

***Portland General Electric
REQUEST FOR PROPOSAL
for
Retail Marketing Services
& Renewable Energy Certificates***

July 29, 2009

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1. INTRODUCTION

By responding to this Request for Proposal (RFP), the Bidder agrees to furnish all labor, materials, and equipment necessary to complete the project in compliance with the Scope of Work and other provisions and documents included in this RFP package. Should there be an economically beneficial proposal that differs from below logic; Bidder shall provide additional detailed response outlining how such savings are expected to be achieved. Portland General Electric (PGE) prefers detailed descriptions of service(s) provided for each item listed.

All costs associated with participation in this RFP process are the sole responsibility of the respondent.

1. 1 About Portland General Electric

Located in Oregon's Willamette Valley, PGE serves approximately 804,000 retail customers within a 4,000 square mile service territory.

- Service territory population 1.57 million, about 43% of the state's population.
- Serves 52 cities, the largest being Portland and Salem.
- 26,000 miles of transmission and distribution lines.
- Net plant-in-service, \$3.0 billion.
- Average annual demand in 2012, approximately 2,630 MWa.
- Expected peak load in 2012, 4,127 MW.
- Approximately 1,830 MWa of owned generation for resource planning purposes, including eight hydro generation facilities, three gas-fired thermal plants, the new Biglow Canyon wind farm, majority ownership of one coal-fired thermal plant, and joint ownership in two units of another coal plant facility. We also hold long-term contracts for energy from the Mid-Columbia hydroelectric projects on the Columbia River, and regularly enter into short and mid-term wholesale power supply contracts.

2. BACKGROUND

With the passage of SB 1149 the Oregon State Legislature required that investor owned utilities in Oregon provide all residential and small non-residential electric customers with a voluntary program to support renewable energy development.

PGE offers two voluntary Green Power Programs to its Schedule 7 and 32 electric customers. These customers are given the opportunity to support the development and use of renewable resources by purchasing green power, in 200 kWh units (PGE's Clean Wind program) or by electing to cover 100% of the energy they use each month (PGE's Green Source program). Clean Wind is currently priced at \$3.50 and buys 200 kWh of renewable power. \$1.50 per unit is allocated to the Clean Wind Development fund

which is used to support the construction of new renewables in Oregon, primarily photovoltaic typically located in the PGE service territory.

Green Source, our 100% renewable option, is currently an additional \$0.012 per kWh over and above the customer's basic cost of service. Green Power charges must cover all of the costs of acquiring the Green Tags, along with program marketing and awareness building, as well as education and administration.

3. PROJECT DESCRIPTION

PGE is requesting detailed proposals from prospective green power marketers and Renewable Energy Certificate (REC) suppliers to assist the utility in increasing Schedule 7 (residential) and Schedule 32 (small non-residential) customer participation in its Green Power Program. Bids are being solicited to supply marketing services and RECs for the period from January 1, 2010 to December 31, 2012.

In addition, PGE reserves the right at its sole discretion to award the successful bidder up to three one year extensions to supply marketing services and/or RECs. PGE may also choose to enter into separate, multi-year agreements for Marketing Services and for RECs.

PGE anticipates making one or more awards as a result of this solicitation. All proposals must meet the requirements outlined in this solicitation. Respondents will be screened based, among other things, on their responsiveness to the requirements; creditworthiness; and benefits to PGE and PGE's customers, as determined by PGE at its sole discretion. PGE reserves the right, at any time, to reject any or all proposals, to change the criteria by which proposals are evaluated, or otherwise to alter or revise the program requirements.

PGE's Green Power Program is subject to Oregon law, as administered by the Oregon Public Utility Commission. Consequently, PGE reserves the right to modify any portion of this RFP, or withdraw it in whole or in part, in order to comply with Commission orders, rules or statutes and Commission-approved tariff filings.

This bid will be released electronically via e-mail only. Responses shall be submitted electronically via e-mail only.

3.1 Project Objective

PGE is seeking bids for services from green power marketers to assist in the implementation and marketing of PGE's voluntary Green Power Program for portfolio options customers and for securing RECs. Respondents are expected to provide both a detailed marketing and customer retention plan that describes how they would provide sales and marketing support services to PGE to reach PGE's green power objective.

As a result of the efforts by the selected vendor, PGE expects that:

- PGE's Green Power Program will sustain a strong growth rate, thus enabling PGE to move into the #1 position for utilities ranked by U.S. Department of Energy in terms of number of participants.

3.2 Current State

PGE's Green Power Program has consistently ranked as one of the top ten Green Power Programs by the U.S. Department of Energy (based upon the number of customers participating and the total annual MWh sold).

In 2009, PGE's renewable power customers purchased 681,943,576 kWh's of green power. Renewable portfolio customers purchased 559,115,894 kWh's. Currently, almost 10 percent of PGE's Schedule 7 & 32 customers are participating in its Green Power Program.

PGE's Renewable Power Program sends out a welcome letter to new customers enrolling in the program which includes a renewable power window decal. Renewable portfolio options customers also receive a copy of the Renewable Report newsletter on a quarterly basis.

At a minimum of once per year all renewable power customers receive a Coupon booklet containing discount coupons for retail products and services from businesses that purchase renewable power.

3.3 Information solicited by this RFP

As a result of this RFP, PGE will establish a contract with the experienced green power marketing firm presenting the strongest proposal, most thorough marketing plan and best value to PGE and its customers. In addition, PGE will establish a contract with a REC provider to supply REC's sufficient to meet the load of Schedule 7 & 32 customers are participating in its Green Power Program. These contracts may be with a single vendor or two different vendors.

PGE expects the submitted Marketing Services Bid proposal to include, at a minimum (but not be limited to):

- **Detailed** approach to customer retention and expansion of the current Green Power Program customer base. The winning bid will be based on a pay-for-performance basis with the primary basis for revenues directly tied to program growth.
- Expected use of various marketing channels, including but not limited to bill inserts, direct-mail, web-based and other communication technologies, print advertising, and media outlets for reaching out to urban, suburban and agricultural communities across PGE's service territory.

- Plans for acquiring market data, conducting marketing research and using market intelligence to enhance the program. Processes to evaluate/measure the effectiveness of its marketing program.
- Plans to target the recruitment of new business customers that will help encourage enrollments of residential green power customers (e.g. ones with a strong retail presence and/or can offer attractive coupons for retail products and services to our residential customers).
- Plan for engaging/coordinating with various departments within PGE, including PGE's Marketing and Communications Department as well as PGE's Customer Service Center.
- Expected use and training of appropriate PGE personnel, including identifying the number of PGE personnel needed and responsibilities.
- A Green Power Program Franchise Management plan for purposes of customer retention and attrition reduction.
- A description of the bidders experience in the development of new green power product offerings.

PGE also expects Bids to Supply RECs to include, at a minimum (but not be limited to):

- **Detailed** description of the bidders experience and qualifications for supplying RECs to meet Green Source and Clean Wind loads during the life of the agreement.
- Recommendations for supply strategies to be employed during the contract period to mitigate price volatility during the term of this agreement. These strategies can involve the use of non-Western Energy Coordinating Council (WECC) RECs that meet the green-e Energy National Standard for Green Pricing Programs.
- Plans for sourcing and transferring eligible RECs to PGE sufficient to meet the prior year's customer load by March 1st of the subsequent year.
- Process identified by the bidder to evaluate/measure the effectiveness of the agreed upon sourcing strategy.
- Expected process for providing market intelligence on RECs to PGE staff and the processes used to solicit PGE purchasing approval and payment for RECs acquired.

- Suggested strategies for multi-year supply agreements using funds accumulated in PGE’s Green Source Resource Acquisition Fund which as of April 30, 2009 totaled \$1,051,183.00

3.4 Project Specific Requirements

3.4.1 No Reassignment

All proposals shall state that there will be no reassignment of proposals during the evaluation or negotiation stage and that in the event respondent and PGE negotiate and execute Definitive Agreements based on respondent’s proposal, the Definitive Agreements and obligations there under shall not be sold, transferred or assigned or pledged as security or collateral for any obligation without the prior written permission of PGE which permission shall not be unreasonably withheld. Any project lender who takes an assignment of the Definitive Agreements for security and exercises any rights under such agreements will be bound to perform such agreements to the same extent and under the same terms and conditions as the assignor.

3.4.2 Content

Once a Definitive Agreement(s) is/are negotiated, PGE will own all content provided as deliverables for this project.

3.5 Timeline

This timetable is provided for planning purposes only and may be modified by PGE as required.

Activity:	Target Date:
Publish RFP (via e-mail)	July 29, 2009
Questions Due from Bidders	August 14, 2009 5pm PDT
PGE Answers Bidder Questions	August 19, 2009, 5pm PDT
Bids Due (submit via e-mail)	September 1, 2009, 5pm PDT
Term Sheet Executed with Chosen Vendor	Week of November 2, 2009
Revised Tariff Filed	Week of November 2, 2009
Scope Finalization, Definitive Agreement Signed	Week of November 30, 2009
Launch Marketing Plan	Week of January 4, 2010

3.6 Bid Evaluation

PGE’s project team members will evaluate each proposal based upon their understanding of how the proposal meets the business objective and satisfies the service requirements.

Step 1:

- Upon receipt, PGE will conduct an initial review of the proposals to determine if all requirements have been met.
 - Respondents will be screened on submission of a complete proposal based on the elements describe in Section 5 Proposal Requirements,
 - Credit worthiness & experience,
 - Conformance of proposal with all other requirements of this RFP

Step 2:

- Those Marketing Services proposals that meet the threshold requirements set forth above will be evaluated based on the following factors and weighting:

Weight	Marketing Services Evaluation Factor
50%	Respondents overall plan for sustaining a high growth rate in PGE’s residential Green Power Program.
30%	Respondents marketing experience and qualifications
20%	Respondents detailed Franchise Management and Customer Retention Plan

After PGE completes the review of all proposals, PGE may ask some of the respondents to make an in-person presentation of their proposal to PGE’s review committee, and to answer related questions.

- Those REC Supply proposals that meet the threshold requirements set forth above will be evaluated based on the following factors and weighting:

Weight	REC Supplier Evaluation Factor
40%	Detailed description of the bidders experience and qualifications for supplying RECs
40%	Respondents plans for mitigation of price risk for RECs
20%	Respondents plan for providing market intelligence on RECs to PGE

PGE will be evaluating proposals based on multiple evaluation criteria, as stated above. Lowest bid will not necessarily result in a contract award, as PGE will evaluate the risk and cost-to-benefit ratio of proposals relative to each other. PGE’s requirements are driven by the unique business process needs and contract award will be highly associated with how a proposed solution best fits these needs at a competitive cost.

Although PGE is under no obligation to reveal to a bidder how a proposal was assessed or to provide specific information relative to the decision-making process, we are committed to fairness and to providing a level playing field. All submitted bid information is confidential.

4. QUESTIONS FOR BIDDERS

4.1 Bidder Qualifications

4.1.1 Company Overview

Include information about your company including headquarter location, description of services offered, nearest office to PGE, local staffing presence, years in business, etc.

4.1.2 Market Differentiators

Please specifically identify what makes your company uniquely qualified for this project.

4.1.3 Financial Qualifications/Credit Requirements

PGE reserves the right to require adequate credit assurances which may include, but not be limited to, a corporate parental guaranty and/or a letter of credit in a form and amount, for a term and from a corporate parent or a financial institution acceptable to PGE. In the event PGE anticipates that additional credit assurances may be required from a respondent, PGE reserves the right to request that the respondent reply in writing regarding its intent to provide such credit assurances prior to the beginning of negotiations on any Definitive Agreement. "Adequate credit assurances" shall include, but not be limited to, security for the value associated with market-based damages for failure to perform.

4.2 References

Please provide three references. Preference is given to references from the utility industry and those which demonstrate experience in the green power market or other projects of similar size and scope. Please include:

Reference Company (include City, State)
Contact name/title
Contact phone & e-mail
BRIEF Project Summary

4.3 Implementation Questions

4.3.1

Provide a detailed project timeline which identifies steps to be taken to launch a marketing program by January 1, 2010.

4.3.2

Identify project set-up steps, 1st year planning, implementation, measurement of results to goal and any other basic steps to be established. This will become the starting point (with further input and discussion from PGE) for the Scope of Work which will be finalized as Exhibit A and included in the contract.

4.4 Schedule of Bid Prices

4.4.1 Pay for Results contract

PGE and the selected vendor/partner will agree upon the existing starting point baseline. The baseline currently includes the number of PGE residential customers enrolled in PGE Green Power Program and Clean Wind. Bidder payment shall be made for customer acquisitions beyond the baseline point.

4.4.2 Part I Start-up costs

PGE **requires a clear understanding of all start-up costs** and a not-to-exceed cap (fixed cost). Identify by individual line item **all** program start-up activities (and associated line item costs) which must occur in preparation for the first customer focused activity, mailing, advertising, travel, etc. per the proposed marketing plan and final identification of start-up costs.

4.4.3 Part II Pay for Results

As described above PGE seeks a Pay for Results contract. This will be a three year contract (with the opportunity for three one year extensions at the sole discretion of PGE). PGE and vendor/partner will put in place a reporting system to identify new Green Power enrollments and a monthly invoice submittal process.

The vendor/partner is asked to submit a payment schedule based upon increase in number of residential program participants. Essentially, PGE will pay you for results.

4.5. PGE Documents

Please review the documents noted here and included in the RFP packet as Exhibits at the end of this RFP as labeled. These will be the controlling documents of any resulting contractual agreement. Unless otherwise noted in bid response, your firm accepts the terms and conditions outlined in these documents:

Submit via email or fax per Timeline to PGE Renewable Power Team identified in 6.2:

- **Intent to Bid/Bid Form** - This allows us to identify bidders and send any RFP amendments and answers only to participating bidders. The completed Bid Form shall specify the full legal name and business address of the Bidder (and the Bidder's street address if it differs from its business address). Bids by a partnership or joint venture shall list the full legal names and addresses of all partners and joint ventures. Bids by a corporation shall specify the place of the corporation's incorporation. The name of each signatory shall be typed or otherwise clearly imprinted below each signature. Satisfactory evidence of authority of any signatory to sign on behalf of the Bidder shall be furnished by the Bidder upon request of PGE.
- **Mutual Confidentiality Agreement (MCA)** - All projects which involve access or potential access to customer data require this document. For purposes of this RFP, it also secures the privacy of your RFP submittal. Respondents must sign the Confidentiality Agreement and return to PGE with the Intent to Bid/ Bid Form. The successful bidder will be asked to sign two originals of this same document which will be countersigned by PGE. Only one MCA per respondent is required, regardless of the number of proposals submitted.

5. PROPOSAL REQUIREMENTS

5.1 Forms to Return (Prior to Bid)

Send these documents (electronic or mailed submittal is acceptable) to Thor Hinckley:

- Bid Form – Intent to Bid
- Confidentiality Agreement

5.2 Response Format

Bidder's formal response shall include the following sections:

- Section 1 Executive Summary of 2-3 pages.
- Section 2 Company Overview, Marketing Experience and Qualifications.
- Section 3 References
Three references with contact information and brief project description.

- Section 4 Project Approach-Proposed Solution. Detailed Marketing Plan to increase Participation in PGE residential Green Power Program.
- Section 5 Proposed Project Timeline.
- Section 6 Project Implementation Team/Plan. Identify and supply resumes for the primary team identified to work on this project. Please specify all subcontractors (if any) and what role to be played, providing more than \$1,000.00 in value and identify percentage of total project performed by subcontractors if any. Identify PGE resources needed for this project and their roles.
- Section 7 Pricing - Provide full description of each service listed, including cost. If discounts are provided by packaging most frequently used services, **identify cost savings.**
- Section 8 Responses to items in RFP not included above
- Section 9 PGE documents
 - Identify any exceptions to documents listed in Section 4.
- Section 10 Bidder Documents - Any supplemental documents Bidder wishes to attach.

Bidders are asked to adhere to this specific format to aid the project team in their efforts to efficiently evaluate all information. Responses that deviate from the requested format will increase the time required to review and evaluate its contents and may disqualify Bidders.

6. INSTRUCTIONS TO BIDDERS

Post-Proposal Negotiations and Awarding of Contracts

It is PGE's intent to further negotiate both price and non-price factors during any post-proposal negotiations with either short list vendors or a respondent whose proposal is selected for further discussions at the completion of the evaluation. It is also PGE's intent to perform ongoing analysis of proposal(s) to further identify any additional factors that may impact its total cost until such time as PGE and respondent might execute Definitive Agreements.

Definitive Agreements, if any, would be based on the outcome of these continuing negotiations. PGE has no obligation to enter into a Definitive Agreement with any respondent to this RFP and may terminate or modify this RFP at any time without liability or obligation to any respondent. This RFP shall not be construed as preventing PGE from entering into any agreement that it deems appropriate at any time before, during, or after this RFP process is complete. PGE reserves the right to negotiate only with those respondents and other parties who propose transactions that PGE believes, in its sole opinion, to have a reasonable likelihood of being executed substantially as proposed.

6.1 General

RFP documents will be furnished only to selected Bidders. This proposal is not widely broadcasted. No RFP documents will be furnished directly to any proposed or potential subcontractor.

Each Bidder shall furnish with their bid a list of proposed subcontractors indicating that portion of the Work to be subcontracted to each.

PGE may award the Work to one or more Bidder(s) submitting the most advantageous response in the sole discretion of PGE.

6.2 Questions

The release of the RFP begins a quiet period for Bidders participating in this project. Bidders should not call PGE employees with the intent of discussing the project or asking questions regarding the RFP.

However, we realize it is critical to provide Bidders with a vehicle to ask questions so that quality responses can be prepared. Responses to all questions will be provided in writing to all Bidders without identifying which company posed the question. The last date for question submittal is found on the Project Timeline.

All questions should be submitted via e-mail as follows:

6.2.1 Questions regarding contract terms, process and program

Thor Hinckley, Manager PGE Renewable Power Program
Thor.hinckley@pgn.com

6.3 Preparation of Proposals

All responses shall be in strict conformity with the RFP documents and any addenda.

All bids shall conform to the response format specified herein. The Bid Form shall be duly executed by the Bidder and any interlineations, alterations or modifications to the Bid Form or any documents shall be explained in writing and initialed by the Bidder.

6.4 Submission of Proposals

Copies Required: electronic (e-mailed copy) received by due date and time.

All proposals shall be received per project timeline. Proposal shall be submitted via e-mail as a Microsoft Word or Adobe PDF document. Excel may be used for pricing;

6.5 Examination of Bid Documents

Each Bidder shall carefully examine the RFP documents and all addenda. If a Bidder (a) finds discrepancies, omissions, or ambiguities in the RFP documents, (b) is uncertain as to the intent or meaning of any provision of the RFP documents, or (c) has questions regarding the RFP documents, the Bidder shall promptly notify PGE thereof in writing at the appropriate address specified above. Replies to such notices may be made in the form of addenda which will be issued simultaneously to all Bidders who have obtained the RFP documents from PGE.

6.6 Substitutions

To obtain approval of substitutions, Bidders shall submit a written request thereof so as to be received by PGE at the appropriate address specified above and no later than five (5) calendar days prior to the date above for the submission of responses. Each request shall set forth a complete description of the substitution for which approval is sought, together with all data and other information necessary to demonstrate comparability of the substitution.

Any approval by PGE of any substitution proposed by Bidders will be made in the form of addenda which will be issued simultaneously to all Bidders who have obtained the RFP documents from PGE.

PGE reserves the right to withhold its approval of any or all substitutions proposed by Bidders and to deny any or all requests for such approvals.

6.7 Modifications or Withdrawals of Responses

A Bidder may modify or withdraw its response by written request, provided that the request is received by PGE at the address and prior to the time specified above for the submission of responses. Following withdrawal of its response, a Bidder may submit a new response, provided that such new response is received by PGE at the address and prior to the time specified above.

PGE may modify any provision of the RFP documents at any time prior to the time specified above for the submission of responses. Such modifications will be made in the form of addenda that will be issued simultaneously to all persons who have obtained the RFP documents from PGE.

6.8 Award or Rejections of Bids

Bids will be opened privately and PGE reserves the right to keep any and all responses confidential.

Formal interviews may be scheduled with selected Bidders to review and discuss the Project.

All responses are subject to further negotiation. The contract, if awarded, will be awarded on the basis and after consideration of price and any other factors deemed pertinent by PGE.

PGE reserves the right to reject any or all responses or to waive any informality in the responses or bidding.

6.9 Contract Execution

Prior to execution of the Definitive Agreement, **the Bidder to whom the contract is awarded** shall deliver to PGE certificate(s) of insurance and any other documents specified in the RFP.

If requested by PGE, the successful Bidder shall assist and cooperate with PGE in preparing the Definitive Agreement. Within three (3) days after presentation of the Definitive Agreement, the successful Bidder shall duly execute the same and return it for execution by PGE. The failure of the successful Bidder to duly execute and return the Definitive Agreement, together with certificate(s) of insurance and any other required documents, will constitute a breach of contract by such Bidder and entitle PGE, in addition to all other rights and remedies of PGE, to award the contract to any other Bidder.

All RFP documents shall remain the property of PGE.



Portland General Electric Company
121 SW Salmon Street • Portland, Oregon 97204
PortlandGeneral.com

July 1, 2009

Public Utility Commission of Oregon
Attn: Filing Center
550 Capitol Street, N.E., Suite 215
Salem, OR 97301-2551

RE: Portland General Electric's Request for Proposal for Retail Marketing Services & Renewable Energy Certificates

In addition to the electronic filing, enclosed is the original and three courtesy copies, of Portland General Electric's Request for Proposal for Retail Marketing Services & Renewable Energy Certificates. PGE respectfully requests this RFP be included on the July 28, 2009, public meeting agenda.

Should you have any questions or comments regarding this filing, please contact me at (503) 464-7891.

Please direct all formal correspondence and requests to the following email address pge.opuc.filings@pgn.com

Sincerely,

A handwritten signature in black ink, appearing to read "Doug Kuns", written in a cursive style.

Doug Kuns
Manager, Pricing & Tariffs

Enclosures