

ELLEN F. ROSENBLUM  
Attorney General



MARY H. WILLIAMS  
Deputy Attorney General

**DEPARTMENT OF JUSTICE**  
GENERAL COUNSEL DIVISION

September 18, 2013

Attention: Filing Center  
Public Utility Commission of Oregon  
550 Capitol Street NE, #215  
PO Box 2148  
Salem, OR 97308-2148  
[puc.filingcenter@state.or.us](mailto:puc.filingcenter@state.or.us)

Re: *In the Matter of PORTLAND GENERAL ELECTRIC Request for Proposals for Capacity and Baseload Energy Resources*  
PUC Docket No.: UM 1535  
DOJ File No.: 860115-GB0390-12

Enclosed for filing is an original and five copies of the non-confidential version of the 9.16.2013 Report of the Independent Evaluator Regarding PGE RFP Negotiation Process. The confidential version is being filed and served separately.

Sincerely,

Stephanie S. Andrus  
Senior Assistant Attorney General  
Business Activities Section

Enclosures  
SSA:jrs/#4599565  
c: UM 1535 Service List (electronic copy only)

## CERTIFICATE OF SERVICE/SERVICE LIST

I hereby certify that on September 18, 2013, I served the foregoing non-confidential version of the 9.16.2013 Report of the Independent Evaluator Regarding PGE RFP Negotiation Process upon the persons named on the service list, by electronic mail only as all parties have waived paper service.

OPUC Dockets  
Citizens' Utility Board of Oregon  
610 SW Broadway, Suite 400  
Portland OR 97205  
dockets@oregoncub.org

Oregon Dockets  
Pacifcorp, dba Pacific Power  
825 NE Multnomah St, Suite 2000  
Portland OR 97232  
oregondockets@pacifcorp.com

Gregory M. Adams (C)  
Richardson & O'Leary  
PO Box 7218  
Boise ID 83702  
greg@richardsonandoleary.com

Stephanie S. Andrus (C)  
PUC Staff--Department of Justice  
Business Activities Section  
1162 Court St NE  
Salem OR 97301-4096  
stephanie.andrus@state.or.us

Richard Avery Baranzano  
Turner Energy Center  
1133 NW 11<sup>th</sup> Avenue, Suite 401  
Portland OR 97209  
oregonrealestate@cs.com

Kacia Brockman  
Oregon Department of Energy  
625 Marion St NE  
Salem OR 97301  
kacia.brockman@state.or.us

J. Laurence Cable (C)  
Cable Huston Benedict et al  
1001 SW 5<sup>th</sup> Ave Suite 2000  
Portland OR 97204-1136  
lcable@cablehuston.com

Erik Colville (C)  
Public Utility Commission  
PO Box 2148  
Salem OR 97308-2148  
erik.colville@state.or.us

R. Bryce Dalley  
Pacific Power  
825 NE Multnomah St., Suite 2000  
Portland OR 97232  
bryce.dalley@pacifcorp.com

Megan Walseth Decker  
Renewable Northwest Project  
421 SW 6th Ave #1125  
Portland OR 97204-1629  
megan@rnp.org

Renee M. France (C)  
Oregon Department of Justice  
Natural Resources Section  
1162 Court St NE  
Salem OR 97301-4096  
renee.m.france@doj.state.or.us

Wendy Gerlitz (C)  
NW Energy Coalition  
1205 SE Flavel  
Portland OR 97202  
wendy@nwenergy.org

Robert Jenks (C)  
Citizens' Utility Board of Oregon  
610 SW Broadway, Suite 400  
Portland OR 97205  
bob@oregoncub.org

Harold T. Judd  
Accion Group Inc.  
244 North Main Street  
Concord NH 03301  
hjudd@acciongroup.com

Robert D. Kahn  
NW & InterMountain Power  
Producers Coalition  
1117 Minor Avenue, Suite 300  
Seattle WA 98101  
rkahn@nippc.org;rkahn@rdkco.com

Matt Krumenauer (C)  
Oregon Department of Energy  
625 Marion St NE  
Salem OR 97301  
matt.krumenauer@state.or.us

Jimmy Lindsay  
Renewable Northwest Project  
421 SW 6th Ave #1125  
Portland OR 97204-1629  
jimmy@rnp.org

Richard Lorenz (C)  
Cable Huston Benedict et al  
1001 SW 5<sup>th</sup> Ave Suite 2000  
Portland OR 97204-1136  
rlorenz@cablehuston.com

G. Catriona McCracken (C)  
Citizens' Utility Board of Oregon  
610 SW Broadway, Suite 400  
Portland OR 97205  
catriona@oregoncub.org

Paula E. Pyron  
Troutdale Energy Center  
4113 Wolf Berry Ct  
Lake Oswego OR 97035-1827  
ppyron@cpkinder.com

Peter J. Richardson (C)  
Richardson & O'Leary PLLC  
PO Box 7218  
Boise ID 83707  
peter@richardsonandoleary.com

Irion A. Sanger (C)  
Davison Van Cleve  
333 SW Taylor - Suite 400  
Portland OR 97204  
ias@dvclaw.com

V. Denise Saunders (C)  
Portland General Electric  
121 SW Salmon St 1WTC1301  
Portland OR 97204  
denise.saunders@pgn.com

Donald W. Schoenbeck (C)  
Regulatory & Cogeneration Services  
Inc.  
900 Washington St., Suite 780  
Vancouver WA 98660-3455  
dws@r-c-s-inc.com

Chuck Sides  
Tepper LLC  
Management Group Of Oregon, Inc.  
PO Box 2087  
Salem OR 97308  
chucksides@mgoregon.com

John W. Stephens  
Esler Stephens & Buckley  
888 SW Fifth Ave Suite 700  
Portland OR 97204-2021  
stephens@eslerstephens.com;  
mec@eslerstephens.com

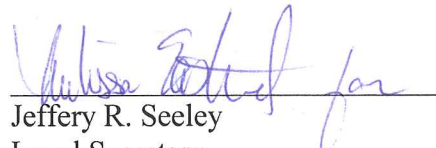
Chad M. Stokes  
Cable Huston Benedict et al  
1001 SW 5<sup>th</sup> Ave Suite 2000  
Portland OR 97204-1136  
cstokes@cablehuston.com

Jay Tinker  
Portland General Electric  
121 S Salmon Street, 1WTC-0702  
Portland OR 97204

S. Bradley Van Cleve (C)  
Davison Van Cleve  
333 SW Taylor - Suite 400  
Portland OR 97204  
bvc@dvclaw.com

Mary Wiencke  
Pacific Power  
825 NE Multnomah St., Suite 1800  
Portland OR 97232-2149  
mary.wiencke@pacificcorp.com

(C)= Confidential

  
Jeffery R. Seeley  
Legal Secretary  
Natural Resources Section



**REPORT OF THE INDEPENDENT EVALUATOR  
REGARDING THE NEGOTIATION PROCESS**



**Portland General Electric Company's  
2012 Capacity and Energy/EPC RFP**

September 16, 2013

Submitted by:

**ACCION GROUP, INC.**  
244 North Main Street  
Concord, New Hampshire 03301  
[advisors@acciongroup.com](mailto:advisors@acciongroup.com)

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**REPORT OF THE INDEPENDENT EVALUATOR REGARDING THE NEGOTIATION PROCESS  
Portland General Electric Company's  
2012 Capacity and Energy/EPC RFP  
September 16, 2013**

**I. EXECUTIVE SUMMARY**

Accion Group, Inc. ("Accion") was selected by the Oregon Public Utility Commission ("OPUC" or "Commission") to serve as the Independent Evaluator ("IE") for Portland General Electric Company's 2011 Request for Proposals ("RFP"). The 2011 RFP was subsequently incorporated into the combined 2012 Capacity and Energy RFP, which was the result of the OPUC's September 27, 2011 decision, Order No. 11 371. Accion was asked to monitor the negotiations prior to the award of a contract as part of the RFP process. This report of the IE addresses the process of those negotiations.

The IE reviewed all of the evaluations performed by Portland General Electric Company ("PGE" or "Company") personnel, and the determination of the best-ranked bids, which were identified as the final "short list" of bids. At the conclusion of evaluations Accion recommended that PGE undertake simultaneous negotiations concerning more than one of the best-ranked bids. The IE's position was premised on the need to complete the entire RFP without further delay, since nearly two years had elapsed since the commencement of the RFP. As discussed below, the IE and PGE personnel agreed on a course of action that included negotiations around the best-ranked bid only, with the option of expanding to simultaneous negotiations if sufficient progress was not realized. Negotiations with the best-ranked bid (hereinafter "Primary Bid") were conducted in Portland or telephonically.

Accion consultants participated in every in-person negotiation session between PGE and the Bidder. In the event there were multiple negotiation sessions conducted simultaneously, more than one IE consultant participated so that each session was monitored. When negotiations were conducted telephonically the IE monitored each conference call. As discussed below, draft documents were exchanged using unique files on the secure RFP Website provided by the IE. The negotiation documents were only available to authorized negotiation participants, the IE and certain Commission Staff members. This system documented the development of the final agreement. All exchanges and drafts are retained on the website should the Commission desire to review the progression of the negotiations.

The IE is unaware of any communications between PGE personnel and the Primary Bidder outside of the negotiation protocols using the IE website for exchanges of documents, and including the IE in all discussions.

The IE reviewed all documents and appraised each alteration of the pro-forma Engineering Procurement and Construction ("EPC") presented for review by Bidders as part of the competitive

solicitation. The IE believes the changes included in the final EPC were necessary and appropriate, and were the product of good faith, arms-length negotiations. The EPC retained the value of the Primary Bid as reflected in the evaluation conducted on all bids submitted in the RFP process. The IE believes the EPC included terms and conditions PGE would have required of any Bidder proposing construction of the same technology at the same site.

**A. ACCION WANTED SIMULTANEOUS NEGOTIATIONS**

As noted in an earlier report, prior to the commencement of negotiations the IE encouraged PGE to conduct simultaneous negotiations with more than one of the best-ranked bidders. The IE believed that approach would be prudent because the RFP process had been more protracted than originally anticipated, and a final decision was needed in order for the system needs previously identified in proceedings before the OPUC to be met on the schedule expected by the Commission. The IE argued that negotiation with only one Bidder could shift the balance of power in negotiations, should the prospective counter party learn of the approach.<sup>1</sup>

Based on prior experience with post-selection negotiations, the IE was prepared for any Bidder to present previously undisclosed conditions and terms once negotiations commenced and, thus, was cautious about committing to negotiating with only one Bidder at a time.

After considerable discussion between the IE and PGE personnel it was agreed negotiations would begin concerning the Primary Bid, and if significant progress was not achieved, parallel negotiations would commence. The IE agreed with this approach after PGE committed additional professional resources in support of the negotiations, and agreed to a negotiation schedule that would make prevaricating impossible.

From the first negotiation session it was apparent there would be no attempt to transfer risks to PGE or otherwise alter the value of the bid as originally presented and evaluated. Rather, the discussions were focused on clearly identifying the construction needs and the equipment requirements for the project.<sup>2</sup>

PGE and the IE retained the option to open parallel negotiations concerning an alternative bid, or to terminate discussions concerning the Primary Bid, however, this proved unnecessary as the negotiations proceeded apace. The IE believes proceeding with the negotiation strategy proved to be successful and parallel negotiations with other bidders was unnecessary.

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<sup>1</sup> The IE was also mindful of prior situations when PGE post-selection negotiations dragged on for an extended period due, in the opinion of the IE, to a failure to dedicate sufficient resources to the negotiation process.

<sup>2</sup> There were also negotiations with third party insurers to affirm the existence of appropriate insurance and sureties on the performance bonds for the risks associated with the construction project.

**B. CASCADE CROSSING WAS NOT INCULDED IN TRANSMISSION EVALUATION**

Cascade Crossing was identified early in the transmission analysis as a project that could provide additional east-to-west transfer capability. However, since the plan for the Cascade Crossing project was never finalized, and was never included as a transmission option for study, it was not relevant to either the bid evaluation or the negotiations.

Transmission Study Requests were submitted by PGE to the Bonneville Power Administration (“BPA”) for the Carty Generating Station. The results of these studies showed that up to a 500 MW plant at Carty could successfully interconnect to BPA at the BPA Slatt Substation. The IE transmission analyst reviewed the two interconnection requests for the proposed connection. Both requests are supported by facilities studies detailing the connection requirements and the associated cost estimates. The facilities studies were reviewed by the IE transmission analyst and found to be consistent with industry standards as to detail and design. Because the connection would be made into an existing substation, the IE transmission analyst found the upgrade cost estimates to be minimal and reasonable in light of the minimal upgrades needed.

The IE received the System Impact Study prepared by BPA for the interconnection of Carty at the Slatt Substation. This study included the results of a load flow for WECC 2015 heavy summer and a 2014 light autumn base case. These flow cases showed no post-contingency thermal overloads and voltage stability, transient stability, nor closing angle, and short circuit results were within limits. These studies show that Carty can successfully connect at Slatt Substation without a need for Cascade Crossing. Thus, the Cascade Crossing project was not needed to accommodate the proposed 500 MW Carty Plant, and was not considered as part of this analysis.

**1. Summary Review of Transmission at Carty**

The interconnection request was for 500 MW in support of the Carty Generating Facility (“Carty”), which was reviewed for the maximum plant size of 500 MW plants that would interconnect to BPA at the BPA Slatt Substation. We have reviewed the interconnection requests for this connection; one is for 464 MW and the other is for 36 MW. Both of these requests have facilities studies detailing the connection requirements. Generator transformers would be constructed to step the voltage up to 500-kilovolts (kV). Transmission has to be constructed from the new Grassland Switchyard to the existing 500-kV Boardman to Slatt transmission with a single or double conductor. Approximately 0.75 miles of transmission and eight (8) transmission towers would be constructed. The upgrades required to complete the interconnection are as follows:

- 500 kV transmission line for Carty generator step-down transformers to Grassland Switchyard on new towers.



- 500 kV transmission line from Boardman Substation to Grassland Switchyard with 4 existing towers reused, two new towers and new conductors.
- 500 kV transmission line from Grassland Switchyard to Slatt Substation with three new towers and conductors.

The estimated costs for these upgrades are:

Project management	\$ 185,000
Transmission line modifications	282,000
<u>BPA interconnection costs</u>	<u>1,300,000</u>
Total	\$ 1,767,000

These connection costs are minimal because the connection is being made into an existing substation.

We have received the System Impact Study prepared by BPA for the interconnection of Carty at the Slatt Substation. This study included the results of a load flow for WECC 2015 heavy summer and a 2014 light autumn base case. These flow cases showed no post-contingency thermal overloads or voltage excursions.

## II. PROCESS

### A. SEPARATION OF EVALUATION AND BID TEAMS AND ISSUES

PGE prepared a “Self-build” proposal that was developed and submitted during the bidding process.<sup>3</sup> The PGE personnel responsible for developing the Self-build proposals were barred from participating in the negotiations. While it is inconceivable to the IE that the Self-build proposal for the Carty site would have been acceptable if the Primary Bid negotiations failed, the IE insisted that members of the PGE Self-build Team not participate in the negotiations.

The PGE Self-build Team included engineers who will have responsibility for the operation of any addition to the PGE generation fleet. When it became apparent that the Primary Bid negotiations would be successfully completed, PGE raised the prospect for expanding the negotiation team to include certain engineers from the dormant Self-build Team. The IE was agreeable to removing the barrier for those individuals, if PGE would agree that in the unlikely event the competing Self-build proposal was researched, the individuals would not return to the Self-build Team and would not participate in any resulting negotiations. PGE declined to accept the IE’s reasoning and the request to permit Self-build Team members to participate in the negotiations was withdrawn.

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<sup>3</sup> The IE discussed the separation of the Self-build Team from the Evaluation Team, and the separation protocols in a prior report. The Self-build proposals were prepared so PGE would have the means to meet the previously identified system need in the event there were no third-party bids.

**B. ACCION WAS INVOLVED IN ALL NEGOTIATION MEETINGS AND COMMUNICATIONS**

The initial introductory and joint Negotiating Team meeting was held at the PGE Corporate headquarters on February 18-19, 2013. Thirty-three executive project management personnel, corporate and contracted legal personnel (Mercer Thompson) from PGE (Owner Utility), Abengoa (EPC Contractor), Black & Veatch (Owners Engineer), Mitsubishi (Major Equipment Supplier), and Sargent & Lundy (EPC Contractor Engineer) attended the meeting. The leadership and project management teams of each of the Companies committed to make available the necessary resources for the successful negotiation of the EPC contract, and followed with their corporate overview.

Three negotiating teams were established to negotiate the EPC contract. A Legal/Commercial Team was designated to negotiate the contract terms and conditions. A Technical Team was established to negotiate the plant design basis and specification. A second Technical Team comprised of Mitsubishi personnel and PGE engineering, and operating personnel was established to negotiate a Long Term Service Agreement (LTSA) for the Mitsubishi combustion turbine. The negotiation sessions included a number of face-to-face joint meetings, but were primarily Webinars in an effort to be most efficient and to mitigate the high cost of travel. Accion was in attendance for all of the negotiations meetings. The three negotiating teams conducted a total of 41 negotiating sessions from February 18, 2013 to May 20, 2013. The duration of the meetings varied from 45 minutes to a full day (8 hours). The 41 negotiating sessions included 8 Legal/Commercial meetings, 25 Technical Committee meetings and 8 LTSA meetings. The Legal/Commercial Team addressed all of the Technical Team and LSTA Team contract, legal and commercial issues with a PGE Legal/Commercial Team members participating in the Technical and LTSA meetings.

The following Figure 1 lists the date, type of meeting and the team(s) conducting the meeting:

Figure 1

DATE	TYPE OF MEETING	NEGOTIATING TEAM
2/18/2013	Face-to-Face	Legal/Tech/LTSA
2/19/2013	"	Legal/Tech/LTSA
2/25/2013	Webinar	Tech
3/6/2013	"	"
3/13/2013	"	"
3/19/2013	"	"
3/21/2013	Face-to-Face	Legal/Tech/LTSA
3/22/2013	"	"
3/27/2013	Webinar	Tech
4/3/2013	"	"
4/8/2013	"	"
4/11/2013	"	"

<b>DATE</b>	<b>TYPE OF MEETING</b>	<b>NEGOTIATING TEAM</b>
4/12/2013	“	Legal/Commercial
4/15/2013	Webinar	Legal/Commercial
4/16/2013	“	Tech
4/18/2013	“	“
4/23/2013	“	Legal/Tech (2)
4/24/2013	“	LTSA
4/25/2013	“	Tech
5/2/2013	“	Legal/Commercial
5/6/2013	“	Tech
5/7/2013	“	“
5/8/2013	“	Tech/LTSA
5/10/2013	“	Tech (2)/LTSA
5/14/2013	“	Tech
5/16/2013	“	Tech/LTSA
5/20/2013	“	Tech

The IE Team incorporates professionals with over 30 years of experience in the electric utility industry. This experience includes participation in numerous negotiations for power supply and construction projects comparable and larger than this project. The instant negotiations were conducted without any of the rancor or gamesmanship that is all too common. The negotiations were conducted with an air of utmost professionalism and, consequently, were concluded without delay and more promptly than the IE anticipated.

Given the volume and detail of the plant specification, there were many more meetings of the Technical Team. The requirement to adhere to the Carty Plant design basis required detailed review of the design basis in its entirety. There were minor language changes in the plant design basis document for clarity. These changes, agreed to by both parties, were required to accommodate some of the operating parameters of the plant equipment, but did not represent a significant change between the final design and the plant specification.

The Contract Monitor noted that the PGE Benchmark Team proposed a combustion turbine that was different from the model identified in the design specifications. The CM recognizes any combustion turbine technology that meets and or exceeds the specification could be offered in the RFP, but did not expect the PGE Benchmark Team to deviate from the combustion turbine specification.

The Carty Plant Design Basis Document (“DBD”) Exhibit A, and Attachments, were revised four times and are located on the website. Abeinsa edited and prepared a redlined of a copy of the DBD and submitted it to PGE. Black & Veatch (PGE Owners Engineer) then assisted with the negotiation of the DBD negotiations. An initial list of 110 design basis issues was developed to track, monitor and record each issue until it was resolved during the course of the negotiations. A clarification table describing the issue; status; the exhibit section and page in Exhibit A; the RFP requirement; Bidder’s comments; and dated remarks was utilized to track each technical issue during negotiations. Electronic files were maintained on the Website and this document was used as the agenda for subsequent meetings of the Technical Team. Each issue was tracked, actions taken were documented, and upon final resolution the issue was designated closed. Copies of the Clarification Lists that were uploaded, and are subsequently retained on the 2012 EPC RFP Website, can be viewed in ATTACHMENT A to this Report.

There were cost implications associated with a number of issues that were identified, recorded, tracked and monitored as well. The tracking document identified the item number in the specification, a description, the original price quoted to PGE, and the cost impact to PGE. There were nine (9) revisions to the list of additional costs to be considered by PGE. Electronic files were maintained on the Website and this document was also used as a part of the agenda for the Technical Team meetings. The cost items were tracked, documented and closed upon final resolution of the issue. ATTACHMENT B to this report shows Revision 1 of the cost-tracking document located on the Website regarding Marty’s Stuff. The Technical Team completed their negotiations without any major changes to the Design Basis Documents and no significant increase in project cost or extension of the planned construction schedule.

The Technical Team negotiations proceeded to conclusion smoothly. There was a demonstrated willingness to negotiate to a signed contract and PGE, Abengoa and Mitsubishi participated openly and freely. All of the Legal and Financial Negotiating Teams’ corporate, technical and financial support personnel were accessible to the Technical Negotiating Teams as required throughout the negotiation process.

### **III. NEGOTIATIONS FOLDER SYSTEM**

PGE requested that the IE provide a secure and confidential platform for the exchange of negotiation drafts, retention of exchanges and meeting records. The IE modified the existing RFP Website by creating a series of folders that were isolated from the other RFP activities on the Website. The IE controlled access to the individual folders in order to restrict release of negotiation documents and information.

All documents posted in the negotiation folders were accessible to the IE and the Commission Staff, and were retained on the Website for review by the Commission. Because all

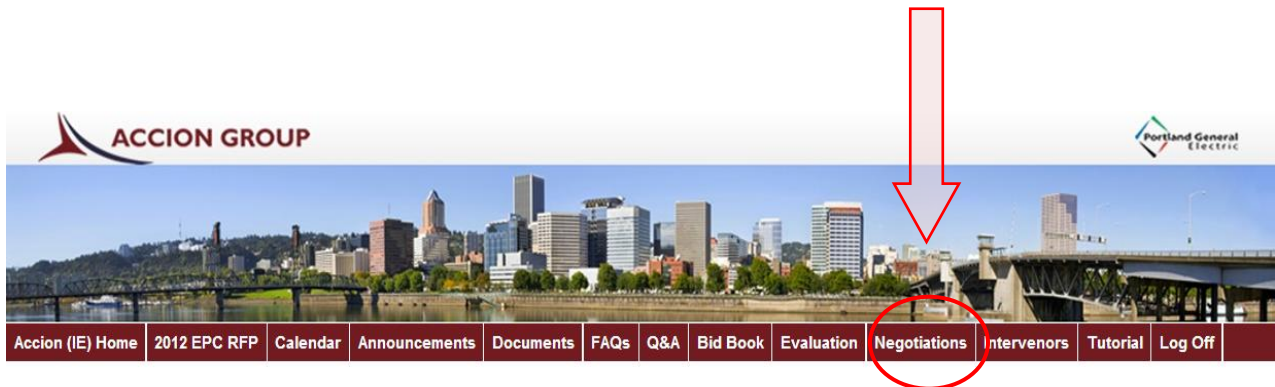
postings are date and time stamped, the progression of the negotiations can easily be traced by reviewing the documents on the Website.

### 1. Negotiations Folder Overview

PGE and the IE established a protocol to securely administer the exchange of drafts of the EPC and negotiation-related documents with Bidder 124. To conduct this procedure, the IE provided an online document exchange system (“Portal”) specifically designated to gather and maintain these files in a confidential manner. While PGE and the Bidder designated Portal access to each participating party, the IE managed Website admission and controlled all operations of the Portal.

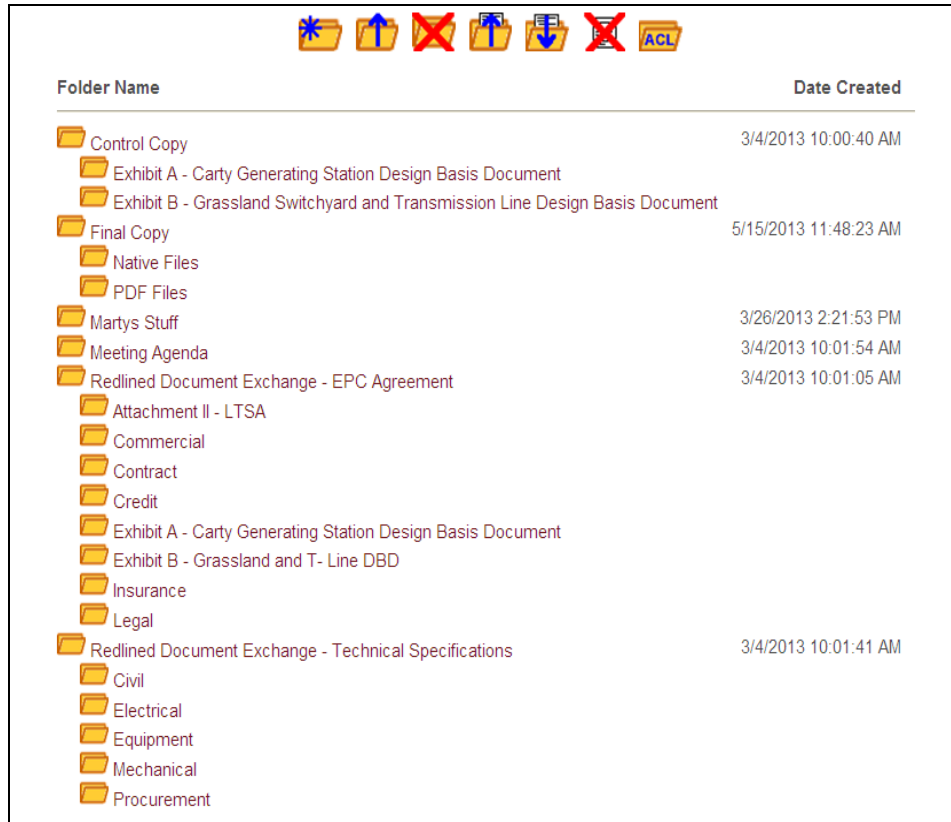
The IE designed this Portal on the existing PGE EPC RFP Website platform, which permitted all pertinent bid information to be located in one secure centralized online location. The RFP Website offered a one data request platform to PGE, the OPUC and the IE, as all bid data and materials relating to Bidder 124 became accessible through the same source. Furthermore, all documents exchanged through the Portal are retained for the OPUC’s review on the Website. The time and date stamp given to each uploaded file tracked the progression of negotiation materials in anticipation of reaching the Final Agreement.

PGE provided the IE with instruction regarding the manner in which the Portal should be created and maintained. Approved Website users accessed the folder system through the main navigation bar of the RFP Website. The image below depicts the IE’s view of the Negotiations tab made accessible after logging in.



The Portal consists of a series of folders and subfolders sorted by category. For example, all technical specification documents were to be uploaded to a series of subfolders such as “Electrical” and “Mechanical” under the main folder “Redlined Document Exchange – Technical Specifications”. The image below portrays the first and second level subfolders of the “Carty Negotiations” root folder.

**Figure 2**  
**Carty Negotiations Website Folder System**



Folder Name	Date Created
Control Copy	3/4/2013 10:00:40 AM
Exhibit A - Carty Generating Station Design Basis Document	
Exhibit B - Grassland Switchyard and Transmission Line Design Basis Document	
Final Copy	5/15/2013 11:48:23 AM
Native Files	
PDF Files	
Martys Stuff	3/26/2013 2:21:53 PM
Meeting Agenda	3/4/2013 10:01:54 AM
Redlined Document Exchange - EPC Agreement	3/4/2013 10:01:05 AM
Attachment II - LTSA	
Commercial	
Contract	
Credit	
Exhibit A - Carty Generating Station Design Basis Document	
Exhibit B - Grassland and T- Line DBD	
Insurance	
Legal	
Redlined Document Exchange - Technical Specifications	3/4/2013 10:01:41 AM
Civil	
Electrical	
Equipment	
Mechanical	
Procurement	

**2. Website Protocol**

The Bidder, PGE and the IE agreed to an established protocol to manage the negotiation materials online and restrict Company access. PGE provided the IE with a list of approved Company personnel members from the various parties who would be granted access to the document exchange system. These individuals registered separately to the Website, and the IE manually approved those registrations on a case-by-case basis. After screening the individual’s Website registration, the IE coded the individual for specific access to the folder system. Some companies were approved by PGE for “view only” rights, while others received the ability to upload files.

Similarly, company personnel members who were not specifically approved for “view rights” to a particular folder were not able to see the folder or its contents. All Website registrants with access to the Portal received automatic email notifications when a new document was uploaded, which ensured all companies remained updated with the latest information.

Companies given access included PGE, the OPUC, Accion, Abengoa, Black & Veatch, Mercer Thompson, Mitsubishi, and Sargent & Lundy. PGE contacted the appropriate parties to notify them of the document exchange protocol established through the Website. The IE then corresponded directly with the approved parties in order to provide instruction regarding Website registration and an explanation of the negotiation folder system arrangement.

The table below provides an overview of the number of individuals granted access to the Portal. A total of 26 individuals received access to some or all of the negotiation folders. Seven of the registrants were from Abengoa, five from Accion, one from Black and Veatch, two from Mercer Thompson, two from Mitsubishi, one from the OPUC, eight from PGE, and one from Sargent & Lundy.

**Figure 3**  
**Registrants Approved for Negotiation Access**

<b>Company</b>	<b>Totals</b>
Abengoa	7
Accion	5
Black and Veatch	1
Mercer Thompson, LLC	2
Mitsubishi	3
OPUC Staff	1
PGE	8
Sargent & Lundy	1
<b>Total</b>	<b>26</b>

PGE and the IE remained in close contact throughout the negotiation process regarding the Portal protocol, and provided each other with updates regarding registrations and Website access. PGE provided written correspondence to the IE when additional company personnel from the parties were to receive access. File access was restricted on a need-to-know basis. Participants in the negotiation process received access based on the materials they would be evaluating. For instance, Mitsubishi and Sargent & Lundy received access to the technical specification folders, but did not receive access to the folders relating to contracts, insurance, or credit. The OPUC Staff and the IE received access to all negotiations folders in order to properly monitor the Portal protocol.

ATTACHMENT C of this report indicates the Portal access assigned to each company taking part in the Carty negotiations. The chart breaks down each company’s access by subfolder because not all information was relevant to the role of a particular party. A select few individuals from the

companies received more or less Portal access than their counterparts if PGE determined the level of access was warranted.

**3. Negotiations Folder Content Review**

A ‘Control Copy’ folder of Exhibit A and Exhibit B of the EPC was maintained with ‘upload rights’ given to one member of PGE to preserve security and remove any doubt that multiple users were able to manipulate its contents. Other folders recorded the meeting agendas, redlined document exchanges of technical specifications, and redlined document exchanges of the EPC agreement. Toward the end of the negotiation process, new folders were created to accommodate additional documentation needs. Per the request of PGE and the Abengoa team, a new folder was created entitled “Martys Stuff”, which tracked the progress of the documentation for the Additional Costs List files, information regarding the Performance Bond, as well as related correspondence between PGE and Abengoa. This folder was only visible and accessible to Abengoa, the IE, the OPUC, and three PGE employees.

PGE also approved the creation of another set of folders entitled “Final Copy”, with subfolders designated to contain the native and PDF files of the final negotiation documents. The separation of these subfolders distinguished the un-editable documents from the files provided in their original format, i.e., MS Word documents or Excel spreadsheets. The Final Copy folder was accessible to all parties, including Abengoa, PGE, the IE, the OPUC, Mitsubishi, Sargent & Lundy, Mercer Thompson, and Black and Veatch.

Below is a screen capture from the RFP Website demonstrating files that were uploaded to one of the negotiations folders. The Portal captured the time and date each file was uploaded to the website, creating a permanent record of all document exchanges.

**Figure 4**  
**Example of Uploaded Files - Meeting Agenda Folder**

Name	Date Uploaded
3-19-13 email.msg	3/20/2013 4:17:46 PM
Agenda 3-13-2013.pdf	3/7/2013 3:21:56 PM
Agenda 3-19-2013.pdf	3/18/2013 8:56:57 AM
Agenda 3-27-2013.pdf	3/27/2013 10:16:05 AM
Agenda 4-03-2013.pdf	4/3/2013 8:46:37 AM
Agenda 4-11-2013 R1.pdf	4/11/2013 8:27:21 AM
Agenda 4-11-2013.pdf	4/10/2013 8:52:59 AM
ATTENDANCE LIST 3-21 thru 3-22 Meeting REV1.xls	3/13/2013 9:07:26 AM
ATTENDANCE LIST 3-21 thru 3-22 Meeting REV2.xls	3/14/2013 9:27:49 AM
ATTENDANCE LIST 3-21 thru 3-22 Meeting.xls	3/11/2013 10:37:30 AM
BASIS FOR DESIGN 3-13-2013rev1.doc	3/13/2013 2:10:49 PM



Table 5, below, outlines the main level folders contained within the Carty Negotiation Portal folder. The parties uploaded a total of 597 files to the Portal. The folder entitled “Final Copy” contains the majority of documents, amounting to 175 in total. The “Control Copy” folder holds 102 documents altogether. The document upload totals for the remaining folders are as follows: “Martys Stuff” with 15, “Meeting Agenda” with 21, “Redlined Document Exchange-EPC Agreement” with 136 and “Redlined Document Exchange-Technical Specifications” with 148.

**Figure 5  
Main Level Folder Structure**

<b>Subject Folders</b>	<b>File Upload Totals</b>
Control Copy	102
Final Copy	175
Martys Stuff	15
Meeting Agenda	21
Redlined Document Exchange - EPC Agreement	136
Redlined Document Exchange - Technical Specifications	148
<b>Total</b>	<b>597</b>

A more detailed chart below breaks down the files uploaded by individual subfolders. The largest folder, entitled “Final Copy”, contains 175 documents of which 127 are PDF files and includes such items as: Site Certificate Applications, Permits, Equipment Lists, Emissions Monitoring Systems, Transformer Specifications, Site Work Procedures.

**Figure 6  
Document Exchange Totals**

<b>Negotiation Folder Structure</b>	<b>Sub-Folder Structure</b>	<b>Files Uploaded</b>
<b>Control Copy</b>	Exhibit A - Carty Generating Station Design Basis Document	83
	Exhibit B - Grassland Switchyard and Transmission Line Design Basis Document	19
<b>Final Copy</b>	Native Files	48
	PDF Files	127
<b>Martys Stuff</b>		15
<b>Meeting Agenda</b>	Attachment II - LTSA	21
<b>Redlined Document Exchange EPC Agreement</b>	Commercial	11
	Contract	39
	Credit	11
	Exhibit A - Carty Generation Station Design Basis Document	1
	Exhibit B - Grassland and T - Line DBD	5
	Insurance	4

<b>Negotiation Folder Structure</b>	<b>Sub-Folder Structure</b>	<b>Files Uploaded</b>
	Legal	51
	Civil	3
<b>Redlined Document Exchange Technical Specifications</b>	Electrical	8
	Equipment	13
	Mechanical	104
	Procurement	20

The IE is satisfied that the Portal system was used for the appropriate document exchange purpose. All file exchanges were properly monitored, and Portal access remained secure and confidential. The Portal’s time and date stamp feature accurately captured the progression of all document exchanges among the parties throughout the negotiation process. The use of the redlining system allowed for efficient identification of changes. The IE found the access protocol developed by PGE and Abengoa to be adequate to establish classified information was restricted to the appropriate parties.

**VI. CONCLUSION**

The IE participated in the negotiation process and was fully engaged as decisions were made. The negotiations were conducted in a professional manner throughout the process. PGE maintained the separation of the Self-build Team members throughout the negotiations so there would be no appearance that the negotiations were designed to fail in order for a competing Self-build proposal to prevail.

The IE believes PGE dedicated an appropriate array of professionals to the negotiations that permitted the negotiations to progress without delay. Similarly, the OPUC made Staff members available to the IE without restrictions, and authorized OPUC Staff members full access to all documents used during the negotiation process.

As discussed herein, there were disagreements between the IE and PGE about the process and the personnel to be deployed. PGE respectfully considered the views of the IE and accepted that the IE’s positions were the product of significant experience. In every instance PGE extended a willingness to consider the views of the IE and to adjust their own in order to avoid even the appearance of bias in the final phase of the RFP process.

The IE believes the negotiations were fairly conducted and that the resulting EPC retained the value of the Primary Bid as originally evaluated by PGE and the IE.



ATTACHMENT A  
CLARIFICATION LISTS

Additional Clarifications List

REDACTED AS CONFIDENTIAL INFORMATION

New Item #	Status	Original Item #	Exhibit	Section	Page	RFP Requirement	Bidder Comment	Remarks	OEM Standard	Comments from Meeting with PGE (19-Feb-13)

**Note:** The above Additional Clarifications List (Table) represents an abbreviated version of the complete tracking spread sheet used to track, monitor and record each issue until it was resolved during negotiations.



Clarification Lists (April 3, 2013)

New Item #	Status	Exhibit	Section	Page	RFP Requirement	Bidder Comment	Remarks	Comments from Meeting with PGE 2/19/13	Abengoa / MPSA Additional Comments 3/4/13	PGE Technical Review Meeting Comments 3/6/13	PGE Comments (March 7th Update Rev 3/11/13)	MPSA/PGE Comments 3/15/13 3/18/13

**Note:** The above Clarification List (Table) represents an abbreviated version of the complete tracking spread sheet used to track, monitor and record each issue until it was resolved during negotiations.

**ATTACHMENT B**

**(List of Additional Costs to be considered by PGE – Revision 1 of 9)**

**REDACTED AS CONFIDENTIAL INFORMATION**

ATTACHMENT C

Portal Access Assigned to Each Company Taking Part in the Carty Negotiations

	PGE		Abengoa		Mitsubishi		Sargent & Lundy		Mercer Thompson		Black & Veatch	
	View/ Download Only	Upload	View/ Download Only	Upload	View/ Download Only	Upload	View/ Download Only	Upload	View/ Download Only	Upload	View/ Download Only	Upload
Control Copy:												
Exhibit A: Carty Generating Station Design Basis Document	Yes	Yes	Yes	No	Yes	No	Yes	No	Yes	No	Yes	Yes
Exhibit B: Grassland Switchyard and Transmission Line Design Basis Document	Yes	Yes	Yes	No	Yes	No	Yes	No	Yes	No	Yes	Yes
Final Copy												
Native Files	Yes	Yes	Yes	No	Yes	No	Yes	No	Yes	No	Yes	Yes
PDF Files	Yes	Yes	Yes	No	Yes	No	Yes	No	Yes	No	Yes	Yes
Martys Stuff	Yes	Yes	Yes	Yes	No	No	No	No	No	No	No	No
Meeting agenda:	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Redlined Document Exchange: EPC Agreement												
Contract	Yes	Yes	Yes	Yes	No	No	No	No	Yes	Yes	Yes	Yes
Credit	Yes	Yes	Yes	Yes	No	No	No	No	Yes	Yes	Yes	Yes
Insurance	Yes	Yes	Yes	Yes	No	No	No	No	Yes	No	Yes	Yes
Legal	Yes	Yes	Yes	Yes	No	No	No	No	Yes	No	Yes	Yes
Commercial	Yes	Yes	Yes	Yes	No	No	No	No	Yes	Yes	Yes	Yes
Exhibit A: Carty Generating Station Design Basis Document	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Exhibit B: Grassland and T-Line DBD	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Attachment II: LTSA	Yes	Yes	No	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes
Redlined document Exchange: Technical Specifications												
Civil	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Electrical	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mechanical	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Procurement	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Equipment	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

\* **Note:** View and Upload access may vary slightly within Companies. Access is individually assigned to each approved registered user.

\*\* **Note:** Both the IE and the OPUC received View access to all folders and subfolders.

