state law. Prior to execution of any of the eight alternatives listed above, the Company will go through an up-front prudence review consistent with the law in the state of Utah.

That law may be viewed at:

<http://www.le.state.ut.us/~2005/htmdoc/sbillhtm/SB0026S01.htm>

8. Subsequent Regulatory Action

The Company does not intend to include a contractual clause whereby the Company is allowed to adjust contract prices in the event a regulatory agency exercises jurisdiction over the Company, and does not fully recognize the contract prices in determining the Company's revenue requirement. As of the issuance date of this solicitation, PacifiCorp is unaware of any such actual or proposed law or regulatory order.

SECTION 3. RFP 2012 PROPOSAL CONTENT

The following outlines the content and format requirements for all proposals by Eligible Resource when responding to RFP 2012. Proposals that do not include the information requested in this form will be deemed ineligible for further evaluation unless the information is not relevant.

The Bidder is required to provide information in the following format to meet the criteria of this RFP. All sections must be completed and in compliance with the RFP in order for the bid to be accepted. Bidders must provide the appropriate bid fee for the number of Eligible Resources that are being provided.

Each Bidder must provide the following information 1) All RFP Appendices, Form(s) and Attachments in Section 3.A for each Eligible Resource with the exception of 3.J and 3.K and 2) the applicable Appendices, Form(s) and Attachment identified under each of the Eligible Resources identified in Section 3.B through 3.K.

A) All Bidders will be required to submit the following (with the exception of 3.J and 3K):

- RFQ Bid Form Appendix A and Appendix B
- Appendix D - Natural Gas & Fuel Supply Form
- Appendix E - Officer Certification Form
- Attachment 13 - PacifiCorp Costs Associated with Integration that will be used in the analysis
- Form 1 - Pricing and Input Sheet
- Form 2 - Permitting and Construction Milestones

B) Power Purchase Bid (1):

- Attachment 3 - Power Purchase Contract
- Appendix C-1 - PPA and TSA Information Request
- Appendix D - Natural Gas & Fuel Supply Form

- Appendix G - Bidder Site Control Form
- Appendix H - Construction Coordination Agreement (if applicable)
- Attachment 16 - Site Purchase Agreement for Lake Side (if applicable)
- Attachment 17 - Site Purchase Agreement for Currant Creek (if applicable)
- Appendix F - SFAS No. 13 Form

C) Tolling Service Agreements Bids (2):

- Attachment 5 – Tolling Service Agreement Contract
- Appendix C-1 - PPA and TSA Information Request
- Appendix D - Natural Gas & Fuel Supply Form
- Appendix G - Bidder Site Control Form
- Appendix H - Construction Coordination Agreement (if applicable)
- Attachment 16 - Site Purchase Agreement for Lake Side (if applicable)
- Attachment 17 - Site Purchase Agreement for Currant Creek (if applicable)
- Appendix F - SFAS No. 13 Form

D) APSA Bids at PacifiCorp Sites (3):

- Attachment 6 - Asset Purchase and Sale Agreement (APSA) with Appendices – Lake Side
- Attachment 6- Asset Purchase and Sales Agreement (APSA) with Attachment 18 Currant Creek, Engineering, Procurement and Constructing Contract (EPC)
- Site Purchase Agreement – Attachment 16 or Attachment 17.
- Attachment 13 - PacifiCorp Costs Associated with Integration that will be used in the analysis
- Appendix C-2 - APSA Information Request
- Form 1 - Pricing Input Sheet
- Form 2 - Permitting and Construction Milestones

E) APSA Bids at Bidder Sites (4):

- Attachment 6 - Asset Purchase and Sale Agreement (APSA) with Appendices
- Attachment 13 - PacifiCorp Costs Associated with Integration that will be used in the analysis
- Appendix C-2 - APSA Information Request
- Appendix D - Natural Gas & Fuel Supply Form
- Appendix G - Bidder Site Control Form
- Form 2 - Permitting and Construction Milestones

F) EPC Bids at Currant Creek Site Only (5):

- Attachment 13 - PacifiCorp Costs Associated with Integration that will be used in the analysis
- Attachment 18 - Currant Creek Engineering, Procurement and Construction Contract (EPC)

- Appendix C-3 - EPC Information Request
- Form 2 - Permitting and Construction Milestones

G) Sale of Existing Facilities Bids (6):

- Attachment 13 - PacifiCorp Costs Associated with Integration that will be used in the analysis (if required)
- Attachment 19 – Due Diligence items for the Acquisition of an Existing Facility
- Appendix C-4 – Existing Asset Purchase Information Request

H) Sale of Portion of Jointly Owned or Operated Bids (7):

- Attachment 13 - PacifiCorp Costs Associated with Integration that will be used in the analysis (if required)
- Attachment 19 - Due Diligence Items for the Acquisition of an Existing Facility
- Appendix C-4 - Existing Asset Purchase Information Request
- Appendix F - SFAS No. 13 Form

I) Restructuring Bids of an Existing Power Purchase Agreement or an Exchange Agreement and/or Buyback of an Existing Sales Agreement (8):

- Attachment 13 - PacifiCorp Costs Associated with Integration that will be used in the analysis (if required)
- Any other form deemed to be required based on the restructuring.
- Appendix F - SFAS No. 13 Form

J) Distributed Generation (9.a):

- Attachment 13 - PacifiCorp Costs Associated with Integration that will be used in the analysis (if required)
- Appendix F - SFAS No. 13 Form

K) Load Curtailment (9.b)

SECTION 4. RESOURCE INFORMATION

A. Price and Nonprice Information

The Company's IRP incorporated numerous price and nonprice resource cost(s) and assumptions which resulted in the IRP Action Plan. Bidders should refer directly to the IRP for the Company's estimated cost and availability of new resource alternatives. Bidders are reminded that the IRP is a planning document and certain resource assumptions were used as a proxy for planning purposes. As such, the Company shall rely on the outcome from this RFP to ascertain the most prudent resource decision. Bidders should note that the IRP is a useful document for information purposes and **Bidders should not infer in any way that the IRP should prescriptively guide their specific proposal.** The Company intends to use then-current assumptions in its evaluation of bids. These assumptions may be different than the assumptions contained in the IRP.

With respect to air quality standards, it is PacifiCorp's intent to incorporate cost assumptions into all bids that are consistent with the "then current assumptions." The base case assumptions can be located in the 2004 IRP in Appendix C. This represents the best information currently available at this point in time to the Company via the IRP public input process and other information sources. The base case will be updated through the RFP process only if any new assumptions become available to the Company.

This RFP will incorporate assumptions regarding the future cost, if any, associated with future tax assessment(s) or other impositions based on the quantity of carbon dioxide (CO₂) emissions produced from the combustion of fuel by a facility selected and contracted through this RFP. If a Bidder proposes an arrangement wherein a specific facility is not identified (such as may be the case with a PPA), the resulting contract shall explicitly state that the buyer (PacifiCorp) shall not be liable for any CO₂-related expenses, and the Bidder will be required to enter into a CO₂ Indemnity Agreement. For bids with a specified facility, the potential CO₂-related expenses will be included in the Company's evaluation. The CO₂-related expenses will be consistent with the reference case assumptions utilized in the 2004 IRP or the then current assumptions if applicable. The bid evaluation process will incorporate the assumption that the Bidder does not contractually absorb the liability associated with potential future CO₂ expenses.

As such, even if the bid does not provide for the passing through of such costs, Bidders are directed to submit bids that specify the results of the assumption that Bidders will pass through any costs associated with meeting future air quality requirements relating to specified facilities.

B. Price Information

Fixed & Variable cost for Capacity and Energy

1. Fixed Costs

The fixed resource costs will include, but are not limited to, the following components:

The Bidder-specified capacity cost payment (\$/kw-mo) or equivalent capital cost purchase price (including Owner's cost) plus ongoing capital estimates for the term of the resource. The Bidder-specified fixed O&M payment (\$/kw-mo).

The Bidder-specified property tax and insurance payment, if not included in capacity cost or fixed O&M payment (\$/kw-mo).

The cost associated with direct or inferred debt.

Fuel pipeline costs which include the estimated costs for adequate firm natural gas capacity. Interconnection, integration and any other costs (e.g., applicable transmission wheeling expense) necessary to deliver the energy to load. Proposed fixed cost adjustment factor for availability.

2. Variable Costs

The variable generation costs will include, but are not limited to, the following components:

The variable energy commodity price, which, depending on structure, will likely be variable, tied to a natural gas price (including variable gas transportation costs) and a contractual or manufacturer recommended heat rate and capacity at the time of delivery (adjusted for temperature). In certain structures, the variable energy commodity price will be fixed, or potentially fixed with an annual escalation.

Variable O&M (\$/MWh).

Potential CO₂ costs (\$/ton) (\$/MWh based on a \$/ton CO₂ basis).

Transmission losses in those cases where the Company will incur third-party transmission losses (if applicable).

Start costs (if applicable) per plant and per machine (if applicable). Bidders must define if this start cost is from initiation of start to minimum sustainable load or to full load. Start costs and variable O&M must be clearly separated. Cost presentation format provided by the Bidder should be in \$/MWh terms, assuming both eight- and sixteen- hour run periods, for up to 365 starts per year at 100% availability.⁵

C. Nonprice Information

1. Point(s) of Delivery

RFP 2012 is requesting resources that are capable for delivery into or in the Company's network transmission system⁶ in PACE. All proposals will be contingent on the Company Merchant

⁵ The number of starts assumed per year should be adjusted down for expected mechanical availability. For example, if a resource has an expected mechanical availability of 90%, the number of assumed starts per year should equal 365 x 90% = 328.

⁶ Any costs required to upgrade PacifiCorp's electrical infrastructure (integration costs) will be considered in the overall economics of the resource. See Attachment 13 for cost assumptions for Integration costs. If the Bidder is proposing another site that is not stated in Attachment 13, PacifiCorp will use the best available information at the time of evaluation to determine the integration costs for the analysis.

function's ability to designate the proposed resource (new, existing, imported, etc.) as a Network Resource under the network service contract between PacifiCorp Transmission and PacifiCorp Merchant.

Specifically, the point(s) of delivery of primary interest to PacifiCorp are:

- Within the Eastern Control Area—the point of interconnection between the resources, or electrical system to which the resource is connected, and PacifiCorp's Utah network transmission system
- Mona⁷ 345 kV
- Nevada/Utah border on the Gonder-Pavant 230 kV line
- Nevada/ Utah border on the Sigurd-Harry Allen 345 kV know as "NUB" or Red Butte 345 kV
- Arizona/Utah border on the Glen Canyon-Sigurd 345 kV line
- Crystal 500 kV⁸
- Located in Nevada—PacifiCorp is willing to purchase capacity and associated energy that is sourced from Nevada; provided, the selling entity is able to purchase firm transmission from the resource to either Gonder or NUB.
- Four Corners 345 kV

The Company is also generally not interested in resources located in Wyoming, unless the resource(s) electrically resides south of the Naughton-Monument 230 kV line and the cost to upgrade the needed transmission is included in the economic evaluation⁹. Lastly, the Company is not interested in resources delivered to Borah, Brady or Kinport unless such resource is interconnected to the Company's Southeast Idaho electrical system near the Goshen area. The cost to upgrade and provide adequate transfer capability or to accommodate those times when economic resources exceed loads within the Southeast Idaho area should be taken into account within the Bidder's economic evaluation.

2. Proposals Requiring Third-Party Point-to-Point Transmission Service

For proposals that will require third-party transmission service to provide delivery of capacity and associated energy to the bid-specified Point of Delivery on PacifiCorp's system, Bidders are responsible for any interconnection, electric losses, transmission and ancillary service arrangements

⁷ PacifiCorp's transmission function has broken Mona into three distinct delivery points. These three points are "MDWP" (IPP-Mona from LADWP control area), "MDGT" (Bonanza-Mona within the PACE control area), and "MPAC" (all other lines into Mona with the PACE control areas). In order for PacifiCorp to properly incorporate deliveries at Mona as a network generation resource, the respondent should indicate which point at Mona the deliveries will be made from. PacifiCorp requested a system impact study (SIS) from PacifiCorp Transmission, which will be available in September and will update the timing and costs to integrate resources at Mona, Nevada Utah Border, Gonder, Glen Canyon 230kV and Currant Creek.

⁸ Crystal substation is currently not a valid network point of delivery on PacifiCorp's system. PacifiCorp is studying the expansion of facilities to Crystal 500 kV. Bidders are warned that the ability to accept proposals delivered to Crystal is highly contingent on the expansion of such facilities.

⁹ The Company's Benchmark, Bridger is located south of Naughton- Monument 230kV.

required to deliver the proposed capacity and associated energy to the bid specified Point(s) of Delivery. Such proposals must identify all third-party interconnection, electric losses, transmission and ancillary service products, provide a complete description of those service agreements, and provide documentation that such service(s) will be available to Bidder during the full term of offer(s) proposed. Bidders who propose unit contingent arrangements or system portfolio bids and rely on third-party transmission should be aware that the use of nonfirm transmission in any segments of the schedule from the source to the Point(s) of Delivery will result in the Company's evaluating the need to carry 100% reserves against the import schedule. The third-party transmission service is NOT a transmission service agreement with the Company Merchant function; rather it is with the Company's Transmission function, which must maintain strict functional and informational separation.

3. Interpretation with Interconnection Agreement

Each Bidder responding to RFP 2012 must conduct its operations in compliance with FERC Order No. 2004, Standards of Conduct for Transmission Providers, requiring the separation of its transmission and merchant functions. This RFP requires that all Bidders responding must enter into a separate Interconnection Agreement or Transmission Service Agreement (TSA), in accordance with the PacifiCorp's Open Access Transmission Tariff, with PacifiCorp Transmission if such agreements are necessary.

4. PacifiCorp Transmission Interconnection Service

Bidders requiring interconnection service from PacifiCorp Transmission must specify in their proposal if they have requested transmission service or not, and if so, what type of service (Energy Resource Interconnection Service (ER) or Network Resources Interconnection Service (NR)). Bidders must advise PacifiCorp Transmission that they are requesting the service as part of this RFP.

All Proposals that will require a new electrical interconnection to the PacifiCorp Transmission system or an upgrade to an existing electrical interconnection to the PacifiCorp Transmission system must include (a) a statement of the cost of interconnection, together with a diagram of the interconnection facilities. The Bidder will be responsible for, and is required to include in its bid, all costs to interconnect to the Company's Transmission system. The Bidder will be responsible for applying to the Company Transmission for a Large Generator Interconnection Agreement ("LGIA"), except in connection with the EPC Contract, in which case PacifiCorp Generation will apply for the LGIA. However, the interconnection costs will be included in the bid evaluation. PacifiCorp's Transmission function has the option of funding the interconnection upgrades or requiring the Bidder to fund such upgrades and then receive revenue credits. Any such refunds shall be assigned to PacifiCorp's Merchant function by the Bidder.

5. PacifiCorp Transmission Integration Service

PacifiCorp has preliminarily identified the potential costs to integrate resources in Attachment 13.

These costs will be used in the evaluation analysis. In the event that a Bidder proposes a facility, PPA or TSA that is not at one of the locations identified in Attachment 13, PacifiCorp will utilize the

best information reasonably available at the time of evaluation to estimate the cost to integrate the resource. Both the cost to integrate and interconnection upgrades will be utilized in the economic evaluation to determine the least-cost resource. **Bidders are reminded that they shall bear 100% of the costs to interconnect to PacifiCorp's Transmission system.** Bidders are encouraged to contact PacifiCorp's Transmission function (at www.pacificorp.com) for information related to system interconnection.

6. Use of PacifiCorp's Sites

In the event a facility is proposed to be located on a PacifiCorp Site, the Bidder must negotiate and enter into a land purchase agreement acceptable to the Company (Attachment 16 and/or 17), together with a Construction Coordination Agreement substantially in the form attached as Appendix S to Attachment 7 or Appendix H. **THIS RFP 2012 IS NOT AN OFFER TO SELL PACIFICORP'S SITE TO ANY BIDDER, AND IN NO EVENT WILL THE COMPANY BE OBLIGATED TO SELL A PACIFICORP SITE TO ANY BIDDER. ANY SALE OF A PACIFICORP SITE WILL BE SUBJECT TO THE NEGOTIATION, EXECUTION AND DELIVERY OF ALL AGREEMENTS AND OTHER DOCUMENTS NECESSARY AND PROPER FOR THE LEASE OF PROPERTY, AND TO THE COMPANY'S SATISFACTION, IN ITS SOLE DISCRETION, THAT SUCH TRANSACTION WILL BE IN THE BEST INTERESTS OF THE COMPANY'S CUSTOMERS AND WILL NOT IMPAIR IN ANY MANNER THE COMPANY'S OPERATION OF ITS FACILITIES THEN LOCATED ON OR ADJACENT TO THE COMPANY SITES.**

SECTION 5. BID EVALUATION PROCESS OF THE PROPOSALS

The Bidders must submit their proposals on or before January X, 2007. The RFP 2012 Evaluation Team and the IE will adhere to the following bid evaluation process.

The Company will not make any of the evaluation models - the RFP Base Model, the Capacity Expansion Model, the Planning and Risk Model - available to Bidders.

A. Step 1—Screening “First Price Sealed Bid Format” – Initial Short List

The Company intends to utilize a “first price sealed bid format” in order to determine both the initial and final short list of proposals in each of the Resource Alternatives. The initial short list will be run through a production cost model to establish a preferred portfolio used to establish a final short list. After the final short list is determined post-bid negotiations will take place. Under this format, contract payments are based on the price contained in each winning bid proposal. The “first price sealed bid format” means that the Company will utilize the initial prices and/or pricing structure submitted by the Bidders in order to determine the initial short-listed entities and the final short-listed entities. The Company will not ask for, or accept, updated pricing from Bidders during this evaluation period. It is the Company's intent to negotiate both price and nonprice issues during the post-bid negotiations. Selection for the initial short list, final short list and/or post-bid negotiation does not constitute a “winning bid proposal.” For the purpose of the RFP 2012, only execution of the definitive agreement by both the Company and the Bidder that is specific to the Bidder's proposal, as the same may be amended pursuant to any post-bid negotiations, will constitute a “winning bid proposal.”

Bidders should also be aware that operational separation exists, pursuant to FERC order, between the merchant and transmission functions of PacifiCorp. As a result, it is PacifiCorp's requirement that the Bidder is responsible for the negotiation, execution and cost of interconnection and integration with the interconnection control area. The Bidder will be responsible for all incremental transmission expenses associated with delivery to the PacifiCorp network transmission system (inclusive of any third-party system upgrade needed to deliver such energy to PACE). Any anticipated transmission cost which is not included in Attachment 13 or otherwise that is not disclosed in the Bidder's response will be added by PacifiCorp using information reasonable and readily available during the economic evaluation phase.

B. Price and Nonprice Evaluation to Determine the Initial Short List

The Company intends to evaluate each bid received in a consistent manner by breaking the resource and price characteristics of the structure into individual components. Each component will be evaluated separately and recombined to determine the bundled price and nonprice score. The price factor will be weighted up to 70% in the determination of which proposals will be chosen for post-bid negotiation, while the nonprice factor will be weighted up to 30%. No proposal will receive a total weighting in excess of 100%. The Price and NonPrice evaluation will be added together and used to determine the initial shortlist. The initial short list will be made up of the highest scoring proposals in each Resource Alternative.

1. Price Factor Evaluation (Up to 70%)

The Company will utilize the RFP Base Model to screen the proposals and to evaluate and determine the initial short list. The RFP Base Model is contained in a Microsoft Excel workbook that includes a number of proprietary Visual Basic macros, custom add-ins, and computational code written in C++.

RFP Base Model Inputs:

- Market Quote Date: The model will pull corresponding forward price, volatilities, and correlation projections for electricity and gas commodities. Treasury and LIBOR discount curves are also included. The same Market Quote Date will be used for all bids during each evaluation phase.
- Term: Start and End date
- Transmission Cost assumptions
- Emission Inputs, Lease Accounting Inputs, Rate Base Inputs: if applicable
- Point of Delivery (POD) and Point of Receipt (POR)
- Dispatch Pattern
- Limitation of Duct Firing or Power Augmentation Capability (hours per day, hours per year, etc.)
- Firm/Unit Contingent
- Resource Type
- Product Source
- Temperature-adjusted undegraded (new and clean) Capacity Curve for Simple Cycle, Combined Cycle, Duct Firing, and Power Augmentation if applicable. Temperature –

- adjusted undegraded (new and clean) Heat rate Curve for Simple Cycle, Combined Cycle, Duct Firing, and Power Augmentation, if applicable.
- Capacity (MW) Degradation Schedule: Simple Cycle, Combined Cycle, Duct Firing, and Power Augmentation, if applicable (Expected and/or Guaranteed), Heat Rate Degradation Schedule: Simple Cycle, Combined Cycle, Duct Firing, and Power Augmentation, if applicable (Expected and/or Guaranteed), Turbine Type: Combined Cycle or Simple Cycle
 - Variable O&M Payment (\$/MWh)
 - VOM costs (\$/MWh)
 - Start-Up Costs (\$/MWh)
 - Fixed O&M Payment (\$/KW-mo)
 - Gas Capacity (MMBtu/day)
 - Gas Demand Charge (\$/MMBtu-mo)
 - Gas Transportation/Delivery Adder (\$/MMBtu)
 - Fixed Energy Payment (\$/MWh, if applicable)
 - Capacity Charge (\$/KW-mo)
 - Resource/POD Availability by Month
 - Forward Price Curve Multiplier by Month
 - Corporate Financial Inputs – Inflation Curve, WACC, etc.

Comparison Metric

The benchmark comparison metric will be the projected net present value revenue requirement (net PVRR) per kilowatt month (Net PVRR/kW-mo). The net PVRR component views the value of the energy and capacity as a positive, and the offsetting costs as negative. The larger the net PVRR, the more valuable a given resource is to the Company’s customers. The net PVRR/kW-mo metric is the annuity value which, when applied to the nominal kilowatts on a monthly basis and present-valued, will result in the same net PVRR as a straight NPV calculation.¹⁰

Bid Cost relative to adjusted price curves	Price Factor Weighting
Less than or equal to 80% of adjusted price projections	70%
Greater than 80% of adjusted price projections but less than 120% of adjusted price curves	Linearly interpolated
Equal to or greater than 120% of the adjusted price projection	0%

2. Nonprice Factors (up to 30%)

The primary purpose of the nonprice analysis is to help gauge the relative development, construction and contractual risk associated with each proposal and have parties bid to a consistent set of Terms and Conditions within the Proforma Contracts. A matrix will be established for each nonprice factor and used to compare the bids with one another.

¹⁰ The term “straight NPV calculation” refers to the act of present-valuing the net of the nominal capacity and energy value, and costs, to derive a net present value of the net margin between value and costs.

Nonprice factors will be weighted up to 30% in the determination of which proposals will be chosen for the initial short list.

The nonprice factor weighting for operation issues shall consist of the following:

Nonprice	Nonprice Weighting Factor
Development, Construction and Operational experience	up to 10%
Compliance with the Pro Forma Agreements that are submitted with the Proposal	up to 10%
Site Control and Permitting	up to 10%

Development, Construction and Operational Experience

Bidders will be evaluated on the number of projects they have developed, constructed and operated. One percent point will be awarded for each project the bidder has developed, constructed and/or operated. A partial percent will be awarded if the bidder has demonstrated experience with some but not all of the experience metrics. Scores for development, construction and/or operational experience will not exceed 10%

Compliance with the Pro Forma Agreements Nonprice Weighting Factor

Each section within the Proforma Agreements will be given a percentage based on the financial or risk impact of change. All sections may not have a percentage applied however; the total will equal 100%. The individual percentages per sections will be based on the financial and or risk impact to rate payers if the Bidder were to change the section. If the Bidder changes these sections where a material risk or cost is shifted from the Bidder to the Company then they will not receive that percentage. However, if the Bidder changes the section and no financial or risk impact to the rate payer occurs then the percentage will be awarded to the Bidder. This process and percentage application per section within the Proformas will be validated by the IE.

Site Control and Permits

Bidders must be able to 1) document site control and necessary permits or 2) demonstrate how site control and permits will be obtained. Demonstration on how site control and permits will be obtained will require a defined plan and/or process with specific milestones and how hurdles will be overcome. To the extent the Bidder has site control or can demonstrate how they will obtain site control, the bidder will receive 5%. To the extent that the bidder has all the required permits or can demonstrate how they will obtain them, the bidder will obtain 2.5%.

The initial short list will be established using the combined price and nonprice results. The initial short list will include the top bids in each Resource Alternative, up to the approximate megawatt needs for each year during the Term.

C. Step 2—Final Short List—Capacity Expansion Model/Planning And Risk Model - Production Cost Run

The final short list will be derived utilizing the Capacity Expansion Model (CEM) and the Planning and Risk Model (PaR). Both of these models are production cost models.

From the initial short list which is made up of the top bids for each Resource Alternative, the CEM will construct portfolios by optimizing for lowest cost. The portfolios generated by the CEM will then be run in the PaR model. The PaR model will provide the results of the constructed portfolios on both a deterministic and stochastic basis. The PaR model results of portfolios generated by CEM will then be compared to the PaR model results of the Company's Benchmark portfolios.

The Company Benchmarks will consist of three separate Benchmark Portfolios using a combination of the Benchmark Resources identified in Section One. Benchmark Portfolio one will consist of Hunter 4, Bridger 5 and the IGCC project. Benchmark Portfolio two will consist of IPP 3, Bridger 5 and the IGCC¹¹ project. Benchmark Portfolio three will consist of IPP 3, Hunter 4, Bridger 5 and the IGCC project.

Operational Costs

For each portfolio, the operational information for each added proposal will be entered into the production cost simulation (CEM and PaR) in addition the Company will include any changes to the system topology to reflect transmission upgrades required by the added proposals. The operational information used in the production cost simulations includes:

1. Maximum capacity of each unit
2. Minimum capacity of each unit
3. Dependable per-unit capacity
4. Peaking capacity, for use under specified conditions
5. Actual pre-specified commitment and/or unit dispatch
6. Daily charge for operating a unit for at least one hour in the day
7. Variable O&M cost of each unit
8. The heat rate curve for a unit
9. Pre-scheduled maintenance, number of units and duration
10. Maintenance rate, for distributed maintenance per unit
11. Mean, maximum, and minimum time to repair, for outages scheduled by Convergent Monte Carlo
12. Minimum up- and downtimes of a unit
13. Per-hour operating cost, exclusive of fuel and variable O&M costs
14. Pumped storage pumping capacity and pumping minimum
15. Unit ramp and run-up rates
16. Unit start-up O&M and fuel costs and corresponding hours
17. Emission rates/costs

¹¹ Portfolio two and three will be evaluated using 250MW to 600MW however; the company reserves the right to evaluate the portfolios with and without IGCC to determine the costs and risks associated with the portfolios..

The production-cost model simulations (CEM and PaR) will provide information on net system costs for fuel, variable plant O&M, unit start-up, market contracts and spot market purchases and sales.

Fixed Costs

As mentioned above, the revenue requirement costs associated with additional investments required by the bid—investment in new resources and/or transmission—will be added to the variable operating costs. The information required for new resources required to calculate the Fixed Costs include:

1. Capital Costs—generation and transmission
2. Fixed O&M
3. Incremental Transmission Asset Life
4. Incremental Resource Asset Life

SECTION 6. AWARDING OF CONTRACTS

A. Invitation

RFP 2012 is merely an invitation to make proposals to the Company. No proposal in and of itself is a binding contract. The Company may, in its sole and absolute discretion, perform any one or more of the following:

Determine which proposals are eligible for consideration as proposals in response to this RFP 2012.

Issue additional subsequent solicitations for information and conduct investigations with respect to the qualifications of each respondent.

Disqualify proposals contemplating resources that do not meet this RFP 2012's definition of Base Load resources.

Supplement, amend, or otherwise modify this RFP 2012, or cancel this RFP 2012 with or without the substitution of another RFP.

Negotiate and respond to Bidders to amend any proposals.

Select and enter into agreements with the respondents who, in the Company's sole judgment, are most responsive to the RFP 2012 and whose proposals best satisfy the interest of the Company and its customers, and not necessarily on the basis of any single factor alone.

Issue additional subsequent solicitations for proposals.

Reject any or all proposals in whole or in part.
Vary any timetable.

Conduct any briefing session or further RFP 2012 process on any terms and conditions.

Withdraw any invitation to submit a response.

B. Post-Bid Negotiation

The Company will further negotiate both price and nonprice factors during post-bid negotiations. The Company will continually update its economic and risk evaluation until a definitive agreement acceptable to the Company in its sole and absolute discretion is executed by both parties. **The Company shall have no obligation to enter into any agreement with any Bidder to this RFP 2012 and the Company may terminate or modify this RFP 2012 at any time without liability or obligation to any Bidder.**

C. Confidentiality Agreement

All parties will be required to sign Confidentiality Agreements if they are short-listed (**Attachment 14**) prior to entering into negotiations with the Company.

D. Nonreliance Letter

All parties will be required to sign a nonreliance letter if they are short-listed (**Attachment 15**) prior to entering into negotiations with PacifiCorp.

RFQ Draft RFP
Due November, 2006

Request for Qualification Bid Form for 2012 Request for Proposal

Due November, 2006

Complete Appendix A and Appendix B

Request for Qualification (RFQ) Bid Form for RFP 2012

This RFQ comprises of Appendix A and Appendix B of which both must be fully completed and submitted by November, 2006 to the Independent Evaluator (IE) in order to participate in PacifiCorp's RFP 2012.

This is to declare that the undersigned intends to respond to PacifiCorp's:

Request for Proposals, Electric Resources (RFP 2012)

Please include:

Company _____

Mailing Address/Phone/Fax/Email _____

Contact Person _____

Authorized Signature and Date _____

Return by FedEx Mail by November 2006 to:

Attention: Independent Evaluator
Merrimack Consulting PacifiCorp RFP 2012
Address: 160 E 300 S
Salt Lake City, Utah
Phone:

The RFQ consists of Appendix A and Appendix B. Both Appendices **must be completed in their entirety.** Bidders must be able to demonstrate their credit, capability, experience and qualification to deliver, along with specific references for each and every selected Eligible Reference resource option being submitted in response to the RFP 2012.

PacifiCorp reserves the right, without qualification and in their sole discretion, to reject as non-responsive any, all, or portions of bid proposals received for failure to meet any requirement of this RFP 2012. PacifiCorp also reserves the right to request that the IE contact any Bidder for additional information. PacifiCorp further reserves the right without qualification and in their sole discretion to decline to enter into any Agreement with any Bidder for any reason.

RFQ Bid Form 2012
APPENDIX A
Qualification, Capability and
Experience

1. ELIGIBLE RESOURCES

Bidder must submit a separate form for each Eligible Resource it is going to submit. Each Eligible Resource will have a separate Bid number. Bidder must select by marking with an "X" only one of the following Eligible Resources which is described in Section C.1 of the RFP 2012. To the extent the Bidder submits a proposal that is different than the one checked, in the RFQ, PacifiCorp reserves the right not to accept the RFP Proposal.

- Power Purchase
- Tolling Agreement
- Asset Purchase and Sale Agreement on Bidder's Site
- Asset Purchase and Sales Agreement on PacifiCorp Site
- Current Creek Lake Side
- Engineering, Procurement and Construction Contract (EPC) (Currant Creek site only)
- Purchase of an existing Facility
- Purchase of a portion of a facility, jointly owned or operated by PacifiCorp
- Restructure of an existing Power Purchase Agreement (PPA)
- Restructure of an existing Exchange Agreement
- Distributed Generation
- Load Curtailment

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Full Legal Name of Seller:	
Full Legal Name of Guarantor:	
Commercial Contact:	
Title:	
Office Phone:	
Cell Phone:	
Email Address:	
Credit Contact:	
Title:	
Office Phone:	
Cell Phone:	
Email Address:	
Legal Contact:	
Title:	
Office Phone:	
Cell Phone:	
Email Address:	
Proposed Project (Describe all that apply)	<ul style="list-style-type: none"> • Commercial Operation Date (earliest June 1, 2006) - _____ • Size (100 MW minimum) - _____ • Location and Delivery Point _____ • Technology (e.g. LM 6000, CT, CCGT, etc.) _____ • New, Repowered or Relocated _____ • Status of Project development and engineering _____ • Status of Construction and Air Applications and Permits _____ • Status of Electric Interconnection Request and Studies _____ • Status of Gas System Interconnection Agreements _____ • Other Information - _____

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6. Description of any current or previous contract dispute(s) involving similar projects in which the Bidder is or was involved during the last five years.

7. Provide separate descriptions, as appropriate, for each member of a consortium or partnership of two or more firms and the relationship between the firms for this Proposal.

3. Bidder Experience

In the case where a bid contains a proposal to develop a new project or an existing project please describe the status of all activities necessary to either fully develop and/or implement the project, such as negotiations for partnership agreements, equipment supplier agreements, and EPC agreements, fuel supply agreements, if applicable, permitting, financing etc. **Any and all contingencies must be described in detail.** If the Bidder cannot demonstrate to the Company's reasonable satisfaction that the Bidder possesses the requisite expertise and experience in providing or operating the Eligible Resources, proposed by the Bidder, the company, after consulting with the IE, reserves the right to exclude the Bidder from the RFP process.

4. Bidder Capability

Site Description and Control

Provide the following information:

- (i) Address the site where the Project will be located (the “Project Site”).
- (ii) Name of existing facility at the Project Site, if any.
- (iii) True and correct copies of maps showing the boundaries of the Project Site and key facilities, including any off-sites (fuel, water, wastewater and electrical interconnections).
- (iv) List and provide a copy of documentation establishing that the Seller has and /or will have site control for the entire Term of the Definitive Agreements.
- (v) If Seller does not have site control as of the date of this Offer Sheet, Seller must describe in detail how it plans to obtain site control by the first date of the Term of the Definitive Agreements, including a description of the current status of any negotiations regarding the Project Site and a timeline of when Seller will have site control.
- (vi) Status of permits or process applicable to the Project
- (vii) Emissions offsets and credits required and how these will be obtained.
- (viii) Source of water – if the Bidder has control and if not, how will it be obtained.
- (ix) Proposed Project Construction schedule to be updated with the proposal.

If the Bidder cannot demonstrate to the Company’s reasonable satisfaction that the Bidder possesses the capability to provide the Eligible Resources, proposed by the Bidder, the Company, after consulting with the IE, reserves the right to exclude the Bidder from the RFP process

RFQ 2012 Bid Form

APPENDIX B

Credit and Credit Matrix

BIDDER'S CREDIT INFORMATION AND CREDIT MATRIX

Please provide the following information so PacifiCorp can evaluate the financial viability of the Bidder or any entity providing credit assurances on behalf of the Bidder.

Bidder's Credit Information

1. Credit information for Bidder

A. Exact, legal name and address of Bidder:

B. Debt Ratings from S&P and/or Moody's (please provide senior unsecured long term debt rating (or corporate rating if a debt rating is unavailable). Please indicate type of rating, rating, and source:

C. Please attach copies of audited financial statements (including balance sheet, income statement, and cash flow statement) for the three most recent fiscal years.

Fiscal Year End:

D. Identify pending legal disputes (describe):

E. Please state whether Bidder is or has within the past five (5) years been the debtor in any bankruptcy proceeding.

F. If Bidder is unable to provide audited financial statements or is relying upon another entity to provide credit assurances on its behalf, Bidder must indicate so here and complete the following section.

Is Bidder unable to provide audited financial statements?
Is Bidder relying upon another entity to provide credit assurances on Bidder's behalf?

2. Credit information for entity providing credit assurances on behalf of Bidder (if applicable)

A. Exact, legal name and address of entity providing credit assurances on behalf of Bidder:

B. Describe relationship to Bidder and describe type of credit assurances to be provided (e.g. parental guaranty, letter of credit, etc.). Bidder must provide a letter of commitment from the entity providing the credit assurances on behalf of the Bidder executed by an authorized signatory and indicating the amount and form of credit assurances it will provide.

C. Debt Ratings from S&P and/or Moody's (please provide senior unsecured long term debt rating (or corporate rating if a debt rating is unavailable). Please indicate type of rating, rating, and source:

D. Please attach copies of audited financial statements (including balance sheet, income statement, and cash flow statement) for the three most recent fiscal years.

Fiscal Year End:

E. Pending legal disputes (describe):

F. Please state whether entity providing credit assurances on behalf of the Bidder is or has within the past five (5) years been the debtor in any bankruptcy proceeding.

CREDIT MATRIX

The Bidder should utilize the Credit Matrix to determine the maximum credit assurance requirements based on its credit rating and the size and type of Eligible Resource bid. The Bidder will be required to demonstrate the ability to post any required credit assurances in the form of a comfort letter from a proposed guarantor or from a financial institution that would be issuing a Letter of Credit.

The amount of any credit assurances to be provided will be determined based upon the a) the Credit Rating in the Credit Matrix of either the Bidder or the entity providing credit assurances on behalf of the Bidder, b) the size of the project, and c) the type of Eligible Resource. The Credit Rating will be the lower of: x) the most recently published senior, unsecured long term debt rating (or corporate rating if a debt rating is unavailable) from Standard & Poor's (S&P) or y) the most recently published senior, unsecured debt rating (or corporate rating if a debt rating is unavailable) Moody's Investor Services.

If option x) or y) is not available, the Credit Rating will be determined by PacifiCorp Credit through an internal process review utilizing a proprietary credit scoring model developed in conjunction with S&P. All Bidders will receive a Credit Rating which will determine the Amount of Unsecured Credit. Please note that should a Bidder be an existing counterparty with PacifiCorp, PacifiCorp reserves the right to protect itself from counterparty credit concentration risk and require credit assurance in addition to those outlined in the Credit Matrix.

(Credit Matrix to be filed)

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Appendix C
Information Required in Bid Proposals for each Eligible Resource

Appendix C-1

Power Purchase Agreements and Tolling Agreements

Information Required in Bid Proposals

In general, PacifiCorp expects Bidders to provide any information that could impact the cost, reliability, dispatch frequency, or output capability of a resource. In the event a Bidder is proposing a transaction that does not require the construction of a resource, much of the following information may not apply. PacifiCorp believes these resources attributes largely consist, but may not be limited to, the following information categories:

Impact of Temperature on Output – If Project output will vary with ambient conditions, capacity, and any associated performance impact, should be stated in terms of conditions expected during a summer day, with ambient air conditions of 95°F and 20% relative humidity, and a winter day with ambient conditions of 20°F and 75% relative humidity. The Bidder will complete Table C-1.1 showing output at specific ambient conditions, with and without duct firing and/or power augmentation, if applicable. To the extent pricing, capacity and/or availability vary based on specific characteristics of the facility, the Bidder shall clearly identify those relationships in tabular form.

Impact of Other Factors on Output – PacifiCorp prefers generation facilities designed, permitted, and operated so that, to the extent practicable, the proposed capacity and any related energy provided to PacifiCorp is not restricted by:

- Environmental permits or other environmental limitation or environmental forfeitures
- Hours of operation
- Sales of capacity or energy to other parties
- Interruption of primary fuel supply
- Sale of thermal energy
- Any other factor relevant to the technology (noise, agreements with neighbors, etc.
- Bidders shall describe in detail any such limitations in their Proposal
- Ability to provide additional capacity over the net capable rating
- Non-environmental or technology factors that could encumber the facility
- Water availability

Siting – Bidders are responsible for all construction and coordination with the applicable service provider(s) for any new electrical transmission and fuel transportation facilities required in response to this RFP. Bidders are responsible for satisfying all zoning and environmental requirements.

Facility Information – To the extent applicable, the Bidder should clarify the following information with respect to any proposed facility:

- Proposed air emissions (all criteria pollutants and air toxics), description of emission controls, description of plan to acquire any required emission offsets, and description of criteria used to determine requirement.
- List of required environmental, construction, and other regulatory permits and timeline for acquisition.
- Proposed water usage quantity, quality and source.
- Proposed water discharge quantity and quality, plus description of water discharge plan.
- Receiving water body identity and description
- Description of local groundwater quality, quantity, uses, and potential impacts.
- Prevailing noise ordinance at the site and expected sound level (A-weighted) at full load at the site boundary.
- Proposed noise levels and description of noise baffles and stack silencing equipment.
- Proposed site plans, layouts, elevations and other aspects of the facility.
- Types of transportation access required.
- Characterization of the area surrounding the site, including a description of local zoning, flood plain information (100 yr. & 500 yr.), existing land use and setting (woodlands, grasslands, agriculture, etc.).
- Information of fish, wildlife and vegetation inhabiting the area of the Project.
- Proximity to nearest endangered or threatened species which could be potentially impacted.
- Proximity to nearest historical or archaeological resources and all nearby historical or archaeological resources which could potentially be impacted.
- Location and distance to population centers which could be impacted.
- Expected site ambient temperature extremes and verification that freeze protection will be provided as necessary.

Fuel Transportation Route Information – To the extent applicable, the Bidder should clarify any relevant information with respect to fuel transportation route information for any proposed site:

- Proposed new fuel transportation route(s).
- Estimated impact on wetlands (e.g., length of route through wetland).
- Describe land use impacts.
- Descriptions of stream crossings.
- Characterization of the area encompassing the fuel transportation route, including a description of existing land use and setting.

Proposal Format – As mentioned above, Bidders are being asked to submit a “blinded” bid in such a format that the identity of the Bidder is not apparent. In doing so, PacifiCorp is requesting that Bidders confirm to the following format for presenting their bid information:

Section 1 – Executive Summary of Proposal – The Executive Summary section should provide an overall description of the proposal and its key benefits and advantages to PacifiCorp. It should include a general description of the technology, location, and business arrangement for the bid. Bidder shall state the period under which the terms and conditions of their Proposal will remain effective.

Section 2 – Resource Description – This section should include a description of the resource, including:

- Type of generation equipment and description
- Manufacturers of major equipment
- Model number, serial number and age of any previously owned/operated, or “grey market” equipment
- Type of heat rejection equipment (cooling towers, ponds, Air-Cooled Condenser, etc.)
- Source of process and/or cooling water
- Wastewater disposal plan
- Water Balance
- Description of financing plan
- Description of operation and maintenance plan
- Plan for site control
- Site layout description
- Description of technology and configuration
- Net Capacity ratings and net heat rates at ambient conditions as specified in Table C-1.1.
- Primary fuel supply and backup alternatives
- Electrical interconnection (location, transmission provider, and control area)
- Description of emission control technology, including manufacturer
- Any limits on hours of operation in a particular mode (i.e., combined cycle, duct firing, power augmentation, or combination thereof)
- Any limits on emissions
- Project schedule, listing tasks and milestones with estimated completion dates. Bidders shall also complete Exhibit 1 to document technical aspects of their Proposal
- Startup Time for Cold, Warm and Hot Starts. A Cold Start is defined as a shutdown of the generating equipment for 48 hours or longer. A Warm Start is defined as a startup within 48 hours of a shutdown. A Hot Start is defined

as a start within 8 hours of a shutdown. Bidder should provide its own definitions if different. For this information Startup Times requested may be for the time to minimum sustainable load and time to full load, without duct firing or power augmentation.

- Guarantee and expected degradation curves (kW and heat rate)
- Guaranteed availability and reliability
- Long Term Outage Plan
- Anticipated on-site gas compression, if applicable.

Section 3 – Pricing Proposal – Describe in detail the pricing proposal, including the use of any index, escalation factors, or other costs to PacifiCorp. Proposed dates, amounts, and detailed milestone descriptions justifying payments are required.

Section 4 – Transmission – Each Proposal must include a description of the location of its proposed transmission facilities, including proposed delivery points, and must specify the transmission provider and all applicable costs.

Section 5 – Environmental and Siting – The Bidder is exclusively and entirely responsible for meeting and satisfying all federal, state, and local permits, licenses, approvals and/or variances that are required to assure physical delivery of capacity and associated energy in accordance with any PPA or Tolling transaction. Bidder must furnish applicable detailed project site, electric transmission, and fuel transportation information, a description of all required permits, and a project timeline so PacifiCorp can assess site suitability, schedule risk and project viability. The proposed site(s) shall clearly be shown on a United States Geological Survey (USGS) 7.5-minute series map.

Section 6 – Other Information

Fuel – Bidders should describe their fuel supply plan and the extent to which they desire to provide fuel and transportation and other fuel-related services, including fuel price management (hedging) or a tolling fee in which PacifiCorp will be responsible for all the fuel and fuel-related costs. PacifiCorp's preference is for proposals that address its need for reliability, management of price risk, and meeting the flexibility of completely dispatchable operations. If the energy cost portion of the Bidder's terms includes a fuel cost component, the Bidder shall explain its proposed fuel supply program.

Dispatchability – Describe any constraints and/or limitations on PacifiCorp's ability to dispatch the generation and any ability of PacifiCorp to utilize the resource for operating reserves.

Technical Data – Technical data as requested in Exhibit 1 of this Appendix.

Section 7 – Contract Terms – Bidder shall provide a comprehensive listing/description of all contract terms in the PacifiCorp PPA or TSA, including appendices, that the Bidder

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would seek to modify during contract negotiations. Bidder to identify any and all PacifiCorp obligations not specifically outlines in the referenced agreements.

EXHIBIT 1

TECHNICAL DATA

Site Location _____

Net Capacity at 95°F, 20% Relative Humidity, and at Site Conditions is _____ MW

Site Elevation: _____ Feet

Maximum water consumption is _____ gallons per minute.

Expected water consumption is _____ acre-feet per year.

Minimum Sustainable Load at above conditions _____ MW

Automatic Generation Control (AGC) capable Yes ____ No _____. If yes than the AGC range at above conditions is _____ MW to _____ MW.

Maximum number of starts per day is _____, per month _____, per year _____.

Maximum continuous period that the facility can operate steam-for-power-augmentation at full load without depleting the demineralized water system is _____ hours. This assumes the demineralized water system is operating at rated capacity.

Weighted Average Raw Water Consumption is _____ gallons per minute.

Time to bring the facility on line, in minutes (specify if this is to synchronization or sustainable minimum load) (Bidder to define "cold", "warm", and "hot starts", if not as stated above)

	Min/Sust.	Full Load
For Cold Start:	_____	_____
For Warm Start:	_____	_____
For Hot Start:	_____	_____

Minimum time on-line (hours from start initiation to stop initiation) _____

Minimum time off-line (hours from stop initiation to start initiation) _____

Normal Ramp Rate within operating range: (MW/Min.) Increase: _____ Decrease: _____

Emergency Ramp Rate: (MW/Minute) Increase: _____ Decrease: _____

Time to transfer from combined cycle to duct firing _____ min.

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Duct Firing Ramp Rate: (MW/Min.) Increase: _____ Decrease: _____

Time to transfer from combined cycle to power augmentation _____ min.

Power Augmentation Ramp Rate: (MW/Min.) Increase: _____ Decrease: _____

Anticipates Number of Starts per CT to reach Commercial Operation (CO): _____

Anticipated quantity of natural gas consumed through CO: _____ dth.

Additional Information

Bidder to provide partial load performance curves, including minimum load, showing heat rate and load at varying temperatures.

To the extent that pricing and/or availability vary based on specific characteristics of the facility and/or ambient conditions, the Bidder shall clearly identify that relationship in tabular form, including the relationship between temperature and capacity over the local ambient range inclusive of -10°F to 105°F. Bidder to fill out Table C-1.1 below:

Table C-1.1

Temp in °F	% RH	Evap or Chiller	Duct Burners	Power Aug.	Heat Rate	Net Output	Min. Load
-10	100						
-10	100		On				NA
0	100						
10	100						
15	84						
20	86						
20	86		On				NA
20	86			On			NA
20	86		On	On			NA
30	75						
40	55						
50	49						
52	46						
52	46	On					
60	40	On					
60	40		On				NA
60	40			On			NA
60	40		On	On			NA
70	33	On					
75	29	On					
75	29		On				NA
75	29			On			NA
75	29		On	On			NA
80	25	On					
90	16	On					
95	15	On					
95	15		On				NA
95	15			On			NA
95	15		On	On			NA
105	11						
105	11	On	On	On			NA

Appendix C-2, BOT Contract (APSA) Bids

Information Required in Bid Proposals

In general, PacifiCorp expects Bidders to provide any information that could impact the cost, reliability, dispatch frequency, or output capability of a resource. PacifiCorp believes these resources attributes largely consist, but may not be limited to, the following information categories:

Impact of Temperature on Output – If Project output will vary with ambient conditions, capacity, and any associated performance impact, should be stated in terms of conditions expected during a summer day, with ambient air conditions of 95°F and 20% relative humidity, and a winter day with ambient conditions of 20°F and 75% relative humidity. The Bidder will complete Table C-2.1 showing output at specific ambient conditions, with and without duct firing and/or power augmentation. To the extent pricing, capacity and/or availability vary based on specific characteristics of the facility, the Bidder shall clearly identify those relationships in tabular form.

Impact of Other Factors on Output – PacifiCorp prefers generation facilities designed, permitted, and operated so that, to the extent practicable, the proposed capacity and any related energy provided to PacifiCorp is not restricted by:

- Environmental permits or other environmental limitation or environmental forfeitures
- Hours of operation
- Any other factor relevant to the technology (noise, agreements with neighbors, etc.
- Bidders shall describe in detail any such limitations in their Proposal
- Ability to provide additional capacity over the net capable rating
- Non-environmental or technology factors that could encumber the facility
- Water availability

Build Own Transfer (BOT) Option – Bidders may propose a fixed-price, lump-sum sale of new generation assets to PacifiCorp, either at an existing PacifiCorp site or propose other sites. Such proposals must include the following information in addition to any technical information:

- Markup of Asset Purchase and Sale Agreement (APSA), including appendices. Quantity and impact of proposed changes are a nonprice factor in selecting Bidders for further discussions.
- Amounts and dates of **milestone-based** payments, including descriptions, required of PacifiCorp.
- Information regarding location and transmission availability.
- Information regarding fuel and transportation availability.

- Capacity on summer design day in compliance with all regulatory requirements.
- Efficiency (Heat Rate) in compliance with all regulatory requirements.
- Proposed facilities will only contain “OEM-certified new major equipment”. This being defined as OEM equipment that has not been previously installed or operated and has the same warranties and guarantees as equipment delivered directly from the OEM’s production line, and all reliability and design TILS and/or Service Bulletins have been implemented.

Siting – Bidders are responsible for all construction and coordination with the applicable service provider(s) for any new electrical transmission and fuel transportation facilities required in response to this RFP. Bidders are responsible for satisfying all zoning and environmental requirements.

Facility Information – To the extent applicable, the Bidder should clarify the following information with respect to any proposed facility:

- Proposed air emissions (all criteria pollutants and air toxics), description of emission controls, description of plan to acquire any required emission offsets, and description of criteria used to determine requirement.
- List of required environmental, construction, and other regulatory permits and timeline for acquisition.
- Proposed water usage quantity, quality and source.
- Proposed water discharge quantity and quality, plus description of water discharge plan.
- Receiving water body identity and description
- Description of local groundwater quality, quantity, uses, and potential impacts.
- Prevailing noise ordinance at the site and expected sound level (A-weighted) at full load at the site boundary.
- Proposed noise levels and description of noise baffles and stack silencing equipment.
- Proposed site plans, layouts, elevations and other aspects of the facility.
- Types of transportation access required.
- Characterization of the area surrounding the site, including a description of local zoning, flood plain information (100 yr. & 500 yr.), existing land use and setting (woodlands, grasslands, agriculture, etc.).
- Information of fish, wildlife and vegetation inhabiting the area of the Project.
- Proximity to nearest endangered or threatened species which could be potentially impacted.

- Proximity to nearest historical or archaeological resources and all nearby historical or archaeological resources which could potentially be impacted.
- Location and distance to population centers which could be impacted.
- Expected site ambient temperature extremes and verification that freeze protection will be provided as necessary.

Fuel Transportation Route Information – To the extent applicable, the Bidder should clarify any relevant information with respect to fuel transportation route information for any proposed site:

- Proposed new fuel transportation route(s).
- Estimated impact on any wetlands (e.g., length of route through wetlands or other sensitive lands).
- Describe land use impacts.
- Descriptions of stream crossings.
- Characterization of the area encompassing the fuel transportation route, including a description of existing land use and setting.

Proposal Format – As mentioned above, Bidders are being asked to submit a “blinded” bid in such a format that the identity of the Bidder is not apparent. In doing so, PacifiCorp is requesting that Bidders confirm to the following format for presenting their bid information:

Section 1 – Executive Summary of Proposal – The Executive Summary section should provide an overall description of the proposal and its key benefits and advantages to PacifiCorp. It should include a general description of the technology, location, and business arrangement for the bid. Bidder shall state the period under which the terms and conditions of their Proposal will remain effective.

Section 2 – Resource Description – This section should include a description of the resource, including:

- Type of generation equipment and description
- Manufacturers of major equipment
- Type of heat rejection equipment (cooling towers, ponds, ACC, etc.)
- Source of process and/or cooling water
- Wastewater disposal plan
- Description of financing plan
- Description of operation and maintenance plan
- Plan for site control
- Site layout description
- Description of technology and configuration

- Net Capacity ratings and net heat rates at ambient conditions as specified in Table C-2.1.
- Primary fuel supply and backup alternatives
- Electrical interconnection (location, transmission provider, and control area)
- Description of emission control technology, including manufacturer
- Project schedule, listing tasks and milestones with estimated completion dates. Bidders shall also complete Exhibit 1 to document some of the technical aspects of their Proposal
- Startup Time for Cold, Warm and Hot Starts. A Cold Start is defined as a shutdown of the generating equipment for 48 hours or longer. A Warm Start is defined as a startup within 48 hours of a shutdown. A Hot Start is defined as a start within 8 hours of a shutdown. Bidder should provide its own definitions if different. For this information Startup Times requested may be for the time to minimum sustainable load and time to full load, without duct firing or power augmentation.

Section 3 – Pricing Proposal – Describe in detail the pricing proposal, including the use of any index, escalation factors, or other costs to PacifiCorp. Proposed dates, amounts, and detailed milestone descriptions justifying payments are required.

Section 4 – Transmission – Each Proposal must include a description of the location of its proposed transmission facilities, including proposed delivery points, and must specify the transmission provider and all applicable costs.

Section 5 – Environmental and Siting – The Bidder is exclusively and entirely responsible for meeting and satisfying all federal, state, and local permits, licenses, approvals and/or variances that are required to assure physical delivery of capacity and associated energy in accordance with any BOT transaction. Bidder must furnish applicable detailed project site, electric transmission, and fuel transportation information, a description of all required permits, and a project timeline so PacifiCorp can assess site suitability, schedule risk and project viability. The proposed site(s) shall clearly be shown on a United States Geological Survey (USGS) 7.5-minute series map.

Section 6 – Other Information –

Fuel – Bidders should describe their fuel supply plan and the extent to which they desire to provide fuel and transportation and other fuel-related services, including fuel price management (hedging) or a tolling fee in which PacifiCorp will be responsible for all the fuel and fuel-related costs. PacifiCorp's preference is for proposals that address its need for reliability, management of price risk, and meeting the flexibility of completely dispatchable operations. If the energy cost portion of the Bidder's terms includes a fuel cost component, the Bidder shall explain its proposed fuel supply program.

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Dispatchability – Describe any constraints and/or limitations on PacifiCorp’s ability to dispatch the generation and any ability of PacifiCorp to utilize the resource for operating reserves.

Technical Data – Technical data as requested in Exhibit 1 of this Appendix.

Section 7 – Contract Terms – The Bidder will provide a comprehensive listing/description of all modifications to the APSA terms and conditions, including the appendices, which the Bidder would seek during contract negotiations.

These may include, but are not limited to:

- Items to be provided by the Owner, including a schedule of timing for the provision of these items and impact on Bidder of any delays.
- Land requirements for construction of the facility, including laydown areas
- Laydown plan for construction.
- Commissioning & Startup Plan with Owner’s requirements.

EXHIBIT 1

TECHNICAL DATA

Site Location _____

Net Capacity at 95°F, 20% Relative Humidity, and at Site Conditions is _____ MW

Site Elevation: _____ Feet

Maximum water consumption is _____ gallons per minute.

Expected water consumption is _____ acre-feet per year.

Minimum Sustainable Load at above conditions _____ MW

Automatic Generation Control (AGC) capable Yes ___ No _____. If yes than the AGC range at above conditions is _____ MW to _____ MW.

Maximum number of starts per day is _____, per month _____, per year _____.

Maximum continuous period that the facility can operate steam-for-power-augmentation at full load without depleting the demineralized water system is _____ hours. This assumes the demineralized water system is operating at rated capacity.

Weighted Average Raw Water Consumption is _____ gallons per minute.

Time to bring the facility on line, in minutes (specify if this is to synchronization or sustainable minimum load) (Bidder to define "cold", "warm", and "hot starts", if not as stated above)

	Min/Sust.	Full Load
For Cold Start:	_____	_____
For Warm Start:	_____	_____
For Hot Start:	_____	_____

Minimum time on-line (hours from start initiation to stop initiation) _____

Minimum time off-line (hours from stop initiation to start initiation) _____

Normal Ramp Rate within operating range: (MW/Min.) Increase: _____ Decrease: _____

Emergency Ramp Rate: (MW/Minute) Increase: _____ Decrease: _____

Time to transfer from combined cycle to duct firing _____ min.

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Duct Firing Ramp Rate: (MW/Min.) Increase: _____ Decrease: _____

Time to transfer from combined cycle to power augmentation _____ min.

Power Augmentation Ramp Rate: (MW/Min.) Increase: _____ Decrease: _____

Anticipates Number of Starts per CT to reach Commercial Operation (CO): _____

Anticipated quantity of natural gas consumed through CO: _____ dth.

Additional Information

Bidder to provide partial load performance curves, including minimum load, showing heat rate and load at varying temperatures.

To the extent that pricing and/or availability vary based on specific characteristics of the facility and/or ambient conditions, the Bidder shall clearly identify that relationship in tabular form, including the relationship between temperature and capacity over the local ambient range inclusive of -10°F to 105°F. Bidder to fill out Table C-2.1 below:

Table C-2.1

Temp in °F	% RH	Evap or Chiller	Duct Burners	Power Aug.	Heat Rate	Net Output	Min. Load
-10	100						
-10	100		On				NA
0	100						
10	100						
15	84						
20*	86						
20	86		On				NA
20	86			On			NA
20*	86		On	On			NA
30	75						
40	55						
50	49						
52	46						
52	46	On					
60	40	On					
60	40		On				NA
60	40			On			NA
60	40		On	On			NA
70	33	On					
75*	29	On					
75	29		On				NA
75	29			On			NA
75*	29		On	On			NA
80	25	On					
90	16	On					
95*	15	On					
95	15		On				NA
95	15			On			NA
95*	15		On	On			NA
105	11						
105	11	On	On	On			NA

- Indicates Water Balance Sheet Required

Appendix C-3, Engineer Procure Construct (EPC) Contract Bids

Information Required in Bid Proposals

PacifiCorp will only entertain EPC contract bids on the two sites being offered as part of the RFP. In general, PacifiCorp expects Bidders to provide any information that could impact the cost, reliability, dispatch frequency, or output capability of a resource. PacifiCorp believes these resources attributes largely consist, but may not be limited to, the following information categories:

Impact of Temperature on Output – If Project output will vary with ambient conditions, capacity, and any associated performance impact, should be stated in terms of conditions expected during a summer day, with ambient air conditions of 95°F and 20% relative humidity, and a winter day with ambient conditions of 20°F and 75% relative humidity. The Bidder will complete Table C-3.1 showing output at specific ambient conditions, with and without duct firing and/or power augmentation. To the extent pricing, capacity and/or availability vary based on specific characteristics of the facility, the Bidder shall clearly identify those relationships in tabular form.

Impact of Other Factors on Output – PacifiCorp prefers generation facilities designed, permitted, and operated so that, to the extent practicable, the proposed capacity and any related energy provided to PacifiCorp is not restricted by:

- Environmental permits or other environmental limitation or environmental forfeitures
- Hours of operation
- Any other factor relevant to the technology (noise, agreements with neighbors, etc.
- Bidders shall describe in detail any such limitations in their Proposal
- Ability to provide additional capacity over the net capable rating
- Non-environmental or technology factors that could encumber the facility
- Water availability

Engineer Procure Construct (EPC) Contract Option – Bidders may propose a fixed-price, lump-sum EPC contract option, but only for the two PacifiCorp sites currently being offered. Such proposals must include the following information in addition to any technical information:

- Markup of Asset Purchase and Sale Agreement (APSA), including appendices. Quantity and impact of proposed changes are a nonprice factor in selecting Bidders for further discussions.
- Amounts and dates of **milestone-based** payments, including milestone descriptions, required of PacifiCorp.

- Proposed facilities will only contain OEM-certified “OEM-certified new major equipment”. This being defined as OEM equipment that has not been previously installed or operated and has the same warranties and guarantees as equipment delivered directly from the OEM’s production line, and all reliability and design TILS and/or Service Bulletins have been implemented.

Siting – Bidders are responsible for all construction and coordination with the applicable service provider(s) for any new electrical transmission and fuel transportation facilities required in response to this RFP.

Facility Information – To the extent applicable, the Bidder should clarify the following information with respect to any proposed facility:

- Proposed air emissions (all criteria pollutants and air toxics), description of emission controls, description of plan to acquire any required emission offsets, and description of criteria used to determine requirement.
- Proposed site plans, layouts, elevations and other aspects of the facility.
- Types of transportation access required.

Proposal Format – As mentioned above, Bidders are being asked to submit a “blinded” bid in such a format that the identity of the Bidder is not apparent. In doing so, PacifiCorp is requesting that Bidders confirm to the following format for presenting their bid information:

Section 1 – Executive Summary of Proposal – The Executive Summary section should provide an overall description of the proposal and its key benefits and advantages to PacifiCorp. It should include a general description of the technology, location, and business arrangement for the bid. Bidder shall state the period under which the terms and conditions of their Proposal will remain effective.

Section 2 – Resource Description – This section should include a description of the resource, including:

- Type of generation equipment and description
- Manufacturers of major equipment
- Type of heat rejection equipment (cooling towers, ponds, ACC, etc.)
- Source of process and/or cooling water
- Wastewater disposal plan
- Description of financing plan
- Plan for site control
- Site layout description
- Description of technology and configuration

- Net Capacity ratings and net heat rates at ambient conditions as specified in Table C-3.1.
- Description of emission control technology, including manufacturer
- Project schedule based on latest Notice to Proceed Date necessary for a June 1, 2012 Substantial Completion Date, listing latest, tasks and milestones with estimated completion dates. Bidders shall also complete Exhibit 1 to document some of the technical aspects of their Proposal.
- Startup Time for Cold, Warm and Hot Starts. A Cold Start is defined as a shutdown of the generating equipment for 48 hours or longer. A Warm Start is defined as a startup within 48 hours of a shutdown. A Hot Start is defined as a start within 8 hours of a shutdown. Bidder should provide its own definitions if different. For this information Startup Times requested may be for the time to minimum sustainable load and time to full load, without duct firing or power augmentation.

Section 3 – Pricing Proposal – Describe in detail the pricing proposal, including the use of any index, escalation factors, or other costs to PacifiCorp. Proposed dates, amounts, and detailed milestone descriptions justifying payments are required.

Section 4 – Transmission – Not Applicable to this Appendix.

Section 5 – Environmental and Siting – Under the EPC proposal, PacifiCorp is exclusively and entirely responsible for meeting and satisfying all federal, state, and local permits, licenses, approvals and/or variances that are required to physical construction and operation of the Facility in accordance with any EPC transaction.

Section 6 – Other Information –

Fuel – Not Applicable to this Appendix

Dispatchability – Not Applicable to this Appendix.

Technical Data – Technical data as requested Exhibit 1 of this Appendix.

Section 7 – Contract Terms – Bidder shall provide a comprehensive listing/description of all modifications to the APSA terms and conditions, including the appendices, which the Bidder would seek during contract negotiations.

These may include, but are not limited to:

- Descriptions of items to be provided by the Owner, including a schedule of timing for the provision of these items and impact on Bidder of any delays.

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- Land requirements for construction of the facility, including laydown areas
- Laydown plan for construction.
- Commissioning & Startup Plan with Owner's requirements.

EXHIBIT 1

TECHNICAL DATA

Site Location _____

Net Capacity at 95°F, 20% Relative Humidity, and at Site Conditions is _____ MW

Site Elevation: _____ Feet

Maximum water consumption is _____ gallons per minute.

Expected water consumption is _____ acre-feet per year.

Minimum Sustainable Load at above conditions _____ MW

Automatic Generation Control (AGC) capable Yes ____ No _____. If yes than the AGC range at above conditions is _____ MW to _____ MW.

Maximum number of starts per day is _____, per month _____, per year _____.

Maximum continuous period that the facility can operate steam-for-power-augmentation at full load without depleting the demineralized water system is _____ hours. This assumes the demineralized water system is operating at rated capacity.

Weighted Average Raw Water Consumption is _____ gallons per minute.

Time to bring the facility on line, in minutes (specify if this is to synchronization or sustainable minimum load) (Bidder to define "cold", "warm", and "hot starts", if not as stated above)

	Min/Sust.	Full Load
For Cold Start:	_____	_____
For Warm Start:	_____	_____
For Hot Start:	_____	_____

Minimum time on-line (hours from start initiation to stop initiation) _____

Minimum time off-line (hours from stop initiation to start initiation) _____

Normal Ramp Rate within operating range: (MW/Min.) Increase: _____ Decrease: _____

Emergency Ramp Rate: (MW/Minute) Increase: _____ Decrease: _____

Time to transfer from combined cycle to duct firing _____ min.

Duct Firing Ramp Rate: (MW/Min.) Increase: _____ Decrease: _____

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Time to transfer from combined cycle to power augmentation _____ min.

Power Augmentation Ramp Rate: (MW/Min.) Increase: _____ Decrease: _____

Anticipates Number of Starts per CT to reach Commercial Operation (CO): _____

Anticipated quantity of natural gas consumed through CO: _____ dth.

Additional Information

Bidder to provide partial load performance curves, including minimum load, showing heat rate and load at varying temperatures.

To the extent that pricing and/or availability vary based on specific characteristics of the facility and/or ambient conditions, the Bidder shall clearly identify that relationship in tabular form, including the relationship between temperature and capacity over the local ambient range inclusive of -10°F to 105°F. Bidder to fill out Table B-3.1 below:

Table C-3.1

Temp in °F	% RH	Evap or Chiller	Duct Burners	Power Aug.	Heat Rate	Net Output	Min. Load
-10	100						
-10	100		On				NA
0	100						
10	100						
15	84						
20*	86						
20	86		On				NA
20	86			On			NA
20*	86		On	On			NA
30	75						
40	55						
50	49						
52	46						
52	46	On					
60	40	On					
60	40		On				NA
60	40			On			NA
60	40		On	On			NA
70	33	On					
75*	29	On					
75	29		On				NA
75	29			On			NA
75*	29		On	On			NA
80	25	On					
90	16	On					
95*	15	On					
95	15		On				NA
95	15			On			NA
95*	15		On	On			NA
105	11						
105	11	On	On	On			NA

- Indicates Water Balance Sheet Required

Appendix C-4, Existing Asset Purchase (in whole or in part)

Information Required in Bid Proposals

If the Bidder's Proposal is for an interest in an existing facility where PacifiCorp holds an interest, or operates the facility, any information requested under this RFP that would reasonably be expected to already be in the possession of PacifiCorp, may be so stated in the Bidder's response package. If the Bidder's asset is not currently involved with PacifiCorp, the below requirements are to be met as outlined.

In general, PacifiCorp expects Bidders to provide any information that could impact the cost, reliability, dispatch frequency, output capability or performance of a resource. PacifiCorp believes these resources attributes largely consist, but may not be limited to, the following information categories:

Impact of Temperature on Output – If Project output will vary with ambient conditions, capacity, and any associated performance impact, should be stated in terms of conditions expected during a summer day, with ambient air conditions of 95°F and 20% relative humidity, and a winter day with ambient conditions of 20°F and 75% relative humidity. The Bidder will complete Table C-4.1 showing output at specific ambient conditions, with and without duct firing and/or power augmentation. To the extent pricing, capacity and/or availability vary based on specific characteristics of the facility, the Bidder shall clearly identify those relationships in tabular form.

Impact of Other Factors on Output – PacifiCorp prefers generation facilities designed, permitted, and operated so that, to the extent practicable, the proposed capacity and any related energy provided to PacifiCorp is not restricted by:

- Environmental permits or other environmental limitation or environmental forfeitures
- Hours of operation
- Sales of capacity or energy to other parties
- Interruption of primary fuel supply
- Sale of thermal energy
- Any other factor relevant to the technology (noise, agreements with neighbors, etc.
- Bidders shall describe in detail any such limitations in their Proposal
- Ability to provide additional capacity over the net capable rating
- Non-environmental or technology factors that could encumber the facility
- Water availability

Ownership Purchase Option – Bidders may propose a sale, either whole or in part, of existing generation assets to PacifiCorp. Such proposals must include the following information in addition to any technical information:

- Ownership percentage and whether a divided or undivided interest
- Amounts and dates of payments required of PacifiCorp.
- Current and projected annual fixed and variable O&M costs associated with the generation facility.
- Any long term service or maintenance agreements, including scope and costs that are in excess of \$25,000 in annual costs. (i.e. CTs, water, O&M, parts, inspections, ash disposal, CEMs)
- Startup costs (i.e., the period of time from when a start is initiated to the time the unit reaches minimum sustainable load)
- Operating Limits – Any limits imposed on the number of startups that may be performed per year or per unit of time. Any limits on the number of hours that a unit may per operated per year or per unit of time. Any annual limits on the number of hours of duct firing or power augmentation.
- Emissions (air, liquid and solid wastes) in pounds per hour per pollutant and/or waste product at 100% load and tons per year of pollutant and/or waste product at a specified capacity factor as selected by the Bidder.
- Annual unit availability and any guaranteed minimum annual availability.
- Information regarding location and transmission.
- Information regarding fuel and transportation.
- Capacity on summer design day in compliance with all regulatory requirements.
- Efficiency (Heat Rate) in compliance with all regulatory requirements.
- Terms of remaining warranties and/or guarantees on major equipment.
- Costs to incorporate into PacifiCorp Fleet (Future capital or maintenance).

Significant due diligence may be necessary prior to finalizing any acquisition by PacifiCorp. A list of due diligence items will be provided to a Bidder should they be short-listed.

Siting – Not Applicable to this Appendix.

Facility Information – To the extent applicable, the Bidder should clarify the following information with respect to the facility:

- Air emissions (all criteria pollutants and air toxics), description of emission controls and existing emission offsets
- List of environmental and other regulatory permits
- Water usage quantity, quality and source(s).
- Water discharge quantity and quality, plus water discharge plan.
- Receiving water body identity and description
- Description of local groundwater quality, quantity and uses.
- Site plans, layouts, elevations and other aspects of the facility.

Fuel Transportation Route Information – To the extent applicable, the Bidder should clarify any relevant information with respect to fuel transportation route information for the site.

Proposal Format – As mentioned above, Bidders are being asked to submit a “blinded” bid in such a format that the identity of the Bidder is not apparent. In doing so, PacifiCorp is requesting that Bidders confirm to the following format for presenting their bid information:

Section 1 – Executive Summary of Proposal – The Executive Summary section should provide an overall description of the proposal and its key benefits and advantages to PacifiCorp. It should include a general description of the technology, location, and business arrangement for the bid. Bidder shall state the period under which the terms and conditions of their Proposal will remain effective.

Section 2 – Resource Description – This section should include a description of the resource, including:

- Type of generation equipment and description
- Manufacturers of major equipment
- Model number, serial number and age of any previously owned/operated equipment
- Type of heat rejection equipment (cooling towers, ponds, ACC, etc.)
- Source of process and/or cooling water
- Wastewater disposal plan
- Description of financing plan
- Description of operation and maintenance plan
- Plan for site control
- Site layout description
- Description of technology and configuration
- Net Capacity ratings and net heat rates at ambient conditions as specified in Table C-4.1.
- Primary fuel supply and backup alternatives
- Electrical interconnection (location, transmission provider, and control area)
- Description of emission control technology, including manufacturer
- Any limits on hours of operation in a particular mode (i.e., combined cycle, duct firing, power augmentation, or combination thereof)
- Any limits on emissions
- Project schedule, listing tasks and milestones with estimated completion dates. Bidders shall also complete Exhibit 1 to document some of the technical aspects of their Proposal.
- Startup Time for Cold, Warm and Hot Starts. A Cold Start is defined as a shutdown of the generating equipment for 48 hours or longer. A Warm Start is defined as a startup within 48 hours of a shutdown. A Hot Start is defined as a start within 8 hours of a shutdown. Bidder should provide its own definitions if different. For this information Startup Times requested may be for the time to minimum sustainable load and time to full load, without duct firing or power augmentation.

Section 3 – Pricing Proposal – Describe in detail the pricing proposal, including the use of any index, escalation factors, or other costs to PacifiCorp. Also required is a detailed accounting of

ownership interest, whether divided or undivided, in the facility, inventory, spare parts, ongoing agreements, or any continuing obligations resulting from PacifiCorp's ownership, or acquisition of an interest in the asset. Proposed dates, amounts, and detailed milestone descriptions justifying payments are required.

Section 4 – Transmission – Each Proposal must include a description of the location of its transmission facilities, including delivery points, and must specify the transmission provider and all applicable costs.

Section 5 – Environmental and Siting – Bidder must furnish applicable detailed project site, electric transmission, and fuel transportation information, and a description of all permits, so PacifiCorp can assess site suitability and project viability. The site shall clearly be shown on a United States Geological Survey (USGS) 7.5-minute series map.

Section 6 – Other Information –

Dispatchability – Describe any constraints and/or limitations on PacifiCorp's ability to dispatch the generation and any ability of PacifiCorp to utilize the resource for operating reserves.

Technical Data – Technical data as requested Exhibit 1 of this Appendix.

Section 7 – Contract Terms – Bidder shall provide a sample purchase and sale agreement outlining the terms and conditions of the proposed acquisition.

EXHIBIT 1

TECHNICAL DATA

Site Location _____

Net Capacity at 95°F, 20% Relative Humidity, and at Site Conditions is _____ MW

Site Elevation: _____ Feet

Maximum water consumption is _____ gallons per minute.

Expected water consumption is _____ acre-feet per year.

Minimum Sustainable Load at above conditions _____ MW

Automatic Generation Control (AGC) capable Yes _____ No _____. If yes than the AGC range at above conditions is _____ MW to _____ MW.

Maximum number of starts per day is _____, per month _____, per year _____.

Maximum continuous period that the facility can operate steam-for-power-augmentation at full load without depleting the demineralized water system is _____ hours. This assumes the demineralized water system is operating at rated capacity.

Weighted Average Raw Water Consumption is _____ gallons per minute.

Time to bring the facility on line, in minutes (specify if this is to synchronization or sustainable minimum load) (Bidder to define "cold", "warm", and "hot starts", if not as stated above)

	Min/Sust.	Full Load
For Cold Start:	_____	_____
For Warm Start:	_____	_____
For Hot Start:	_____	_____

Minimum time on-line (hours from start initiation to stop initiation) _____

Minimum time off-line (hours from stop initiation to start initiation) _____

Normal Ramp Rate within operating range: (MW/Min.) Increase: _____ Decrease: _____

Emergency Ramp Rate: (MW/Minute) Increase: _____ Decrease: _____

Time to transfer from combined cycle to duct firing _____ min.

Duct Firing Ramp Rate: (MW/Min.) Increase: _____ Decrease: _____

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Time to transfer from combined cycle to power augmentation _____ min.

Power Augmentation Ramp Rate: (MW/Min.) Increase: _____ Decrease: _____

Anticipates Number of Starts per CT to reach Commercial Operation (CO): _____

Anticipated quantity of natural gas consumed through CO: _____ dth.

Additional Information

Bidder to provide partial load performance curves, including minimum load, showing heat rate and load at varying temperatures.

To the extent that pricing and/or availability vary based on specific characteristics of the facility and/or ambient conditions, the Bidder shall clearly identify that relationship in tabular form, including the relationship between temperature and capacity over the local ambient range inclusive of -10°F to 105°F. Bidder to fill out Table B-4.1 below:

Table C-4.1

Temp in °F	% RH	Evap or Chiller	Duct Burners	Power Aug.	Heat Rate	Net Output	Min. Load
-10	100						
-10	100		On				NA
0	100						
10	100						
15	84						
20*	86						
20	86		On				NA
20	86			On			NA
20*	86		On	On			NA
30	75						
40	55						
50	49						
52	46						
52	46	On					
60	40	On					
60	40		On				NA
60	40			On			NA
60	40		On	On			NA
70	33	On					
75*	29	On					
75	29		On				NA
75	29			On			NA
75*	29		On	On			NA
80	25	On					
90	16	On					
95*	15	On					
95	15		On				NA
95	15			On			NA
95*	15		On	On			NA
105	11						
105	11	On	On	On			NA

- Indicates Water Balance Sheet Required

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2012 RFP
Appendix D
Natural Gas & Fuel Supply Form

Appendix D
RFP 2012
Natural Gas and Fuel Supply Form

Site Location _____

Primary Source of Fuel _____

Secondary Source of Fuel (if any) _____

Supplier of Primary Fuel _____

Firm Supply Contract Anticipated? (Yes) (No) Term _____ years

Supplier of Secondary Fuel (if any) _____

Supply Contract Anticipated? (Yes) (No) Term _____ years

Contemplated Natural Gas Transportation:

LDC (if necessary) _____ Firm Transport? (Yes) (No)
Quantity _____ dekatherms (mmBtu) Term _____

Pipeline 1 _____ Firm Transport? (Yes) (No)
Quantity _____ dekatherms (mmBtu) Term _____

Pipeline 2 _____ Firm Transport? (Yes) (No)
Quantity _____ dekatherms (mmBtu) Term _____

If transportation is not firm, please clarify the contemplated terms for transport.

Rail/Truck Transport Coal/Oil

Firm 1 _____
Firm 2 _____

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RFP 2012
APPENDIX E
Officer Certification Form

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Officer Certification Form- Appendix E

The undersigned Bidder executes and submits this form with each Proposal it submits in PacifiCorp's RFP 2012, and hereby certifies in each instance that all of the statements and representations made by it in its proposal are true to the best of the Bidder's knowledge, and agrees to be bound by the representations, terms, and conditions contained in the 2012 RFP. The Bidder accepts the contract attached to the 2012 RFP and indicated therein as applicable to its Proposal, except as specifically noted in writing by Bidder. This proposal is firm and will remain in effect until the later of March 27, 2006, or that date which is 300 days after the proposal due date provided in the RFP, as such due date may be extended from time to time by PacifiCorp.

Submitted by: _____
(Exact legal name of the entity submitting Proposal)

Signature of an authorized officer: _____

Print or type name of officer: _____

Title: _____

Date signed: _____

RFP 2012
APPENDIX F
SFAS No. 13 Form

This is an example of the SFAS No. 13 Form.

Each Bidder is required to fill in **only** the cells that are highlighted in yellow for each Eligible Resource. When you type in the yellow cells it will prompt you for a password, the password is RFP2012. Each Bidder is required to copy the excel spreadsheet and resave it with their bid number and submit it on a CD or Diskette. Appendix F can be downloaded from either PacifiCorp website and or the IE website for Bidders to save on a CD or Diskette. (www.pacificorp.com)

*YELLOW CELLS REQUIRE USER INPUT.

**Please note, the conclusion in cell B28 assumes that the contract has been deemed a lease by EITF 01-08.

***Protected cell(s) password: RFP2009

CAPITAL LEASE IF:							
FAIL	The lease transfers ownership to the lessee by the end of the lease term. "Fail" equates to "No". "Pass" equates to "Yes".						
FAIL	The lease contains a bargain purchase option. "Fail" equates to "No". "Pass" equates to "Yes".						
FAIL	The lease term is equal to 75% or more of the estimated economic life of the leased property, and the beginning of the lease term does not fall within the last 25% of the total economic life of the leased property.						
	Original Economic Plant Life (yrs)	Years into Economic Plant Life	Remaining Economic Plant Life (yrs)	Term of Deal (yrs)	% of Life	Trigger	Test
	35	0	35	20	57%	75%	FAIL
	Beginning of Plant	Ending of Plant	Life (yrs)	Last 25% Date	Beginning of Lease		Test
	6/1/2009	5/31/2044	35	9/1/2035	6/1/2009		FAIL
FAIL	The present value of the minimum lease payments at the beginning of the lease term is 90% or more of the fair value to the lessor less any investment credit retained by the lessor. This requirement cannot be used if the lease's inception is in the last 25% of the useful economic life of the leased asset. The interest rate, used to compute the PV, is the incremental borrowing rate of the lessee unless the implicit rate is available and lower.						
	Percentage of Capacity PMT that is Executory Costs (%)	Cost to Build \$/KW	MW	FMV	\$ PV Minimum Lease Pmts (Non-Executory Costs)	Trigger (90% of FMV)	Test
	25%	\$700	420	\$294,000,000	\$209,583,165	\$264,600,000	FAIL
Designation:							
OPERATING LEASE							

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RFP2012
APPENDIX G
Bidder Site Control Form

Appendix G
RFP 2012
Bidder Site Control Form

Project Name: _____

Site Location: _____

Street Address or Nearest Intersection: _____

Acres: _____

Distance to Natural Gas Supply: _____

Distance to Water Supply (if not using ACC): _____

Check items that are applicable:

Property is owned by Bidder.

Property is leased by Bidder, with an Option to buy.

▪ Lease/Option Expires: _____

Property is Optioned by Bidder through (date): _____

▪ Option is Exclusive _____ or Non-Exclusive _____

▪ Option is to Purchase _____ or Lease _____

Site is selected, but not formally secured.

Site will require zoning change as part of permitting process.

APPENDIX G

Bidder Site Control Form Submittals

Bidder shall submit to Buyer drawings, plans, specifications, and other documents necessary to document the design engineering and construction of the Plant and the content of the Work, including but not limited to those items herein listed below. Additionally, Bidder shall submit to the Buyer those drawings, plans, specifications, and other documents as required by the State of Utah or any other regulatory body or agency having authority over the Plant.

Ninety (90) days after the Notice To Proceed, the Bidder shall provide to Buyer a schedule for submittal of such documents, which schedule shall (1) be consistent with the schedule for the Project and (2) provide Buyer with the greatest practicable opportunity to review such documents and make comments thereon within fourteen (14) days from the transmittal date or as mutually agreed upon provided that the comment period does not unduly affect the progress of the Work. Submittals shall be in duplicate.

Engineering Lists

- Equipment List

Engineering Specifications and Drawings

- Plot/Site Plan
- Switchyard Single Line, Three Line and Metering and Protection Design

Construction

- Site Utilization Plan, including laydown,

Commissioning and Startup

- System Descriptions
- Performance and Emissions Test Procedures
- Performance Test Results
- Reports Required for Regulatory Compliance

Plans, Manuals, & Reports

- Level 2 Schedule
- Commissioning Schedule
- Monthly Progress Reports

All specifications and drawings for the Project and submitted by Bidder or Subcontractor to Bidder hereunder shall include the following data:

Name:	PacifiCorp
Project Name:	Buyer's Power Plant
Spec. or drawing number, if applicable:	Bidder or Subcontractor to Provide
Bidder or Subcontractor's name:	Bidder or Subcontractor
Revision Number and Date	Bidder or Subcontractor to Provide

Buyer shall have the right to reasonably request other information and Bidder shall use reasonable efforts to supply this information.

Documents submitted to Buyer are provided for information only. However, if Buyer identifies discrepancies or areas of non-conformance with the Agreement requirements, Buyer has the right to notify Bidder of the discrepancy/non-conformance and require that the document be revised and resubmitted.

Monthly Progress Report

The Monthly Progress Report shall address all aspects of the Plant through the Commercial Operation and shall include, but not be limited to the following:

- (a) An "Executive Summary" containing:
 - A written summary of events and progress accomplished during the previous reporting period.
 - Unresolved Changes.
 - Critical Concerns and Intended Actions.

- (b) A "Schedule Section":
 - Will be updated on a monthly basis and will consider the aforementioned item b. An updated Level 2-time schedule will be provided (paper/electronic). Critical path analysis will also be provided.

- (c) A list of the status of Bidder permits

RFP 2012
APPENDIX H
Construction Coordination Agreement

PacifiCorp
Draft RFP 2012
Responses due January, 2007

**CONSTRUCTION COORDINATION AGREEMENT
BETWEEN
PACIFICORP
AND
BIDDER**

CONSTRUCTION COORDINATION AGREEMENT

This Construction Coordination Agreement (the "Agreement") is made and entered into as of the Effective Date (as defined below), by and between PacifiCorp, an Oregon corporation ("PacifiCorp"), and _____, a _____ [limited liability company] ("[NAME]") (PacifiCorp and [NAME] are individually referred to herein as a "Party" and collectively as the "Parties").

RECITALS

WHEREAS, PacifiCorp is an investor owned electric utility company subject to regulation by the Public Service Commission of Utah;

WHEREAS, PacifiCorp owns, operates and maintains Unit 1 at its generation facility located in _____, Utah.

WHEREAS, [NAME] desires to construct Unit 2, to be located adjacent to Unit 1 at the Facility;

WHEREAS, PacifiCorp and [NAME] have entered into a [Power Purchase Agreement ("PPA") / Tolling Services Agreement ("TSA")] providing for the purchase by PacifiCorp of certain of the energy and capacity generated by Unit 2 following Unit 2's reaching Commercial Operation;

WHEREAS, there is a need to coordinate the activities of [NAME] and its contractor(s) and subcontractors during construction, testing and commissioning of Unit 2 to avoid potential interference with the operation of Unit 1;

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each Party, the Parties hereto agree as follows:

ARTICLE I Definitions; Headings

1.1 Definitions

Unless the context shall otherwise require, capitalized terms used in this Agreement shall have the meanings assigned to them in the Glossary of Defined Terms attached hereto as Exhibit "A", which also contains rules as to usage that shall be applicable herein.

ARTICLE II Term and Governing Provisions

2.1 Term.

The Term of this Agreement shall become effective on the Effective Date and, unless earlier terminated pursuant to provisions hereof, shall continue in effect until PacifiCorp has accepted the [PPA/TSA] or has achieved Commercial Operation. Date.

2.2 Governing Provisions.

As a matter of general priority, in the event of any conflict between the provisions of this Agreement or the [PPA/TSA], the provisions of this Agreement shall govern. Disputes related to the matters to be performed pursuant to this Agreement and not involving the [PPA/TSA] or work performed by or at the direction of the [PPA/TSA], shall nonetheless be governed by Section 15 (“Disagreements”) in the [PPA/TSA].

ARTICLE III Construction Interfaces

3.1 Construction Control.

[NAME] and its contractors shall be responsible for and have sole control over the construction of Unit 2, except for interconnections with the Common Facilities. [NAME] shall coordinate with PacifiCorp all activities to be performed in connection with the construction, testing and commissioning of Unit 2 pursuant to this Agreement, particularly if such activities may require taking Unit 1 off-line or have a substantial possibility of causing an outage at Unit 1.

[NAME] shall be responsible for erecting a temporary and movable construction fence (the “Construction Fence”) on the Site for the purpose of separating the Unit 2 construction area (the “Construction Area”), which is initially depicted by the cross-hatched area on Exhibit “C” attached hereto, from the rest of the Facility, including Unit 1, the switchyard and the Common Facilities. The Construction Fence may be moved and relocated as necessary with the prior written consent of PacifiCorp following the completion of certain phases of construction for the purpose of accessing other areas of the Facility, all as set out in the Project Schedule. During the Term, [NAME] will be in control of the Construction Area and will maintain a separate gate for access to the Construction Area. Prior to the Commercial Operation Date, the Construction Area will be reduced to [NAME]’s staging and laydown area and separate gate, and shall not include any Facilities necessary for operation of Unit 1, Unit 2 or the Common Facilities. Following the Commercial Operation Date [NAME] shall, and shall cause its contractors and subcontractors to, promptly remove all construction materials and equipment from the staging and laydown area, to remove the Construction Fence, and to erect suitable permanent fencing and related access roads to separate PacifiCorp’s facilities from [NAME]’s facilities, all as approved in writing by PacifiCorp.

[NAME] shall at all times utilize and cause its contractors, subcontractors, personnel and other persons allowed at any part of the Facility by [NAME] to utilize only [NAME]’s separate gate to the Construction Area.

3.2 [NAME]’s Access to PacifiCorp’s Area.

[NAME] shall provide PacifiCorp with reasonable notice of its need to access PacifiCorp’s Area for performance of work activities associated with the Common

Facilities. [NAME] and PacifiCorp shall agree on a schedule for the performance of all work activities in PacifiCorp's Area consistent with the Project Schedule. PacifiCorp shall arrange for any safety instruction and workplace policy training deemed appropriate by PacifiCorp for [NAME]'s personnel prior to [NAME]'s personnel being allowed in PacifiCorp's Area. PacifiCorp shall arrange for escorts for [NAME]'s personnel accessing PacifiCorp's Area to the extent PacifiCorp reasonably deems such escorts necessary. In the event [NAME] needs to work on a system that could be used by PacifiCorp for the operation of Unit 1, [NAME] shall provide PacifiCorp with written notice and receive authorization from PacifiCorp that the system has been deactivated before commencing work on the system and [NAME] shall notify PacifiCorp once it completes work on the system so PacifiCorp can inspect and reactivate the system in accordance with PacifiCorp's Tagging and Safety Program.

3.3 PacifiCorp Access to the Construction Area.

At all times prior to the Commercial Operation Date [NAME] shall provide PacifiCorp and PacifiCorp's personnel access to the Construction Area upon PacifiCorp's request. [NAME] and PacifiCorp shall agree on a schedule for the performance of work activities by PacifiCorp's personnel in the Construction Area. PacifiCorp's personnel shall comply with [NAME]'s published safety program requirements while in the Construction Area. [NAME] may arrange for escorts for any PacifiCorp personnel accessing the Construction Area to the extent [NAME] reasonably deems such escorts necessary. The above notwithstanding, PacifiCorp may access the Construction Area without notice for the purpose of carrying out activities required for the operation of Unit 1 or responding to an Emergency.

3.4 Project Schedule and Coordination of PacifiCorp Support.

[NAME] shall (a) schedule all activities that will require or may result in the shutdown of or inability to dispatch Unit 1, and all work activities performed on or affecting the Common Facilities in accordance with the Project Schedule, (b) notify PacifiCorp in writing of such schedule(s) at the earliest practicable time, and (c) update such schedules in writing as necessary. [NAME] shall not undertake the foregoing Work activities until PacifiCorp has agreed in writing with such schedule and plan for performing the identified work.

3.5 Unit 1 and PacifiCorp's Area Control.

PacifiCorp shall have sole control over the operation of Unit 1 and the remainder of PacifiCorp's Area at all times.

3.6 Restrictions During Construction.

- (a) Except as otherwise provided in this Agreement, [NAME] shall perform or cause to be performed all construction activities with respect

to Unit 2 in a manner that will avoid interference with PacifiCorp's operation of Unit 1.

- (b) [NAME] shall restrict construction workers and other personnel not employed by PacifiCorp from access to PacifiCorp's Area except as authorized in advance by PacifiCorp's Representative. Upon the reasonable request of [NAME], PacifiCorp shall authorize access to PacifiCorp's Area for the purpose of undertaking activities necessary to integrate Unit 2 into the Common Facilities, and after the Substantial Completion Date to perform any work activities required under the [PPA/TSA], in accordance with the Project Schedule and the work plan required under Section 3.4 above.

3.7 Transportation Routes and Lay-Down Areas.

[NAME] shall designate adequate transportation routes and lay-down areas for the construction work and materials for Unit 2, and, prior to commencing construction obtain PacifiCorp's written approval of all such proposed routes and laydown areas. In granting its approval PacifiCorp shall not be deemed to have recommended or confirmed the adequacy or suitability of such routes and laydown areas, and shall have no liability with respect to [NAME]'s selection of, use of or inability to use such routes and laydown areas.

3.8 Employee Discipline.

[NAME] shall adopt and enforce policies for disciplining construction employees if the employees' actions affect or are likely to affect Unit 1 or the Common Facilities other than as provided in the work plan and in Section 3.4 above. Any construction employee found to have violated PacifiCorp's security requirements regarding escorting and physical access to certain PacifiCorp's Areas described in the attached Exhibit "D" shall, at the request of PacifiCorp be assigned to work outside PacifiCorp's Area and shall be disciplined to the full extent permissible under [NAME]'s project labor agreement (if any), including without limitation terminated at PacifiCorp's request.

3.9 Security and Safety Requirements.

In addition to the requirements of [PPA/TSA] [NAME] shall, consistent with good and generally accepted construction practices and Prudent Industry Practice, undertake all commercially reasonable efforts to protect any and all parallel, converging and intersecting electric lines and poles, telephone lines and poles, highways, waterways, railroads, sewer lines, natural gas pipelines, drainage ditches, culverts, Unit 1 facilities and any and all property of others related to the Facility, and shall indemnify PacifiCorp from any and all Claims with respect to [NAME]'s actions or failures to act in connection with such facilities and property in connection with the Work.

3.8 Transition from Construction to Operation.

PacifiCorp shall provide oversight and consent of activities necessary for the connection of the Unit 2 systems with the Common Facilities. PacifiCorp shall provide [NAME] and its employees and contractors with reasonable controlled access to all Common Facilities, to enable [NAME] and its contractors to interconnect Unit 2 with the Common Facilities, all in accordance with the Project Schedule provided pursuant to Section 3.4 above, and upon receipt of notice from [NAME].

ARTICLE IV Construction Damage

4.1 Construction Damage.

In the event any activities undertaken in connection with the development, construction, commissioning or testing of Unit 2 cause any physical damage (“Construction Damage”) to Unit 1, to the Common Facilities or to any portion of PacifiCorp’s Area:

- (a) [NAME] shall be responsible for the full cost of rebuilding, restoring and/or repairing all Construction Damage.
- (b) [NAME] shall promptly, and in any event no later than one (1) day after the date on which the Construction Damage occurred, consult with PacifiCorp regarding the extent of the Construction Damage and possible approaches to remedying the Construction Damage.
- (c) [NAME] shall promptly, and in any event no later than five (5) days after the date on which the Construction Damage occurred, submit to PacifiCorp a detailed written proposal for rebuilding, restoring or replacing, at [NAME]’s expense, such Construction Damage.
- (d) PacifiCorp shall promptly evaluate any proposal submitted by [NAME] for, rebuilding, restoring or replacing, at [NAME]’s expense, such Construction Damage.
- (e) If PacifiCorp determines that [NAME] possesses the demonstrated qualifications and capability to timely perform the remedial actions set out in the proposal, PacifiCorp will cooperate with [NAME] to promptly undertake the rebuilding, restoration or replacement of the Construction Damage set out in the proposal to PacifiCorp’s satisfaction, subject to such terms, conditions and restrictions as PacifiCorp may deem appropriate to ensure that the proposed activities comply with PacifiCorp’s safety programs and practices and that the remedial actions will not result in further damage or loss of generation with respect to Unit 1 operations.

- (f) If PacifiCorp concludes that [NAME] lacks the demonstrated qualifications and capability or otherwise is not in a position to timely perform the remedial actions set out in the proposal, if [NAME] does not agree with PacifiCorp's terms, conditions and restrictions described in paragraph (d) above, or if [NAME] does not promptly undertake such remedial actions, then PacifiCorp shall be entitled to promptly commence repairs to any Construction Damage to Unit 1, the Common Facilities or other portion of the PacifiCorp Area at [NAME]'s sole expense.
- (g) In the event that [NAME] does not reimburse PacifiCorp for any cost of rebuilding, restoration or replacement activities related to the Construction Damage incurred by PacifiCorp (including without limitation the reasonable cost of PacifiCorp's consultants and internal personnel and resources) within thirty (30) days of PacifiCorp's invoice for the same, then PacifiCorp may set off any amounts owing to PacifiCorp from [NAME] from any payments owed by PacifiCorp to [NAME] under the [PPA/TSA];
- (h) Nothing in this Article IV is intended to be nor shall operate as a limitation on PacifiCorp's right or ability to recover damages from [NAME] pursuant to the [PPA/TSA], this Agreement or otherwise at law or in equity.

ARTICLE V

Shutdowns

5.1 Scheduled Shutdowns of Unit 1.

The Parties recognize that Unit 1 must be temporarily shut down for interconnection of Unit 2 to the Common Facilities and for other defined construction-related activities as identified in the Project Schedule. All scheduled shutdowns shall be scheduled, to the extent possible, during weekends and holiday periods.

IN NO EVENT SHALL ANY SCHEDULED SHUTDOWNS BE SCHEDULED DURING THE MONTHS OF JUNE, JULY, AUGUST OR SEPTEMBER, except and to the extent that Unit 1 has scheduled maintenance outages scheduled during such period.

[NAME] shall schedule and provide to PacifiCorp, at least 7 days prior to any necessary shutdown, written notice of the next upcoming outage and of any proposed changes to the outage periods set out in the Project Schedule.

[NAME] shall coordinate with PacifiCorp to balance the need to reduce these shutdown periods and to utilize other times of economic shutdown of Unit 1 to perform the required work under the [PPA/TSA] with the need to utilize these shutdown periods to perform work activities that have a reasonable probability of causing an unplanned shutdown of Unit 1.

If the Scheduled Shutdown of Unit 1 occurs at a time when Unit 1 is not otherwise scheduled by PacifiCorp to be shutdown and non-dispatchable, then [NAME] shall pay to PacifiCorp Replacement Power Costs calculated in the same manner as set forth in Section 5.2(c) as though the Scheduled Shutdown were an Unscheduled Shutdown.

5.2 Unscheduled Shutdowns of Unit 1.

- (a) [NAME] shall be responsible for conducting its development, construction, commissioning, testing and startup activities in a manner that minimizes the impact of Unit 2 construction on the operation of Unit 1.
- (b) In the event activities performed by [NAME] or its contractors causes Unit 1 to experience an unscheduled shutdown or loss of power generation capability (each an "Unscheduled Shutdown"), [NAME] shall be liable to PacifiCorp for all damages incurred by PacifiCorp in connection with such Unscheduled Shutdown. Damages associated with an Unscheduled Shutdown shall include, without limitation, (i) \$12,000, multiplied by the Unit 1 OEM's equivalent start ratio for the affected unit(s) per Unscheduled Shutdown occurrence, (ii) the cost of all physical damage to any Unit 1 equipment that is demonstrated to have occurred due to the Unscheduled Shutdown, and (iii) the cost of replacement power ("Replacement Power Costs") for the period of the Unscheduled Shutdown.
- (c) Replacement Power Costs shall be calculated as follows, and shall be payable whether or not PacifiCorp actually purchases replacement power for the applicable period as liquidated damages for the lost generation portion of damages only:
- (i) If an Unscheduled Shutdown occurs during work scheduled pursuant to Section 5.2(e)(i) while Unit 1 is operating, replacement power costs shall be calculated as the product of **(1) the Dow Jones SP15 Daily Firm On-Peak Index for the day of delivery, expressed in \$/MWh, multiplied by (2) the provided Hourly Scalar for each hour, multiplied by (3) the loss factor of 1.112, plus (4) the basis of \$13/MWh** during each hour or portion of hour of the Unscheduled Shutdown, **minus (5) Unit 1's incremental cost of generating power (i.e., the product of a given plant's then effective net heat rate multiplied by midpoint of the Kern River, Opal Plant Platt's Daily Gas Index at the time of the Unscheduled Shutdown expressed in units of \$/mmBtu)**

_____ = Market Price – Incremental Cost

Replacement Power = (1x2x3+4)-5

(d) After an Unscheduled Shutdown of Unit 1, any such future work that is to be performed by [NAME] or its contractors of the same or similar nature to that which caused the Unscheduled Shutdown shall proceed as follows:

(i) PacifiCorp and [NAME] shall develop a plan designed to accomplish the necessary work in a manner that will avoid reoccurrence of the Unscheduled Shutdown.

(ii) Such work plan shall provide that such work may, at PacifiCorp's election:

(1) be rescheduled to begin within, and end not less than five (5) hours before the end of, a subsequent Off-Peak Hourly Periods, during which Unit 1 may continue to operate; or

(2) PacifiCorp may elect to schedule a shutdown of Unit 1 during any subsequent Off-Peak Hourly Periods and such work may be performed during such shutdown beginning within, and ending no less than two (2) hours before the end of, such Off-Peak Hourly Periods.

(e) PacifiCorp shall provide [NAME] with not less than eight (8) hours' advance notice (to be confirmed in writing) of any election to schedule a shutdown of Unit 1 pursuant to Section 5.2(d)(ii)(2).

(f) Nothing in this Article V is intended to be nor shall operate as a limitation on PacifiCorp's right or ability to recover damages from [NAME] pursuant to the [PPA/TSA], this Agreement or otherwise at law or in equity.

5.3 Testing and Initial Firing of Combustion Turbines.

[NAME] shall conduct testing and initial firing of the Unit 2 combustion turbine generator during Off-Peak Hourly Periods.

ARTICLE VI
Notices and Miscellaneous Provisions

6.1 Notices, Consents and Approvals

Contact information for notices, requests, demands and other communications required or permitted hereunder is as follows:

if to [NAME], to:

with copies to:

or to such other person or address as [NAME] shall furnish to PacifiCorp;

if to PacifiCorp, to:

PacifiCorp
825 NE Multnomah, Suite 600
Portland, Oregon 97232-2315
Attn: _____

Tel: _____

Fax: _____

with copies, in connection with default notices, to:

or to such other person(s) or address(es) as PacifiCorp furnishes to [NAME] from time to time.

All notices, including, acceptances, consents, approvals, agreements, deliveries of information, designations, requests, demands and other communications required or permitted hereunder shall be in writing, properly addressed as provided in paragraph (a) above, and given by (i) hand delivery, (ii) a national overnight courier service, (iii) confirmed facsimile transmission, followed by a hard copy, or (iv) certified or registered mail, return receipt requested, and postage prepaid. Any such notice or other communication shall be deemed to have been duly given as of the date delivered if by hand delivery, national overnight courier service or confirmed facsimile

transmission (provided a hard copy promptly follows by other means provided herein), or five (5) calendar days after mailing if by certified or registered mail.

6.2 Entire Agreement

This Agreement contains the entire agreement and understanding of the Parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, whether written or oral, of the Parties relating to the subject matter hereof. Any oral or written representation, warranty, course of dealing or trade usage not contained or referenced herein shall not be binding on either Party.

6.3 Amendment; Waiver

No amendment or other modification of any provision of this Agreement shall be valid or binding unless it is signed by each of the Parties. No waiver of any provision of this Agreement shall be valid or binding unless it signed by the Party waiving compliance with such provision. No delay on the part of either Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver or any partial exercise of any such right, power or privilege preclude any further exercise thereof or the exercise of any other such right, power or privilege. No waiver of any breach, term or condition of this Agreement by any Party shall constitute a subsequent waiver of the same or any other breach, term or condition.

6.4 Successors and Assigns

Each and all of the covenants, terms, provisions and agreements herein contained shall be binding upon and inure to the benefit of the Parties hereto and, to the extent permitted by this Agreement, their respective successors and assigns.

6.5 Third Party Beneficiaries

The provisions of this Agreement shall only be for the benefit of, and enforceable by, the Parties hereto and shall not inure to the benefit of or be enforceable by any third party.

6.6 Severability

In the event any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

6.7 Further Assurances

Each Party shall, at the request of the other, execute and deliver or cause to be executed and delivered such documents and instruments not otherwise specified herein, and take or cause

to be taken all such other reasonable actions, as may be necessary or desirable to more fully and effectively carry out the intent and purposes of this Agreement.

6.8 Publicity

Except as required by law, [NAME] agrees that they will not issue or release for external publication any press release, article, advertising or other publicity matter in any form (including print, electronic, or interview) relating to the Project, or to this Agreement without first consulting with and obtaining the prior consent of PacifiCorp, which consent shall not be unreasonably withheld or delayed. Except as required by law, PacifiCorp agrees that it will not issue or release for external publication any press release, article, advertising or other publicity matter in any form (including print, electronic, or interview) relating to this Agreement without first consulting with and obtaining the prior consent of [NAME], which consent shall not be unreasonably withheld or delayed. To the extent reasonably possible, the releasing Party will accommodate the concerns of the other Party. This requirement does not, however, restrict [NAME] from identifying its involvement in the Project in its marketing of products and services to others.

6.9 Independent Contractor

[NAME] is an independent contractor with respect to the Work, and each part thereof, and in respect of all work to be performed hereunder. Neither [NAME], the contractor, nor any subcontractor, the employees of any of such entities, employed in connection with the work shall be deemed to be agents, representatives, joint ventures, employees or servants of PacifiCorp by reason of their performance hereunder or in any manner dealt with herein. Neither Party shall perform any act or make any representation to any Person to the effect that [NAME], or any of its agents, representatives, the contractor or subcontractors, is the agent of PacifiCorp.

6.10 Survival

The provisions of Article 4 (“Construction Damage”), Article 5 (“Shutdowns”), and Sections 2.2 (“Governing Provisions”), 3.1 (“Construction Control”), 3.3 (“PacifiCorp Access to the Construction Area”), 3.9 (“Security and Safety Requirements”), 6.9 (“Independent Contractor”) and 6.11 (“Governing Law; Waiver of Jury Trial”) of this Agreement shall survive the expiration or earlier termination of this Agreement indefinitely, provided that the foregoing enumeration shall not be interpreted to bar survival of any other provision hereof which would otherwise be deemed to survive by operation of law.

6.11 Governing Law; Waiver of Jury Trial

THIS AGREEMENT SHALL BE GOVERNED BY, CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF UTAH (WITHOUT GIVING EFFECT TO THE PRINCIPLES THEREOF RELATING TO CONFLICTS OF LAW).

EACH PARTY HEREBY IRREVOCABLY WAIVES ALL RIGHT OF TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT OR ANY MATTER ARISING HEREUNDER OR THEREUNDER. EACH PARTY HEREBY WAIVES ANY RIGHT TO CONSOLIDATE ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT OR ANY MATTER ARISING HEREUNDER OR THEREUNDER IN WHICH A JURY TRIAL HAS NOT OR CANNOT BE WAIVED.

6.12 Counterparts

This Agreement may be executed by the Parties in two or more separate counterparts (including by facsimile transmission), each of which shall be deemed an original, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

6.13 Captions

The captions for Articles and Sections contained in this Agreement are for convenience and reference only and in no way define, describe, extend or limit the scope or intent of this Agreement or the intent of any provision contained herein.

6.14 Costs and Expenses.

All Parties have jointly drafted this Agreement. Presumptions regarding the interpretation of documents against the persons drafting same shall not apply to this Agreement. Each Party hereto will pay all costs and expenses incident to its negotiation and preparation of this Agreement and, except as set forth herein, to its performance and compliance with all agreements and conditions contained herein on its part to be performed or complied with, including the fees, expenses and disbursements of its counsel and accountants. In the event of default hereunder, the Parties agree that the defaulting Party shall pay the fees, expenses and disbursements of counsel for the non-defaulting Party in enforcing this Agreement.

6.14 No Waiver.

Except as otherwise provided herein, no provision of this Agreement may be waived except in writing. No failure by either Party to exercise, and no delay in exercising, any right, power, or remedy under this Agreement shall operate as a waiver thereof. Any waiver at any time by a Party of its right with respect to default under this Agreement, or the respect to other

matter arising in connection therewith, shall not be deemed a waiver with respect to any subsequent default or matter.

6.15 Liquidated Damages.

TO THE EXTENT ANY PAYMENT REQUIRED TO BE MADE UNDER THIS AGREEMENT IS AGREED BY THE PARTIES TO CONSTITUTE LIQUIDATED DAMAGES, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE AND THAT SUCH PAYMENT CONSTITUTES A REASONABLE APPROXIMATION OF SUCH DAMAGES, AND NOT A PENALTY.

6.16 Limitation of Liability.

I. BUYER SHALL NOT BE LIABLE TO SELLER FOR SPECIAL, PUNITIVE, INDIRECT, EXEMPLARY OR CONSEQUENTIAL DAMAGES, WHETHER SUCH DAMAGES ARE ALLOWED OR PROVIDED BY CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, STATUTE OR OTHERWISE UNDER OR IN CONNECTION WITH THIS AGREEMENT.

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

By [NAME]:

Title:

By:

Title:

EXHIBIT A TO CONSTRUCTION COORDINATION AGREEMENT Glossary of Defined Terms

Except as otherwise defined in the body of this Agreement, of which this Exhibit is a part, capitalized terms shall have the meanings set forth below:

- (1) “Action” shall mean any lawsuit, action, proceeding, investigation or complaint before any Governmental Authority, mediator or arbitrator.
- (2) “Agreement” shall have the meaning given to it in the Recitals of this Agreement.
- (3) “[PPA/TSA]” shall have the meaning set forth in the Recitals.
- (4) “PacifiCorp’s Area” means the entirety of the Site that is not included in the Construction Area, as the same may exist from time to time.
- (5) “Claims” means any liabilities, fines, penalties or assessments other damages at law or in equity for the payment of money or for specific performance by or on behalf of PacifiCorp, including without limitation claims for injury or death to persons or damage to property, together with costs and attorneys fees associated therewith. .
- (6) “Commercial Operation Date” shall have the meaning set forth in the [PPA/TSA].
- (7) “Common Facilities” means those tangible assets, contracts, and permits owned by PacifiCorp in connection with Unit 1 and utilized in common by PacifiCorp and [NAME] for the construction, startup, commissioning and operation of Unit 2, identified on Exhibit “B”.
- (8) “Construction Area” shall have the meaning given to it in Section 3.2 of this Agreement
- (9) “Construction Damage” shall have the meaning given to it in Section 4.1 of this Agreement.
- (10) “Construction Fence” shall have the meaning given to it in Section 3.2 of this Agreement.
- (11) “Effective Date” has the meaning set forth in the [APSA / EPC Contract]
- (12) “Emergency” means any situation which is likely to impose an immediate threat of injury to any Person or of material property damage or material economic loss to all or any part of the Facility.
- (13) “Facility” or “Facilities” shall mean Unit 1, Unit 2 and the Common Facilities, and all energy producing equipment and auxiliary equipment, fuel storage and handling facilities and equipment, electrical transformers, interconnection facilities and metering facilities,

- associated with Unit 1 or Unit 2 as may be required for receipt of fuel and for delivery of electricity, and all other improvements related solely to the Units and located on the Site.
- (14) "Governmental Authority" means any court, tribunal, arbitrator, authority, agency, commission, official or other instrumentality of the United States, any foreign country or any domestic or foreign state, county or other political subdivision.
- (15) "NERC" shall mean the North American Electric Reliability Council, and any successor entity.
- (16) "Off-Peak Hourly Period" means those periods of time measured by hours ending 0100 through 0600 and hours ending 2300 through 2400 Monday through Saturday, and all hours on Sunday and NERC Holidays.
- (17) "PacifiCorp" shall have the meaning set forth in the Recitals..
- (18) "PacifiCorp's Area" shall have the meaning given to it in Section 3.2 of this Agreement.
- (19) "Party" shall have the meaning given to it in the Recitals of this Agreement.
- (20) "Performance Testing" shall have the meaning given to it in the [PPA/TSA].
- (21) "Person" means any individual, partnership, limited liability company, joint venture, corporation, trust, unincorporated organization or Governmental Authority.
- (22) "Prudent Industry Practice" shall have the meaning given to it in the [PPA/TSA].
- (23) "Project Schedule" shall mean a detailed schedule setting forth milestones for key stages of the construction, testing and commissioning of Unit 2, including without limitation provisions regarding necessary interfaces with the Common Facilities, provided by [NAME] to PacifiCorp and updated to reflect material changes in such schedule from time to time.
- (24) "Replacement Power Costs" shall have the meaning given to it in Section 5.2(b) of this Agreement.
- (25) "Shutdown Periods" shall have the meaning given to it in Section 6.1 of this Agreement.
- (26) "Site" means the real property on which the Facilities are located.
- (27) "Tagging and Safety Program" shall mean that tagging and safety program in effect and maintained by PacifiCorp at the Facility from time to time and provided to [NAME].
- (28) "Term" shall have the meaning given to it in Section 2.1 of this Agreement.
- (29) "Unit" shall mean an individual generating facility consisting of the gas turbine, heat recovery system generator, steam turbine, auxiliary boilers and other associated facilities

and equipment owned by individually by PacifiCorp or [NAME] not included as Common Facility.

- (30) "Unit 1" means the power plant located in _____, Utah, owned by PacifiCorp and the related facilities, real property and property rights related thereto including all necessary permits and licenses, but excluding the Common Facilities.
- (31) "Unit 2" means the proposed power plant to be located in _____ under development by [NAME] adjacent to Unit 1 and the related facilities, real property and property rights related thereto including all necessary permits and licenses, but excluding the Common Facilities.
- (32) "Unscheduled Shutdown" shall have the meaning given to it in Section 6.2(b) of this Agreement.

Rules as to Usage

- 1. The terms defined above have the meanings set forth above for all purposes, and such meanings are equally applicable to both the singular and plural forms of the terms defined.
 - (i) The singular includes the plural and vice versa;
 - (ii) Reference to any Person includes such Person's successors and assigns but, if applicable, only if such successors and assigns are permitted by this Agreement;
 - (iii) Reference to a Person in a particular capacity excludes such Person in any other capacity;
 - (iv) Any gender reference includes the other gender;
 - (v) Reference to any agreement (including this Agreement), document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof;
 - (vi) References used in any Article, Section, Schedule, Exhibit or clause refer to this agreement;
 - (vii) "Hereunder," "hereof," "hereto," "herein," and words of similar import are references to this Agreement as a whole not any particular part of provision hereof or thereof;
 - (viii) "Including" ("include") means including without limiting the generality of any description preceding such term;

- (ix) Relative to any period of time, “from” means “from and including,” “to” means “to but not including,” and “through” means “through and including;” and
- (x) Reference to any law (including statutes and ordinances) means such law as amended, modified, codified or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated there under.

PacifiCorp
Draft RFP 2012
Responses due January, 2007

EXHIBIT B TO CONSTRUCTION COORDINATION AGREEMENT

Common Facilities

PacifiCorp
Draft RFP 2012
Responses due January, 2007

EXHIBIT C
CONSTRUCTION COORDINATION AGREEMENT

Site Plan Designation of Construction Area

PacifiCorp
Draft RFP 2012
Responses due January, 2007

EXHIBIT D
CONSTRUCTION COORDINATION AGREEMENT

Security Requirement

RFP 2012
ATTACHMENT 1
COMPANY BENCHMARK BASE
LOAD RESOURCE BY YEAR OVER
THE TERM

**2012 COMPANY BENCHMARK
BASE LOAD RESOURCE
Hunter 4 and
Intermountain Power Plant 3**

PacifiCorp
Draft RFP 2012
Responses due January, 2007

ATTACHEMENT 1

PacifiCorp Energy 2012 Benchmark

2012 Company Benchmark 600MW at Hunter Unit 4

PacifiCorp Energy's planned 2012 benchmark is the addition of a 4th Unit at the Hunter Plant with a nominal net rating of 600 MW. The primary fuel will be pulverized coal with light oil used for startup and boiler stabilization.

Hunter Unit 4 will employ supercritical boiler-steam turbine technology with main steam conditions of 3600 psig and a nominal steam temperatures of 1050°F (main steam) and 1100°F (reheat steam). The boiler itself will be either tangentially-fired or wall-fired. The boiler combustion system will use low-NO_x burners combined with state-of-the-art over-fire air systems to minimize the formation of nitrogen oxides (NO_x) in the furnace. The boiler will be equipped with an integral selective catalytic reduction (SCR) system for additional removal of NO_x using aqueous ammonia. The boiler construction will be outdoor with at least 75% sided. The steam turbine will consist of a multi-casing design consisting of HP/IP and multiple LP casings. The steam turbine cycle will be based on eight stages of feedwater heaters in a Heater above Reheat Point (HARP) cycle. The condenser and feedwater heater tubing shall be titanium and stainless steel, respectively.

The unit will be equipped with a state-of-the air quality control system (AQCS) that will include a lime-based wet flue gas desulfurization (FGD) system that will remove a minimum of 95% of the sulfur oxides (SO₂) from the boiler flue gas. The ACQS will also consist of a pulse-jet fabric filter (baghouse) for the removal of ash. The Unit 4 stack will be designed and constructed to good engineering practices with a stack height of no less than the height of the existing stacks (600').

Hunter Unit 4 will be located at the Hunter Plant. The Hunter Plant is a three unit coal-fired power plant located in Emery County, Utah. The facility is located on State Highway 10 approximately 3 miles south of Castle Dale, Utah. The site consists of about 1000 acres at an elevation of 5644 feet above sea level. The nearest railroad access is the Utah Railway Company which is 20 miles from the plant by paved road. The design outdoor temperature range is -10F to 100F with a design 64F wet bulb temperature.

Hunter Unit 4 will burn predominantly local Utah bituminous coals but will have the capability to also burn Wyoming coals. Coal storage and handling facilities will be added to provide for up to 45 days of storage and coal blending. The existing fuel oil storage tanks will be used for startup and stabilization fuel.

A cross-flow or counter-flow cooling tower will provide cooling for the unit. Raw water for Unit 4 will be pumped from the existing raw basin southeast of the plant site. This basin receives makeup water from a surface reservoir and pipeline system. Water treatment

equipment will be installed to process the raw water to meet the needs of the various process needs of the boiler and cooling systems. The Unit 4 demineralized water tie in point will be at the existing Unit 3 demineralized water tank. The boiler will be equipped with an on-line condensate polisher to meet the high quality water standards necessary for a supercritical boiler. The Unit 4 potable water will be tied into the existing Unit 3 potable water tank. Potable water is piped from the city of Castle Dale.

The existing fire protection system will be extended and modified. Some fire protection piping will be demolished and replaced with new fire protection piping where it interferes with the construction of Unit 4.

The Hunter Plant is a zero liquid discharge (ZLD) plant. Cooling tower blowdown will be used as makeup to the FGD system and ash handling systems. The balance of the water is evaporated from a pond or used for irrigation of hay crops. Plant sewage is treated and discharged to the evaporation pond. Bottom ash and fly ash will be land-filled on the plant site.

Site upgrades will include new warehouse facilities, plant roads, site lighting, fencing, security, and communications equipment.

Power from Hunter Unit 4 will connect into existing 345 kV transmission lines that connect to the Camp Williams substation, Huntington substation, and the Sigurd substation. An evaluation is in process to determine the need to add transmission lines to avoid generator tripping in the event of multiple transmission line outages.

PacifiCorp Energy 2012 Benchmark 2012 -340MW Intermountain Power Project Unit 3

PacifiCorp Energy is participating as a development partner in the construction of the Intermountain Power Project (IPP) Unit 3. IPP Unit 3 has a planned commercial operation date in the summer of 2012. IPP Unit 3 will have a nominal net rating of 900 MW. PacifiCorp Energy has 340 MW (or 37.8%) share of the unit's output. The primary fuel will be pulverized coal with light oil used for startup and boiler stabilization.

IPP Unit 3 is currently permitted as a hybrid subcritical boiler with expected main steam conditions of 2520 psig and nominal steam temperatures of 1050°F (main steam) and 1050°F (reheat steam). The participants are currently evaluating the use of supercritical boiler design. If the studies confirm that a supercritical design is cost effective and that a change can be made administratively, then the participants will pursue construction on a supercritical design. The boiler will be either tangentially-fired or wall-fired. The boiler combustion system will use low-NOx burners combined with state-of-the-art over-fire air

systems to minimize the formation of nitrogen oxides (NO_x) in the furnace. The boiler will be equipped with an integral selective catalytic reduction (SCR) system for additional NO_x reduction using anhydrous ammonia. Unit 3 will meet a NO_x emission limit of 0.07 lb/mmBtu on a 24 hour average basis. The boiler will be totally enclosed. The steam turbine will be a tandem-compound six-flow machine consisting of HP/IP and multiple LP casings. The steam turbine cycle will be based on eight stages of feedwater heaters in a Heater above Reheat Point (HARP) cycle. The condenser and feedwater heater tubing shall be titanium and stainless steel, respectively.

The unit will be equipped with a state-of-the air quality control system (AQCS) that will include a wet limestone forced-oxidation flue gas desulfurization (FGD) system that will remove a approximately 95% of the sulfur oxides (SO₂) from the boiler flue gas to comply with the air permit allowable emission level of 0.09 lb/mmBtu SO₂ on a 24 hour average basis. The AQCS will also consist of a reverse-air fabric filter (baghouse) for the removal of particulate. The Unit 3 stack will have a minimum height of 712' and will be designed for wet operation.

IPP Unit 3 will be located on the site of the existing Intermountain Power Agency's Intermountain Generating Station that consists of two 900 MW (net) units. Unit 3 will be located next to Unit 2. The Intermountain Generating Station is located in Millard County, Utah. The facility is located approximately 10 miles west of Lynddyl, Utah, off Utah State Highway 132. The site consists of approximately 4,600 acres at an elevation of 4670 feet above sea level. The plant site has both rail and road access for deliveries of coal. Deliveries by rail are provided by Union Pacific. The design outdoor temperature range is 0°F to 100°F with a design wet bulb temperature of 65°F wet bulb temperature.

IPP Unit 3 will burn predominantly local Utah bituminous coals but will have the capability to burn sub-bituminous coals. Modifications will be made to the existing coal storage piles to facilitate coal blending. Upgrades to the existing coal conveyors and conveyor motor drives will be made to improve fuel loading the units. A new transfer tower and conveyor will be installed for Unit 3. The existing fuel oil storage tanks will be used for startup and stabilization fuel. Additional limestone storage and transfer equipment will be provided for Unit 3.

A mechanical draft cooling tower will provide cooling for Unit 3. Raw water for Unit 3 will be pumped from the existing plant raw water reservoir. The plant reservoir receives makeup water from the DMAD surface reservoir and pipeline system. Additional pumps will be installed at the DMAD reservoir to meet the water requirements of the additional unit. No modifications to the pipeline are expected since the makeup water supply system was sized for 3,000 MW of generation at the site. The existing water treatment equipment will be used to process the additional raw water to meet the needs of the service and cooling water systems. Demineralized water will be provided by the existing demineralized water system. The boiler will be equipped with an on-line condensate polisher. The potable water needs of Unit 3 will be provided by extending the existing potable water system.

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The existing fire protection system will be extended and modified to meet the needs of Unit 3.

The Intermountain Power Project is a zero liquid discharge (ZLD) facility. Cooling tower blowdown will be used as makeup to the FGD system and boiler seals. Excess waste water will be treated with a brine concentrator. High quality effluent from the brine concentrator will be used as makeup to the demineralizer system. Plant sewage is treated in a tile field. Fly ash will be marketed to the extent possible. Bottom ash and unsold fly ash will be land-filled on the plant site.

Site upgrades will include plant roads, site lighting, fencing, security, controls, and communications equipment. Unit 3 will use existing warehouses and shop facilities.

Power from IPP Unit 3 will connect the 345kV IPP AC switchyard. Power from the AC switchyard is connected to IPA's existing 345 kV Northern Transmission System which connects directly to PacifiCorp's Mona substation.

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**2013 COMPANY BENCHMARK
BASE LOAD RESOURCE
BRIDGER 5**

**PacifiCorp Energy 2013 Benchmark
2013 Benchmark 750MW at Jim Bridger Unit 5**

PacifiCorp Energy's planned 2013 benchmark is the addition of a 5th Unit at the Jim Bridger Plant with a nominal net rating of approximately 750MW. The primary fuel will be pulverized coal with light oil used for startup and boiler stabilization.

Jim Bridger Unit 5 will employ supercritical boiler-steam turbine technology with main steam conditions of 3600 psig and nominal steam temperatures of 1050°F (main steam) and 1100°F (reheat steam). The boiler itself will be either tangentially-fired or wall-fired. The boiler combustion system will use low-NO_x burners combined with a state-of-the-art over-fire air system to minimize the formation of nitrogen oxides (NO_x) in the furnace. The boiler will be equipped with an integral selective catalytic reduction (SCR) system for additional removal of NO_x using anhydrous ammonia. The boiler construction will be outdoor with at least 75% sided. The steam turbine will consist of a multi-casing design consisting of high pressure/intermediate pressure and multiple low pressure casings. The steam turbine cycle will be based on eight stages of feedwater heaters in a Heater above Reheat Point (HARP) cycle. The condenser and feedwater heater tubing shall be titanium and stainless steel, respectively.

The unit will be equipped with a state-of-the air quality control system (AQCS) that will include a wet or dry flue gas desulfurization (FGD) system that will remove a minimum of 90% of the sulfur oxides (SO₂) from the boiler flue gas. Limestone will be FGD reagent if a wet system is selected. A dry FGD system will use lime. The AQCS will also consist of a pulse-jet fabric filter (bathhouse) for the removal of particulate. The Unit 5 stack will be designed and constructed to good engineering practices with a stack height of no less than the height of the existing stacks (500').

Jim Bridger Unit 5 will be located at the Jim Bridger Plant; the existing plant consists of four 530 MW (net) units. The Jim Bridger Plant is located in Sweetwater County, Wyoming. The facility is located on Sweetwater County Road 4-15 approximately 8 miles north of Point of Rocks. Point of Rocks is on Interstate 80 which is 24 miles east of the city of Rock Springs. The site consists of about 1000 acres at an elevation of 6,670 feet above sea level. Rail access to the plant is from Union Pacific rail lines. The design outdoor temperature range is -40°F to 100°F with a 62°F wet bulb temperature.

Jim Bridger Unit 5 will burn predominantly local sub-bituminous coals but will be designed to also burn Powder River Basin (PRB) coals. Coal storage and handling facilities will be added to provide for up to 45 days of storage and coal blending. The existing fuel oil storage tanks will be used for startup and stabilization fuel.

A cross-flow or counter-flow cooling tower will provide cooling for the unit. Makeup water for the cooling tower and other plant processes will be drawn from the plant's

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surge pond. Water for plant use is pumped into the surge pond from the pumping station located on at Green River which is located 42 miles west of the plant site. Modifications to the Green River pumping station, pipeline, and surge pond will be required to meet the increased water needs of the plant. Water treatment equipment will be installed to process the raw water to meet the needs of the various process needs of the boiler and cooling systems. Jim Bridger Unit 5 will be equipped with a new treated and demineralized water storage tanks. The boiler will be equipped with an on-line condensate polisher to meet the high quality water standards necessary for a supercritical boiler. The requirements of potable water will be met by the existing potable water system. The existing fire protection system will be extended and modified.

The Jim Bridger Plant is a zero liquid discharge (ZLD) plant. Cooling tower blowdown will be used as makeup to the FGD system and ash handling systems. Handling of the balance of any remaining wastewater is currently under review but may include use of the existing evaporation pond system, deep well injection, a brine concentrator, or a combination of these options. Plant sewage is treated and discharged to the evaporation pond. A new storm water pond will be constructed.

Site upgrades will include new warehouse/machine shop facilities, plant roads, site lighting, fencing, security, and communications equipment.

PacifiCorp Transmission is currently evaluating transmission options and paths for power delivery from the new unit. Power will be transmitted from the plant via a new high voltage transmission line operating at either 345 kV or 500 kV. The new line will most likely parallel the existing 345kV Jim Bridger-Kinport transmission lines.

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**2014 COMPANY BENCHMARK
BASE LOAD RESOURCE
IGCC PROJECT**

PacifiCorp Energy 2014 Benchmark IGCC Benchmark

PacifiCorp Energy's 2014 IGCC benchmark is a coal gasification facility together with its associated auxiliaries necessary to provide syn-gas to fuel a "2 x1" combined cycle configuration using either General Electric's 7FB or Siemens Power SGT-5000F gas turbines. The 2014 IGCC benchmark may consist of up to three gasifiers as necessary to provide 90% availability on coal alone. The primary fuel will be pulverized coal with either natural gas or light oil for startup.

Potential gasifier technologies would include Conoco-Philips, General Electric, and Shell. Potentially, Siemens' newly acquired Sustec gasifier technology may also be considered as potential gasifier technology supplier provided adequate scale-up and target availability levels are demonstrated. Since the designs of the gasifiers and the associated reference plants are unique, specific details on the selected benchmark design will depend on future project specific scoping studies and Front End Engineering Design (FEED) studies. The designs are also dependent on coal composition and location, as a general guideline, the benchmark IGCC plant will be based on the standard reference plant configuration as supplied by the selected technology suppliers consistent with fuel specific requirements. The benchmark design requirements would also be supplemented as necessary by the findings and recommendations of Electric Power Research Institute's (EPRI) Coal fleet IGCC User Design Basis Specification.

The design basis for environmental performance for the 2014 IGCC benchmark is the EPRI Coal fleet IGCC User Design Basis Specification Environmental Design Level II. In order to achieve NOx emissions levels associated with Coal Fleet's Environmental Design Level II, a Selective Catalytic Reduction (SCR) system would be required. As a consequence of using an SCR additional H₂S would need to be removed from the syngas in order to reduce the potential of fouling of the SCR catalyst. A refrigerated amine, Selexol™, or similar high-efficiency system would be used to reduce the H₂S levels to the necessary levels. The 2014 benchmark would not incorporate an oxidation catalyst.

The 2014 IGCC plant benchmark would be designed and constructed to allow for future CO₂ capture equipment in that sufficient space and interconnections would be provided to allow for future installation of CO₂ capture equipment. The CO₂ capture equipment, such as humidification towers, shift reactors, CO₂ absorbers/strippers, and compressors would not be installed as part of the original design. Depending on the results of further study, it is possible the IGCC benchmark would include a mitigation provision for future CO₂ capture by over-sizing certain components as part of the original design. This will minimize the performance impacts associated with any later installation of CO₂ capture equipment. Installation of CO₂ capture equipment for enhanced oil recovery would be a site specific consideration.

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The air separation unit of 2014 IGCC benchmark would need to have a guaranteed availability level of 98% or better. Sufficient on-site nitrogen storage would be required to meet purge gas requirements. The need for liquid or gaseous oxygen storage would be evaluated depending on the expected duration and frequency of unexpected outages of the vendor's proposed air separation system. The 2014 IGCC benchmark would be designed such that the air separation unit would receive a portion of the air supply requirement from the gas turbine compressor. An auxiliary air separation unit compressor would provide the remaining compressed air requirement. The degree of integration would be a parameter to be determined during the FEED study.

The location of the 2014 IGCC benchmark will be identified prior to the Independent Evaluator locking down the 2014 benchmark. The company has examined the feasibility of IGCC resources at both its Hunter and Jim Bridger sites; these sites may be candidate locations. In addition the Company is now considering other potential brown-field sites include the Naughton and the Dave Johnston plants. Site specific considerations would dictate the balance of plant requirements which includes water supply needs, water supply improvements, water treatment systems, coal storage and handling, and waste water and waste disposal facilities.

Project Characteristics

Characteristics of how the Proxy is modeled in the 2006 RFP

	Hunter 4 Supercritical	Bridger 5 Supercritical	Inter Mountain Power Project 3 Supercritical	Integrated Gasification Combined Cycle Resource	
				Utah	Wyoming
Starts per Day	Base Load Unit not expected to cycle on & off on a daily basis				
Start Up Cost (2006\$)	\$15,907 / Start	\$19,884 / Start	\$15,907 / Start	\$13,380 / Start	\$13,380 / Start
Variable O&M (2006\$)	\$2.41 / MWh	\$2.08 / MWh	\$2.41 / MWh	\$1.10 / MWh	\$1.08 / MWh
Minimum Up Time	16 Hours	16 Hours	16 Hours	16 Hours	16 Hours
Minimum Down Time	12 Hours	12 Hours	12 Hours	30 Hours	30 Hours
Ramp Rate (warm start)	30 MW / minute	30 MW / minute	30 MW / minute	12.5 MW / minute	12.5 MW / minute
Run-Up Rate (cold start)	212 MW / Hour	212 MW / Hour	212 MW / Hour	48 MW / Hour	48 MW / Hour

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**RFP 2012
ATTACHMENT 2
QF BIDDER INFORMATION**



ELECTRIC SERVICE SCHEDULE NO. 38 - Continued

II. B. Procedures (continued)

Generally, the interconnection process involves (1) initiating a request for interconnection, (2) completion of studies to determine the system impacts associated with the interconnection and the design, cost, and schedules for constructing any necessary interconnection facilities, (3) execution of an Interconnection Facilities Agreement to address facility construction, testing and acceptance and (4) execution of an Interconnection Operation and Maintenance Agreement to address ownership and operation and maintenance issues.

Consistent with PURPA, the owner is responsible for all interconnection costs assessed by the Company on a nondiscriminatory basis.

ELECTRIC SERVICE SCHEDULE NO. 38 - Continued

II. Process for Negotiating Interconnection Agreements (continued)

Because of functional separation requirements mandated by the Federal Energy Regulatory Commission, interconnection and power purchase agreements are handled by different functions within the Company. Interconnection agreements (both transmission and distribution level voltages) are handled by the Company's power delivery function.

A. Communications

Initial communications regarding interconnection agreements should be directed to the Company in writing as follows:

Utah Power & Light Company
Manager-QF Contracts
825 NE Multnomah St, Suite 600
Portland, Oregon 97232

Based on the project size and other characteristics, the Company will direct the QF owner to the appropriate individual within the Company's power delivery function that will be responsible for negotiating the interconnection agreement with the QF owner. Thereafter, the QF owner should direct all communications regarding interconnection agreements to the designated individual, with a copy of any written communications to the address set forth above.

B. Procedures

The Company will follow the procedures for generation interconnection described in Part IV of the Company's Open Access Transmission Tariff (Tariff) on file with the Federal Regulatory Commission. A copy of the Tariff is available on-line at <http://www.oasis.pacificorp.com>

ELECTRIC SERVICE SCHEDULE NO. 38 - Continued

B. Procedures

1. The Company's proposed generic power purchase agreement may be obtained from the Company's website at www.pacificorp.com, or if the owner is unable to obtain it from the website, the Company will send a copy within seven days of a written request."
2. To obtain an indicative pricing proposal with respect to a proposed project, the owner must provide in writing to the Company, general project information reasonably required for the development of indicative pricing, including, but not limited to:
 - a) generation technology and other related technology applicable to the site
 - b) design capacity (MW), station service requirements, and net amount of power to be delivered to the Company's electric system
 - c) quantity and timing of monthly power deliveries (including project ability to respond to dispatch orders from the Company)
 - d) proposed site location and electrical interconnection point
 - e) proposed on-line date and outstanding permitting requirements
 - f) demonstration of ability to obtain QF status

- g) fuel type (s) and source (s)
 - h) plans for fuel and transportation agreements
 - i) proposed contract term and pricing provisions (i.e., fixed, escalating, indexed)
 - j) status of interconnection arrangements
3. The Company shall not be obligated to provide an indicative pricing proposal until all information described in Paragraph 2 has been received in writing from the QF owner. Within 30 days following receipt of all information required in Paragraph 2, the Company will provide the owner with an indicative pricing proposal, which may

ELECTRIC SERVICE SCHEDULE NO. 38 - Continued

B. Procedures (continued)

include other indicative terms and conditions, tailored to the individual characteristics of the proposed project. Such proposal may be used by the owner to make determinations regarding project planning, financing and feasibility. However, such prices are merely indicative and are not final and binding. Prices and other terms and conditions are only final and binding to the extent contained in a power purchase agreement executed by both parties and approved by the Commission. The Company will provide with the indicative prices a description of the methodology used to develop the prices.

4. If the owner desires to proceed forward with the project after reviewing the Company's indicative proposal, it may request in writing that the Company prepare a draft power purchase agreement to serve as the basis for negotiations between the parties. In connection with such request, the owner must provide the Company

with any additional project information that the Company reasonably determines to be necessary for the preparation of a draft power purchase agreement, which may include, but shall not be limited to:

- a) updated information of the categories described in Paragraph B.2,
- b) evidence of adequate control of proposed site
- c) identification of, and timelines for obtaining any necessary governmental permits, approvals or authorizations

ELECTRIC SERVICE SCHEDULE NO. 38 - Continued

B. Procedures (continued)

- d) assurance of fuel supply or motive force
 - e) anticipated timelines for completion of key project milestones
 - f) evidence that any necessary interconnection studies have been completed and assurance that the necessary interconnection arrangements are being made in accordance with Part II.
5. The company shall not be obligated to provide the owner with a draft power purchase agreement until all information required pursuant to Paragraph 4 has been received by the Company in writing. Within 30 days following receipt of all information required pursuant to paragraph 4, the Company shall provide the owner with a draft power purchase agreement containing a comprehensive set of proposed terms and conditions, including a specific pricing proposal for purchases from the project. Such draft shall serve as the basis for subsequent negotiations between the parties and, unless clearly indicated, shall not be construed as a binding proposal by the Company
6. After reviewing the draft power purchase agreement, the owner may prepare an initial set of written comments and proposals regarding the draft power purchase agreement and forward such comments and proposals to the Company. The Company shall not be obligated to commence negotiations with a QF owner until the Company has received an initial set of written comments and proposals from the QF owner. Following the Company's receipt of

such comments and proposals, the owner may contact the Company to schedule contract negotiations at such times and places as are mutually agreeable to the parties. In connection with such negotiations, the Company:

- a) will not unreasonably delay negotiations and will respond in good faith to any additions, deletions or modifications to the draft power purchase agreement that are proposed by the owner

ELECTRIC SERVICE SCHEDULE NO. 38 - Continued

B. Procedures (continued)

- b) may request to visit the site of the proposed project if such a visit has not previously occurred
 - c) will update its pricing proposals at appropriate intervals to accommodate any changes to the Company's avoided-cost calculations, the proposed project or proposed terms of the draft power purchase agreement
 - d) may request any additional information from the owner necessary to finalize the terms of the power purchase agreement and satisfy the Company's due diligence with respect to the Project.
7. When both parties are in full agreement as to all terms and conditions of the draft power purchase agreement, the Company will prepare and forward to the owner a final, executable version of the agreement. The Company reserves the right to condition execution of the power purchase agreement upon simultaneous execution of an interconnection agreement between the owner and the Company's power delivery function, as discussed in Part II. Prices and other terms and conditions in the power purchase agreement will not be final and binding until the power purchase agreement has been executed by both parties and approved by the Commission.

II. Process for Negotiating Interconnection Agreements

In addition to negotiating a power purchase agreement, QFs intending to make sales to the Company are also required to enter into an interconnection agreement that governs the physical interconnection of the project to the Company's

transmission or distribution system. The Company's obligation to make purchases from a QF is conditioned upon all necessary interconnection arrangements being consummated.

It is recommended that the owner initiate its request for interconnection as early in the planning process as possible, to ensure that necessary interconnection arrangements proceed in a timely manner on a parallel track with negotiation of the power purchase agreement.

ELECTRIC SERVICE SCHEDULE NO. 38 - Continued

II. Process for Negotiating Interconnection Agreements (continued)

Because of functional separation requirements mandated by the Federal Energy Regulatory Commission, interconnection and power purchase agreements are handled by different functions within the Company. Interconnection agreements (both transmission and distribution level voltages) are handled by the Company's power delivery function.

A. Communications

Initial communications regarding interconnection agreements should be directed to the Company in writing as follows:

Utah Power & Light Company
Manager-QF Contracts
825 NE Multnomah St, Suite 600
Portland, Oregon 97232

Based on the project size and other characteristics, the Company will direct the QF owner to the appropriate individual within the Company's power delivery function that will be responsible for negotiating the interconnection agreement with the QF owner. Thereafter, the QF owner should direct all communications regarding interconnection agreements to the designated individual, with a copy of any written communications to the address set forth above.

B. Procedures

The Company will follow the procedures for generation interconnection described in Part IV of the Company's Open Access Transmission Tariff (Tariff) on file with the Federal Regulatory Commission. A copy of the Tariff is available on-line at <http://www.oasis.pacificorp.com>

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RFP 2012
ATTACHMENT 3
POWER PURCHASE CONTRACT

RFP 2012
ATTACHMENT 4
ROLE AND FUNCTION OF THE INDEPENDENT
EVALUATOR AND THE PROTOCOLS AND
COMMUNICATIONS BETWEEN THE BENCHMARK
TEAM, THE EVALUATION TEAM, THE BIDDERS AND
THE INDEPENDENT EVALUATOR

- 1) The role and function of the Independent Evaluator is outlined below.
 - a. Facilitate and monitor communications between the Soliciting Utility and Bidders.
 - b. Review and validate the assumptions and calculations of any Benchmark Option.
 - c. Analyze the Benchmark Option for reasonableness and consistency with the Solicitation Process.
 - d. Analyze, operate and validate all important models, modeling techniques, assumptions and inputs utilized by the Soliciting Utility in the Solicitation Process, including the evaluation of Bids.
 - e. Receive and “blind” Bid responses.
 - f. Provide input to the Soliciting Utility on:
 - i. the development of screening and evaluation criteria, ranking factors and evaluation methodologies that are reasonably designed to ensure that the Solicitation Process is fair, reasonable and in the public interest in preparing a Solicitation and in evaluating Bids ;
 - ii. the development of initial screening and evaluation criteria that take into consideration the assumptions included in the Soliciting Utility’s most recent IRP, any recently filed IRP Update, any Commission order on the IRP or IRP Update and in its Benchmark Option.
 - iii. whether a bidder has met the criteria specified in any RFQ and whether to reject or accept non-conforming RFQ responses;
 - iv. whether and when data and information should be distributed to Bidders because it is necessary to facilitate a fair and reasonable competitive Bidding process or has been reasonably requested by Bidders;
 - v. whether to reject non-conforming bids or accept conforming changes.
 - g. Ensure that all Bids are treated in a fair and non-discriminatory manner.
 - h. Monitor, observe, validate and offer feedback to the Soliciting Utility and the Regulators on all aspects of the Solicitation and Solicitation Process, including:
 - i. content of the Solicitation;
 - ii. evaluation and ranking of Bid responses;
 - iii. creation of a short list(s) of Bidders for more detailed analysis and negotiation;
 - iv. Post-Bid discussions and negotiations with, and evaluations of, short list Bidders;
 - v. negotiation of proposed contracts with successful Bidders.
 - i. Offer feedback to the Soliciting Utility on possible adjustments to the scope or nature of the Solicitation or requested resources in light of Bid responses ;
 - j. Solicit additional information on Bids necessary for screening and evaluation purposes.
 - k. Advise the Commission at all stages of the process of any unresolved disputes or other issues or concerns that could affect the integrity or outcome of the Solicitation Process.

l. Analyze and attempt to mediate disputes that arise in the Solicitation Process with the Soliciting Utility and/or Bidders, and present recommendations for resolution of unresolved disputes to the Commission.

m. Participate in and testify at Commission hearings on approval of the Solicitation and Solicitation Process and/or approval of a Significant Energy Resource Decision.

n. Coordinate as appropriate and as directed by the Commission with staff or evaluators designated by regulatory authorities from other states served by the Soliciting Utility.

o. Perform such other evaluations and tasks as the Commission may direct.

2) The Communications between the Independent Evaluator, the Company and the Bidders shall be conducted in the following manner.

a. Communications between a Soliciting Utility and potential or actual Bidders shall be conducted only through or in the presence of the Evaluator. Bidder questions and Soliciting Utility or Evaluator responses shall be posted on an appropriate website. The Evaluator shall protect or redact competitively sensitive information from such questions or responses to the extent necessary.

b. The Soliciting Utility may not communicate with any Bidder regarding the Solicitation Process, the content of the Solicitation or Solicitation documents, or the substance of any potential response by a Bidder to the Solicitation, except through or in the presence of the Evaluator.

c. The Soliciting Utility shall provide timely and accurate responses to any request from the Evaluator, including requests from Bidders submitted by the Evaluator, for information regarding any aspect of the Solicitation or the Solicitation Process.

3) The Independent Evaluator will provide the following Reports:

The Evaluator shall prepare at least the following confidential reports and provide them to the Regulators and the Soliciting Utility:

i. Monthly progress reports on all aspects of the Solicitation Process as it progresses;

ii. Final Reports as soon as possible following the completion of the Solicitation Process. Final reports shall include analyses of the Solicitation, the Solicitation Process, the Soliciting Utility's evaluation and selection of Bids and resources, the final results and whether the selected resources are in the public interest.

4) Communication between the Evaluation Team and the Benchmark Team:

- a. The Evaluation Team, including Non-blinded Personnel, may not be members of the Benchmark Team, nor communicate with members of the Benchmark Team during the Solicitation Process about any aspect of the Solicitation Process, except as authorized herein.
- b. The names and titles of each member of the Benchmark Team, the Non-blinded Personnel and Evaluation Team shall be provided in writing to the Evaluator.
- c. The Evaluation Team may solicit written comments on matters of technical expertise from the members of the Benchmark Team. All such communications to or from the Benchmark Team must be in writing. The Evaluator must participate in all such communications between members of the Benchmark Team and Evaluation Team and must retain a copy of all such correspondence to be made available in future Commission proceedings. The Evaluator must also make available to the Bidder about whose bid the Benchmark Team's technical expertise was sought a written copy of the correspondence between the Evaluation and Benchmark Teams. Any response to such correspondence from the Bidder must be in writing to the Evaluator and must be conveyed to the Evaluation Team. The Evaluator must provide its own or third party verification of the reasonableness of any technical information solicited from the Benchmark Team or Bidder before it may be used in any evaluation.
- d. There shall be no communications regarding blinded Bid information, either directly or indirectly, between the Nonblinded Personnel and other Evaluation Team members until the final shortlist is determined except as authorized herein, which communications shall be done in the presence of the Evaluator. The Non-blinded Personnel must not reveal to other Evaluation Team members, either directly or indirectly in any form, any blinded information regarding the identity of any of the Bidders.
- e. The Evaluation Team shall have no direct or indirect contact or communication with any Bidder other than through the Evaluator until such time as a final shortlist is selected by the Soliciting Utility.
- f. Should any Bidder or a member of the Benchmark Team, attempt to contact a member of the Evaluation Team, such Bidder or member of the Benchmark Team shall be directed to the Evaluator for all information and such communication shall **promptly** be reported to the Evaluator by the Evaluation Team.

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**RFP 2012
ATTACHMENT 5
TOLLING SERVICE AGREEMENT
CONTRACT**

**RFP 2012
ATTACHMENT 6
ASSET PURCHASE AND SALE
AGREEMENT (APSA) WITH
APPENDICES**

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**RFP 2012
ATTACHMENT 7
LAKE SIDE APSA
RIGHTS AND FACILITIES**

ATTACHMENT 7 LAKE SIDE RIGHTS AND FACILITIES PPA AND TSA BIDDERS ONLY

Easements

PacifiCorp will grant a non-exclusive easement on PacifiCorp's property between Bidder's switchyard to the new 345kV substation serving Bidder's Facility. Easement will be determined based on Bidder's routing of Bidder's cable.

PacifiCorp will grant a non-exclusive easement to allow for the connection of Bidder's Facility to a natural gas supply line located on PacifiCorp property, if required. As an alternative, PacifiCorp, in its sole discretion, may convey such property as required for Bidder's natural gas pipeline and metering station to Bidder as part of the Site Purchase Agreement for Lake Side shown as Attachment 19 to this RFP. Specific details of the interconnection are provided in Appendix B to the APSA.

Water Rights

PacifiCorp does not hold any Water Rights that can be acquired by the Bidder. Bidder will be responsible for acquiring such rights.

Emission Reduction Credits (ERCs)

PacifiCorp has ERCs that can be acquired by the Bidder. Pricing is shown in the Site Purchase Agreement for Lake Side. The available Utah County ERCs are (in tons):

PM-10	46.8
SO ₂	4.6
NO _x	22.4

Bidder is responsible for obtaining all ERCs necessary for the operation of the Project.

Facilities Interconnections

Bidder will be entitled to connect, at its own expense with PacifiCorp's raw water connection as specified in Appendix B to the APSA. Supply is limited to water used for construction purposes.

Bidder will acquire, under the Site Purchase Agreement for Lake Side (Attachment 16), rights to one half of the currently available capacity contracted for by PacifiCorp from Questar. Terms of this contract are to be found in the Site Purchase Agreement.

RFP 2012
ATTACHMENT 8
CURRENT CREEK APSA
RIGHTS AND FACILITIES

ATTACHMENT 8 CURRANT CREEK RIGHTS AND FACILITIES PPA AND TSA BIDDERS ONLY

Easements

PacifiCorp will grant a non-exclusive easement on PacifiCorp's property between Bidder's switchyard to the 345kV substation serving Bidder's Facility. Easement will be determined based on Bidder's routing of Bidder's cable.

PacifiCorp will grant a non-exclusive easement to allow for the connection of Bidder's Facility to a natural gas supply line located on PacifiCorp property, if required. As an alternative, PacifiCorp, in its sole discretion, may convey such property as required for Bidder's natural gas pipeline and metering station to Bidder as part of the Site Purchase Agreement for Currant Creek shown as Attachment 17 to this RFP. Specific details of the interconnection are provided in Appendix B to the APSA.

Water Rights

PacifiCorp has Water Rights that can be acquired by the Bidder. Quantities and pricing are shown in the Site Purchase Agreement for Currant Creek shown as Attachment 21 to this RFP.

Emission Reduction Credits (ERCs)

PacifiCorp does not believe that ERCs will be required for this project at this time. Bidder to confirm.

Facilities Interconnections

Bidder will be entitled to connect, at its own expense with PacifiCorp's raw water connection as specified in Appendix B to the APSA.

Bidder will acquire, under the Site Purchase Agreement for Currant Creek (Attachment 17), rights to one half of the currently available capacity contracted for by PacifiCorp from Questar. Terms of this contract are to be found in the Site Purchase Agreement.

**RFP 2012
ATTACHMENT 9
OWNER'S COSTS UNDER
APSA AND EPC**

ATTACHMENT 9 OWNER'S COST ASSUMPTIONS UNDER AN APSA¹

Costs for both Lakeside and Currant Creek:

ESTIMATED OWNER COSTS	CURRANT CREEK	LAKE SIDE
Project Management	\$ 1,000,000	\$ 1,000,000
Plant Labor	\$ 682,500	\$ 682,500
Misc. Consultants	\$ 100,000	\$ 100,000
Owners Legal Council	\$ 100,000	\$ 100,000
Regulation, PR & Communication	\$ 100,000	\$ 200,000
C&T Charges for PSC Hearings	\$ 20,000	\$ 20,000
Legal Costs for PSC Hearings	\$ 200,000	\$ 200,000
Computer Hardware	\$ 150,000	\$ 150,000
Permitting & License Fees	\$ 200,000	\$ 200,000
Startup / Fuel and Testing	\$ 965,400	\$ 965,400
Site Surveys/Studies	\$ 50,000	\$ 50,000
Site Security	\$ 250,000	\$ 250,000
Operating Spare Parts	\$ 6,600,000	\$ 6,600,000
Permanent Plant Equipment, Tools, & Furnishings	\$ 300,000	\$ 300,000
Builders All Risk Insurance	TBD	TBD
Training	\$ 150,000	\$ 150,000
Escalation Owner's Costs	TBD	TBD
Sales Tax & Duties ²	Bidder to Supply	Bidder to Supply
Owner Contingency ³	TBD	TBD
Capital Surcharge	\$ 500,000	\$ 500,000
Capitalized Property Taxes ⁴	TBD	TBD
Interest During Construction (AFUDC ⁵) (Based on payment schedule)	TBD	TBD
PROJECT TOTALS	\$ 11,367,900	\$ 11,517,900

The above cost figures were developed by PacifiCorp as estimates to be used by PacifiCorp for its own purposes, including but not limited to evaluation of proposals submitted pursuant to the RFP. In no event shall PacifiCorp be responsible for errors or omissions in the above figures or any cost estimates developed by respondents to the RFP.

Notes:

- ¹ Costs over and above those stated in Attachment 7 and 8 "Owner's Development Costs"
- ² Bidder shall divide proposal into taxable and non-taxable items.
- ³ Owner's Contingency will be the same on both sites.
- ⁴ Current Effective Rate for Currant Creek is 0.86%, for Lake Side, 1.10%. Both are subject to change.

⁵ The Current Effect Rate for AFUDC is 7.5%. This is subject to change.

RFP Analysis Guidelines for AFUDC and Capitalized Property Tax

For purposes of analyzing resource RFP responses which require PacifiCorp to assume a progress payment obligation during the construction phase for a resource that will be transferred to and owned by PacifiCorp, the total capitalized cost shall include:

- (1) a capitalized financing cost as applied through the application of Allowance for Funds Used During Construction (AFUDC), pursuant to Regulatory Commissions' guidelines, and
- (2) an amount for capitalized property taxes, pursuant to PacifiCorp's property tax capitalization policy.

AFUDC

Monthly AFUDC shall be calculated by multiplying the average balance of Construction Work in Progress (CWIP) by the applicable projected AFUDC rate in use by PacifiCorp. CWIP shall include all applicable construction overheads, AFUDC from prior months, and capitalized property taxes that are associated with the final capitalized cost of such resource until such resource is projected to be placed in service.

This rate is currently 7.5% annually. The actual rate in effect at the time of the bid evaluation will be the one used.

Property Tax

If the projected CWIP balance is greater than \$50 million as of the first day of each calendar year, the amount of capitalized property taxes that will be added to CWIP will be equal to each year's beginning CWIP balance multiplied by an estimated property tax rate applicable for the resource under consideration.

The standard (non-site specific) rate for PacifiCorp is currently 1.2% of the CWIP balance. The actual rate in effect when the final RFP is issued in September, will be the one used.

RFP 2012
ATTACHMENT 10
OWNER'S DEVELOPMENT COST
ASSUMPTIONS

ATTACHMENT 10 OWNER'S DEVELOPMENT COST ASSUMPTIONS

Lake Side Development Costs:

Permitting and License Fees	\$200,000
Regulation, PR and Communications	\$200,000
Owner's Legal Counsel	\$100,000
Surveys/Studies	\$50,000
Water Rights ¹	\$12,048,000
ERCs ¹	\$1,065,169
Miscellaneous Consultants	\$125,000
Total	\$13,288,169

Currant Creek Development Costs

Permitting and License Fees	\$200,000
Regulation, PR and Communications	\$200,000
Owner's Legal Counsel	\$100,000
Surveys/Studies	\$50,000
Water Rights ^{2,3}	Obtained with Block 1
ERCs ²	Obtained with Block 1
Miscellaneous Consultants	\$125,000
Total	\$675,000

The above development cost figures were developed by PacifiCorp as estimates to be used by PacifiCorp for its own purposes, including but not limited to evaluation of proposals submitted pursuant to the RFP. Each entity responding to the RFP shall not rely on these figures, and each respondent shall be solely responsible for developing its own estimates of development costs. In no event shall PacifiCorp be responsible for errors or omissions in the above figures or any development cost estimates developed by respondents to the RFP.

Notes:

¹ See Site Purchase Agreement for Lake Side for specific acreages and quantities

² See Site Purchase Agreement for Currant Creek for specific acreages and quantities

³ Currant Creek's design utilizes an Air-Cooled Condenser (ACC)

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RFP 2012
ATTACHMENT 11
FORM OF LETTER OF CREDIT

**Attachment 11 to RFP 2012
Requirements for a Letter of Credit**

A Letter of Credit means an irrevocable standby letter of credit in a form reasonably acceptable to PacifiCorp, naming PacifiCorp as the party entitled to demand payment and present draw requests thereunder, which letter(s) of credit:

- (1) is issued by a U.S. commercial bank or a foreign bank with a U.S. branch, with such bank having a net worth of at least \$1,000,000,000 and a credit rating on its senior unsecured debt of:
 - (a) "A2" or higher from Moody's; or
 - (b) "A" or higher from S&P;
- (2) on the terms provided in the letter(s) of credit, permits PacifiCorp to draw up to the face amount thereof for the purpose of paying any and all amounts owing by Seller hereunder.
- (3) if a letter of credit is issued by a foreign bank with a U.S. branch, permits PacifiCorp to draw upon the U.S. branch;
- (4) permits PacifiCorp to draw the entire amount available thereunder if such letter of credit is not renewed or replaced at least thirty (30) Business Days prior to its stated expiration date;
- (5) permits PacifiCorp to draw the entire amount available thereunder if such letter(s) of credit are not increased, replaced or replenished as and when provided where applicable;
- (6) is transferable by PacifiCorp to any party to which PacifiCorp may assign;
- (7) shall remain in effect for at least ninety (90) days after the end of the Term.

**RFP 2012
ATTACHMENT 12
STANDARD AND POOR'S
INFERRED DEBT
METHODOLOGY ARTICLE**

Research

"Buy Versus Build": Debt Aspects of Purchased-Power Agreements

Publication date: 08-May-2003
Credit Analyst: Jeffrey Wolinsky, CFA, New York (1) 212-438-2117; Dimitri Nikas, New York (1) 212-438-7807; Anthony Flintoff, London (44) 20-7826-3874; Laurie Conheady, Melbourne (61) 3-9631-2036

Standard & Poor's Ratings Services views electric utility purchased-power agreements (PPA) as debt-like in nature, and has historically capitalized these obligations on a sliding scale known as a "risk spectrum." Standard & Poor's applies a 0% to 100% "risk factor" to the net present value (NPV) of the PPA capacity payments, and designates this amount as the debt equivalent.

While determination of the appropriate risk factor takes several variables into consideration, including the economics of the power and regulatory treatment, the overwhelming factor in selecting a risk factor has been a distinction in the likelihood of payment by the buyer. Specifically, Standard & Poor's has divided the PPA universe into two broad categories: take-or-pay contracts (TOP; hell or high water) and take-and-pay contracts (TAP; performance based). To date, TAP contracts have been treated far more leniently (e.g., a lower risk factor is applied) than TOP contracts since failure of the seller to deliver energy, or perform, results in an attendant reduction in payment by the buyer. Thus, TAP contracts were deemed substantially less debt-like. In fact, the risk factor used for many TAP obligations has been as low as 5% or 10% as opposed to TOPs, which have been typically at least 50%.

Standard & Poor's originally published its purchased-power criteria in 1990, and updated it in 1993. Over the past decade, the industry underwent significant changes related to deregulation and acquired a history with regard to the performance and reliability of third-party generators. In general, independent generation has performed well; the likelihood of nondelivery--and thus release from the payment obligation--is low. As a result, Standard & Poor's believes that the distinction between TOPs and TAPs is minimal, the result being that the risk factor for TAPs will become more stringent. This article reiterates Standard & Poor's views on purchased power as a fixed obligation, how to quantify this risk, and the credit ramifications of purchasing power in light of updated observations.

■ Why Capitalize PPAs?

Standard & Poor's evaluates the benefits and risks of purchased power by adjusting a purchasing utility's reported financial statements to allow for more meaningful comparisons with utilities that build generation. Utilities that build typically finance construction with a mix of debt and equity. A utility that leases a power plant has entered into a debt transaction for that facility; a capital lease appears on the utility's balance sheet as debt. A PPA is a similar fixed commitment. When a utility enters into a long-term PPA with a fixed-cost component, it takes on financial risk. Furthermore, utilities are typically not financially compensated for the risks they assume in purchasing power, as purchased power is usually recovered dollar-for-dollar as an operating expense.

As electricity deregulation has progressed in some countries, states, and regions, the line has blurred between traditional utilities, vertically integrated utilities, and merchant energy companies, all of which are in the generation business. A common contract that has emerged is the tolling agreement, which gives an energy merchant company the right to purchase power from a specific power plant. (see "Evaluating Debt Aspects of Power Tolling Agreements," published Aug. 26, 2002). The energy merchant, or toller, is typically responsible for procuring and delivering gas to the plant when it wants the plant to generate power. The power plant operator must maintain plant availability and produce electricity at a contractual heat rate. Thus, tolling contracts exhibit characteristics of both PPAs and leases. However, tollers are typically unregulated entities competing in a competitive marketplace. Standard & Poor's has determined that a 70% risk factor should be applied to the NPV of the fixed tolling payments, reflecting its assessment of the risks borne by the toller, which are:

- Fixed payments that cover debt financing of power plant (typically highly leveraged at about 70%),
- Commodity price of inputs,
- Energy sales (price and volume), and
- Counterparty risk.

■ Determining the Risk Factor for PPAs

Alternatively, most entities entering into long-term PPAs, as an alternative to building and owning power plants, continue to be regulated utilities. Observations over time indicate the high likelihood of performance on TAP commitments and, thus, the high likelihood that utilities must make fixed payments. However, Standard & Poor's believes that vertically integrated, regulated utilities are afforded greater protection in the recovery of PPAs, compared with the recovery of fixed tolling charges by merchant generators. There are two reasons for this. First, tariffs are typically set by regulators to recover costs. Second, most vertically integrated utilities continue to have captive customers and an obligation to serve. At a minimum, purchased power, similar to capital costs and fuel costs, is included in tariffs as a cost of service.

As a generic guideline for utilities with PPAs included as an operating expense in base tariffs, Standard & Poor's believes that a 50% risk factor is appropriate for long-term commitments (e.g. tenors greater than three years). This risk factor assumes adequate regulatory treatment, including recognition of the PPA in tariffs; otherwise a higher risk factor could be adopted to indicate greater risk of recovery. Standard & Poor's will apply a 50% risk factor to the capacity component of both TAP and TOP PPAs. Where the capacity component is not broken out separately, we will assume that 50% of the payment is the capacity payment. Furthermore, Standard & Poor's will take counterparty risk into account when considering the risk factor. If a utility relies on any individual seller for a material portion of its energy needs, the risk of nondelivery will be assessed. To the extent that energy is not delivered, the utility will be exposed to replacing this power, potentially at market rates that could be higher than contracted rates and potentially not recoverable in tariffs.

Standard & Poor's continues to view the recovery of purchased-power costs via a fuel-adjustment clause, as opposed to base tariffs, as a material risk mitigant. A monthly or quarterly adjustment mechanism would ensure dollar-for-dollar recovery of fixed payments without having to receive approval from regulators for changes in fuel costs. This is superior to base tariff treatment, where variations in volume sales could result in under-recovery if demand is sluggish or contracting. For utilities in supportive regulatory jurisdictions with a precedent for timely and full cost recovery of fuel and purchased-power costs, a risk factor of as low as 30% could be used. In certain cases, Standard & Poor's may consider a lower risk factor of 10% to 20% for distribution utilities where recovery of certain costs, including stranded assets, has been legislated. Qualifying facilities that are blessed by overarching federal legislation may also fall into this category. This situation would be more typical of a utility that is transitioning from a vertically integrated to a disaggregated distribution company. Still, it is unlikely that no portion of a PPA would be capitalized (zero risk factor) under any circumstances.

The previous scenarios address how purchased power is quantified for a vertically integrated utility with a bundled tariff. However, as the industry transitions to disaggregation and deregulation, various hybrid models have emerged. For example, a utility can have a deregulated merchant energy subsidiary, which buys power and off-sells it to the regulated utility. The utility in turn passes this power through to customers via a fuel-adjustment mechanism. For the merchant entity, a 70% risk factor would likely be applied to such a TAP or tolling scheme. But for the utility, a 30% risk factor would be used. What would be the appropriate treatment here? In part, the decision would be driven by the ratings methodology for the family of companies. Starting from a consolidated perspective, Standard & Poor's would use a 30% risk factor to calculate one debt equivalent on the consolidated balance sheet given that for the consolidated entity the risk of recovery would ultimately be through the utility's tariff. However, if the merchant energy company were deemed noncore and its rating was more a reflection of its stand-alone creditworthiness, Standard & Poor's would impute a debt equivalent using a 70% risk factor to its balance sheet, as well as a 30% risk-adjusted debt equivalent to the utility. Indeed, this is how the purchases would be reflected for both companies if there were no ownership relationship. This example is perhaps overly simplistic because there will be many variations on this theme. However, Standard & Poor's will apply this logic as a starting point, and modify the analysis case-by-case, commensurate

with the risk to the various participants.

■ Adjusting Financial Ratios

Standard & Poor's begins by taking the NPV of the annual capacity payments over the life of the contract. The rationale for not capitalizing the energy component, even though it is also a nondiscretionary fixed payment, is to equate the comparison between utilities that buy versus build--i.e., Standard & Poor's does not capitalize utility fuel contracts. In cases where the capacity and energy components of the fixed payment are not specified, half of the fixed payment is used as a proxy for the capacity payment. The discount rate is 10%. To determine the debt equivalent, the NPV is multiplied by the risk factor. The resulting amount is added to a utility's reported debt to calculate adjusted debt. Similarly, Standard & Poor's imputes an associated interest expense equivalent of 10%--10% of the debt equivalent is added to reported interest expense to calculate adjusted interest coverage ratios. Key ratios affected include debt as a percentage of total capital, funds from operations (FFO) to debt, pretax interest coverage, and FFO interest coverage. Clearly, the higher the risk factor, the greater the effect on adjusted financial ratios. When analyzing forecasts, the NPV of the PPA will typically decrease as the maturity of the contract approaches.

■ Utility Company Example

To illustrate some of the financial adjustments, consider the simple example of ABC Utility Co. buying power from XYZ Independent Power Co. Under the terms of the contract, annual payments made by ABC Utility start at \$90 million in 2003 and rise 5% per year through the contract's expiration in 2023. The NPV of these obligations over the life of the contract discounted at 10% is \$1.09 billion. In ABC's case, Standard & Poor's chose a 30% risk factor, which when multiplied by the obligation results in \$327 million. Table 1 illustrates the adjustment to ABC's capital structure, where the \$327 million debt equivalent is added as debt, causing ABC's total debt to capitalization to rise to 59% from 54% (11 plus 48). Table 2 shows that ABC's pretax interest coverage was 2.6x, without adjusting for off-balance-sheet obligations. To adjust for the XYZ capacity payments, the \$327 million debt adjustment is multiplied by a 10% interest rate to arrive at about \$33 million. When this amount is added to both the numerator and the denominator, adjusted pretax interest coverage falls to 2.3x.

	Original capital structure		Adjusted capital structure	
	\$	%	\$	%
Debt	1,400	54	1,400	48
Adjustment to debt	-	-	327	11
Preferred stock	200	8	200	7
Common equity	1,000	38	1,000	34
Total capitalization	2,600	100	2,927	100

		Original pretax interest coverage (x)		Adjusted pretax interest coverage (x)	
Net income	120				
Income taxes	65	300		(300+33)	
Interest expense	115	115	= 2.6x	(115+33)	= 2.3x
Pretax available	300				

■ Credit Implications

The credit implications of the updated criteria are that Standard & Poor's now believes that historical risk factors applied to TAP contracts with favorable recovery mechanisms are insufficient to capture the financial risk of these fixed obligations. Indeed, in many cases where 5% and 10% risk factors were applied, the change in adjusted financial ratios (from unadjusted) was negligible and had no effect on ratings. Standard & Poor's views the high probability of energy delivery and attendant payment warrants recognition of a higher debt equivalent when capitalizing PPAs. Standard & Poor's will attempt to identify utilities that are more vulnerable to modifications in purchased-power adjustments. Utilities can

offset these financial adjustments by recognizing purchased power as a debt equivalent, and incorporating more common equity in their capital structures. However, Standard & Poor's is aware that utilities have been reluctant to take this action because many regulators will not recognize the necessity for, and authorize a return on, this additional wedge of common equity. Alternatively, regulators could authorize higher returns on existing common equity or provide an incentive return mechanism for economic purchases. Notwithstanding unsupportive regulators, the burden will still fall on utilities to offset the financial risk associated with purchases by either qualitative or quantitative means.

**RFP 2012
ATTACHMENT 13
PACIFICORP COSTS ASSOCIATED
WITH INTEGRATION**

Preliminary Assessment of Transmission Impacts Associated with RFP Points of Delivery

1. Overview of Points of Delivery

PacifiCorp is interested in resources that are capable of delivery into or in a portion of the Company's network transmission system in PACE. Specifically, the point(s) of delivery of primary interest to PacifiCorp are:

- Salt Lake Valley
- PacifiCorp Sites
 - Currant Creek
 - Lake Side
- Mona 345 kV
- Glen Canyon 230 kV
- Nevada/Utah Border:
 - Gonder-Pavant 230 kV line known as "Gonder 230 kV"
 - Sigurd – Harry Allen 345 line known as "NUB" or Red Butte 345 kV
 - Crystal 500 kV
- West of Naughton

The Company is generally not interested in resources delivered to the following areas:

- Four Corners
- Wyoming, unless the resource(s) electrically reside south of the Naughton-Monument 230 kV line and the cost of the upgrade is included.
- Borah, Brady or Kinport unless such resource is interconnected to the Company's Southeast Idaho electrical system near the Goshen area.

2. Transmission Assumptions Associated with the Points of Delivery

PacifiCorp may need to increase transmission import capability and upgrade its network system capacity in order to integrate a resource delivered to the preferred points of delivery. The table below indicates what possible additions might be necessary and the indicative cost associated with the upgrade¹. These indicative costs are based on assessments done by the PacifiCorp Transmission group for RFP 2003B, the 2004 Integrated Resource Plan and System Impact Studies. These cost estimates will be used for the purpose of evaluating bids and may be refined if better estimates are received prior to issuance of the RFP.

¹ Transmission studies have been requested to clarify incremental transmission costs, and will be included in final RFP if available prior to issuance.

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Point of Delivery	Description of Possible Transmission Additions / Upgrades	Path(s) to Upgrade and Voltage Support	Estimated Cost of Upgrades
Salt Lake Valley	Upgrades to existing lines	Unknown	\$10 – 20 M
Lake Side	Transmission line, substation, SVC	Lake Side to Salt Lake Valley	\$77 M
Mona 345 kV / Currant Creek	Transmission line, substation, SVC	Mona to PACE ¹	\$69 M
Glen Canyon 230 kV	Transmission line(s), substation, SVC	Glen Canyon to Sigurd and Mona to PACE	\$TBA ² M (Glen Canyon) + \$69 M (Mona)
Gonder 230 kV over 200 MW ³	Transmission line(s), substation, SVC	Gonder/Nevada Border to Sigurd and Mona to PACE	\$TBA M (Gonder) + \$69 M (Mona)
NUB (Harry Allen 345 kV)	Transmission line, substation, SVC	NUB to West Cedar and Mona to PACE	\$TBA (NUB) + \$69 M (Mona)
Crystal	Transmission line(s), substation, SVC, transformer	Crystal to Red Butte and Mona to PACE	\$119 M (Crystal) + \$69 M (Mona)
West of Naughton	New line, substation	Naughton to Evanston ⁴ Evanston to Salt Lake Valley	\$19 M (Naughton) + \$120 M (Evanston)
Path C ⁵ up to 150 MW	Substation, upgrade to existing line		\$45 M
Path C up to 300 MW	Substation, upgrade of existing line, line extension, series capacitors		\$65 M
Four Corners 345kV	TBA	TBA	TBA
Path C up to 600 MW	All the upgrades associated with increasing capacity to 300 MW and a new line	Treasureton to Ben Lomond	\$ 85 M + \$65M

¹ Mona – Oquirrh - Incremental costs that will be used for the purpose of delivering resources at or through the Mona area will be priced less the cost for the Hunter 4 proxy resource in the IRP Preferred Portfolio.

² To be assessed (TBA)

³ Resources under 200 MW won't require upgrades from the Nevada border to Sigurd.

⁴ Naughton to Evanston portion may not be needed depending on location.

⁵ Path C - Although Path C was not a preferred path for delivery, it has been included for evaluation purposes.

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RFP 2012
ATTACHMENT 14
CONFIDENTIALITY AGREEMENT

CONFIDENTIALITY AGREEMENT

This CONFIDENTIALITY AGREEMENT (this "Agreement") is entered into as of the ____ day of _____, 2005, by and between PacifiCorp, an Oregon corporation ("PPW"), and _____ (collectively with all its subsidiaries, officers, directors, members, managers, employees, agents, accountants and attorneys, "Recipient"); with reference to the following:

WHEREAS, PPW and Recipient are discussing a potential transaction relating to PPW's Request for Proposals 2012, and in connection therewith Recipient wishes to receive certain Confidential Information (as hereinafter defined), but requires as a condition precedent Recipient's execution of this Agreement;

NOW, THEREFORE, in consideration of the above and the mutual promises herein contained, the parties hereto agree as follows:

1. Confidential Information. "Confidential Information" means any oral or written information which is made available to Recipient by PPW or any of its corporate affiliates or its or their officers, directors, employees, agents, accountants or attorneys (a "Disclosing Party") before or after the date hereof, regardless of the manner furnished, and includes without limitation: (i) compilations and analyses prepared by Recipient; (ii) names of current and potential manufacturers, suppliers, customers and marketing relationships of any Disclosing Party, (iii) the nature, terms, conditions or other facts respecting any discussions between PPW and Recipient (including their existence and status). Confidential Information does not include information which at the time of disclosure is generally available to the public (other than as a result of disclosure by Recipient) or was available to Recipient on a nonconfidential basis from a source other than a Disclosing Party not under a duty of confidentiality to a Disclosing Party.

2. Confidentiality; Disclosure. The Confidential Information will be kept confidential by each Recipient and will not be used for any purpose by its Recipient other than for the purpose set forth above. Recipient will be responsible for any breach of this Agreement by any of its officers, directors, employees, agents, accountants and attorneys. Recipient shall restrict the dissemination of the Confidential Information to its employees who have a need to see it, and shall cause any agent, accountant or other non-employee to whom it wishes to show the Confidential Information sign an agreement in the form hereof in advance thereof. Recipient will keep confidential any Confidential Information contained in any analyses, compilations, studies or other documents prepared by Recipient that contain or reflect any Confidential Information. Upon request from PPW, Recipient promptly will return all copies of the Confidential Information.

3. Protective Order. If Recipient becomes legally compelled to disclose any Confidential Information, it shall provide PPW with prompt prior written notice so that PPW may seek a protective order or other appropriate remedy. If such protective order

or other remedy is not obtained, Recipient shall (i) furnish only that portion of the Confidential Information which, in accordance with the advice of its own counsel, is legally required to be furnished, and (ii) exercise reasonable efforts to obtain assurances that confidential treatment will be accorded the Confidential Information so furnished.

4. No Representation or Warranty. Recipient acknowledges that no Disclosing Party is making any representation or warranty as to the accuracy or completeness of any information furnished (except specifically to the extent and only to such extent as shall be expressly set forth in an executed and delivered definitive agreement). No Disclosing Party or any of its officers, directors, employees, agents or controlling persons (including, without limitation, parent and subsidiary companies) shall have any liability to a Recipient or any other person relating to or arising from the use of the Confidential Information provided by a Disclosing Party.

5. Conduct of Process. Except for any confidentiality agreements, none of PPW or any Disclosing Party is under any obligation to Recipient, and PPW is free to elect not to consummate an agreement or to furnish or receive information. Nothing contained in this Agreement shall prevent PPW from negotiating with or entering into a definitive agreement with any other person or entity without prior notice to Recipient. Until PPW and Recipient enter into a definitive agreement, no contract or agreement or other investment or relationship shall be deemed to exist between any Disclosing Party or any Recipient as a result of this Agreement, the issuance of a term sheet, the issuance, receipt, review or analysis of information, the negotiation of definitive documentation, or otherwise, and none of the foregoing shall be relied upon as the basis for an implied contract or a contract by estoppel.

6. Intellectual Property Rights. Nothing contained herein grants any rights respecting any intellectual property (whether or not trademarked, copyrighted or patented) or uses thereof.

7. Costs and Expenses. Except as otherwise provided in any other written agreement between the parties, the parties shall bear their own costs and expenses, including without limitation fees of counsel, accountants and other consultants and advisors.

8. Remedies. PPW shall be entitled to equitable relief, including injunction and specific performance, in the event of any breach hereof, in addition to all other remedies available to PPW at law or in equity. No failure or delay by PPW in exercising any right, power or privilege hereunder will operate as a waiver, nor will any single or partial exercise or waiver of a right, power or privilege preclude any other or further exercise thereof.

9. Venue and Choice of Law. This Agreement **is governed by the laws of the State of Oregon.** Any suit, action or proceeding arising out of the subject matter hereof, or the interpretation, performance or breach hereof, shall be instituted in any State or Federal Court in Multnomah County, Oregon (the "Acceptable Forums"). Each

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party agrees that the Acceptable Forums are convenient to it, and each party irrevocably submits to the jurisdiction of the Acceptable Forums, and waives any and all objections to jurisdiction or venue that it may have any such suit, action or proceeding.

10. Miscellaneous. This Agreement constitutes the entire agreement of the parties relating to its subject matter, and supersedes all prior communications, representations, or agreements, verbal or written. This Agreement may only be waived or amended in writing. Notices hereunder shall be in writing and be effective when actually delivered. This Agreement may be executed in counterparts, each of which, when taken together, shall constitute one and the same original instrument. Neither party may assign or otherwise transfer its rights or delegate its duties hereunder without prior written consent, and any attempt to do so is void.

IN WITNESS WHEREOF, the undersigned parties have executed this Confidentiality Agreement as of the date first written above.

PACIFICORP
an Oregon corporation

a _____

By: _____
Its: _____

By: _____
Its: _____

PacifiCorp
Draft RFP 2012
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RFP 2012
ATTACHMENT 15
NON-RELIANCE LETTER

PacifiCorp
Draft RFP 2012
Responses due January, 2007

825 N.E. Multnomah
Portland, Oregon 97232
(503) 813-5000

Date

[Name]
[Address]

Re: RFP 2012

Dear [_____]:

This letter clarifies PacifiCorp's rights relating to its further evaluation and discussion of your possible involvement with _____ ("Counterparty") proposal submitted in response to PacifiCorp's Request for Proposals (RFP) 2012 (collectively with Counterparty's proposal and all matters relating thereto, the "Project") and any subsequent negotiations regarding the terms of any agreement or agreements entered into with you or any other party in connection with the Project. PacifiCorp will agree to enter into further discussions with you only upon your prior acknowledgement of these rights. "You" and similar words (whether or not capitalized) refer to the addressee of this letter, Counterparty, and any Project development entity or other affiliate of the addressee in any way involved in the Project.

PacifiCorp is committed to following a fair process in selecting the winning proposal. However, PacifiCorp reserves the right, in its sole discretion, to terminate the consideration of the Project and any discussions with you or any other parties (such as your lenders) relating to the Project at any time and for any reason without incurring any liability for costs or expenses incurred by you in the course of, or as a result of, your participation in the bidding process or negotiations respecting the Project, including but not limited to any costs or expenses related to or arising from the preparation or submission of your proposal, your legal fees, transmission or environmental studies or reviews, expenses of any third party incurred at your behest, your participation in discussions with PacifiCorp, the Project, or any development costs incurred by you in connection with this process. The submission of a proposal by [Counterparty] and PacifiCorp's decision to engage in further discussions with you does not constitute acceptance of the Project, and shall not obligate PacifiCorp to accept or to proceed

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further with the Project. The acceptance of any proposal and the commencement of the Project are contingent on a number of factors, including but not limited to financial and creditworthiness considerations, strategic decisions, resource planning, regulatory approvals, and the approval of PacifiCorp's board of directors and/or shareholders. PacifiCorp makes no representation as to the likelihood of [Counterparty]'s proposal being accepted or of the Project being commenced and, if PacifiCorp decides not to accept [Counterparty]'s proposal or the Project, you hereby fully and forever release and discharge PacifiCorp of all liability whatsoever, whether arising from your alleged reliance on PacifiCorp's acceptance of the Project or any part thereof or whether based upon any other action or claim in tort, contract, promissory estoppel, equity, negligence or intentional conduct, and PacifiCorp shall not be liable for any amount of liability or damages, including but not limited to any amounts for incidental, special, consequential or punitive damages.

PacifiCorp reserves the right to engage in discussions with multiple parties simultaneously with respect to RFP 2012 or any other matter, and to accept or reject any type of proposal of any party in its sole discretion. PacifiCorp also reserves the rights to reject all proposals relating to RFP 2012, and to pursue any other course it deems appropriate, including without limitation the development of a cost-base self build alternative.

PacifiCorp shall have no obligations to you with respect to the Project unless and until the execution by all applicable parties of one or more definitive written agreements (the "Definitive Agreements") in form and substance satisfactory to the parties entering into such Definitive Agreements and then only to the extent stated therein. No contract will nor will be deemed to exist, whether by estoppel or otherwise, in any other way than execution and delivery (if ever) of the Definitive Agreements. The execution (if any) of any Definitive Agreements would be subject, among other things, to the satisfactory completion of due diligence by such parties as well as the satisfaction of applicable financial, environmental and other regulatory requirements as determined by PacifiCorp. If PacifiCorp selects the Project, then except as specifically set forth in the Definitive Agreements, PacifiCorp shall have no obligations to you in the event that the Project or any part thereof is discontinued, cancelled, stopped, or terminated for any reason whatsoever, including without limitation financial or creditworthiness considerations concerning you or any contemplated source of Project-related funds, third-party delay or failure (with PacifiCorp's transmission function constituting a third party for purposes hereof), regulatory restrictions, gas or transmission infrastructure restrictions, environmental or community challenges, or the Project is embargoed, restrained, subject to labor strike or lockout, destroyed, subject to terrorist attack or any other force beyond your control, is incapable of receiving required gas or electricity transmission or network service, or is otherwise rendered impossible to complete by the times set forth in the Definitive Agreements for any other reason, whether your fault or not.

Whether or not the Project is commenced and Definitive Agreements executed, you will be responsible to pay your own fees and expenses, including without limitation legal fees and expenses, incurred in connection with the preparation, discussion and

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negotiation of the Project as well as the preparation, negotiation, execution and delivery of the Definitive Agreements and any other agreements or documents contemplated thereby, and PacifiCorp will not be responsible for any of those fees and expenses.

If the foregoing is acceptable, please indicate so by executing and dating both originals of this letter in the space indicated below, returning one original to the undersigned within three days of the date hereof and retaining the other original for your files.

Sincerely,

PacifiCorp

By: _____

Name: _____

Title: _____

Date: _____

ACCEPTED AND AGREED:

[Insert Name of Party]

By: _____

Name: _____

Title: _____

Date: _____

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**RFP 2012
ATTACHMENT 16
SITE PURCHASE AGREEMENT
FOR LAKE SIDE**

**AGREEMENT FOR SALE AND PURCHASE
OF REAL PROPERTY**

This Agreement for Sale and Purchase of Real Estate (the "Agreement") is entered into as of the ___ day of _____, 20___, by and between _____ ("Buyer") and PacifiCorp, an Oregon corporation ("Seller").

RECITALS

A. Seller is the owner of approximately _____ acres of real property situated within Utah County, _____ and more particularly described on the attached Exhibit "A" (the "Property").

B. Buyer wishes to purchase the Property for;

C. Seller is willing to sell the Property on the terms and conditions stated herein.

NOW, THEREFORE, in consideration of the amounts to be paid and the mutual promises contained herein, Buyer and Seller agree as follows:

**ARTICLE I
AGREEMENT TO PURCHASE AND SELL; PURCHASE PRICE**

1.1 Purchase and Sale. Upon the terms and conditions set forth in this Agreement, Seller agrees to convey to Buyer, and Buyer agrees to purchase and take from Seller, fee title interest in and to that certain parcel of real property, as more particularly described on Exhibit "A", attached hereto and by this reference made part of this Agreement, together with all appurtenances, rights, privileges and easements belonging thereto (collectively referred to herein as the "Property"), unless otherwise expressly stated in this Agreement.

(a) The description of the Property contained in Exhibit "A" is approximate. The exact acreage of the Property will be determined by a survey (the "Survey") to be prepared by Seller, at its sole cost, and provided to Buyer no later than ninety (90) days after the date of this Agreement. The Survey shall be attached to this Agreement as Exhibit "B" upon its completion.

(b) Any water rights associated with the Property are not included as part of this Agreement.

(c) Emissions Reduction Credits associated with the Property are included as part of this Agreement. Details of the Credits are provided in Exhibit "C".

(d) An assignment and transfer from Seller to Buyer, and the acceptance and assumption by Buyer, of fifty percent (50%) of Seller's rights and obligations under that certain Agreement for Firm Transportation to PacifiCorp – Lakeside Generation Facilities dated February 4, 2005, as amended May 3, 2005 between Seller and Questar Gas Company is being entered into in connection with this Agreement. The terms of such assignment, transfer and assumption are included in a separate Assignment and Assumption Agreement between Seller and Buyer of even date herewith, and the effectiveness of such agreement constitutes an express condition for the effectiveness of this Agreement.

1.2 Purchase Price. The purchase price for the Property (the "Purchase Price") shall be _____ (\$_____).

1.3 Payment of Purchase Price. Buyer shall pay the Purchase Price to Seller in cash, by cashier's check, or other immediately available funds on the Closing Date, as adjusted for prorations on the Closing Date as provided herein.

ARTICLE II TITLE INSURANCE

2.1 Commitment of Title Insurance.

(a) Within thirty (30) days after the date of this Agreement, Seller shall deliver to Buyer a commitment for title insurance covering the Property (the "Commitment"), issued by the Title Company and dated on or after the date of this Agreement.

(b) Buyer shall have ten (10) days following receipt of the Commitment to provide any written objections to any matter set forth on Schedule B of the Commitment. If Buyer does not timely deliver written notice of objection to Seller, Buyer shall be deemed to have approved of all matters set forth in the Commitment. Matters which Seller has agreed to discharge pursuant to Section 2.1 (c) and any encumbrances or other title exceptions to which Buyer does not object shall be deemed to be "Permitted Exceptions" and shall not be considered objections to any matter contained in the Commitment.

(c) If Buyer provides a written notice of objections in accordance with Section 2.1 (b), then Seller shall have the option to: (i) cure such objections at Seller's sole cost; or (ii) terminate this Agreement.

(d) Buyer's sole remedy for Seller's inability to convey title subject only to the Permitted Exceptions or to cure Buyer's objections in accordance with Section 2.1 (c) shall be to terminate this Agreement. In that case, Seller shall have no other obligation to Buyer in connection with this Agreement or the Property.

2.2 Delivery of Title Insurance. Except as otherwise stated in Section 2.1, Seller shall obtain and deliver to Buyer within ten (10) days after the Closing Date an ALTA Standard Owner's Policy of title insurance in the amount of the Purchase Price, effective as of the Closing Date and containing no exceptions other than the Permitted Exceptions.

ARTICLE III REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of Seller. Seller makes the following representations and warranties to Buyer, as of the date of this Agreement and as of the Closing Date, each of which representations and warranties shall extend beyond the Closing Date and delivery of the Special Warranty Deed.

(a) Seller has and on the Closing Date will have good and marketable fee simple title to the Property to be conveyed, free and clear of all encumbrances, liens, claims, or reservations, except as specifically approved by Buyer under this Agreement.

(b) Seller has the right, power and authority to execute, deliver, and perform this Agreement and the execution, delivery, and performance of this Agreement have been duly authorized by all necessary corporate action on the part of Seller, and upon execution and delivery this Agreement shall constitute valid and binding obligations of Seller enforceable against Seller in accordance with its terms and except as enforceability may be limited by bankruptcy, insolvency, and other similar laws affecting claims and rights generally or be general equitable principles.

(c) Seller has not received written notice of any judgment, suit, claim, action, arbitration, legal, administrative, or other proceeding or governmental investigation pending or threatened with respect to any of the Property that would materially adversely affect the Property, and no activities or events have occurred on or in connection with the Property that could give rise to any such claims or proceedings.

(d) Seller has not received any written notices, demands or deficiency statements from any mortgagee of the Property or from any state, municipal or county government or agency or any insurer relating to the Property and which have not been cured or remedied except property valuation and tax notices issued by Utah County.

(e) Except as otherwise expressly disclosed in the Commitment, the Property is not subject to any proposed special assessment or to any existing special assessment lien arising as a result of any works or improvements completed, installed or contemplated at or before the Closing Date.

(f) Seller has paid and shall pay all liens, charges, taxes and assessments for the Property arising prior to the Closing Date.

(g) No person, broker or entity, whether or not affiliated with Seller, is entitled to a commission, finder's fee or other compensation arising from this Agreement, as regarding Seller. Seller shall indemnify defend and hold Buyer harmless from and against any and all claims, loss or damage relating to or arising out of any claim for compensation by any broker, person or entity claiming by or through Seller.

3.2 Representations and Warranties of Buyer. Buyer makes the following representations and warranties to Seller, as of the date of this Agreement and as of the Closing Date, each of which representations and warranties shall survive the Closing and delivery of the Special Warranty Deed.

(a) Buyer has the right, power and authority to execute, deliver and perform this Agreement.

(b) No person, broker or entity, whether or not affiliated with Buyer, is entitled to a commission, finder's fee or other compensation arising from this Agreement as regarding Buyer. Buyer shall indemnify, defend and hold Seller harmless form and against any and all claims, loss or damage relating to or arising out of any claim for compensation by any broker, person or entity claiming by or through Buyer.

3.3 Acknowledgment by Buyer Regarding Seller's Representations and Warranties. Except as expressly set forth in other portions of this agreement, Buyer hereby affirms that neither Seller nor its agents, employees or attorneys have made, nor has Buyer relied upon any representation, warranty, or promise (either express or implied) with respect to the Property or any other subject matter of this Agreement including, without limitation:

(a) the general plan designation, zoning, value, use, tax status or physical condition of any part of the Property or the improvements to the Property;

(b) the flood elevations, drainage patterns and soil and subsoils composition and compaction levels and other conditions at the Property;

- (c) the existence or nonexistence of any hazardous or toxic substance, waste or material (as defined or regulated by any federal, state or local law or regulation);
- (d) the accuracy of any soils reports or any other plans or reports regarding the Property;
- (e) the suitability of the Property for Buyer's intended purpose; or
- (f) the status, suitability or sufficiency of any Emissions Reduction Credits associated with the Property.

WITHOUT LIMITING THE GENERALITY OF THE FOREGOING AND EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, BUYER ACCEPTS THE PROPERTY FROM THE SELLER "AS IS", SUBJECT TO "ALL FAULTS" INCLUDING, BUT NOT LIMITED TO, BOTH LATENT AND PATENT DEFECTS, AND THE ENVIRONMENTAL CONDITION OR DEFECTS THEREOF. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, BUYER HEREBY WAIVES ALL WARRANTIES, EXPRESS OR IMPLIED, REGARDING THE CONDITIONS AND THE USE OF THE SUBJECT PROPERTY, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE.

ARTICLE IV USE OF PROPERTY

4.1 Seller's Use of the Property Prior to Closing Date. From and after Seller's execution of this Agreement and except in the ordinary course of administering its general mortgage, Seller shall not grant or convey any easement, lease, license, permit or any other legal or beneficial interest in or to the Property or engage in any contract with any party other than Buyer regarding the purchase or sale of the Property, without the prior written consent of Buyer. Further, except as otherwise provided for herein, Seller agrees to pay, as and when the same are due, all payments on any encumbrances presently affecting the Property and any and all taxes, assessments and levies in respect of the Property through the Closing Date.

4.2 Buyer's Right to Enter Property Prior to the Closing Date. Buyer or its employees or agents may enter the Property at any time prior to the Closing Date upon twenty-four (24) hours notice to Seller to inspect the Property and perform surveys or tests as Buyer may elect; provided, however, that such entry shall not unreasonably interfere with the activities of Seller on the Property, and Buyer shall indemnify and hold Seller harmless from, all liabilities and all consequences of any interruption of Seller's operation of Seller's generation facilities located adjacent to the Property associated with Buyer's activities on the Property.

ARTICLE V EASEMENTS

5.1 Seller's Use of the Property After the Closing Date. Seller reserves the right to continue to use those portions of the Property identified in Attachment A for the purpose of owning, operating and maintaining electrical distribution and transmission lines and related facilities, including communications and other facilities, whether above or underground, and also for access to Seller's existing substation located adjacent to the Property. On or before the Closing Date, Buyer shall grant to Seller one or more easements, in a form acceptable to Seller, which will allow for such continued use and access or future related uses and access by Seller.

5.2 Existing Easements. Buyer purchases the Property subject to all existing easements identified as Permitted Exceptions under Section 2 above.

5.3 New Easements. On or before the Closing Date, Seller shall grant to Buyer one or more easements for access to Seller's existing, or future, electrical and/or natural gas interconnection points (to be) located near the Property, which will allow for such continued use and access or future related uses and access by Buyer.

ARTICLE VI CLOSING

6.1 Time and Place of Closing. The Purchase and sale transaction contemplated by this Agreement shall be consummated through a closing conference (the "Closing") which shall be held at the Title Company on or before _____, (the "Closing Date"), or at such earlier time and place as the parties may mutually agree in writing.

6.2 Actions at Closing. At the Closing, the following events shall occur and each being declared to have occurred simultaneously with the other:

(a) All documents to be recorded and funds to be delivered hereunder shall be delivered to the Title Company in escrow, to hold, deliver, record and disburse in accordance with supplemental escrow instructions, the form and content of which shall be agreed to by the parties prior to Closing.

(b) At the Closing or sooner as otherwise stated in the escrow instructions, the following shall occur:

(i) Seller shall deliver or cause to be delivered in accordance with the escrow instructions:

(1) Special Warranty Deed conveying the Property to Buyer, duly executed and acknowledged by Seller and in proper form generally for recording in _____; and

(2) All other documents required to be executed by Seller pursuant to the terms of this Agreement.

(ii) Buyer shall deliver or cause to be delivered in accordance with the escrow instructions:

(1) The Purchase Price to be; and

(2) All other documents required to be executed by Buyer pursuant to the terms so this Agreement.

(c) Buyer and Seller shall each deliver to the other, two executed copies of the Buyer's and Seller's Statement of Settlement setting forth all prorations, credits provided in this Agreement, disbursements of the purchase price, and expenses of the Closing.

(d) Seller shall bear any and all Closing or escrow charges of the Title Company.

6.3 Seller's Remedies. In the event this transaction fails to close due to Buyer's fault or inability to close, Seller may elect either to seek specific performance of this Agreement by suit in equity, to seek damages from Buyer.

6.4 Buyer's Remedies. In the event this transaction fails to close due to Seller's fault, this Agreement shall be declared void and of no effect.

ARTICLE VII PRORATIONS

7.1 Prorations Between Seller and Buyer. The following prorations shall be made between Seller and Buyer as of the Closing Date:

(a) Real property taxes and assessments on the Property for the year of Closing shall be prorated between Seller and Buyer based on the number of days each owned the Property. In the event the Property constitutes some portion of a larger tract of land, such proration shall be based upon the average of the Property as a percentage of the acreage of the entire tract. If, as of the Closing Date, the actual tax bills for the year or years in question are not available and the amount of taxes to be prorated cannot be ascertained, then the most recent known rates, millages and assessed valuations (which amounts shall relate to the same tax year) shall be used, and such proration shall be repeated when the final tax bill is available and either Buyer and Seller, as the case may

be, shall promptly pay to the other the net amount owing as a result of such redetermination.

(b) Other Closing costs shall be apportioned between the parties in accordance with the normal and customary practice of commercial real estate transactions in Utah County, Utah.

ARTICLE VIII RELEASE, ASSUMPTION AND INDEMNITY

8.1 Seller shall indemnify, hold harmless and defend Buyer against all claims, suits, losses and damages made against or incurred by Buyer relating to the condition of the Property prior to the Closing Date or any activity in connection with the Property which occurred prior to the Closing Date. Buyer shall indemnify, hold harmless and defend Seller against all claims, suits, losses and damages incurred by Seller relating to the condition of the Property after the Closing Date or any activity in connection with the Property which occurs after the Closing Date.

ARTICLE IX MISCELLANEOUS

9.1 Entire Agreement. This Agreement contains the entire agreement between the parties respecting the matters herein set forth and supersedes all prior agreements, which written or oral, between the parties respecting such matters. Any amendments or modifications hereto in order to be effective shall be in writing and executed by the parties hereto. Notwithstanding the foregoing, Buyer's use and occupancy of this Agreement shall be subject at all times to the terms and conditions of that certain Construction Coordination Agreement dated [DATE] between Seller and Buyer.

9.2 Amendments. This Agreement may be amended or modified only by mutual written agreement.

9.3 Survival. All warranties, representations, covenants and agreements contained in this Agreement shall survive the execution and delivery of this Agreement and all documents delivered in connection with this Agreement and shall survive the Closing of the transactions contemplated by this Agreement and all performances in accordance with this Agreement.

9.4 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, heirs, administrators, and assigns; provided, however, that notwithstanding the foregoing, neither party's interest under this Agreement may be assigned, encumbered, or otherwise transferred, whether voluntarily, involuntarily, by operation of law or otherwise.

9.5 Notices. Any notice, demand or document which any party is required or any party desires to give or deliver to or make upon any other party shall be in writing, and

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may be personally delivered or given or made by recognized overnight courier service or by United States registered or certified mail, return receipt requested, with postage prepaid, addressed as follows:

To Seller:

To Buyer:

Any party may designate a different address for itself by notice similarly given. Unless provided herein, any such notice, demand or document so given shall be effective upon delivery of the same to the proper address of the party or parties to whom the same is to be given.

9.6 Time of Essence. Time is of the essence in the performance of each and every term, condition, and covenant of this Agreement.

9.7 Counterparts. This Agreement may be executed in any number of counterparts which together shall constitute the contract of the parties.

9.8 Paragraph Headings. The paragraph headings herein contained are for purposes of identification only and shall not be considered in construing this Agreement.

9.9 Attorneys' Fees. The prevailing party in any legal proceeding brought to enforce rights hereunder shall recover from the other party its reasonable attorneys' fees and costs. As used herein in the term "prevailing party" means the party entitled to recover the costs in any suit, whether or not brought to judgment, and whether or not incurred before or after the filing of suit.

9.10 Waiver. Except as herein expressly provided, no waiver by a party of any breach of this Agreement or any warranty or representation under this Agreement by another party shall be deemed to be a waiver of any other breach of any kind or nature (whether preceding or succeeding and whether or not of the same or similar nature) and no acceptance of payment or performance by a party after any such breach by another party shall be deemed to be a waiver of any further breach of this Agreement or of any representation or warranty by such other party whether or not the first party knows of such a breach at the time it accepts such payment or performance. No failure on the part of a party to exercise any right it may have by the terms of this Agreement or by law upon the default of another party, and no delay in the exercise of any such right by the first party at any time when such other party may be in default, shall operate as a waiver of any default, or as a modification in any respect of the provision of this Agreement.

9.11 Exhibits. Any and all exhibits attached or to be attached hereto are hereby incorporated and made a party of this Agreement by reference.

9.12 Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Utah.

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9.13 No Recording. This Agreement shall not be recorded in the real property records.

9.14 Further Instruments. Each party hereto shall from time to time execute and deliver such further documents or instruments as the other party, its counsel or the Title company may reasonably request to effectuate the intent of this Agreement, including without limitation documents necessary for compliance with the laws, ordinances, rules and regulations of any applicable governmental authorities.

9.15 Confidentiality. The purchase price and terms of this Agreement are intended by both parties to be confidential. Therefore, except as directed by a court, administrative authority or required by subpoena, neither party shall disclose the purchase price or terms of this Agreement or any other non-public information related thereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date and year first above written.

PACIFICORP

By: _____

Its: _____

Date Signed:

[BUYER]

By: _____

Its: _____

Date Signed:

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EXHIBIT A

PROPERTY DESCRIPTION TO BE COMPLETED PRIOR TO CLOSING

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EXHIBIT B

SURVEY TO BE ATTACHED

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EXHIBIT C

EMISSIONS REDUCTION CREDITS

Buyer shall receive the following credits (in tons) as part of the transaction:

- PM-10 46.8
- SO₂ 4.6
- NO_x 22.4

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**RFP 2012
ATTACHMENT 17
SITE PURCHASE AGREEMENT
FOR CURRANT CREEK**

**AGREEMENT FOR SALE AND PURCHASE
OF REAL PROPERTY**

This Agreement for Sale and Purchase of Real Estate (the "Agreement") is entered into as of the ___ day of _____, 20____, by and between _____ ("Buyer") and PacifiCorp, an Oregon corporation ("Seller").

RECITALS

A. Seller is the owner of approximately _____ acres of real property situated within Juab County, _____ and more particularly described on the attached Exhibit "A" (the "Property").

B. Buyer wishes to purchase the Property for;

C. Seller is willing to sell the Property on the terms and conditions stated herein.

NOW, THEREFORE, in consideration of the amounts to be paid and the mutual promises contained herein, Buyer and Seller agree as follows:

**ARTICLE I
AGREEMENT TO PURCHASE AND SELL; PURCHASE PRICE**

1.1 Purchase and Sale. Upon the terms and conditions set forth in this Agreement, Seller agrees to convey to Buyer, and Buyer agrees to purchase and take from Seller, fee title interest in and to that certain parcel of real property, as more particularly described on Exhibit "A", attached hereto and by this reference made part of this Agreement, together with all appurtenances, rights, privileges and easements belonging thereto (collectively referred to herein as the "Property"), unless otherwise expressly stated in this Agreement.

(a) The description of the Property contained in Exhibit "A" is approximate. The exact acreage of the Property will be determined by a survey (the "Survey") to be prepared by Seller, at its sole cost, and provided to Buyer no later than ninety (90) days after the date of this Agreement. The Survey shall be attached to this Agreement as Exhibit "B" upon its completion.

(b) Water rights associated with the Property are included as part of this Agreement. These rights are defined in Exhibit "C" to this agreement.

(c) An assignment and transfer from Seller to Buyer, and the acceptance and assumption by Buyer, of fifty percent (50%) of Seller's rights and obligations under that certain Firm Transportation Contract—Rate Schedule T-1 dated March 31, 2005, between Seller and Questar Pipeline Company is being entered into in connection with this Agreement. The terms of such assignment, transfer and assumption are included in a separate Assignment and Assumption Agreement between Seller and Buyer of even date herewith, and the effectiveness of such agreement constitutes an express condition for the effectiveness of this Agreement.

1.2 Purchase Price. The purchase price for the Property (the "Purchase Price") shall be _____ (\$_____).

1.3 Payment of Purchase Price. Buyer shall pay the Purchase Price to Seller in cash, by cashier's check, or other immediately available funds on the Closing Date, as adjusted for prorations on the Closing Date as provided herein.

ARTICLE II TITLE INSURANCE

2.1 Commitment of Title Insurance.

(a) Within thirty (30) days after the date of this Agreement, Seller shall deliver to Buyer a commitment for title insurance covering the Property (the "Commitment"), issued by the Title Company and dated on or after the date of this Agreement.

(b) Buyer shall have ten (10) days following receipt of the Commitment to provide any written objections to any matter set forth on Schedule B of the Commitment. If Buyer does not timely deliver written notice of objection to Seller, Buyer shall be deemed to have approved of all matters set forth in the Commitment. Matters which Seller has agreed to discharge pursuant to Section 2.1 (c) and any encumbrances or other title exceptions to which Buyer does not object shall be deemed to be "Permitted Exceptions" and shall not be considered objections to any matter contained in the Commitment.

(c) If Buyer provides a written notice of objections in accordance with Section 2.1 (b), then Seller shall have the option to: (i) cure such objections at Seller's sole cost; or (ii) terminate this Agreement.

(d) Buyer's sole remedy for Seller's inability to convey title subject only to the Permitted Exceptions or to cure Buyer's objections in accordance with Section 2.1 (c) shall be to terminate this Agreement. In that case, Seller shall have no other obligation to Buyer in connection with this Agreement or the Property.

2.2 Delivery of Title Insurance. Except as otherwise stated in Section 2.1, Seller shall obtain and deliver to Buyer within ten (10) days after the Closing Date an ALTA Standard Owner's Policy of title insurance in the amount of the Purchase Price, effective as of the Closing Date and containing no exceptions other than the Permitted Exceptions.

ARTICLE III REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of Seller. Seller makes the following representations and warranties to Buyer, as of the date of this Agreement and as of the Closing Date, each of which representations and warranties shall extend beyond the Closing Date and delivery of the Special Warranty Deed.

(a) Seller has and on the Closing Date will have good and marketable fee simple title to the Property to be conveyed, free and clear of all encumbrances, liens, claims, or reservations, except as specifically approved by Buyer under this Agreement.

(b) Seller has the right, power and authority to execute, deliver, and perform this Agreement and the execution, delivery, and performance of this Agreement have been duly authorized by all necessary corporate action on the part of Seller, and upon execution and delivery this Agreement shall constitute valid and binding obligations of Seller enforceable against Seller in accordance with its terms and except as enforceability may be limited by bankruptcy, insolvency, and other similar laws affecting claims and rights generally or be general equitable principles.

(c) Seller has not received written notice of any judgment, suit, claim, action, arbitration, legal, administrative, or other proceeding or governmental investigation pending or threatened with respect to any of the Property that would materially adversely affect the Property, and no activities or events have occurred on or in connection with the Property that could give rise to any such claims or proceedings.

(d) Seller has not received any written notices, demands or deficiency statements from any mortgagee of the Property or from any state, municipal or county government or agency or any insurer relating to the Property and which have not been cured or remedied except property valuation and tax notices issued by Utah County.

(e) Except as otherwise expressly disclosed in the Commitment, the Property is not subject to any proposed special assessment or to any existing special assessment lien arising as a result of any works or improvements completed, installed or contemplated at or before the Closing Date.

(f) Seller has paid and shall pay all liens, charges, taxes and assessments for the Property arising prior to the Closing Date.

(g) No person, broker or entity, whether or not affiliated with Seller, is entitled to a commission, finder's fee or other compensation arising from this Agreement, as regarding Seller. Seller shall indemnify defend and hold Buyer harmless from and against any and all claims, loss or damage relating to or arising out of any claim for compensation by any broker, person or entity claiming by or through Seller.

3.2 Representations and Warranties of Buyer. Buyer makes the following representations and warranties to Seller, as of the date of this Agreement and as of the Closing Date, each of which representations and warranties shall survive the Closing and delivery of the Special Warranty Deed.

(a) Buyer has the right, power and authority to execute, deliver and perform this Agreement.

(b) No person, broker or entity, whether or not affiliated with Buyer, is entitled to a commission, finder's fee or other compensation arising from this Agreement as regarding Buyer. Buyer shall indemnify, defend and hold Seller harmless form and against any and all claims, loss or damage relating to or arising out of any claim for compensation by any broker, person or entity claiming by or through Buyer.

3.3 Acknowledgment by Buyer Regarding Seller's Representations and Warranties. Except as expressly set forth in other portions of this agreement, Buyer hereby affirms that neither Seller nor its agents, employees or attorneys have made, nor has Buyer relied upon any representation, warranty, or promise (either express or implied) with respect to the Property or any other subject matter of this Agreement including, without limitation:

(a) the general plan designation, zoning, value, use, tax status or physical condition of any part of the Property or the improvements to the Property;

(b) the flood elevations, drainage patterns and soil and subsoils composition and compaction levels and other conditions at the Property;

(c) the existence or nonexistence of any hazardous or toxic substance, waste or material (as defined or regulated by any federal, state or local law or regulation);

(d) the accuracy of any soils reports or any other plans or reports regarding the Property;

- (e) the suitability of the Property for Buyer's intended purpose; or
- (f) the status, suitability or sufficiency of any water rights associated with the Property.

WITHOUT LIMITING THE GENERALITY OF THE FOREGOING AND EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, BUYER ACCEPTS THE PROPERTY FROM THE SELLER "AS IS", SUBJECT TO "ALL FAULTS" INCLUDING, BUT NOT LIMITED TO, BOTH LATENT AND PATENT DEFECTS, AND THE ENVIRONMENTAL CONDITION OR DEFECTS THEREOF. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, BUYER HEREBY WAIVES ALL WARRANTIES, EXPRESS OR IMPLIED, REGARDING THE CONDITIONS AND THE USE OF THE SUBJECT PROPERTY, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE.

ARTICLE IV USE OF PROPERTY

4.1 Seller's Use of the Property Prior to Closing Date. From and after Seller's execution of this Agreement and except in the ordinary course of administering its general mortgage, Seller shall not grant or convey any easement, lease, license, permit or any other legal or beneficial interest in or to the Property or engage in any contract with any party other than Buyer regarding the purchase or sale of the Property, without the prior written consent of Buyer. Further, except as otherwise provided for herein, Seller agrees to pay, as and when the same are due, all payments on any encumbrances presently affecting the Property and any and all taxes, assessments and levies in respect of the Property through the Closing Date.

4.2 Buyer's Right to Enter Property Prior to the Closing Date. Buyer or its employees or agents may enter the Property at any time prior to the Closing Date upon twenty-four (24) hours notice to Seller to inspect the Property and perform surveys or tests as Buyer may elect; provided, however, that such entry shall not unreasonably interfere with the activities of Seller on the Property, and Buyer shall indemnify and hold Seller harmless from, all liabilities and all consequences of any interruption of Seller's operation of Seller's generation facilities located adjacent to the Property associated with Buyer's activities on the Property.

ARTICLE V EASEMENTS

5.1 Seller's Use of the Property After the Closing Date. Seller reserves the right to continue to use those portions of the Property identified in Attachment A for the purpose of owning, operating and maintaining electrical distribution and transmission lines and related facilities, including communications and other facilities, whether above

or underground, and also for access to Seller's existing substation located adjacent to the Property. On or before the Closing Date, Buyer shall grant to Seller one or more easements, in a form acceptable to Seller, which will allow for such continued use and access or future related uses and access by Seller.

5.2 Existing Easements. Buyer purchases the Property subject to all existing easements identified as Permitted Exceptions under Section 2 above.

5.3 New Easements. On or before the Closing Date, Seller shall grant to Buyer one or more easements for access to Seller's existing, or future, electrical and/or natural gas interconnection points (to be) located near the Property, which will allow for such continued use and access or future related uses and access by Buyer.

ARTICLE VI CLOSING

6.1 Time and Place of Closing. The Purchase and sale transaction contemplated by this Agreement shall be consummated through a closing conference (the "Closing") which shall be held at the Title Company on or before _____, (the "Closing Date"), or at such earlier time and place as the parties may mutually agree in writing.

6.2 Actions at Closing. At the Closing, the following events shall occur and each being declared to have occurred simultaneously with the other:

(a) All documents to be recorded and funds to be delivered hereunder shall be delivered to the Title Company in escrow, to hold, deliver, record and disburse in accordance with supplemental escrow instructions, the form and content of which shall be agreed to by the parties prior to Closing.

(b) At the Closing or sooner as otherwise stated in the escrow instructions, the following shall occur:

(i) Seller shall deliver or cause to be delivered in accordance with the escrow instructions:

(1) Special Warranty Deed conveying the Property to Buyer, duly executed and acknowledged by Seller and in proper form generally for recording in _____; and

(2) All other documents required to be executed by Seller pursuant to the terms of this Agreement.

(ii) Buyer shall deliver or cause to be delivered in accordance with the escrow instructions:

- (1) The Purchase Price to be; and
- (2) All other documents required to be executed by Buyer pursuant to the terms so this Agreement.

(c) Buyer and Seller shall each deliver to the other, two executed copies of the Buyer's and Seller's Statement of Settlement setting forth all prorations, credits provided in this Agreement, disbursements of the purchase price, and expenses of the Closing.

Seller shall bear any and all Closing or escrow charges of the Title Company.

6.3 Seller's Remedies. In the event this transaction fails to close due to Buyer's fault or inability to close, Seller may elect either to seek specific performance of this Agreement by suit in equity, to seek damages from Buyer.

6.4 Buyer's Remedies. In the event this transaction fails to close due to Seller's fault, this Agreement shall be declared void and of no effect.

ARTICLE VII PRORATIONS

7.1 Prorations Between Seller and Buyer. The following prorations shall be made between Seller and Buyer as of the Closing Date:

(a) Real property taxes and assessments on the Property for the year of Closing shall be prorated between Seller and Buyer based on the number of days each owned the Property. In the event the Property constitutes some portion of a larger tract of land, such proration shall be based upon the average of the Property as a percentage of the acreage of the entire tract. If, as of the Closing Date, the actual tax bills for the year or years in question are not available and the amount of taxes to be prorated cannot be ascertained, then the most recent known rates, millages and assessed valuations (which amounts shall relate to the same tax year) shall be used, and such proration shall be repeated when the final tax bill is available and either Buyer and Seller, as the case may be, shall promptly pay to the other the net amount owing as a result of such redetermination.

(b) Other Closing costs shall be apportioned between the parties in accordance with the normal and customary practice of commercial real estate transactions in Utah County, Utah.

**ARTICLE VIII
RELEASE, ASSUMPTION AND INDEMNITY**

8.1 Seller shall indemnify, hold harmless and defend Buyer against all claims, suits, losses and damages made against or incurred by Buyer relating to the condition of the Property prior to the Closing Date or any activity in connection with the Property which occurred prior to the Closing Date. Buyer shall indemnify, hold harmless and defend Seller against all claims, suits, losses and damages incurred by Seller relating to the condition of the Property after the Closing Date or any activity in connection with the Property which occurs after the Closing Date.

**ARTICLE IX
MISCELLANEOUS**

9.1 Entire Agreement. This Agreement contains the entire agreement between the parties respecting the matters herein set forth and supersedes all prior agreements, which written or oral, between the parties respecting such matters. Any amendments or modifications hereto in order to be effective shall be in writing and executed by the parties hereto. Notwithstanding the foregoing, Buyer's use and occupancy of this Agreement shall be subject at all times to the terms and conditions of that certain Construction Coordination Agreement dated [DATE] between Seller and Buyer.

9.2 Amendments. This Agreement may be amended or modified only by mutual written agreement.

9.3 Survival. All warranties, representations, covenants and agreements contained in this Agreement shall survive the execution and delivery of this Agreement and all documents delivered in connection with this Agreement and shall survive the Closing of the transactions contemplated by this Agreement and all performances in accordance with this Agreement.

9.4 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, heirs, administrators, and assigns; provided, however, that notwithstanding the foregoing, neither party's interest under this Agreement may be assigned, encumbered, or otherwise transferred, whether voluntarily, involuntarily, by operation of law or otherwise.

9.5 Notices. Any notice, demand or document which any party is required or any party desires to give or deliver to or make upon any other party shall be in writing, and may be personally delivered or given or made by recognized overnight courier service or by United States registered or certified mail, return receipt requested, with postage prepaid, addressed as follows:

To Seller:

To Buyer:

Any party may designate a different address for itself by notice similarly given. Unless provided herein, any such notice, demand or document so given shall be effective upon delivery of the same to the proper address of the party or parties to whom the same is to be given.

9.6 Time of Essence. Time is of the essence in the performance of each and every term, condition, and covenant of this Agreement.

9.7 Counterparts. This Agreement may be executed in any number of counterparts which together shall constitute the contract of the parties.

9.8 Paragraph Headings. The paragraph headings herein contained are for purposes of identification only and shall not be considered in construing this Agreement.

9.9 Attorneys' Fees. The prevailing party in any legal proceeding brought to enforce rights hereunder shall recover from the other party its reasonable attorneys' fees and costs. As used herein in the term "prevailing party" means the party entitled to recover the costs in any suit, whether or not brought to judgment, and whether or not incurred before or after the filing of suit.

9.10 Waiver. Except as herein expressly provided, no waiver by a party of any breach of this Agreement or any warranty or representation under this Agreement by another party shall be deemed to be a waiver of any other breach of any kind or nature (whether preceding or succeeding and whether or not of the same or similar nature) and no acceptance of payment or performance by a party after any such breach by another party shall be deemed to be a waiver of any further breach of this Agreement or of any representation or warranty by such other party whether or not the first party knows of such a breach at the time it accepts such payment or performance. No failure on the part of a party to exercise any right it may have by the terms of this Agreement or by law upon the default of another party, and no delay in the exercise of any such right by the first party at any time when such other party may be in default, shall operate as a waiver of any default, or as a modification in any respect of the provision of this Agreement.

9.11 Exhibits. Any and all exhibits attached or to be attached hereto are hereby incorporated and made a party of this Agreement by reference.

9.12 Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Utah.

9.13 No Recording. This Agreement shall not be recorded in the real property records.

9.14 Further Instruments. Each party hereto shall from time to time execute and deliver such further documents or instruments as the other party, its counsel or the Title company may reasonably request to effectuate the intent of this Agreement, including

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without limitation documents necessary for compliance with the laws, ordinances, rules and regulations of any applicable governmental authorities.

9.15 Confidentiality. The purchase price and terms of this Agreement are intended by both parties to be confidential. Therefore, except as directed by a court, administrative authority or required by subpoena, neither party shall disclose the purchase price or terms of this Agreement or any other non-public information related thereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date and year first above written.

PACIFICORP

By: _____

Its: _____

Date Signed:

[BUYER]

By: _____

Its: _____

Date Signed:

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EXHIBIT A

PROPERTY DESCRIPTION TO BE COMPLETED PRIOR TO CLOSING

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EXHIBIT B

SURVEY TO BE ATTACHED

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EXHIBIT C

WATER RIGHTS

Buyer shall receive water rights to two hundred (200) acre-feet of ground water as part of this transaction.

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ATTACHMENT 18
CURRANT CREEK
ENGINEERING, CONSTRUCTION
AND PROCUREMENT CONTRACT
(EPC)**

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**RFP 2012
ATTACHMENT 19
DUE DILIGENCE ITEMS FOR THE
ACQUISITION OF AN EXISTING
FACILITY**

The follow is not to be considered a complete listing of due diligence items. The final listing shall be determined, in PacifiCorp's sole discretion, based on the Facility offered by the Bidder.

Due Diligence Items:

Technical Assessment

1.0 Plant General

- 1.1 Request plant organization charts.
- 1.2 Request the Annual Plant Budget (total) Actual for *5 years*_. Projected for *5 years*
- 1.3 Request a summary of the budget. Last 5 years and next 5 years.
 - 1.3.1 Labor expenses
 - 1.3.2 Maintenance expense
 - 1.3.3 Equipment expense
 - 1.3.4 Insurance expense
 - 1.3.5 Operations expense
 - 1.3.6 Administrative expense
 - 1.3.7 Capital escrow
 - 1.3.8 Major Maintenance Escrow
 - 1.3.9 Inventory Purchase. Total Value of Inventory. Inventory Value for each division.
 - 1.3.10 Fuel by component
- 1.4 Request a summary of the maintenance expenses
 - 1.4.1 Major Maintenance (annual)
 - 1.4.2 Consumables
 - 1.4.3 Inventory draws

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- 1.4.4 Maintenance contracts.
- 1.4.5 Building and grounds
- 1.4.6 Other.
- 1.5 Request a summary of equipment expenses.
 - 1.5.1 Shop equipment maintenance
 - 1.5.2 Equipment rental
 - 1.5.3 Power tools (Leased).
 - 1.5.4 Rolling stock fuel.
 - 1.5.5 Rolling stock maintenance.
 - 1.5.6 Other.
- 1.6 Request a summary of insurance expenses.
 - 1.6.1 Business Interruption
 - 1.6.2 Property
 - 1.6.3 General liability.
 - 1.6.4 Vehicle liability.
- 1.7 Request a summary of operating expenses.
 - 1.7.1 Regeneration Cost.
 - 1.7.2 Clarifier Cost.
 - 1.7.3 Boiler water chemicals.
 - 1.7.4 Lubricants
 - 1.7.5 Consumables.
 - 1.7.6 Electricity purchased.
 - 1.7.7 Hazardous material disposal.
 - 1.7.8 Discharge treatment chemicals

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- 1.7.9 Laboratory supplies
- 1.7.10 Emission testing
- 1.7.11 Hydrogen and CO₂ for generator
- 1.7.12 Ammonia, lime, limestone, other
- 1.8 Request a summary of administrative expenses.
 - 1.8.1 Telephone expenses
 - 1.8.2 Postage
 - 1.8.3 Computer hardware
 - 1.8.4 Computer software
 - 1.8.5 Office supplies
 - 1.8.6 Permits and licenses.
 - 1.8.7 Professional Services
- 1.9 Request a summary of capital escrow accounts.
 - 1.9.1 Equipment purchases.
 - 1.9.2 Balance of Plant capital.
 - 1.9.3 Dispersion schedule of escrow accounts.
- 2.0 Plant Personnel
 - 2.1 Request a personnel roster.
 - 2.1.1 Complete list of Classifications.
 - 2.1.2 Number in each classification. Remaining years before retirement.
 - 2.1.3 Annual base salary.
 - 2.1.4 Hourly wage rate.
 - 2.1.5 Straight time additions (%).
 - 2.1.6 Straight time Hourly cost (Hourly rates + additions)

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- 2.1.7 Overtime hourly costs.
- 2.1.8 Total overtime (% of annual base salary).
- 2.1.9 Employee age demographics chart
- 2.2 Request a summary of payroll additions.
 - 2.2.1 Payroll taxes.
 - 2.2.2 Workman's compensation
 - 2.2.3 Retirement Account
 - 2.2.4 Insurance
 - 2.2.5 Employee Savings
 - 2.2.6 Vacation and Sick Leave
 - 2.2.7 Indirect Additions
 - 2.2.8 Other (Pensions, benefits and welfare Plans)
- 2.3 Labor
 - 2.3.1 Labor contracts
 - 2.3.2 Organizing initiatives
- 3.0 Major maintenance
 - 3.1 Request a summary of maintenance cost and schedules
 - 3.1.1 Annual, major and frequency of major outages for:
 - 3.1.1.1 Turbine valves
 - 3.1.1.2 Coal feeders and scales
 - 3.1.1.3 Pulverizes
 - 3.1.1.4 Boiler pressure parts.
 - 3.1.1.5 Boiler auxiliaries
 - 3.1.1.6 Boiler draft system.
 - 3.1.1.7 Casing and ductwork.

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- 3.1.1.8 Boiler insulation and lagging
 - 3.1.1.9 Turbine
 - 3.1.1.10 Condenser
 - 3.1.1.11 Generator
 - 3.1.1.12 Pumps.
 - 3.1.1.13 Switchgear.
 - 3.1.1.14 Demineralizer
 - 3.1.1.15 Precipitators
 - 3.1.1.16 Flue Gas Desulphurization system
 - 3.1.1.17 SCR
- 3.2 Major maintenance escrow.
- 3.2.1 Request a major maintenance analysis (summary of planned majors and dispersions for the last 5 years and projected for the next 5 years)
- 4.0 Capital expense items.
- 4.1 Capital expense escrow.
 - 4.1.1 Request a capital escrow analysis (summary of planned capital expenditures and dispersion for the last 5 years and projected for the next 5 years).
- 5.0 Operations
- 5.1 How do you track efficiency?
 - 5.2 How do you calculate availability?
 - 5.3 In your opinion what are the major strengths of you department?
 - 5.4 What are the major weaknesses?
 - 5.5 What equipment presents the most problems?
 - 5.6 Are you satisfied with the maintenance efforts?
 - 5.7 Are the existing controls satisfactory?

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- 5.8 How would you rate the knowledge level of your personnel?
 - 5.8.1 Would you be receptive to additional training for your people?
 - 5.8.2 Do you think the training would be cost effective?
 - 5.8.3 What are the existing training methods?
 - 5.8.4 Give a rough estimate of the average experience level of your department (years of experience).
 - 5.8.5 How are operations people utilized during outages?
 - 5.8.6 How would you rate relations with the various unions?
- 5.9 What is your occurrence of “Operator error”?
- 5.10 If you owned this plant what would you do to improve it?
- 5.11 Do you help prioritize and plan work required for efficient plant operation?
- 6.0 Maintenance
 - 6.1 How heavy is the workload for your department?
 - 6.1.1 Do you have all the resources needed to complete the defined tasks?
 - 6.1.2 How is your maintenance work prioritized?
 - 6.1.3 How much maintenance backlog work do you have?
 - 6.2 How successful have you been in maintaining the plant within budget forecasts?
 - 6.3 How much input do you have in budgeting for maintenance?
 - 6.4 How often do you schedule major maintenance outages?
 - 6.4.1 Are you allowed sufficient time to complete planned tasks during outages?
 - 6.4.2 Do you have adequate inventories of spare parts?
 - 6.4.3 Do you have enough tools?
 - 6.5 What are the major strengths of your department?
 - 6.6 What are the major weaknesses of your department?
 - 6.7 How would you rate the skills level of your technicians?

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- 6.7.1 Would you be receptive to additional *training* for your people?
What areas?
- 6.8 What are the boundaries of your responsibilities?
- 6.9 Do you feel that you have sufficient latitude to perform your job efficiently?
- 6.10 Do you have an extended plan for Capital improvements?
 - 6.10.1 How long is the time span for forecasted equipment replacement?
 - 6.10.2 Do you have contingency plans for equipment failure?
 - 6.10.3 Are there any problems with excessive lead-time for equipment purchase?
- 6.11 Do you perform non-destructive testing on you major boiler parts and steam lines?
- 6.12 Have you conducted a comprehensive review of your HT/HP piping systems?
- 6.13 When were the last overhauls of you turbines?
 - 6.13.1 What were the major problems found?
 - 6.13.2 How were these problems corrected?
 - 6.13.3 Do you perform bore inspections?
 - 6.13.4 How often are overspeed trip tests conducted?
 - 6.13.5 Are there any generator problems that you are aware of??
- 6.14 What is the condition of your electrical switchgear?
 - 6.14.1 Do you perform scheduled switchgear inspections?
 - 6.14.2 Are parts available for the switchgear?
- 6.15 What is the condition of your water treatment plant?
 - 6.15.1 Are any major maintenance activities planned for the water treatment plant in the foreseeable future?
- 6.16 Are there any major problems with any existing environmental protection

equipment?

6.16.1 Does existing environmental equipment require an inordinate amount of your people's time?

6.17 Do you have adequate on-site transportation to prevent loss of efficiency by your people?

7.0 Controls

7.1 What type of control systems do you have?

7.2 How old are these systems?

7.3 Do you consider them obsolete?

7.3 Are parts readily available?

7.4 Who sets your work priorities?

7.5 How heavy is your workload and how much "backlog" do you have?

7.6 How would you rate the knowledge of your workforce?

7.6.1 Would you be receptive to additional training for your technicians?

7.6.2 Do you think additional training could be cost justified?

7.7 Do you have sufficient test equipment and tools?

7.8 Are there any plans to make major controls system change outs in the foreseeable future?

7.9 Is your plant equipped for fire protection?

7.9.1 Who is responsible for testing of fire fighting equipment?

7.9.2 Is there a need for more fire equipment or do you think the existing equipment is sufficient?

7.10 How do you handle injuries?

7.11 Do you have dangerous chemicals on the plant site? If so, please identify.

7.11.1 Do you have contingency plans for emergencies?

8.0 Safety

8.1 Do you have an on-going safety program?

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- 8.2 Please describe your approach to safety?
- 8.3 In your opinion, does the program work?
- 8.4 How could the program be improved?
- 8.5 Provide a description of the health and safety compliance program with respect to the Facility. Include a description of any safety management systems that have been put in place and any safety policies that have been implemented at the Facility.
- 8.6 All OSHA citations or orders issued to the Facility, or settlements entered into by the Facility, in the last ten (10) years in each case with respect to the Facility.
- 8.7 All worker-related or third-party lawsuits or claims, including worker's compensation claims, filed within the last ten (10) years or now threatened, pending, or reasonably anticipated by the Facility regarding human exposure to toxic or carcinogenic substances or materials at the Facility.
- 8.8 All documents describing the Facility's current and past annual employee medical screening and monitoring programs at the Facility, including but not limited to, documents pertaining to current and former employees that have been diagnosed with: (a) asbestosis or any other lung related illness; (b) elevated blood lead levels; or (c) elevated blood PCB levels.
- 8.9 Provide information on safety performance experienced at the Facility within the last five years. Include OSHA recordable, Lost Time Accident and Restricted Work Day statistics in this information.
- 9.0 Environmental
 - 9.1 What is the prevailing attitude toward environmental matters?
 - 9.2 Do you think environmental concerns should receive more attention?
 - 9.3 Provide any copies of environmental audits that have been performed.
 - 9.4 Is there any known or suspected environmental contamination of the plant site?
 - 9.5 What is your environmental exceedance record for the last 5 years?
 - 9.6 Copies of all Phase I, Phase II and other environmental site assessments, risk assessments, site investigations, site remediation plans, closure reports, compliance audits, etc.
 - 9.7 Copies of any environmental management systems ("EMS") policies and procedures (including any documents pertaining to the implementation of

the EMS at the facility), EHS compliance policy statement and implementation documents and voluntary disclosure policy statement and implementation documents.

- 9.8 Copies of all current Environmental Health and Safety permits, licenses, consents, registrations or approvals (collectively, "EHS Permits") that are required by any governmental authorities and necessary ownership/operation of the Facility, including, but not limited to those associated with any types of air emissions, wastewater discharges, storm water runoff, water use, solid waste management, recycling, and/or hazardous materials generation, storage, treatment and/or disposal. In the event that there are applications (including notices/applications for permit renewals) pending for any EHS Permits, provide copies of such applications and any relevant correspondence.
- 9.9 Documents (including EHS Permits) pertaining to the use, development, conservation or disturbance of land, wetlands, natural resources, biota and/or ecologically sensitive receptors.
- 9.10 A list and description of all landfills, disposal areas, surface impoundments, ponds, diversions, dams and other similar structures located at or related in any way to the Facility, together with copies of all associated EHS Permits.
- 9.11 Documents pertaining to compliance with applicable federal, state and local EHS laws and its EHS permits (including but not limited to emission statements, compliance monitoring data, compliance inspection reports, plans and correspondence with governmental authorities) and/or reports and submissions made pursuant to applicable federal, state and local EHS laws.
- 9.12 Documents identifying or describing anticipated capital expenditures required to control pollution, investigate/remediate any environmental conditions, manage waste or achieve/ensure compliance with applicable EHS permit conditions or EHS laws at the Facility.
- 9.13 Documentation of (1) hazardous waste generator status for the Facility; (2) the types(s) and amounts of waste generated; (3) a list and description of all solid waste and hazardous waste transporters used; (4) a list of all off-site treatment, storage or disposal facilities ("TSDFs") that have received or are receiving solid and/or hazardous waste from the Facility; and (5) copies of all manifests for off-site hazardous waste disposal.
- 9.14 (1) A list and description of current and former surface impoundments, underground storage tanks ("USTs") and above-ground storage tanks ("ASTs") located on any properties used, owned or leased in connection with the Facility as well as any information concerning the size, content, age and compliance of such impoundments/tanks; (2) any reports prepared in connection with any leaks or releases from such impoundments or tanks; and (3) closure reports prepared in connection with any closure, removal or abandonment of such impoundments, USTs or ASTs.
- 9.15 Documents relating to: (1) the maintenance, handling, storage or disposal

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- of mercury or mercury-containing equipment; or (2) the testing, disposal and/or abandonment of any pipes, transformers, structures or other PCB-containing equipment or materials, particularly as those relate to compliance with the PCB Mega Rule in connection with the Facility.
- 9.16 Incident reports, notifications and/or other documents relating to any spill or release of hazardous materials, wastes or chemicals at the Facility or as a result of operations at the Facility.
- 9.17 Documents pertaining to: (1) the indoor air quality of the Facility; or (2) the presence, management, removal or abatement of asbestos-containing materials or lead-based paint.
- 10.0 What natural perils could affect this site?
- 10.1 Give a cost analysis of the last 2 such occurrences.
- 11.0 What licenses, permits or certificates are required at this site? (Air? Noise? Water usage? Storm water discharge? Waste water discharge? Air discharge? Business? Power production? Others?)
- 12.0 Give nameplate data for all units.
- 12.1 Give start up times, ramp rates for synchronization and total event costs to full load for hot, warm and cold start conditions.
- 12.2 Give heat rate, reduced load heat rates, availability, forced outage rates, capacity factors, environmental performances, catastrophic failures, obsolescence, etc for each unit.
- 13.0 Request a copy of all collective bargaining units' agreements.
- 14.0 What other contracts, sub-contracts or leases exist for maintenance services, labor, professional services, materials, parts or other?
- 15.0 Supply details of all fuel purchase, transportation and storage contracts.
- 16.0 Supply details of any waste disposal procedures or contracts.
- 16.1 What opportunities do you see for "revenues" from your various waste streams?
- 17.0 Title
- 17.1 Real property
- 17.2 UCC Filings
- 18.0 Claims history (both by and against Seller in connection with the Facility)_
- 18.1 Litigation (including arbitration and other forms of alternative dispute resolution).

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- 18.2 Labor issues
- 18.3 Warranty claims
- 18.4 Copies of all auditor's letters prepared by law firms with respect to the Facility or with respect to Seller's liability in connection with the Facility.
- 19.0 Contracts
 - 19.1 Copies of all contracts
- 20.0 Permits/Licenses
 - 20.1 Copies of all permits, licenses, easements, etc.
- 21.0 Organizational Documents
- 22. Insurance
 - 22.1 Copies of all insurance policies that have been in effect at any time with respect to the Facility or under which coverage may have at any time been provided with respect to the Facility.

**Technical Evaluation of Potential Acquisition
Questions, Documents & Data to be Reviewed**

- O&M contract.
- Power Purchase contract.
- Interconnect agreements and terms.
- Fuel purchase, transportation and storage contracts.
- Ash storage, transportation and disposal contracts.
- Production by product sales contracts.
- Steam sales contracts.
- Water supply/sewer agreements.
- All other contracts, subcontracts and leases for maintenance services, labor, professional services, materials, parts or other at each plant.
- Collective bargaining agreements, if any.
- Pension, benefit and welfare plans.
- O&M and capital budgets vs. actuals for last five years. Budgets or budget forecasts for next five years. Status of maintenance escrow accounts,
- Operating & Maintenance plan, and capital improvement plan, for last five years and next five years.
- Staffing plan including organizational chart and salary levels.
- Environmental permits including air, noise, water usage, stormwater discharge and wastewater discharge. Provide documentation to show compliance with permits and/or any violations or citations. Provide reports of any Environmental Audits or Assessments of the projects/sites. Is there any known or suspected environmental contamination of the site of facilities? We may wish to conduct a site assessment.
- A listing of hazardous and non-hazardous wastes which are stored on-site or off-site, or have been disposed of.
- Any federal, state or local licenses, permits and certifications

Any federal, state or local licenses, permits and certifications.

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- Major maintenance requirements at each plant: historical as well as recommended and/or planned major maintenance activities. Maintenance schedules from last five years and projections for next five years.
- Maintenance records - preventative maintenance, corrective maintenance, major maintenance and scheduled maintenance.
- Spare parts inventory - item description, quantity and value.
- Written procedures, programs, policies, records and logs relative to operations, maintenance, safety, environmental, training and others.
- Capacity Factor, EAF and EFOR for each of the last five years. Define terms and method of calculation. History of all scheduled maintenance outages and all significant forced outages.
- Heat rate at each plant: design heat balance; curves of heat rate vs. load; actual average monthly heat rate based on fuel purchases and net energy produced; and results of any heat rate tests.
- Results of tests of Net Maximum Capacity tests.
- Startup times and ramp rates from synchronization to full load for hot, warm, and cold start conditions.
- Data to show compliance with QF requirements (if applicable) for last five years.
- Interviews with Plant Manager and supervisors at each plant.
- Are there any remaining warranties? Are there any warranty claims or issues outstanding?
- Is there potential for efficiency improvement? expansion? repowering?
- Assess the technology employed. Is it proven?
- What are the risks associated with this technology? i.e. startup times, heat rate, heat rate at reduced load, availability, force outage rate, capacity factor, environmental performance, catastrophic failure, obsolescence, etc.
- What Natural perils could affect this site?

Any federal, state or local licenses, permits and certifications.

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**RFP 2012
FORM 1
PRICING INPUT SHEET**

Any federal, state or local licenses, permits and certifications.

Form 1 Pricing Input Sheet

PACIFICORP RFP 2009: CONFIDENTIAL and PROPRIETARY

Directory _____
 Filename _____

Bid Number:	
Project Name:	
Applicable Eligible Resource Category:	Tolling Agreement
Delivery to PPW Start Date: (mm/dd/yyyy)	6/1/2009
Delivery to PPW End Date: (mm/dd/yyyy)	5/31/2029
Point of Interconnection:	Oquirrh, UT
Point of Power Delivery:	Mona 345 kV
Point of Gas Delivery (or index, if applicable):	Questar Gas Daily Index
PPW or Counterparty to Deliver Gas (if applicable)?	PPW
Resource Type (NG, Coal, Hydro, etc.)	NG
New or Existing Resource?	Existing
Economic Life of Plant? (years)	35
Beginning of Plant Life/Commercial On-Line Date for New or Existing Plant: (mm/dd/yyyy)	6/1/2009
Firm or Unit Contingent?	Firm
Transmission Interconnection Costs:	\$1,500,000
Transmission Integration Costs:	\$69,000,000
Third Party PTP Transmission (\$/KW-mo) Charge to PPW	\$0.00
Third Party Losses Transmission (%) Charge to PPW	0%
Capital Expenditures by PPW, Inc. Ongoing Capital Estimates (if applicable) : See CapEx Table	

	Load Curtailment Option
Capacity Level - Fixed Charges Applicator (MW)	25
Capacity PMT (\$/KW-mo)	\$5.25
Capacity PMT Annual Calendar Esc % (or index, if applicable)	CPI
Bidder's Incremental Energy Retail Rate (\$/MWh)	\$32.77
Hours Per Day Dispatch Limitation (if applicable)	4
Hours Per Month Dispatch Limitation (if applicable)	40
Hours Per Year Dispatch Limitation (if applicable)	450

	Combined Cycle	Simple Cycle	Duct Fire	Power Augmentation
Capacity Level - Fixed Charges Applicator (MW)	420	280	70	30
Optionality (Hourly, Day Of, Day Ahead, Monthly)	Day Ahead	Hourly	Hourly	Hourly
Fixed Energy PMT (\$/MWh, if applicable)	NA	NA	NA	NA
Index Pricing	NA	NA	NA	NA
Heat Rate (Btu/KWh) - For Gas Index PPA/Tolling Structures (if applicable)	7,150	10,500	9,400	12,000
VOM PMT (\$/MWh)	\$0.30	\$0.30	\$0.10	\$0.10
VOM PMT Annual Calendar Esc % (or index, if applicable)	CPI	CPI	CPI	CPI
Start-Up Costs (\$/MWh) 16 hours per run	\$5.00	\$5.00	\$0.00	\$0.00
Start-Up Costs (\$/MWh) 16 hours per run	\$2.50	\$2.50	\$0.00	\$0.00
Start-Up Costs Annual Calendar Esc % (or index, if applicable)	CPI	CPI	CPI	CPI
FOM PMT (\$/KW-mo)	\$1.00	\$1.00	\$1.00	\$1.00
FOM PMT Annual Calendar Esc % (or index, if applicable)	CPI	CPI	CPI	CPI
Capacity PMT (\$/KW-mo)		\$8.00		
Capacity PMT Annual Calendar Esc % (or index, if applicable)		0.0%		

Percentage of Capacity PMT that is Executive Costs (%):	25%			
Cost to Build (\$/KW):	\$700			
Gas Capacity (D/Tday)	48,048	47,040	10,528	3,840
Gas Demand Charge (\$/D-Tmo)	\$0.25	\$0.25	\$0.25	\$0.25
Gas Distribution Charges Above Commodity Rate or Index Adder (\$/MMBtu)	\$0.05	\$0.05	\$0.05	\$0.05
Gas Adder Calendar Annual Esc % (or index, if applicable)	0.0%	0.0%	0.0%	0.0%
Fuel Multiplier (% (if applicable))	102.5%	102.5%	102.5%	102.5%
Hours Per Day Dispatch Limitation (if applicable)	NA	NA	NA	NA
Hours Per Year Dispatch Limitation (if applicable)	NA	NA	3500	3500
Ramp Rates - Warm Start (MW/min.)	15	57	6	3
Runup Rates - Cold Start (MW/min.)	8.5	57	N/A	N/A
Min. Up (hours)	6	0	N/A	N/A
Min. Down (hours)	6	0	N/A	N/A
Spinning Reserve Amounts (Max that can be used for SpIn) (MW)	180	120	0	0
Non-Spinning Reserve Amounts (Max that can be used for Non-Spin from Cold Start) (MW)	65	570	70	30

Mechanical Availability by Month: (Expected, or Guaranteed if Applicable)	Combined Cycle %	Simple Cycle %	Duct Firing %	Power Augmentation %
January	100%	99%	98%	98%
February	91%	91%	90%	89%
March	78%	78%	75%	74%
April	78%	78%	78%	77%
May	78%	78%	78%	77%
June	95%	95%	94%	93%
July	100%	100%	99%	98%
August	100%	100%	99%	98%
September	96%	96%	95%	94%
October	95%	95%	95%	94%
November	97%	97%	96%	96%
December	99%	100%	99%	98%

Planned Outages by Month:	Combined Cycle %	Simple Cycle %	Duct Firing %	Power Augmentation %
January	0%	0%	0%	0%
February	0%	0%	0%	0%
March	50%	50%	50%	50%
April	0%	0%	0%	0%
May	0%	0%	0%	0%
June	0%	0%	0%	0%
July	0%	0%	0%	0%
August	0%	0%	0%	0%
September	0%	0%	0%	0%
October	0%	0%	0%	0%
November	0%	0%	0%	0%
December	0%	0%	0%	0%
January	0%	0%	0%	0%
February	0%	0%	0%	0%
March	50%	50%	50%	50%
April	0%	0%	0%	0%
May	0%	0%	0%	0%
June	0%	0%	0%	0%
July	0%	0%	0%	0%
August	0%	0%	0%	0%
September	0%	0%	0%	0%
October	0%	0%	0%	0%

YEAR 1
YEAR 2

Degradation Table: (Expected, or Guaranteed if Applicable)									
Calendar Year	Combined Cycle Heat Rate (% Increase from Undegraded Value)	Combined Cycle Capacity (% Decrease from Undegraded Value)	Simple Cycle Heat Rate (% Increase from Undegraded Value)	Simple Cycle Capacity (% Decrease from Undegraded Value)	Duct Firing Heat Rate (% Increase from Undegraded Value)	Duct Firing Capacity (% Increase from Undegraded Value)	Power Augmentation Heat Rate (% Increase from Undegraded Value)	Power Augmentation Capacity (% Increase from Undegraded Value)	
2009	0.9%	1.9%	0.8%	1.5%	0.0%	0.0%	0.0%	0.0%	
2010	1.6%	3.3%	1.5%	3.0%	0.0%	0.0%	0.0%	0.0%	
2011	1.8%	3.9%	1.8%	3.6%	0.0%	0.0%	0.0%	0.0%	
2012	1.4%	2.9%	2.0%	4.0%	0.0%	0.0%	0.0%	0.0%	
2013	1.7%	3.5%	2.1%	4.3%	0.0%	0.0%	0.0%	0.0%	
2014	1.9%	4.0%	2.2%	4.5%	0.0%	0.0%	0.0%	0.0%	
2015	0.9%	1.9%	2.1%	4.3%	0.0%	0.0%	0.0%	0.0%	
2016	1.6%	3.3%	1.7%	3.4%	0.0%	0.0%	0.0%	0.0%	
2017	1.8%	3.9%	1.8%	3.7%	0.0%	0.0%	0.0%	0.0%	
2018	1.4%	2.9%	2.0%	4.0%	0.0%	0.0%	0.0%	0.0%	
2019	1.7%	3.5%	2.2%	4.3%	0.0%	0.0%	0.0%	0.0%	
2020	1.9%	4.0%	2.3%	4.7%	0.0%	0.0%	0.0%	0.0%	
2021	0.9%	1.9%	2.5%	5.0%	0.0%	0.0%	0.0%	0.0%	
2022	1.6%	3.3%	2.6%	5.1%	0.0%	0.0%	0.0%	0.0%	
2023	1.8%	3.9%	0.8%	1.5%	0.0%	0.0%	0.0%	0.0%	
2024	1.4%	2.9%	1.5%	3.0%	0.0%	0.0%	0.0%	0.0%	
2025	1.7%	3.5%	1.8%	3.6%	0.0%	0.0%	0.0%	0.0%	
2026	1.9%	4.0%	2.0%	4.0%	0.0%	0.0%	0.0%	0.0%	
2027	0.9%	1.9%	2.1%	4.3%	0.0%	0.0%	0.0%	0.0%	
2028	1.6%	3.3%	2.2%	4.5%	0.0%	0.0%	0.0%	0.0%	
2029	1.8%	3.9%	2.1%	4.3%	0.0%	0.0%	0.0%	0.0%	
2030	1.4%	2.9%	1.7%	3.4%	0.0%	0.0%	0.0%	0.0%	
2031	1.7%	3.5%	1.8%	3.7%	0.0%	0.0%	0.0%	0.0%	
2032	1.9%	4.0%	2.0%	4.0%	0.0%	0.0%	0.0%	0.0%	
2033	0.9%	1.9%	2.2%	4.3%	0.0%	0.0%	0.0%	0.0%	
2034	1.6%	3.3%	2.3%	4.7%	0.0%	0.0%	0.0%	0.0%	
2035	1.8%	3.9%	2.5%	5.0%	0.0%	0.0%	0.0%	0.0%	
2036	1.4%	2.9%	2.6%	5.1%	0.0%	0.0%	0.0%	0.0%	
2037	1.7%	3.5%	0.8%	1.5%	0.0%	0.0%	0.0%	0.0%	
2038	1.9%	4.0%	1.5%	3.0%	0.0%	0.0%	0.0%	0.0%	
2039	0.9%	1.9%	1.8%	3.6%	0.0%	0.0%	0.0%	0.0%	
2040	1.6%	3.3%	2.0%	4.0%	0.0%	0.0%	0.0%	0.0%	
2041	1.6%	3.3%	2.0%	4.0%	0.0%	0.0%	0.0%	0.0%	
2042	1.4%	2.9%	2.2%	4.5%	0.0%	0.0%	0.0%	0.0%	
2043	1.7%	3.5%	2.1%	4.3%	0.0%	0.0%	0.0%	0.0%	

Heat Rate (Btu/KWh Undegraded @ Avg. Temp.) at:	Combined Cycle	Simple Cycle	Duct Fire	Power Augmentation
20% of Capacity	12,421	26,551	12,773	15,967
40% of Capacity	9,225	15,967	11,466	14,332
60% of Capacity	8,161	12,898	10,158	12,698
80% of Capacity	7,629	11,256	9,583	11,978
100% of Capacity	7,811	10,550	9,907	11,258

Undegraded Heat Rate & Capacity	Combined Cycle Undegraded Heat Rate Temperature Adjusted for Specific Site (Btu/KWh)	Simple Cycle Undegraded Heat Rate Temperature Adjusted for Specific Site (Btu/KWh)	Simple Cycle Undegraded Capacity Temperature Adjusted for Specific Site (MW)	Duct Fire Undegraded Heat Rate Temperature Adjusted for Specific Site (Btu/KWh)	Duct Fire Undegraded Capacity Temperature Adjusted for Specific Site (MW)	Power Augmentation Undegraded Heat Rate Temperature Adjusted for Specific Site (Btu/KWh)	Power Augmentation Undegraded Capacity Temperature Adjusted for Specific Site (MW)	
January	7,191	429	16,415	294	9,302	65	11,825	30
February	7,185	426	16,430	291	9,319	66	11,804	30
March	7,179	420	16,457	287	9,340	66	11,777	30
April	7,176	407	16,494	278	9,357	67	11,758	30
May	7,179	398	16,542	273	9,366	68	11,745	29
June	7,189	392	16,526	276	9,395	67	11,709	29
July	7,206	397	16,562	273	9,511	67	11,565	28
August	7,201	408	16,555	273	9,483	67	11,599	28
September	7,188	404	16,518	277	9,374	67	11,734	29
October	7,177	403	16,514	276	9,362	68	11,749	30
November	7,179	415	16,453	284	9,338	66	11,780	30
December	7,188	422	16,420	289	9,308	65	11,816	30
Min. Capacity & Corresponding Heat Rate	7,975	268	12,850	164	N/A	N/A	N/A	N/A

Capital Expenditures (see definition)	\$ Nominal
2006	
2007	
2008	
2009	
2010	
2011	
2012	
2013	
2014	
2015	
2016	
2017	
2018	
2019	
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2041	

Term:

Economic Life of Plant
Beginning of Plant Life/Commercial On-Line Date for New or Existing Plant
Firm
Unit Contingent
PTP Transmission (\$/KW-mo) Charge to PPW
Losses Transmission (%) Charge to PPW
Bidder's Incremental Energy Retail Rate
VOM PMT (\$/MWh)
Start-Up Costs (\$/MWh) 8 hours per run
Start-Up Costs (\$/MWh) 16 hours per run
FOM PMT (\$/KW-mo)
Capacity PMT (\$/KW-mo)
Gas Distribution Charges Above Commodity Rate or Index Adder (\$/MMBtu)
Fuel Multiplier (% , if applicable)
Executory Costs (%):
Cost to Build (\$/kW):
Runup Rates - Cold Start (MW/min.)
Spinning Reserve:
Non-Spinning Reserve:
Mechanical Availability by Month: (Expected, or Guaranteed if Applicable)

Planned Outages by Month:
Degradation Table:
Undegradated Heat Rate & Capacity
Capital Expenditures:

- For FASB 13 Test, this is the economic or useful life of proposed or existing plant.
- Date the plant was placed in-service or is expected to be placed in-service
- WSPP Schedule C
- WSPP Schedule B
- These costs would be in addition to any capacity or energy payments.
- These costs would be in addition to any capacity or energy payments.
- The bidder's incremental energy retail rate that would be paid to PacifiCorp for an otherwise non- curtailed hour.
- Variable Operating & Maintenance Cost, not including start-up costs.
- Start-Up Cost assuming 8 hours per run
- Start-Up Cost assuming 16 hours per run
- Fixed Operating & Maintenance Cost
- Capacity payment to be applied to Capacity Level
- Figure that when added to the commodity price (and fuel multiplier if applicable) to derive the all-in fuel price, in \$/MMBtu, that can be applied to the heat rate(s).
- Multiplier that can be applied to the gas commodity price OR index to derive the pre-gas distribution charge fuel price. A 2.5% increase in the commodity price should be entered as a 102.5% multiplier.
- For FASB 13 Test, those costs such as insurance, maintenance, and taxes incurred for the leased property.
- For FASB 13 Test, the cost required to build the plant in order to calculate the Fair Market Value. Needs to be a weighted average for complete plant.
- The Ramp Rate used when a unit is first started up
- Unloaded generation which is synchronized, ready to serve additional demand and able to reach reserve amount within 10 minutes
- Non-Synchronized and able to reach amount within 10 minutes
- Percent of month's hours the unit is expected or guaranteed to be available. Does not include reduction for planned outages.
- Needs to take into account dependence of duct firing on CCCT, along with the potential dependence of power augmentation on duct firing.
- Planned Outages for Scheduled Maintenance, etc. Does not include reduction for mechanical availability. Percent of month's hours the unit is to **offline** for planned outages
- Expected or Guaranteed degradation of Heat Rate and Capacity (provided in % increase or decrease from undegradated value).
- The manufacturers guaranteed performance at substantial completion when the units are new and clean. Information not needed when bidder guarantees heat rate and/or capacity.
- Applicable to resources which will become PacifiCorp assets. Consists of initial and ongoing capital expenditures NOT related to maintenance or transmission interconnection or integration costs.
- The initial capital expenditure portion should consist of the all-in sales price. If this initial capex figure is lump sum, please include AFUDC, land, buildings, plant, sales tax, property tax, etc.
- If the structure involves staged payments, when calculating the capex figure, please do not include AFUDC or property taxes, as PacifiCorp will calculate these figures based on then current rates.
- The ongoing capital expenditure portion, which is meant to cover items such as road repairs, fences, new equipment, etc., should assume \$1.35/KW-yr (\$2005).

**RFP 2012
FORM 2
PERMITTING AND
CONSTRUCTION MILESTONES**

**RFP 2012
 FORM 2
 PERMITTING AND CONSTRUCTION MILESTONES**

Milestone	Date
Notice to Proceed	
Secure Property	
Secure Water Rights	
Secure ERCs	
Secure Permits	
Natural Gas Interconnection Agreement	
Complete LGIA with PacifiCorp	
Break Ground	
P/O for CTs, Xfrmr's, Cooling Tower/Condenser/ACC HRSGs and ST	
Begin Pouring of Foundations	
Delivery of HRSG1	
Delivery of HRSG2	
Set ST	
Set CT1	
Set CT2	
Complete Natural Gas Interconnect	
Set Main Transformers	
Backfeed (at Transmission Level)	
First Fire of CT1	
First Fire of CT2	
Synchronization to Grid	
Complete installation of Cooling Towers/ACC	
Completion of Steam Blows	
Roll ST	
Begin Performance Testing	
Substantial Completion	
Final Acceptance	