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April 25, 2008

***VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY***

Oregon Public Utility Commission
550 Capitol Street NE, Suite 215
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Attn: Vikie Bailey-Goggins, Administrator
Regulatory and Technical Support

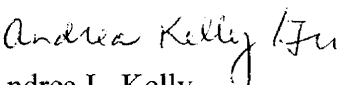
RE: **UM 1360** – Reply Comments of PacifiCorp

Enclosed for filing are the Reply Comments of PacifiCorp in the above-referenced docket. PacifiCorp is also submitting clean and redlined versions of the revised final draft of the All-Source Request for Proposals. The revisions incorporate feedback the Company has received from the independent evaluators and the parties in the proceeding. A copy of this filing was served on all parties on the service list.

The Company requests that the Commission schedule a special public meeting to take final comments on this matter and recommends May 13, 2008.

Informal inquiries on this matter may be directed to Joelle Steward, Regulatory Manager, at 503-813-5542.

Very truly yours,


Andrea L. Kelly
Vice President, Regulation

Enclosure

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1360

In the Matter of PacifiCorp's Request for
Approval of a Solicitation Process for a
Flexible Resource for the 2012-2017 Time
Period

Reply Comments of PacifiCorp

1 Concurrent with the filing of these reply comments, PacifiCorp dba Pacific Power has
2 submitted a revised, final draft All Source Request for Proposal (RFP). The final draft RFP
3 incorporates changes based on data requests from the Oregon Staff and on the RFP
4 assessments submitted by the Oregon Independent Evaluators (Accion Group and Boston
5 Pacific Company, Inc.) and the Utah Independent Evaluator (Merrimack Energy, Inc.) (IEs)
6 April 11, 2008. PacifiCorp has filed both clean and redlined versions of the main RFP
7 document and the Appendices, Attachments and Forms. PacifiCorp has also filed redlined
8 versions of Attachments 3 (PPA) and 5 (TSA) which are only provided in redline given the
9 minor changes included to accommodate revisions to the credit sections (*See* definitions of
10 "Credit Support", Sections 7.1 and 10.8). The following comments outline the revisions
11 PacifiCorp has made in the final draft RFP and address the comments in areas where changes
12 have not been proposed at this time.

Revisions to the Final Draft RFP (4-25-08 Version)

- 13
- 14 1. *Heat Rates*: PacifiCorp has clarified that Base Load Category proposals with
15 heat rates below 9,600 may be submitted and that Intermediate Category proposals with heat
16 rates above 11,500 may be submitted. *See* Redlined RFP pages 7 and 10.
- 17 2. *Definition of Intermittent Generation*: PacifiCorp has included a definition of
18 intermittent generation. *See* Redlined RFP page 7.

1 3. *Addition of Purchases:* In response to OPUC Staff Data Request 23,
2 PacifiCorp has added language that in the event purchases are made outside of the RFP in
3 response to, for example, PacifiCorp’s Petition for Waiver in Docket No. UM 1374, the total
4 resource need solicited under the RFP will be adjusted. *See Redlined RFP page 9.*

5 4. *Deletion of References to Washington RFP Rules:* PacifiCorp has deleted all
6 references to the Washington procurement rules because the RFP will be withdrawn from
7 consideration before the Washington Utilities & Transportation Commission in light of
8 staff’s interpretation of WAC 480-107. *See Redlined RFP pages 9 and 59.*

9 5. *Clarification of Maximum Term for PPAs and TSAs not Backed by Assets:*
10 PacifiCorp has provided a definition of “Maximum Term” for purposes of PPAs and TSAs
11 (including QFs and Geothermal or Biomass exceptions) not backed by assets to clarify that it
12 will accept proposals for greater than one year, but less than five years. *See Redlined RFP*
13 *pages 11 and 14.*

14 6. *Fuel Type Assumed:* PacifiCorp deleted language in the RFP that provided
15 that if a fuel type is not supplied for PPAs, PacifiCorp will assume the fuel source is gas.
16 Instead, Bidders will be required to identify the fuel source. *See Redlined RFP page 14.*

17 7. *Bid Fees for Alternate Indices:* PacifiCorp added language in the RFP in the
18 section on bid fees to include alternative indexing options as being eligible for the same bid
19 fee. *See Redlined RFP page 23.* Although the recommendations were to include multiple
20 options under one bid fee, the company already allows for one base proposal and two
21 alternatives for the same bid fee. To the extent the same bid fee accounts for multiple bids the
22 company is concerned that the quality of bids will decrease. Therefore, PacifiCorp has not
23 proposed additional allowances under the same bid fees to ensure the quality of proposals are
24 meaningful.

1 8. *Indexing Options:* The IEs proposed to increase the indexing to 100% or
2 recommended using other indices such as the yield on US Treasury bills, indices from the
3 Bureau of Labor Statistics or the Handy Whitman Index of Public Utility Construction Costs.
4 PacifiCorp does not believe that just replacing the indices allowed will necessarily address
5 bidders' concerns because PacifiCorp is not in a position to know indices will work, if any.
6 As a result, PacifiCorp has proposed to keep the same indices; however, the language
7 provides that if the Bidder proposes an alternate index than what is provided in the RFP the
8 proposed Index must be transparent and easily measurable (i.e. "publicly available").
9 PacifiCorp and the Bidder with input from the IEs will need to ensure that there is no
10 disagreement as to how costs will be measured if a bid is successful using such alternate
11 index. *See Redlined RFP pages 42.*

12 9. *Benchmark Proposals:* PacifiCorp modified the due date for benchmark
13 proposals to provide that the Benchmark Team will submit their proposals two weeks prior to
14 market bid responses. This will allow the IEs time to validate the Benchmark Resource
15 proposals and the Evaluation Team will complete the initial evaluation as required under the
16 Oregon Guidelines. *See Redlined RFP pages 25 and 29.*

17 10. *Credit Sections:* The IEs proposed substantial revisions to the credit language
18 contained in the RFP and Appendix B. PacifiCorp has modified this language to address the
19 IEs' concerns. For Appendix B, additional Credit Matrices have not been provided; however
20 in the Credit Matrix notes, language was added showing percentages of matrix amounts
21 required for Intermediate and Summer Peaking Bid Categories. *See Redlined RFP pages 30-*
22 *32, and Appendix B. See also changes to Attachments 3 and 5 (See "Credit Support"*
23 *definition and Sections 7.1 and 10.8).*

1 11. *Amount of Megawatts from Proposals Considered on Shortlists and Use of*
2 *Term Sheets:* The current RFP did not contain any reference to the size of megawatts eligible
3 for the initial shortlist or final shortlist and how that will be determined. The IE proposes to
4 add the following language: Recommend that (a) the initial shortlist be comprised of
5 resources that, in total, add up to no more than two times the maximum acquisition from the
6 RFP (4,000 MW) and (b) the quantity of bids selected to the final shortlist be no more than
7 1.5 times the maximum acquisition from the RFP (3,000 MW). *See Redlined RFP pages 48-*
8 49. PacifiCorp has also clarified the term sheet process that will be used to validate
9 assumptions with Bidders during the evaluation phase. *See Redlined RFP page 48.*

10 The following comments from the IEs were not addressed by language in the
11 revised RFP, but PacifiCorp offers the following reply comments:

12 1. *Comparability and Creation of Unregulated Affiliate Company:* Boston
13 Pacific provides extensive comments on the issue of comparability of the company's
14 benchmark resources and market bids. Boston Pacific Assessment at pages 2-5, and 15-20.
15 While PacifiCorp acknowledges the issue of comparability exists, as Boston Pacific also
16 notes, PacifiCorp is not likely to change its stance on the conditions for Benchmark Resource
17 proposals. This is because PacifiCorp is currently subject to a ratemaking regime that does
18 not easily allow for the types of ratemaking options proposed by Boston Pacific.
19 Furthermore, Boston Pacific's proposal that PacifiCorp create an unregulated affiliate to bid
20 into the RFP is problematic. Not only is it not practical to set up an affiliate company, staff
21 and fund the affiliate company, and develop a benchmark proposal in less than 60 days - all
22 without using utility resources - even if these practical considerations could be resolved,
23 PacifiCorp is faced with several regulatory hurdles to adopting such a proposal. First, as part
24 of the MidAmerican Energy Holdings Company transaction commitments, PacifiCorp agreed

1 not to create a non-utility business subsidiary. *See* Commitment 11(a) in Stipulation Adopted
2 in Docket UM 1209 by Order 06-121. PacifiCorp also agreed to several other affiliated
3 interest transaction commitments. *See, e.g.*, Commitments 4-14. Second, in order to engage
4 in an affiliate transaction for wholesale power, PacifiCorp would need to secure Federal
5 Energy Regulatory Commission approval of the transaction and obtain approval of either
6 cost-based or market-based rate pricing. Finally, transactions with an affiliate are subject to
7 several state affiliated interest transfer pricing rules (not only in Oregon, but in other of
8 PacifiCorp’s five states), as well as other reporting and auditing requirements. Most transfer
9 pricing requirements impose a “lower of cost or market” pricing obligation on the purchase
10 of goods or services from an affiliate to the utility, PacifiCorp. As a result, either compliance
11 with additional regulatory requirements, and/or waiver of certain requirements would be
12 required in order to facilitate this result. The additional practical and regulatory burdens
13 imposed by the use of an affiliate company in this context would be untenable and thus, this
14 is not an option that PacifiCorp is interested in pursuing at this time.

15 2. *Transmission Costs and Credit Workshops:* The IEs expressed concern about
16 further understanding the transmission costs and ensuring that Bidders understood how to
17 calculate the credit requirements and to seek input from Bidders on alternative credit options.
18 PacifiCorp will hold a workshop on transmission costs and PacifiCorp will also hold a Credit
19 workshop to address any credit issues and the calculation of the credit requirements.

20 3. *Capital Costs:* The IEs expressed concern about clarifying the risk assessment
21 on capital costs. PacifiCorp has referenced the ability of Bidders to index a portion of the
22 capital costs, but does not believe further flexibility is warranted at this time. Similar to the
23 IEs, PacifiCorp is also interested in receiving feedback from bidders on the indexing
24 provisions.

1 4. *Outreach to Bidders:* The IEs recommended that due to the lack of Bidder
2 participation in the RFP design and competitive bidding process, PacifiCorp should redouble
3 its efforts to publicize and promote the RFP. *See Boston Pacific Assessment at page 7.*
4 PacifiCorp believes it has made substantial efforts to advertise its RFP to bidders, including
5 direct emailings, posting on the PacifiCorp and Merrimack Energy websites, holding pre-bid
6 conferences in both Utah and Oregon, and coverage of the RFP processes in energy trade
7 publications.

8 5. *Front Office Transactions (FOT):* The IEs recommended that the FOT should
9 not be changed from the 2007 IRP unless bid results indicate that it would be appropriate to
10 do so. *See Boston Pacific Assessment at pages 8-9.* PacifiCorp's intent is not to necessarily
11 purchase and replace FOT; however, PacifiCorp will perform its analysis with and without
12 FOT to determine if those bids provided in the RFP are cost effective.

13 6. *Calculation of Direct and Indirect Debt and SFAS 13 Treatment:* PacifiCorp
14 will address these issues in Step 4 of the RFP.

15 7. *Bid Success Fees:* A proposal to provide for "success fees" rather than bid
16 fees has been offered. *See Accion Group Assessment at page 19.* At this time, PacifiCorp has
17 not adopted this recommendation in light of the uncertainty of bidder participation. Under
18 this success fee proposal, the party(ies) that is successful in the RFP process will cover both
19 of the IEs costs. PacifiCorp recognizes that this is a creative option; however, PacifiCorp
20 does not want to put up barriers for bidders' participation and is seeking to encourage as
21 much participation as possible given the magnitude of the expected IE costs.

22 **Conclusion**

23 PacifiCorp understands the importance of developing a transparent and fair process
24 consistent with the Commission's Guidelines and believes that the revised final draft RFP

- 1 accomplishes these goals. PacifiCorp appreciates the IEs' assessment of the final draft RFP
- 2 and looks forward to receiving the reply comments of the other parties.

DATED: April 25, 2008

/s/ Natalie L. Hocken

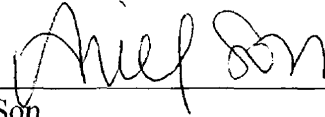
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Counsel for PacifiCorp

CERTIFICATE OF SERVICE

I hereby certify that I served a true and correct copy of the foregoing document on the service list in Docket No. UM 1360 on the following named person(s) below by e-mail and U.S. mail (unless paper service has been waived) addressed to said person(s) at his or her last-known address(es) indicated below:

DATED: April 25, 2008.



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4-25-08 Version

**ATTACHMENT 5
TOLLING SERVICE AGREEMENT
CONTRACT**

Issued *[date]*

Responses due *[date]*

**PACIFICORP 2008 ALL SOURCE RFP
TOLLING AGREEMENT**

dated as of [_____], 2008,

BETWEEN

**[Bidder # [?]],
as Seller,**

AND

**PACIFICORP,
as Buyer**

[_____ **Project]**

[_____, *[State]*]

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EXHIBITS:

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Exhibit B	Electricity Delivery Point/Electrical Interconnection Facilities
Exhibit C	Required Facility Documents
Exhibit D	Hourly Scalars
Exhibit E	Start-Up Testing
Exhibit F	Variable Energy Payment
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Exhibit H	Event Types
Exhibit I	Major Equipment and Maintenance Schedule
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Exhibit M	Ambient Facility Capacity Correction Algorithms
Exhibit N	Buyer's Initial Designated Representatives
Exhibit O	Fuel Specifications and Fuel Delivery Point
Exhibit P	Dispatch Procedures
Exhibit Q	Net Energy Specifications and Dispatchable Quantities of Net Energy
Exhibit R	Guaranteed Performance Parameters; Baseload Heat Rates, Peakload Heat Rates and Simple Cycle Heat Rates
Exhibit S	Dispatch Notice
Exhibit T	Credit Matrix [<i>Note to bidders: Credit Matrix attached as Appendix to 2008 All Source RFP</i>]
<u>Exhibit U</u>	<u>Form of Lender Consent</u>

THIS WORKING DRAFT DOES NOT CONSTITUTE A BINDING OFFER, SHALL NOT FORM THE BASIS FOR AN AGREEMENT BY ESTOPPEL OR OTHERWISE, AND IS CONDITIONED UPON SELECTION OF THE BIDDER, EXECUTION, AND EACH PARTY'S RECEIPT OF ALL REQUIRED MANAGEMENT AND BOARD APPROVALS IN THEIR SOLE AND ABSOLUTE DISCRETION (INCLUDING FINAL CREDIT AND LEGAL APPROVALS). ANY ACTIONS TAKEN BY A PARTY IN RELIANCE ON THE TERMS SET FORTH IN THIS WORKING DRAFT OR ON STATEMENTS MADE DURING NEGOTIATIONS RELATING TO THIS WORKING DRAFT SHALL BE AT THAT PARTY'S OWN RISK. UNTIL THIS WORKING DRAFT IS NEGOTIATED, APPROVED BY ALL APPROPRIATE PARTIES AND EXECUTED BY EACH PARTY'S AUTHORIZED SIGNATORY, NO PARTY SHALL HAVE ANY LEGAL OBLIGATIONS, EXPRESSED OR IMPLIED, OR ARISING IN ANY OTHER MANNER UNDER THIS WORKING DRAFT OR IN THE COURSE OF NEGOTIATIONS. ANY ASSERTION TO THE CONTRARY IN ANY PROCEEDING OR ACTION REGARDING THIS WORKING DRAFT SHALL RENDER THIS WORKING DRAFT NULL AND VOID IN ITS ENTIRETY. DURING DISCUSSIONS AND NEGOTIATIONS ANY PARTY MAY CHANGE ITS POSITION ON ANY MATTER, WHETHER OR NOT SET FORTH IN OR BASED UPON THIS WORKING DRAFT, ANY OTHER DOCUMENT OR ANY COURSE OF DEALING, AT ANY TIME OR FOR ANY REASON.

TOLLING AGREEMENT

THIS TOLLING AGREEMENT dated as of [_____], 2008 (this "**Agreement**"), is made and entered into between [_____], a [*describe entity*] ("**Seller**"), and PacifiCorp, an Oregon corporation, acting in its merchant function capacity ("**Buyer**"). Seller and Buyer are referred to collectively as the "**Parties**" and individually as a "**Party**."

RECITALS

A. Seller intends to develop, construct, own, operate and maintain a [Bidder to insert a description of the resource] [*consisting of* [___? MW ___] - *Insert further description*] for the generation of electric energy located in [*township/range*], [_____] County, [*State*], whose initial Facility Capacity shall be [**Insert Capacity**] MW (as more fully described in **Exhibit A**, the "**Facility**").

B. Seller responded to a Request for Proposals – 2008 All Source RFP which was issued by Buyer in _____ 2008. Buyer's objective in issuing the RFP was to fulfill, through a competitive bid process, a portion of its supply-side resource need as contemplated in Buyer's 2007 Integrated Resource Plan.

C. Buyer's selection of Seller was based upon a competitive bid and was, in part, based upon Seller's representations and warranties, Seller's schedule achieving the Guaranteed Commercial Operation Date (initially capitalized terms not defined in these Recitals are defined in Section 1 below), and the guaranteed performance of the Facility, all as set forth herein. Such matters were a material inducement for the selection of Seller, and Seller's failure to perform in accordance with the terms and conditions or Seller's failure to meet its representations and warranties and schedules for delivery of Net Energy shall cause material damage to Buyer.

D. Seller will make available and sell to Buyer, and Buyer will receive and purchase from Seller, Contract Capacity and Net Energy associated with such Contract Capacity pursuant to the terms and conditions of this Agreement. Seller acknowledges that Buyer will include such Contract Capacity in Buyer's resource planning.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth below, the Parties agree as follows:

SECTION 1

DEFINITIONS; RULES OF INTERPRETATION

1.1 **Defined Terms.** Unless otherwise required by the context in which any term appears, defined terms used in this Agreement (as indicated by initial capitalization, except as otherwise provided in this Section 1.1) shall have the following meanings:

“AAA” has the meaning set forth in Section 15.2.

“Affiliate” means, with respect to any entity, each entity that directly or indirectly, controls or is controlled by or is under common control with such designated entity. For purposes of this definition, “control” (including, with correlative meanings, the terms “controlled by” and “under common control with”), as used with respect to any entity, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, whether through the ownership of voting securities or by contract or otherwise.

“Alternate Representative” has the meaning set forth in Section 6.4.2.

“Ambient Facility Capacity” means the Contract Capacity determined from the correction algorithms set forth in **Exhibit M**, based upon the Facility Capacity and the ambient conditions in effect in each hour.

“Ancillary Services” means those services and energy from time to time now or hereafter available that are necessary to support the Contract Capacity and transmission of energy from resources to loads while maintaining reliable operation of the System in accordance with Prudent Electrical Practices. Such services and energy include regulation reserve, spinning reserve, non-spinning reserve, voltage support, black start Capacity, and reactive power.

“As-built Supplement” shall be a supplement to **Exhibit A** that describes the Facility as actually built and shall include all such information as may reasonably be requested by Buyer.

“Authorized Representative” has the meaning set forth in Section 6.4.2

“Availability Notice” has the meaning set forth in Section 6.5.1.1.

“**Baseload Capacity**” means the Capacity of the Facility achieved when operating at the Reference Conditions with all items of Major Equipment operating at full load, but without duct firing.

“**Baseload Fuel Supply Requirement**” means, with respect to any Day, the product of the applicable Baseload Heat Rate multiplied by the quantity of Net Energy, or equivalent quantity of Ancillary Services, to be delivered from the Baseload Capacity component of the Contract Capacity.

“**Baseload Heat Rate**” has the meaning set forth in Section 6.5.3.8.

“**Business Day**” means any day on which banks in Portland, Oregon are not authorized or required by Requirements of Law to be closed, beginning at 6:00 a.m. and ending at 5:00 p.m. local time in Oregon.

“**Btu’s**” means British Thermal Units.

“**Buyer**” has the meaning set forth in the Preamble.

“**CAF_h**” has the meaning set forth in Section 5.1.2.

“**CAF_m**” has the meaning set forth in Section 5.1.2.

“**Capacity**” means the output potential a machine or system can produce under specified conditions as generally expressed in kW or MW.

“**Capacity Payment**” means the Monthly Capacity Payments and the Minimum Monthly Capacity Payments payable in accordance with Section 5.1.

“**Capacity Payment Rate**” means, as of the Commercial Operation Date, \$[?]/kW/month.

“**Capacity Payment Shortfall**” has the meaning set forth in Section 5.1.4.

“**Capacity Rights**” means any current or future defined characteristic, certificate, tag, credit, ancillary service attribute, or accounting construct, including any accounting construct counted towards any current or future resource adequacy or reserve requirements, associated with the Capacity of the Facility or the Facility’s capability and ability to produce energy, but excluding any of the foregoing attributable to any expansion of the Facility occurring after the Commercial Operation Date, unless the output associated therewith is purchased by Buyer.

“**Carry-Over Letter of Credit**” has the meaning set forth in Section 5.1.4.

“**Cash Escrow**” means an escrow account established by Buyer in a commercial bank or trust company organized under the laws of the United States of America or a political subdivision thereof, whose long-term senior unsecured debt is rated at least “A” by S&P or “A2” by Moody’s. Cash deposited to the escrow account shall earn interest at the rate applicable to money market deposits at the banking institution from time to time, and the interest shall be

retained in the escrow account as additional security for Seller's performance under this Agreement.

“**CC**” has the meaning set forth in Section 5.1.2.

“**Collateral**” has the meaning set forth in Section 7.5

“**Combustion Turbine**” or “**CT**” means any one of the combustion turbines comprising the Facility.

“**Commercial Operation Date**” means the date on which the Facility is fully operational, reliable and each condition set forth in Section 2.2.6 is continuously satisfied.

“**Contract Capacity**” means [525] MW of Capacity from the Facility, comprised of [?] MW of Baseload Capacity and [?] MW of Peakload Capacity.

“**Contract Year**” means a twelve (12) month period commencing at 00:00 hours on January 1 and ending on 24:00 hours on December 31; *provided, however*, that the first Contract Year shall commence on the Commercial Operation Date and end on the next succeeding December 31, and the last Contract Year shall end on the last Day of the Term.

“**CPR**” has the meaning set forth in Section 5.1.2.

“**CPS**” has the meaning set forth in Section 5.1.2.

“**Credit Matrix**” means the credit matrix attached hereto as **Exhibit T**.

“**Credit Rating**” means, as of any date, the then applicable senior, unsecured, long-term debt or corporate credit rating of a Person published by either Moody's or S&P.

“**Credit Support**” means, prior to the Commercial Operation Date, the amounts, if any, and subject to Section 7.1, shown on the Credit Matrix,

Deleted: means, prior to the Commercial Operation Date, the amount, subject to Section 7.1, shown as the Project Development Security on the Credit Matrix and, on and after the Commercial Operation Date, the amount (if any) shown on the Credit Matrix as the Default Security.

“**Credit Support Security**” means a guaranty, Letter of Credit or Cash Escrow provided pursuant to Section 7.1.

“**CT Start**” means the process of rotating any of the Facility's Combustion Turbine rotors by means of such Combustion Turbine's starting motor and subsequently introducing and igniting Fuel in the Combustion Turbine's combustor and increasing the rotating speed of the unit's rotor sufficiently that the starting motor can be disengaged, also referred to herein as the Start-Up of a Combustion Turbine.

“**Daily Delay Damages**” for each Day shall be the positive number (and if not a positive number, zero) equal to the sum for all hours of the Day of the product for each hour of the Day of (1) the Dow JonesTM SP15 Firm On-peak Index (or if on a Sunday or a NERC holiday, the 24-hour firm index) for such Day, expressed in \$/MWh, *multiplied by* (2) the applicable hourly scalar set forth in **Exhibit D** for the hours ending 0700 – 2200 Pacific Prevailing Time, seven (7) days a week, including NERC holidays (each such hour, an “**On-Peak Hour**”) during such Day,

multiplied by (3) the loss factor of 1.112, plus (4) the basis of \$13/MWh for each On-Peak Hour or portion thereof during such Day, minus (5) for On-Peak Hours, the market price at the Fuel Delivery Point of the Fuel that would have been required to generate the Net Energy attributable to the Contract Capacity during such On-Peak Hour in such Day using the Guaranteed Heat Rate, minus (6) one twenty-fourth of the Capacity Payments that would have been made with respect to such Day, if no Capacity Payments have been paid with respect to such Day. The market price of Fuel at the Fuel Delivery Point will be determined by Buyer using any commercially reasonable method. If the Dow Jones™ SP15 Firm On-peak Index ceases to be published during the Term, Buyer shall select as a replacement electricity price index or component, an index acceptable to Buyer in its discretion that, after any necessary adjustments, provides the most reasonable substitute quotation of the daily price of firm on-peak energy at South of Path 15 for the applicable periods.

“**Day**” means the 24-hour period beginning at midnight Pacific Prevailing Time on a day and ending at midnight Pacific Prevailing Time on the next succeeding day.

“**Dispatch,**” “**Dispatched,**” and “**Dispatching**” means the scheduling and control by the Buyer of Net Energy, through submittal of schedules pursuant to the Dispatch Procedures and other provisions of this Agreement.

“**Dispatch Procedures**” means the procedures under which Buyer is entitled to Dispatch the Facility, as set forth in **Exhibit P**.

“**Dollar**” or “**\$**” means the lawful currency of the United States of America.

“**Effective Date**” has the meaning set forth in Section 2.1.

“**Electrical Interconnection Facilities**” means all the facilities installed by Seller for the purpose of interconnecting the Facility to the Electricity Delivery Point, including electrical transmission lines, upgrades, transformers and associated equipment, substations, relay and switching equipment, and safety equipment, as set forth in **Exhibit B**.

“**Electricity Delivery Point**” means the physical point(s) for Seller’s delivery, and Buyer’s receipt, of Net Energy at which the Facility is connected with the Transmission Provider’s transmission system, as specified in the Interconnection Agreement and in **Exhibit B**. *[Note to Bidders: If energy is to be delivered to a transmission provider other than the Transmission Provider and wheeled to the Electricity Delivery Point, the Electricity Delivery Point will be at a point of interconnection with the Transmission Provider’s transmission system where the resource can be integrated as a Network Resource.]*

“**Electric Metering Equipment**” has the meaning set forth in Section 8.1.

“**Environmental Law**” means any federal, state or local law including statutes, regulations, rulings, orders, administrative interpretations and other governmental restrictions and requirements having the force and effect of law relating to (i) the discharge or disposal of any substance into the air, soil or water, including pollutants, water pollutants or process waste water, (ii) storage, emissions transportation or disposal of any Regulated Material, (iii) the

environment or hazardous substances, all as amended from time to time, (iv) land use requirements pertaining to Regulated Materials, including laws requiring environmental impact studies or other similar evaluations, and (v) environmental issues pertaining to the development, construction, operation or maintenance of the Facility.

“**Event of Default**” has the meaning set forth in Section 10.1.

“**EWG**” means an “exempt wholesale generator,” as defined under the Public Utility Holding Company Act of 1935, as amended from time to time.

“**Example**” means an example set forth in **Exhibit G**. Each Example is for purposes of illustration only and is not intended to constitute a representation, warranty or covenant concerning the matters assumed for purposes of each Example. If there is a conflict between an Example and the text of this Agreement, the text shall control.

“**Excused Outage**” has the meaning set forth in Section 5.1.2.

“**Facility**” shall have the meaning given to that term in **Recital A**.

“**Facility Capacity**” means the maximum Capacity of the Facility, expressed in MW, when operated consistent with the manufacturer’s recommended power factor and operating parameters, as set forth in **Exhibit A**.

“**FERC**” means the Federal Energy Regulatory Commission.

“**FIN 46**” has the meaning set forth in Section 6.13.

“**Force Majeure**” has the meaning set forth in Section 13.1.

“**Forced Outage**” means NERC Event Types U1, U2 and U3, as set forth in **Exhibit H**.

“**Fuel**” means natural gas meeting the specifications set forth in **Exhibit O**.

“**Fuel Delivery Point**” means the point at which Fuel is delivered from [_____] to the Facility, as specified in **Exhibit O**.

“**Fuel Metering Point**” means the delivery point specified in **Exhibit O**.

“**Fuel Supply Requirement**” means, for any Day, the sum, without duplication, of (i) the Start-Up Fuel Quantity for each Start-Up that occurs during such Day and (ii) the Operating Fuel Quantity for such Day.

“**Fuel Transporter**” means the pipeline company selected by Buyer to transport the Fuel to the Facility.

“**Governmental Authority**” means any supranational, federal, state or other political subdivision thereof, having jurisdiction over Seller, Buyer or this Agreement, including any municipality, township and county, and any entity exercising executive, legislative, judicial,

regulatory or administrative functions of or pertaining to government, including any corporation or other entity owned or controlled by any of the foregoing.

“**Guaranteed Commercial Operation Date**” means *[Bidder to insert]*.

“**Guaranteed Heat Rate**” has the meaning assigned to such term in **Exhibit R**.

“**Guaranteed Ramp Rate**” has the meaning set forth in **Exhibit R**.

“**Guaranteed Start-Up Time**” has the meaning set forth in **Exhibit R**.

“**Heat Rate**” means the number of Btu’s used to produce one MW of energy measured at the Electricity Delivery Point.

“**Interconnection Agreement**” means the agreement to be entered into separately between Seller and Transmission Provider providing for the construction and operation of the Electrical Interconnection Facilities.

“**Lender**” means any individual or entity or successor in interest thereof lending money or extending credit (including any financing lease or credit derivative arrangement) to Seller (i) for the construction, term or permanent financing or refinancing of the Facility; (ii) for working capital or other ordinary business requirements for the Facility (including for the maintenance, repair, replacement or improvement of the Facility); (iii) for any development financing, bridge financing, credit support, credit enhancement or interest rate protection in connection with the Facility; or (iv) for the purchase of the Facility and related rights from Seller. As used herein, “Lender” includes a Tax Investor (as defined in the Lender Consent).

“**Lender Consent**” means a Consent to Collateral Assignment in favor of one or more Lenders and in substantially the form of **Exhibit U**.

“**Letter of Credit**” means an irrevocable standby letter of credit in form and substance acceptable to Buyer in its discretion, naming Buyer as the party entitled to demand payment and present draw requests thereunder, which letter 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 of:
 - (a) “A2” or higher from Moody’s; or
 - (b) “A” or higher from S&P;
- (2) on the terms provided in the letter of credit, permits Buyer 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 Buyer to draw upon a U.S. branch;

(4) permits Buyer 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 Buyer to draw the entire amount available thereunder if such letter of credit is not increased, replaced or replenished as and when provided in Section 7;

(6) is transferable by Buyer to any party to which Buyer may assign this Agreement under Section 17.7; and

(7) shall remain in effect for at least ninety (90) days after the end of the Term.

“Licensed Professional Engineer” means a person acceptable to Buyer in its reasonable judgment who (i) is licensed to practice engineering in the state in which the Facility is located, (ii) has training and experience in the engineering discipline(s) relevant to the matters with respect to which such person is called upon to provide a certification, evaluation or opinion, (iii) has no economic relationship, association, or nexus with Seller, (iv) is not a representative of a consulting engineer, contractor, designer or other individual involved in the development of the Facility, or of a manufacturer or supplier of any equipment installed in the Facility, (v) is engaged by Seller on terms reasonably acceptable to Buyer, (vi) has its fees paid for by Seller, and (vii) is licensed in an appropriate engineering discipline for the required certification being made. The engagement and payment of a Licensed Professional Engineer solely to provide the certifications, evaluations and opinions required by this Agreement shall not constitute a prohibited economic relationship, association or nexus with Seller, so long as such engineer has no other economic relationship, association or nexus with Seller.

“MAAF” has the meaning set forth in Section 5.1.2.

“Maintenance Outage” means NERC Event Type MO, as set forth in **Exhibit H**.

“Major Equipment” has the meaning set forth in **Exhibit I**.

“Major Maintenance Cycle” means, with respect to each item of Major Equipment, the period of time specified therefor in **Exhibit I**.

“Mediation Notice” has the meaning set forth in Section 15.2.1.

“Minimum Monthly Capacity Payment” has the meaning set forth in Section 5.1.3.

“Monthly Capacity Payment” has the meaning set forth in Section 5.1.2.

“Moody’s” shall mean Moody’s Investor Services, Inc.

“MW” means megawatt.

“MWh” means megawatt hour.

“**NERC**” means the North American Electric Reliability Council.

“**Net Energy**” means, for any period, the energy output of the Facility delivered to Buyer at the Electricity Delivery Point pursuant to Buyer’s Dispatch of the Facility of a quantity in MWh not to exceed that associated with Contract Capacity, as measured pursuant to Section 8, less station use and less transformation and transmission losses to the Electricity Delivery Point.

“**Network Resource**” means a generation resource which has been fully integrated into the System.

“**Notifying Party**” has the meaning set forth in Section 8.2.

“**Operating Fuel Quantity**” means, with respect to any hour, the sum of (i) any Baseload Fuel Supply Requirements, (ii) any Peakload Fuel Supply Requirement, and (iii) any Simple Cycle Fuel Requirements.

“**Operating Procedures**” are set out in **Exhibit K**.

“**Pacific Prevailing Time**” means Pacific Standard Time or Pacific Daylight Time, as applicable on the Day in question.

“**Party**” has the meaning set forth in the Preamble.

“**Peakload Capacity**” means incremental Capacity, in excess of the Baseload Capacity, which is generated by the Facility utilizing duct firing.

“**Peakload Fuel Supply Requirement**” means with respect to any Day, the product of the applicable Peakload Heat Rate multiplied by the quantity Net Energy, or equivalent quantity of Ancillary Services, to be delivered from the Peakload Capacity component of the Contract Capacity.

“**Peakload Heat Rate**” has the meaning set forth in Section 6.5.3.8.

“**Permits**” means all permits, licenses, approvals, certificates, entitlements and other authorizations issued by Governmental Authorities required for the development, construction, ownership, operation and maintenance of the Facility, and all amendments, modifications, supplements, general conditions and addenda thereto.

“**Person**” means any individual, entity, corporation, general or limited partnership, limited liability company, joint venture, estate, trust, association or other entity or governmental authority.

“**Planned Outage**” means NERC Event Type PO, as set forth on **Exhibit H**.

“**Pledge Interest**” has the meaning set forth in Section 7.2.2.

“**Potential Event of Default**” means an event which, but for the passing of time or the giving of notice or both, would constitute an Event of Default.

“**Premises**” means the real property on which the Facility is or will be located, as more fully described on **Exhibit A**.

“**Prime Rate**” means the rate per annum equal to the publicly announced prime rate or reference rate for commercial loans to large businesses in effect from time to time quoted by Citibank, N.A. If a Citibank, N.A. prime rate is not available, the applicable Prime Rate shall be the announced prime rate or reference rate for commercial loans in effect from time to time quoted by a bank with \$10 billion or more in assets in New York City, N.Y., selected by the Party to whom interest based on the prime rate is being paid.

“**Protective Apparatus**” means such equipment and apparatus, including protective relays, circuit breakers and the like, necessary or appropriate to isolate the Facility from the System consistent with Prudent Electrical Practices.

“**Prudent Electrical Practices**” means any of the practices, methods and acts engaged in or approved by a significant portion of the electrical utility industry or any of the practices, methods or acts for gas fired, combined cycle electric generation facilities, which, in the exercise of reasonable judgment in the light of the facts known at the time a decision is made, would have been expected to accomplish the desired result in a cost efficient manner consistent with good business practices, reliability criteria, safety considerations and expediency. Prudent Electrical Practices is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to be a spectrum of possible practices, methods or acts.

“**Reference Conditions**” means the following conditions: standard ambient air pressure at the Premises of [?]; ambient temperature, dry bulb, of [?] degrees Fahrenheit; and relative humidity of [?] percent ([?]%).

“**Regulated Materials**” means any substance, material, or waste which is now or hereafter becomes listed, defined, or regulated in any manner by any United States federal, state or local law and includes any oil, petroleum, petroleum products and polychlorinated biphenyls.

“**Remaining Capacity**” means all the Capacity of the Facility in excess of the Contract Capacity.

“**Replacement Price**” means the price at which Buyer, acting in a commercially reasonable manner, purchases for delivery at the Electricity Delivery Point a replacement for any energy that Seller is required to deliver under this Agreement, plus (i) costs reasonably incurred by Buyer in purchasing such replacement energy, and (ii) additional transmission charges, if any, reasonably incurred by Buyer in causing replacement energy to be delivered to the Electricity Delivery Point. If Buyer elects not to make such a purchase, the Replacement Price shall be the market price at the Electricity Delivery Point for such energy not delivered, plus any additional cost or expense incurred as a result of Seller’s failure to deliver, as determined by Buyer in a commercially reasonable manner (but not including any penalties, ratcheted demand or similar charges).

“**Reporting Month**” has the meaning set forth in Section 6.9.1.

“**Requested Net Energy**” means, for any period, the Net Energy of the Facility that has been scheduled by Buyer for delivery in accordance with the Dispatch Procedures and other terms of this Agreement.

“**Required Facility Documents**” means all Permits and agreements now or hereafter necessary for the development, construction, ownership, operation and maintenance of the Facility including the documents (i) to which Seller and Buyer are a party evidencing the Security Interests and (ii) those set forth in **Exhibit C**.

“**Requirements of Law**” means collectively, as to Seller and [*if Seller is not the ultimate parent, any ultimate parent entity*], Seller’s organizational or governing documents and any federal, state, county or municipal, law, treaty, ordinance, franchise, rule, regulation, order, writ, judgment, injunction, decree, award or determination of any arbitrator, or a court or other Governmental Authority, in each case, now or hereafter applicable to or binding upon this Agreement, the Facility, Seller or [*if Seller is not the ultimate parent, any parent entity*] to which any of their respective properties are subject (including those pertaining to electrical, building, zoning, environmental and occupational health and safety).

“**RTO**” means any person, other than Transmission Provider, that becomes responsible as system operator for, or directs the operation of, the System.

“**S&P**” shall mean Standard & Poor’s Rating Group (a division of McGraw-Hill, Inc.).

“**Schedule**” or “**Scheduled**” means the acts of Buyer and Seller pursuant to Section 6.5 setting forth a schedule requesting and accepting the delivery of energy by Seller to Buyer on and after the Commercial Operation Date.

“**Scheduling Constraints**” means the limitations of the Facility’s Capacity arising as a result of the need to observe the physical ramp rates of the Major Equipment and maintain minimum run times, minimum down times, minimum dispatch levels of Net Energy and Capacity per CT, and maximum levels of Net Energy and Capacity, to be generated by any item of Major Equipment, in compliance with the warranty requirements relating to each item of Major Equipment, the operating and maintenance standards recommended by the Facility’s equipment suppliers, and Prudent Electrical Practice, as set forth on **Exhibit Q**.

“**Scheduling Fees**” means fees assessed by any person to schedule the delivery of the energy.

“**Security Interests**” has the meaning set forth in Section 7.2.1.

“**Seller**” has the meaning set forth in the Preamble.

“**Senior Lenders**” means the Lenders providing construction financing for the Facility, or any term or permanent take-out financing of such construction financing.

“**Simple Cycle**” means operation of a Combustion Turbine without capturing the waste heat from the Combustion Turbine in the associated heat recovery steam generator and,

therefore, without producing additional Net Energy from the steam turbine utilizing steam produced by such heat recovery steam generator. When one or more CTs are operated in Simple Cycle mode, the Facility will produce less Capacity and less Net Energy, while consuming Fuel at a higher heat rate, than when the Facility is operated in combined cycle mode to produce Baseload Capacity. The ramp rates applicable to each CT, as set forth in **Exhibit R**, are faster in Simple Cycle mode than in combined cycle mode.

“**Simple Cycle Fuel Supply Requirement**” means with respect to any Day, the product of the applicable Simple Cycle Heat Rate multiplied by the quantity of Net Energy, or equivalent quantity of Ancillary Services, to be delivered from the Facility while dispatched in Simple Cycle mode.

“**Simple Cycle Heat Rate**” has the meaning set forth in Section 6.5.3.8.

“**Solvency**” or “**Solvent**” has the meaning set forth in Section 3.2.12.

“**Standard Heat Rate**” means the actual Heat Rate of the Facility at varying levels of the Net Energy and varying ambient conditions.

“**Start-Up**” means a firing of one or more of the items constituting Major Equipment when such item or items of Major Equipment is not being operated, including any firing required to perform a CT Start. The period of a Start-Up of any item of Major Equipment begins at the commencement of such firing and ends when such item of Major Equipment obtains and produces on a continuous basis the desired quantity of Net Energy.

“**Start-Up Fuel Quantity**” means, with respect to any Start-Up(s) initiated to supply Net Energy and Ancillary Services to Buyer, the quantity of Fuel actually required by each CT Start.

“**Start-Up Testing**” means the tests set in **Exhibit E**.

“**System**” means the electric transmission sub-station and distribution facilities owned, operated or maintained by Transmission Provider, which shall include, after construction and installation of the Facility, the circuit reinforcements, extensions, and associated terminal facility reinforcements or additions required to complete the Facility, all as set forth in the Interconnection Agreement.

“**Tariff**” means Buyer’s FERC Electric Tariff Fourth Revised Volume No. 11 Pro Forma Open Access Transmission Tariff, as revised from time to time.

“**Term**” has the meaning set forth in Section 2.1.

“**Transmission Provider**” means [*PacifiCorp, an Oregon corporation, acting in its transmission function capacity.*] [*Note to Bidders: If the Facility is interconnected to another system, identify the appropriate Transmission Provider.*] Seller acknowledges that Buyer, as Buyer under this Agreement, has no responsibility for or control over such Transmission Provider.

“**Unexcused Outage**” has the meaning set forth in Section 5.1.2.

“**Unplanned Outage**” means NERC Event Type U, as set forth on **Exhibit H**.

“**Variable Energy Payment**” means the payment to be made by Buyer to Seller pursuant to Section 5.3 and as specified in **Exhibit F**.

1.2 Rules of Interpretation.

1.2.1 General. Unless otherwise required by the context in which any term appears, (a) the singular shall include the plural and vice versa; (b) references to “Articles,” “Sections,” “Schedules,” “Annexes,” “Appendices” or “Exhibits” (if any) shall be to articles, sections, schedules, annexes, appendices or exhibits of this Agreement; (c) all references to a particular entity or an electricity market price index shall include a reference to such entity’s or index’s successors and (if applicable) permitted assigns; (d) the words “herein,” “hereof” and “hereunder” shall refer to this Agreement as a whole and not to any particular section or subsection hereof; (e) all accounting terms not specifically defined in this Agreement shall be construed in accordance with generally accepted accounting principles in the United States of America, consistently applied; (f) references to this Agreement shall be deemed to include a reference to all appendices, annexes, schedules and exhibits hereto, as the same may be amended, modified, supplemented or replaced from time to time; (g) the masculine shall include the feminine and neuter and vice versa; (h) the word “including” shall be construed in its broadest sense to mean “without limitation” or “but not limited to” and (i) the word “or” is not necessarily exclusive.

1.2.2 Terms Not to Be Construed for or Against Either Party. Each term of this Agreement shall be construed simply according to its fair meaning and not strictly for or against either Party. The Parties have jointly prepared this Agreement, and no term of this Agreement shall be construed against a Party on the ground that the Party is the author of that provision.

1.2.3 Headings. The headings used for the sections of this Agreement are for convenience and reference purposes only and shall in no way affect the meaning or interpretation of the provisions of this Agreement.

1.2.4 Interpretation with Interconnection Agreement. Each Party conducts its operations in a manner intended to comply with FERC Order No. 2004, Standards of Conduct for Transmission Providers, requiring the separation of its transmission and merchant functions. Moreover, the Parties acknowledge that Transmission Provider’s transmission function offers transmission service on its System in a manner intended to comply with FERC policies and requirements relating to the provision of open-access transmission service. The Parties recognize that Seller will enter into the separate Interconnection Agreement.

1.2.4.1 The Parties acknowledge and agree that the Interconnection Agreement shall be a separate and free standing contract and that the terms of this Agreement are not binding upon Transmission Provider.

1.2.4.2 Notwithstanding any other provision in this Agreement, nothing in the Interconnection Agreement shall alter or modify the Parties' rights, duties, and obligations under this Agreement. This Agreement shall not be construed to create any rights between Seller and Transmission Provider.

1.2.4.3 Seller expressly recognizes that, for purposes of this Agreement, Transmission Provider shall be deemed to be a separate entity and separate contracting party whether or not the Interconnection Agreement is entered into with Transmission Provider or an Affiliate thereof.

SECTION 2

TERM; COMMENCEMENT OF OPERATION

2.1 Term. This Agreement shall become effective when it is signed and delivered by both Parties (the "**Effective Date**") and, unless earlier terminated as provided in this Agreement, shall remain in effect until the [?] anniversary of the Commercial Operation Date (the "**Term**").

2.2 Milestones. Time is of the essence of this Agreement, and Seller's ability to meet certain milestones before the Commercial Operation Date and to achieve the Commercial Operation Date by the Guaranteed Commercial Operation Date is critically important. Therefore, Seller shall achieve the following milestones unless waived or extended by Buyer in its sole and absolute discretion:

2.2.1 By [date], Seller shall demonstrate to Buyer's reasonable satisfaction that Seller has made all arrangements and obtained all means for transporting Fuel in quantities sufficient to operate the Facility at the Facility Capacity and shall assign all such transportation rights to Buyer for the Term;

2.2.2 By [date], Seller shall obtain and provide to Buyer copies of all Required Facility Documents necessary for construction of the Facility;

2.2.3 By [date], Seller shall provide to Buyer evidence acceptable to Buyer that Seller has obtained construction financing for the Facility (or alternatively permanent financing subject only to construction of the Facility and Seller's execution of the lender's loan documents);

2.2.4 By [date], Seller shall provide Buyer with an As-built Supplement acceptable to Buyer;

2.2.5 By [date], Seller shall begin deliveries of Net Energy for purposes of initiating Start-Up Testing; and

2.2.6 By the Guaranteed Commercial Operation Date, the Commercial Operation Date shall have occurred. This shall require that all of the following conditions shall have been satisfied or waived by Buyer in its sole and absolute discretion:

(1) Buyer shall have received a certificate addressed to Buyer from a Licensed Professional Engineer certifying that the Facility is able to generate energy reliably in amounts required by this Agreement and in accordance with all other terms and conditions of this Agreement;

(2) Start-Up Testing of the Facility shall have been completed;

(3) After Buyer has received notice of the completion of Start-Up Testing, Buyer shall have endorsed a certificate addressed to Buyer from a Licensed Professional Engineer certifying that the Facility has operated for testing purposes under this Agreement uninterrupted for a period of ten (10) consecutive days at a rate of at least the Facility Capacity based upon any sixty (60) minute period for the entire testing period. Seller must provide five (5) Business Days' written notice to Buyer before the start of the Start-Up Testing period. If the operation of the Facility is interrupted during this initial testing period or any subsequent testing period, the Facility shall start a new consecutive ten (10) day testing period and Seller shall provide Buyer forty-eight (48) hour written notice before the start of such testing period;

(4) Buyer shall have received a certificate addressed to Buyer from a Licensed Professional Engineer certifying that, in accordance with the Interconnection Agreement, all required Electrical Interconnection Facilities have been constructed, all required interconnection tests have been completed, the Facility is physically interconnected with the System and the Facility Capacity is a Network Resource;

(5) Buyer shall have received a certificate addressed to Buyer from a Licensed Professional Engineer certifying that Seller has obtained all Required Facility Documents for the construction and operation of the Facility and, if requested by Buyer in writing, Seller shall have provided copies of any or all such requested Required Facility Documents, together with (i) the certificates of insurance coverage or insurance policies required by Section 12.1, and (ii) copies of all Required Facility Documents which Seller is responsible to obtain or are required for the construction and operation of the Facility;

(6) Buyer shall have issued a written certificate to Seller certifying that Buyer has received all Facility drawings, plans, specifications, policies, and other documents required by this Agreement;

(7) Buyer shall have received a certificate addressed to Buyer from Seller's primary construction contractor certifying that the Facility has been turned over to Seller for permanent operation and maintenance and that the primary construction

contractor owes no further construction-related obligations to Seller (other than punch list items); and

(8) Buyer shall have received a certificate addressed to Buyer from an office of Seller and acceptable to Buyer certifying that no Event of Default by Seller or Potential Event of Default by Seller exists under this Agreement.

2.3 Daily Delay Damages. Seller shall cause the Commercial Operation Date to occur on or before the Guaranteed Commercial Operation Date but no earlier than [*? months*] prior to the Guaranteed Commercial Operation Date. If the Commercial Operation Date does not occur on or before the Guaranteed Commercial Operation Date, to compensate Buyer for the failure to provide Contract Capacity from the Facility, Seller shall pay Buyer delay damages equal to the Daily Delay Damages times Contract Capacity for each Day or portion of a Day until that Day that the Commercial Operation Date occurs from and after the Guaranteed Commercial Operation Date. Each Party agrees and acknowledges that (a) the damages that Buyer would incur for the failure to provide energy from the Facility due to delay in achieving the Commercial Operation Date on or before the Guaranteed Commercial Operation Date would be difficult or impossible to predict with certainty, and (b) the Daily Delay Damages mechanism is an appropriate approximation of such damages. This Section 2.3 shall not limit the amount of damages payable to Buyer if this Agreement is terminated as a result of Seller's failure to achieve the Commercial Operation Date by the Guaranteed Commercial Operation Date and any such damages shall be determined in accordance with Section 10.7. In addition, this Section 2.3 shall not limit the damages payable to Buyer for matters resulting from delay in achieving the Commercial Operation Date other than the failure to provide energy from the Facility.

2.4 Damages Invoicing. By the tenth (10th) day following the end of the calendar month of the Guaranteed Commercial Operation Date, and continuing on the tenth (10th) day following the end of any calendar month during which Daily Delay Damages are incurred, Buyer shall deliver to Seller a proper invoice showing Buyer's computation of such damages and any amount due Buyer in respect thereof for the preceding calendar month. No later than ten (10) days after receiving such an invoice, Seller shall pay to Buyer, by wire transfer of immediately available funds to an account specified in writing by Buyer or by any other means agreed to by the Parties in writing from time to time, the amount set forth as due in such invoice.

2.5 Buyer's Right to Monitor. During the design, procurement, construction, installation, start up and testing of the Facility, Seller shall permit Buyer and its advisors and consultants to:

(a) Review and discuss with Seller and its advisors and consultants monthly status reports on the progress of the development, design, construction and installation of the Facility. Between the date on which this Agreement is executed and thirty (30) days following the Commercial Operation Date, Seller shall, on or before the tenth (10th) day of each calendar month, provide Buyer with a brief monthly status report for the preceding month.

(b) Monitor the development, design, engineering, procurement, construction and installation of the Facility and the performance of the contractor(s) constructing the Facility.

(c) Review and monitor the contractors' performance and achievement of (i) all initial performance tests and other tests required under the Facility construction contracts that must be performed in order to achieve the Commercial Operation Date and (ii) all tests contemplated by the warranty agreement(s) between the Seller and manufacturer of the Facility's CTs and any other Major Equipment. Buyer reserves the right to require additional performance tests of the Facility's CTs in the event that Seller elects not to have such CTs or other Major Equipment covered by warranty agreements acceptable to Buyer. Seller shall provide Buyer with at least five (5) Business Days' prior notice of each such test.

(d) Witness initial performance tests and other tests and review the results thereof.

(e) Perform such examinations, inspections, and quality surveillance as, in Buyer's reasonable judgment, are appropriate and advisable to determine that all Major Equipment comprising the Facility has been properly commissioned and that the Facility has achieved the Commercial Operation Date.

The Parties acknowledge and agree that Buyer is under no obligation to perform any of the monitoring rights under this Section 2.5. Any information or knowledge obtained by Buyer in the exercise of its rights under this Section 2.5 shall not prevent Buyer from subsequently asserting that Seller failed to perform its obligations under this Agreement or failed to satisfy any of its conditions in Section 2, nor shall the exercise by Buyer of such rights be used as evidence that Seller performed its obligations under this Agreement or satisfied its conditions in Section 2 or that Buyer gave any consent to Seller's action in meeting its obligations under Section 2. Buyer's right to indemnification, payments for damages or other remedy in this Agreement will not be affected by any investigation conducted with respect to, or any knowledge acquired (or capable of being acquired) at any time, whether before or after the execution and delivery of this Agreement or the Commercial Operation Date, including with respect to the accuracy or inaccuracy of any representation or warranty, or compliance with any covenant or obligation hereunder. Buyer shall maintain one or more designated representatives for purposes of the monitoring activities contemplated in this Section 2.5, which representatives shall have authority to act for Buyer in all technical matters under this Section 2.5. However, Buyer's representatives, in their capacity as representatives, shall not have the authority to amend or modify any provision of this Agreement. Buyer's initial representatives for purposes of this Section 2.5 and their contact information are listed in **Exhibit N**. Buyer may, by written notice to Seller, change its representatives or the contact information for such representatives.

SECTION 3

REPRESENTATIONS AND WARRANTIES

3.1 Buyer's Representations and Warranties. Buyer represents, covenants, and warrants to Seller that:

3.1.1 Organization. Buyer is duly organized and validly existing under the laws of the State of Oregon.

3.1.2 Authority. Buyer has the requisite corporate power and authority to enter into this Agreement and to perform according to the terms of this Agreement.

3.1.3 Corporate Actions. Buyer has taken all corporate actions required to be taken by it to authorize the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby.

3.1.4 No Contravention. The execution and delivery of this Agreement does not contravene any provision of, or constitute a default under, any indenture, mortgage, or other material agreement binding on Buyer or any valid order of any court, or any regulatory agency or other body having authority to which Buyer is subject.

3.1.5 Valid and Enforceable Agreement. This Agreement is a valid and legally binding obligation of Buyer, enforceable against Buyer in accordance with its terms (except as the enforceability of this Agreement may be limited by bankruptcy, insolvency, bank moratorium or similar laws affecting creditors' rights generally and laws restricting the availability of equitable remedies and except as the enforceability of this Agreement may be subject to general principles of equity, whether or not such enforceability is considered in a proceeding at equity or in law).

3.2 Seller's Representations and Warranties. Seller represents, covenants, and warrants to Buyer that:

3.2.1 Organization. Seller is a [*insert legal entity*] duly [*organized*] and validly existing under the laws of [_____].

3.2.2 Authority. Seller (i) has the requisite power and authority to enter into this Agreement and to perform, including all required regulatory authority to make wholesale sales from the Facility; (ii) has the power and authority to own and operate its businesses and properties, to own or lease the property it occupies and to conduct the business in which it currently engaged; and is duly qualified as [____] in Utah; and (iii) is in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification.

3.2.3 Actions. Seller has taken all [*insert appropriate legal entity*] actions required to authorize the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby.

3.2.4 No Contravention. The execution, delivery, performance and observance by Seller of its obligations under this Agreement do not and will not:

3.2.4.1 contravene, conflict with or violate any provision of any material Requirements of Law presently in effect having applicability to either Seller or [*if Seller is not the ultimate parent, Seller's ultimate parent*];

3.2.4.2 require the consent or approval of or material filing or registration with any Governmental Authority or other person other than such consents and approvals which are (i) set forth in **Exhibit C** or (ii) required in connection with the construction and/or operation of the Facility and expected to be obtained in due course;

3.2.4.3 result in a breach of or constitute a default under any provision of any security issued by [*ultimate parent of Seller*] or any of its Affiliates or any material agreement, instrument or undertaking to which either [*ultimate parent of Seller*] or any of its Affiliates is a party or by which [*ultimate parent of Seller*]'s or any of its Affiliates' property is bound; or

3.2.4.4 require Seller to be licensed under the Utah Construction Trades Licensing Act.

3.2.5 Valid and Enforceable Agreement. This Agreement is a valid and legally binding obligation of Seller, enforceable against Seller in accordance with its terms (except as the enforceability of this Agreement may be limited by bankruptcy, insolvency, bank moratorium or similar laws affecting creditors' rights generally and laws restricting the availability of equitable remedies and except as the enforceability of this Agreement may be subject to general principles of equity, whether or not such enforceability is considered in a proceeding at equity or in law).

3.2.6 Litigation. No litigation, arbitration, investigation or other proceeding is pending or, to the best of Seller's knowledge, threatened against either Seller, its parent(s), or any Affiliate with respect to this Agreement and the transactions contemplated hereby and thereby.

3.2.7 Accuracy of Information. To the knowledge of Seller, no exhibit, contract, report or document furnished by Seller to Buyer in connection with this Agreement, or the negotiation or execution of this Agreement contains any material misstatement of fact or omits to state a material fact or any fact necessary to make the statements contained therein not misleading.

3.2.8 Required Facility Documents. All Required Facility Documents are set forth in **Exhibit C** attached hereto. To Seller's knowledge, no unusual or burdensome conditions are expected by Seller to be placed upon, or created by, any of the Required Facility Documents. The anticipated use of the Facility complies with all applicable restrictive covenants affecting the Premises and all Requirements of Law. The representation made in this Section 3.2.8 shall be deemed to be given throughout the entire Term.

3.2.9 Taxes. Seller has filed or caused to be filed all tax returns which were required to be filed and has paid all taxes shown to be due and payable on said returns or on any assessments made against it or any of its property including the Premises, and all other taxes, fees or other charges imposed on it or any of its property by any Governmental Authority, and no tax liens have been filed and no

claims are being asserted with respect to any such taxes, fees or other charges, except where such taxes, fees or other charges are being contested in good faith by Seller through appropriate proceedings with adequate reserves set aside in the event of an adverse determination.

3.2.10 Seller's Intent. Seller intends:

3.2.10.1 To construct and operate the Facility in accordance with Prudent Electrical Practices, and in accordance with, and subject to the terms of this Agreement;

3.2.10.2 To supply the Contract Capacity and Net Energy of the Facility throughout the Term of this Agreement in accordance with the provisions of this Agreement; and

3.2.10.3 [if Seller will be a single purpose vehicle, that its sole business shall be the ownership and operation of the Facility.]

3.2.11 No Collusion. Neither Seller nor any of its representatives has entered into any form of collusive arrangement with any person or entity which directly or indirectly has to any extent lessened competition between Seller and any other person or entity for the supply of Capacity and energy sought by Buyer.

3.2.12 Solvency. Seller, its parent(s) and their Affiliates are Solvent. As used herein, “**Solvent**” and “**Solvency**” means with respect to any person or entity on any date of determination, that on such date (a) the book value of the property of such person or entity is greater than the total amount of book liabilities, including contingent liabilities that are probable and estimable, of such person or entity, (b) such person or entity is able to pay its debts as they become absolute and matured, taking into account the possibility of refinancing such obligations and selling assets, (c) such person or entity does not intend to, and does not believe that it will, incur debts or liabilities beyond such person’s or entity’s ability to pay such debts and liabilities as they mature taking into account the possibility of refinancing such obligations and selling assets and (d) such person or entity is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such person’s or entity’s property would constitute an unreasonably small capital. The amount of contingent liabilities at any time shall be computed as the amount that are probable and estimable in the light of all the facts and circumstances existing at such time, and that can reasonably be expected to become an actual or matured liability.

3.3 Notice. If at any time during the Term, any Party obtains actual knowledge of any event or information which would have caused any of the representations and warranties made by it in this Section 3 to have been materially untrue or misleading when made, such Party shall provide the other Party with notice in accordance with Section 17.12 of the event or information, the representations and warranties affected, and the action, if any, which such Party intends to take to make the representations and warranties true and correct. The notice required

pursuant to this Section 3 shall be given as soon as practicable after the occurrence of each such event.

SECTION 4

SALE AND PURCHASE OBLIGATIONS

4.1 Sale and Purchase of Contract Capacity, Capacity Rights, Net Energy and Ancillary Services.

4.1.1 Subject to the terms and conditions of this Agreement, on and after the Commercial Operation Date and for the balance of the Term, Seller shall make available to Buyer from the Facility the Contract Capacity and the Capacity Rights, and all Net Energy and Ancillary Services associated with such Contract Capacity that is Scheduled by Buyer for delivery in accordance with the Dispatch Procedures and Section 6.5.2.

4.1.2 Subject to Section 5.1, Buyer shall purchase the Contract Capacity of the Facility and pay a monthly Capacity Payment to Seller.

4.1.3 Seller shall provide Ancillary Services and Capacity Rights to Buyer without additional charge or expense.

4.1.4 Buyer shall be under no obligation to purchase any Capacity under this Agreement other than Contract Capacity.

4.1.5 For each quantity of Net Energy that Buyer has Scheduled for delivery in any hour from the Facility, Buyer shall deliver the requisite Fuel Supply Requirement to Seller during such hour, comprised of any applicable Startup Fuel Quantity and the applicable Operating Fuel Quantity. As more fully described in Section 6.5.3, the Operating Fuel Quantity shall include: (i) the sum of the Baseload Fuel Supply Requirement for each hour in which Buyer desires to have Seller provide any Scheduled quantity of Net Energy or Ancillary Services utilizing part or all of the Baseload Capacity of Buyer's Contract Capacity, (ii) the sum of the Peakload Fuel Supply Requirements for each hour in which Buyer desires to have Seller provide any Scheduled quantity of Net Energy or Ancillary Services utilizing part or all of the Peakload Capacity of Buyer's Contract Capacity, and (iii) the Simple Cycle Fuel Supply Requirement for each hour in which Buyer desires to have Seller provide any Scheduled quantity of Net Energy or equivalent quantity of Ancillary Services to be delivered from the Facility in Simple Cycle mode utilizing part of Buyer's Contract Capacity.

4.1.6 For each quantity of Ancillary Services that Buyer has Scheduled for delivery in any hour from the Facility that requires Seller to consume Fuel in the Facility, Buyer shall deliver a quantity of Fuel to Seller equal to the Fuel Supply Requirement applicable to an equivalent quantity of Net Energy. Seller and Buyer shall specify in the Operating Procedures the means by which Seller and Buyer

shall determine the precise quantity of the Fuel Supply Requirement applicable to various types of Ancillary Services that Buyer may Schedule from time to time under this Agreement.

4.1.7 In addition to Buyer providing the applicable Fuel Supply Requirement to Seller, Buyer shall also pay the amounts specified in Section 5, and Seller shall then provide to Buyer without additional charge or expense all Net Energy and Ancillary Services that have been Scheduled by Buyer.

4.1.8 Seller shall provide to Buyer from the Facility the Contract Capacity, and associated quantities of Net Energy or Ancillary Services as Scheduled by Buyer in accordance with this Agreement. Subject to Section 4.3, the Contract Capacity, and the Net Energy and Ancillary Services associated with such Contract Capacity, shall be made available exclusively to Buyer and Seller shall be free to sell the Remaining Capacity of the Facility, and the Net Energy and Ancillary Services associated with such Remaining Capacity, to any third party. Subject to Section 6.3.1, Seller shall have absolute discretion over the operation of the Facility to generate the quantities of Capacity, Net Energy and Ancillary Services to be delivered to Buyer in compliance with the provisions of this Agreement. In addition, Seller shall have absolute discretion over the use of the Remaining Capacity in sales to any third party(s).

4.2 Deliveries; Title and Risk of Loss. All Net Energy and Ancillary Services that have been, at Buyer's option, Scheduled by Buyer shall be delivered by Seller to Buyer at the Electricity Delivery Point. Seller shall be deemed to be in exclusive control of, and responsible for any damage or personal injury caused by, Net Energy or Ancillary Services delivered hereunder up to the Electricity Delivery Point; and Buyer shall be deemed to be in exclusive control of, and responsible for any damages or injury caused by, such Net Energy or Ancillary Services from the Electricity Delivery Point. Seller warrants and agrees that it will transfer and deliver Contract Capacity, Capacity Rights, Ancillary Services and Net Energy to Buyer free and clear of all liens or other encumbrances and rights of third parties. Title to and risk of loss of all Net Energy or Ancillary Services shall transfer from Seller to Buyer upon delivery to Buyer at the Electricity Delivery Point. Buyer shall be deemed to be in exclusive control of, and responsible for any damage or personal injury caused by, Fuel delivered hereunder up to the Fuel Delivery Point; and Seller shall be deemed to be in exclusive control of, and responsible for any damages or injury caused by, such Fuel at and from the Fuel Delivery Point. Buyer warrants that it will deliver Fuel to Seller free and clear of all liens or other encumbrances. Title to and risk of loss of all Fuel shall transfer from Buyer to Seller upon delivery to the Fuel Delivery Point.

4.3 Dispatching Deliveries from the Contract Capacity versus the Remaining Capacity.

4.3.1 Seller shall exclusively make available to Buyer the Contract Capacity of the Facility, and Seller shall deliver to Buyer, and Buyer shall receive, the quantities of Net Energy and Ancillary Services that were Scheduled by Buyer from such Contract Capacity in accordance with this Agreement. Seller retains absolute discretion as to which items of the Major Equipment of the Facility are

operated to generate and deliver (i) the quantities of Net Energy and Ancillary Services to be delivered to Buyer from the Contract Capacity and (ii) the quantities of Net Energy and Ancillary Services to be delivered to any third party purchaser from the Remaining Capacity.

4.3.2 During any Excused Outage or Unexcused Outage of the Facility, as defined in Section 5.1.2, which causes a partial outage of the Facility, but not a complete shutdown of the Facility, Buyer's right to the Contract Capacity shall not be affected by any reduction in the Facility Capacity, and to the extent there is a reduction of Facility Capacity, Seller shall make available to Buyer all of such reduced Facility Capacity up to the Contract Capacity. Subject to the foregoing, Seller shall, at all times, have the right to make available for sale to any third party purchasing any of the Remaining Capacity no more than the actual available Capacity of the Facility less the Contract Capacity.

4.3.3 At any time that the Contract Capacity is available, Buyer may elect to Schedule any of the quantities of Net Energy, and equivalent quantities of Ancillary Services, specified in the range of dispatchable quantities of Net Energy on **Exhibit Q** and the quantity of Fuel required to be provided by Buyer with respect to each such Scheduled quantity of Net Energy, or equivalent quantity of Ancillary Services, shall be determined by the Baseload Heat Rates, Peakload Heat Rates, and Simple Cycle Heat Rates, corresponding to such Scheduled quantity of Net Energy, or equivalent quantity of Ancillary Services, as set forth on such **Exhibit Q**.

4.4 Curtailment Due to Failure to Comply with Interconnection Agreement. Buyer shall not be obligated to purchase Contract Capacity or receive or pay for Net Energy to the extent generation or transmission curtailment is required as a result of Seller's non-compliance with the Interconnection Agreement. Nothing in this Section 4.4 shall relieve Seller of its duty to comply with the Interconnection Agreement and Net Energy curtailed as provided under this Section 4.4 shall not be deemed to be an Excused Outage, or credited toward the achievement of Net Energy, as the case may be.

4.5 Sale of Test Energy. During the period between the Effective Date and the Commercial Operation Date, Seller shall sell and make available to Buyer, and Buyer shall purchase and accept, all energy produced by the Facility during such period (the "**Test Energy**") as if it were Net Energy. Seller shall provide the necessary Fuel, and Buyer shall pay Seller the price specified in Section 5.3, for such Test Energy.

SECTION 5

PAYMENTS; COSTS

5.1 Capacity Payments. Commencing on the last day of the month in which the Commercial Operation Date occurs, Buyer shall, subject to Section 5.1.4, pay to Seller in arrears a Capacity Payment equal to the greater of (i) the Monthly Capacity Payment as determined in Section 5.1.2, or (ii) the Minimum Monthly Capacity Payment as determined in Section 5.1.3.

5.1.1 All Capacity Payments shall be billed on a calendar month basis. In the event that Commercial Operation Date does not occur at the start of a calendar month, the first month's Capacity Payment shall be prorated to reflect the actual number of days of Commercial Operation in such month.

5.1.2 Monthly Capacity Payment. The "Monthly Capacity Payment" shall be computed based upon the following formula:

Monthly Capacity Payment = $(CC \times 1000 \times CPR \times MAAF) - CPS$, where:

CC = the Contract Capacity;

CPR = Capacity Payment Rate;

CPS = Capacity Payment Shortfall, if any, from any prior month; and

MAAF = Availability Adjustment Factor for that month, computed as follows:

a. If $CAF_m = [\text{Bidder to insert } \%]$, $MAAF = 1$

b. If $CAF_m < [\text{Bidder to insert } \%]$, $MAAF = 1 - 2 \times ([\text{Bidder to insert}] - CAF_m)$

Provided, however, MAAF cannot be less than zero (0).

CAF_m = Average Capacity Availability Factor for a month shall equal the sum of the hourly Capacity Availability Factors (" CAF_h ") determined for each hour of such month, divided by the total number of hours in such month; and

CAF_h = $(AD + DD) / AFCE$

Provided, however, CAF_h cannot be more than one (1).

where:

"AD" (Actual Deliveries) means, for any hour, the actual quantity of energy generated by the Facility and delivered by Seller to Buyer at the Electricity Delivery Point;

"DD" (Deemed Deliveries) means, for any hour, (i) a quantity of energy equal to the amount of energy that could have been generated by that portion of the Ambient Facility Capacity that was set forth in the Availability Notice (a) that was not dispatched by Buyer in such hour, (b) that was not generated and delivered due to a Potential Event of Default or an Event of Default by Buyer, or (c) that was not operated to generate and deliver Net Energy or Ancillary Services to Buyer due to any failure by Buyer, including any failure of Buyer to deliver Fuel to the Facility to the extent Seller's operations are affected by such complete and/or partial failure to

deliver Fuel; (ii) any amount of energy that was not available from the Facility for dispatch and receipt by Buyer, during the relevant hour, due to any outage or derating that meets the requirements for Scheduled Maintenance established in **Exhibit I**; and (iii) any amount of energy that was not available from the Facility for Dispatch and receipt by Buyer, during the relevant hour, due to any Force Majeure event. The unavailability of Capacity for any of the reasons set forth in clauses (i)(c), (ii) or (iii) shall be considered an “**Excused Outage**.” To the extent that the Capacity of the Facility, up to the Contract Capacity, is unavailable to Buyer for any reason other than an Excused Outage shall be considered an “**Unexcused Outage**.”

“**AFCE**” (Ambient Facility Capacity Energy) means the quantity of energy that could be produced from the Ambient Facility Capacity during such hour.

5.1.3 Minimum Monthly Capacity Payment. During any month, the “**Minimum Monthly Capacity Payment**” shall equal the amount determined by the following formula:

Minimum Monthly Capacity Payment = $CC \times 1000 \times CPR \times [?]\%$, where:

CC = the Contract Capacity;

CPR = Capacity Payment Rate; and

% = [?].

5.1.4 Carry-Over Provisions. With respect to any month in which the calculated Monthly Capacity Payment is less than the Minimum Monthly Capacity Payment, the difference between the two payment amounts shall be set forth in a separate account (the amount in such account is referred to herein as the “**Capacity Payment Shortfall**”). The Capacity Payment Shortfall shall be increased by interest at the Prime Rate divided by 365 on the maximum amount of the Capacity Payment Shortfall on that day and shall be recovered by Buyer as a credit against the otherwise applicable Monthly Capacity Payment owed to Seller in any following month and by drawing on the Carry-Over-Letter of Credit as provided below. That portion of any Capacity Payment Shortfall which is not recovered in any month shall be carried over to each subsequent month thereafter until recovered by Buyer in full from Seller. If the Capacity Payment Shortfall exceeds \$[?], then Seller shall provide a Letter of Credit for the benefit of Buyer, in form reasonably acceptable to Buyer, with a face amount equal to the full amount of the Capacity Payment Shortfall amounts (“**Carry-Over Letter of Credit**”). The amount of such Carry-Over Letter of Credit shall be adjusted thereafter, at the end of each month, to equal the then-outstanding Capacity Payment Shortfall. At the end of each Contract Year, Buyer shall be entitled to draw down against the Carry-Over Letter of Credit for the amount the Capacity Payment Shortfall that has not been recovered as of that date.

5.2 Energy Payment. Commencing on the last day of the month in which the Commercial Operation Date occurs, Buyer shall pay to Seller in arrears a Variable Energy Payment as set forth in **Exhibit F** for Net Energy.

5.3 Test Energy. For the period between the Effective Date and the Commercial Operation Date, Seller shall sell and deliver Net Energy to Buyer at the Electricity Delivery Point as Test Energy. Buyer shall pay Seller for Test Energy delivered at the Electricity Delivery Point, an amount per MWh equal to eighty-five percent (85%) of the settled price for the applicable hour in the daily (i) firm on-peak, (ii) firm-off peak or (iii) 24-hour firm (on Sundays and NERC holidays) Dow JonesTM SP15 Electricity Price Index; *provided, however*, that the amount to be paid by Buyer for such Test Energy shall in no event exceed seventy-five percent (75%) of the price per MWh specified on **Exhibit M** for the first Contract Year. If the Dow JonesTM SP15 Electricity Price Index ceases to be published during the Term, Buyer shall select as a replacement electricity price index or component, an index acceptable to Buyer in its discretion that, after any necessary adjustments, provides the most reasonable substitute quotation of the daily price of firm on-peak, firm off-peak or 24-hour firm energy at South of Path 15 for the applicable periods.

5.4 Costs and Charges. Seller shall be responsible for all costs or charges imposed in connection with the delivery of Net Energy at the Electricity Delivery Point, including transmission costs and charges. Without limiting the generality of the foregoing, except to the extent otherwise provided in the Interconnection Agreement, Seller shall bear all costs associated with the modifications to Transmission Provider's interconnection facilities or electric system (including system upgrades) caused by or related to (a) the interconnection of the Facility with Transmission Provider's system, (b) any increase in Capacity of the Facility, and (c) any increase of delivery of energy from the Facility.

5.5 Station Service. Seller shall be responsible for arranging and obtaining, at its sole risk and expense, any station service required by the Facility that is not provided by the Facility itself.

SECTION 6

OPERATION AND CONTROL

6.1 As-Built Supplement. Upon completion of construction of the Facility, Seller shall provide Buyer the As-built Supplement. The As-built Supplement shall be deemed effective and shall be added to **Exhibit A** of this Agreement when it has been reviewed and approved by Buyer. Buyer shall not unreasonably withhold, condition or delay its approval of the As-built Supplement.

6.2 Measurement and Quality of Net Energy. All Net Energy shall be measured at the Electricity Delivery Point and shall meet all requirements in the Interconnection Agreement and the specifications set forth in **Exhibit Q**. Seller shall instruct the Transmission Provider in writing that Buyer is entitled to receive, directly from Transmission Provider, any and all data

associated with the Facility and/or the production of Net Energy that the Transmission Provider has in its possession.

6.3 Standard of Facility Operation

6.3.1 General.

6.3.1.1 At Seller's sole cost and expense, Seller shall operate, maintain and repair the Facility and the Electrical Interconnection Facilities in accordance with (i) the standards, criteria and formal guidelines of FERC, NERC, any RTO, and any successors to the functions thereof; (ii) the Required Facility Documents; (iii) the Interconnection Agreement; (iv) all Requirements of Law; (v) the requirements of this Agreement; and (vi) Prudent Electrical Practice. During the Term, Seller shall be the sole owner of the Electrical Interconnection Facilities. Seller shall defend, indemnify and hold Buyer harmless from and against any requirements to comply with FERC Open Access requirements respecting the Electrical Interconnection Facilities caused by Seller's act or omission. Seller acknowledges that it shall have no claims under this Agreement against Buyer, acting in its merchant function capacity, with respect to any requirements imposed by or damages caused by Buyer, acting in its transmission function capacity, in connection with the Interconnection Agreement or otherwise.

6.3.1.2 Without limiting the generality of Section 6.3.1.1, Seller shall:

6.3.1.2.1 At all times, employ qualified and trained personnel for managing, operating and maintaining the Facility and for coordinating such managing, operating and maintenance with Buyer. Seller shall ensure that prior to or on the first Day Seller delivers energy to the Electricity Delivery Point such qualified and trained personnel are available to Buyer at all times, twenty-four (24) hours per Day during the Term.

6.3.1.2.2 Operate and maintain the Facility with due regard for the safety, security and reliability of the System and Buyer's customers and in compliance with the general specifications contained in **Exhibit I**.

6.3.1.2.3 Comply with operating and maintenance standards recommended by the Facility's equipment suppliers.

6.3.1.2.4 Coordinate the Facility's relaying and protection to conform with Prudent Electrical Practice.

6.3.1.2.5 Furnish and install, at Seller's sole expense, a manually operable disconnecting device that can be locked by Buyer in the open position and visually checked to be in the open position, so as to be able to electrically isolate the Facility from the System. This device(s) shall be installed at a location at or near the Electricity Delivery Point.

6.3.1.2.6 Have the Facility's protective relays calibrated and operationally checked, at least annually by a person qualified to perform such service and provide Buyer with a written confirmation of the calibration.

6.3.1.2.7 Operate the Facility in such a manner so as not to have an adverse effect on Buyer's voltage level or voltage waveform.

6.3.1.2.8 Operate the Facility in a manner and consistent with the Operating Procedures so as to permit Buyer to dispatch individual items of Major Equipment required to generate energy Scheduled by Buyer.

6.3.2 Interconnection. Pursuant to the Interconnection Agreement, Seller shall be responsible for the costs and expenses associated with interconnection of the Facility at its Facility Capacity at the Electricity Delivery Point, including the costs of any System upgrades beyond the Electricity Delivery Point necessary to interconnect the Facility with System and to allow the delivery of energy to the Electricity Delivery Point.

6.3.3 Coordination with System. Pursuant to the Interconnection Agreement, Seller shall be responsible for the coordination and synchronization of the Facility's equipment with the System, and shall be solely responsible for (and shall defend and hold Buyer harmless against) any damage that may occur as a direct result of Seller's improper coordination or synchronization of such equipment with the System.

6.4 Operating Procedures and Compliance.

6.4.1 Without limiting the generality of Section 6.2, during the Term, the Parties shall observe the Operating Procedures.

6.4.2 In the Operating Procedures, each Party has designated an authorized representative (an "**Authorized Representative**") and an alternate representative (an "**Alternate Representative**") to act in the Authorized Representative's absence. A Party's appointment of an Authorized Representative and Alternate Representative shall remain in full force and effect until the Party delivers written notice of substitution to the other Party. The Authorized Representatives and Alternate Representatives shall be managers well-experienced with regard to matters relating to the implementation of the Parties' rights and obligations under this Agreement.

6.4.3 Operational Compliance.

6.4.3.1 Required Facility Documents. Seller shall maintain in full force and effect and available for inspection by Buyer during the Term all Required Facility Documents now or hereafter required.

6.4.3.2 Hazardous Substances. Seller shall operate the Facility in compliance with all Environmental Laws and permits, licenses, rules or orders promulgated, issued or otherwise required by a Governmental Authority having jurisdiction or enforcement power over any Environmental Law and Seller. Seller shall immediately notify Buyer if Seller or any Affiliate of Seller receives or obtains any actual knowledge of or actual notice of any past, present or future actions or plans which may interfere with or prevent compliance or continued compliance with Environmental Laws, affect the construction or operation of the Facility, or may give rise to any material liability under any Environmental Laws or to any common law or legal liability or otherwise form the basis of any claim, action, demand, suit, proceeding, hearing, study or investigation under Environmental Laws.

6.4.4 Taxes. Seller shall pay when due or reimburse Buyer for all existing and any new sales, use, excise, ad valorem, and any other similar taxes, imposed or levied by any Governmental Authority on the sale of Net Energy to Buyer under this Agreement regardless of whether such taxes are payable by Buyer or Seller under Requirements of Law.

6.4.5 Fines and Penalties.

6.4.5.1 Seller shall pay when due, and in no event later than thirty (30) days of assessment, all fines, penalties, or legal costs incurred by Seller or for which Seller is legally responsible for noncompliance by Seller, its agents, employees, contractors or subcontractors, with any provision of this Agreement, any agreement, commitment, obligation or liability incurred in connection with this Agreement or the Facility or any Requirements of Law, except where such fines, penalties or legal costs are being contested in good faith by Seller, its agents or contractors through appropriate proceedings with (i) adequate reserves set aside, or (ii) if requested by Buyer, the posting of adequate security, in the event of an adverse determination.

6.4.5.2 Subject to Section 6.4.4, if fines, penalties, or legal costs are assessed against Buyer by any Governmental Authority due to noncompliance by Seller with any Requirements of Law, or if the performance of Seller is delayed or stopped by order of any Governmental Authority due to Seller's noncompliance with any Requirements of Law, Seller shall indemnify and hold harmless Buyer against any and all losses, liabilities, damages, and claims suffered or incurred by Buyer.

6.4.5.3 Seller shall reimburse Buyer for all fees, damages, or penalties imposed by any Governmental Authority, other person or to other utilities for violations to the extent caused by a Potential Event of Default or an Event of Default by Seller or a failure of performance by Seller under this Agreement.

6.5 Scheduling Procedures.

6.5.1 Availability Notices and Updates.

6.5.1.1 By 5:00 A.M. Pacific Prevailing Time on the Business Day immediately preceding the next three (3) Days on which energy is to be delivered by Seller to Buyer, Seller shall provide Buyer with an hourly forecast of the Capacity of the Facility expected to be available to Buyer, up to the Contract Capacity, and for each hour of the next three (3) Days (as set forth in the form of **Exhibit L**, an “**Availability Notice**”); *provided, however*, that an Availability Notice provided on a Day before any non-Business Day shall include forecasts for each Day to and including the next Business Day. Delivery of an Availability Notice by Seller to Buyer with respect to any item of Major Equipment declared Available shall be deemed a declaration that all Ancillary Services capable of being provided from such Major Equipment are available for the Days for which such Availability Notice shall be effective. Seller shall promptly update Availability Notices any time information becomes available indicating a change in the forecast of generation of energy from the then current forecast; and in any event within 15 minutes of each time it becomes aware of a change (favorable or unfavorable) in the availability, or projected availability, of the Facility or electric transmission capacity, *provided* that such changes to the daily Availability Notices may be delivered by telephone within the fifteen (15) minute initial period and then later confirmed in writing within the hour. To the extent commercially reasonable, the parties shall cooperate to implement and use automatic forecast updates.

6.5.1.2 Availability Notices shall specify any known limitations on the availability of electric transmission capacity made known to Seller that may affect the ability of the Facility to generate and deliver Scheduled Energy to the Electricity Delivery Point. Seller will also provide Buyer with a monthly Availability Notice six Business Days before the commencement of each such month, and a weekly Availability Notice on each Friday for the next week. Availability Notices identifying reductions in availability will include a short description of the nature of the problem, steps taken or being taken to resolve it and Seller’s estimate of the time by which a reduction in availability will be resolved. Availability Notices identifying projected restorations of Capacity availability will specify the time and extent that such restoration is projected to occur, and Seller will issue a further notice after restoration of availability is complete. Without limiting the foregoing, Seller will inform Buyer of any major limitations, restrictions, deratings or outages known to Seller affecting the ability to generate Facility Capacity for the following Day and will promptly update Seller’s notice to the extent of any material changes in this information.

6.5.1.3 Availability Notices will be used by and relied upon by Buyer to establish and adjust electric transmission schedules. If Seller has provided notice to Buyer of a reduction in availability affecting transmission

schedules, then prior to increasing Facility generation for delivery to Buyer as a result of restored availability, Seller will provide Buyer timely notice so as to enable Buyer sufficient time to reestablish its transmission schedules. The failure by Seller to provide revised Availability Notices is not a breach of this Agreement, but rather places Seller at risk for electric imbalance penalties or charges incurred by Buyer due to its lack of notice; *provided, however*, the failure to provide such notices more than [?] times a Contract Year shall constitute the failure to perform a material obligation hereunder that is not capable of being cured.

6.5.2 Dispatch Notice.

6.5.2.1 No later than 5:00 P.M. Pacific Prevailing Time on each Business Day, Buyer shall deliver to Seller a statement (which may be communicated by fax, e-mail or other electronic medium or a recorded telephone line) setting forth the estimated quantity of Net Energy to be Scheduled during each hour of the immediately following Day(s) at the Electricity Delivery Point. These estimates shall not be binding upon Buyer and Buyer may subsequently revise its estimates. The foregoing estimates by Buyer shall not be construed to permit Seller to limit the availability of the Facility such that Buyer is restricted from Dispatching Contract Capacity unless the Facility Capacity is physically unavailable due to Force Majeure, Planned Outage or Unplanned Outage, as the case may be. Buyer's written statement may request the delivery of energy to be Scheduled during any or all hours of any Day.

6.5.2.2 Each Dispatch Notice submitted by Buyer shall specify (i) the quantities of Net Energy or Ancillary Services being Scheduled from the Baseload Capacity component of the Contract Capacity, (ii) the quantities, if any, of Net Energy or Ancillary Services being Scheduled from the Peakload Capacity component of the Contract Capacity, and (iii) the quantities, if any, of Net Energy or Ancillary Services being Scheduled from the Facility in Simple Cycle mode. In order to be included on any Dispatch Notice, each quantity of Net Energy, and each equivalent quantity of Ancillary Services, being Scheduled by Buyer from the Baseload Capacity component of the Contract Capacity, or from the Peakload Capacity component of the Contract Capacity, or in Simple Cycle mode, must be shown as a dispatchable quantity on **Exhibit P**. Any amount not shown on **Exhibit P**, but which falls between listed numbers on **Exhibit P** and is explicitly within the range of allowed dispatch, shall be interpolated from the numbers immediately above and below that amount which are listed on **Exhibit P**, including applicable heat rates. An example of a hypothetical Dispatch Notice is attached hereto as **Exhibit S**.

6.5.2.3 Seller shall be obligated to accept a request for Net Energy that has been provided to Seller in accordance with the requirements of Sections 6.5.2.1 and 6.5.2.2 except to the extent (i) such request exceeds the Contract Capacity or the Scheduling Constraints or (ii) Seller declares that the Facility is

not available as a result of a previously declared Planned Outage, a Forced Outage, or an event of Force Majeure. Seller shall promptly notify Buyer if Seller determines that it will not accept a Schedule submitted by Buyer for any of the foregoing reasons.

6.5.2.4 Buyer shall pay or reimburse Seller for all Scheduling Fees charged by any third parties, if any, associated with the Scheduling of Net Energy or Ancillary Services generated by the Facility for delivery to Buyer hereunder or, if applicable, any fees charged by an independent third party for providing Ancillary Services required to deliver Net Energy or Ancillary Services generated by the Facility to Buyer.

6.5.2.5 From time to time during the Term, Buyer may designate a third party to Schedule quantities of Net Energy on behalf of Buyer in accordance with any Requirements of Law. Buyer may also wish to change the designated entity acting in such capacity from time to time. Accordingly, upon request of Buyer, Seller shall make such arrangements in accordance with the Requirements of Law at Buyer's cost as may be reasonably necessary to facilitate the re-designation of the Person who may Schedule quantities of Net Energy on Buyer's behalf.

6.5.2.6 As shown in the Scheduling Constraints set forth for the Facility in **Exhibit Q**, the ramp rates applicable to the various items of Major Equipment comprising the Facility are faster for the Facility operating in Simple Cycle mode than in combined cycle mode. To the extent that Buyer elects to Schedule the delivery of Net Energy, and any equivalent quantity of Ancillary Services, from the Facility in Simple Cycle mode the Scheduling Constraints applicable to Simple Cycle mode shall be applicable to such Scheduling by Buyer. For any Scheduling by Buyer of Net Energy or Ancillary Services from the Baseload Capacity component or the Peakload Capacity component of the Contract Capacity, the Scheduling Constraints applicable to combined cycle mode shall be applicable to such Scheduling by Buyer.

6.5.2.7 Buyer may Dispatch energy and Ancillary Services on a real time basis, subject to the Operating Procedures. Seller shall be obligated to accept a request for a change to the applicable schedule for energy and Ancillary Services.

6.5.3 Fuel Arrangements.

6.5.3.1 Seller shall be responsible for providing for the construction, operation and maintenance of, at its sole cost and expense, all Fuel delivery, [long term coal contracts] and interconnection facilities, transport or rail specified in **Exhibit N**.

6.5.3.2 Commencing as of the Commercial Operation Date, Buyer shall at all times arrange, procure, supply, nominate, balance and deliver to Seller

at the Fuel Delivery, and Seller will accept from Buyer (except as otherwise excused herein) at the Fuel Delivery Point, all of the Fuel Supply Requirement described herein for the quantity of Net Energy and Ancillary Services that Buyer has Scheduled in accordance with the amounts specified in this Section 6.5.3, less the amounts of such Scheduled Net Energy and Ancillary Services which Seller is not obligated to deliver to Buyer, e.g., due to the unavailability of Capacity. Seller shall notify Buyer from time to time of any expected material deviation of the Standard Heat Rate of the Facility from the Guaranteed Heat Rate so that Buyer is able to nominate its Fuel to match the requirements of the Facility.

6.5.3.3 All Fuel required to be delivered under this Agreement shall be delivered by Buyer to the Fuel Delivery Point at no cost to Seller. Subject to Section 6.5.3.1, Buyer shall have the right to supply Fuel utilizing any or all of the Fuel Delivery Points as specified in **Exhibit N**, and shall have the right to change the quantities nominated and received from each pipeline on a daily basis, or more frequently, to the extent permitted by the Fuel Transporter, railroad etc so long as such changes do not disrupt Seller's operations.

6.5.3.4 On and after the Commercial Operation Date, and subject to Section 6.5.3.6, Buyer shall be responsible for the cost of Fuel and all other costs associated with the supply and transportation of all Fuel necessary to generate the Requested Net Energy as Dispatched pursuant to Section 6.5.2.

6.5.3.5 Seller shall pay for and deliver the Fuel required during Start-Up Testing to reach the minimum load of the Facility.

6.5.3.6 Imbalances associated with Fuel transportation and any balancing penalties or costs resulting from failure to accept delivery of the confirmed quantity of Fuel shall be the responsibility of Buyer. Payment for any balancing penalties or costs shall be in accordance with the procedures of Section 9. [This may be different depending on fuel source]

6.5.3.7 All Fuel to be supplied by Buyer shall be measured at the Fuel Metering Point set forth in **Exhibit N**, and shall meet the specifications set forth in **Exhibit N**.

6.5.3.8 The Fuel Supply Requirement applicable to any hour, which Buyer shall be obligated to deliver to Seller at the Fuel Delivery Points, shall consist of the Operating Fuel Quantity and any applicable Start-Up Fuel Quantity for such hour, which shall be determined as follows:

(i) The Operating Fuel Quantity for any hour may include Baseload Fuel Supply Requirement, Peakload Fuel Supply Requirement, and Simple Cycle Fuel Supply Requirement.

(ii) For each quantity of Net Energy, or equivalent quantity of Ancillary Services, that may be Scheduled by Buyer in such hour from the Baseload Capacity

component of the Contract Capacity, Buyer shall deliver a quantity of Fuel equal to the Baseload Fuel Supply Requirement, which shall be equal to such quantity of Net Energy, or equivalent quantity of Ancillary Services, multiplied by the applicable Baseload Heat Rate. The “**Baseload Heat Rate**” applicable to different quantities of Net Energy, or equivalent quantities of Ancillary Services, that may be Scheduled by Buyer from time to time from the Baseload Capacity component of the Contract Capacity are set forth in **Exhibit R**. Any amount not shown on **Exhibit R**, but which falls between listed numbers on **Exhibit R** and is explicitly within the range of allowed dispatch, shall be interpolated from the numbers immediately above and below that amount which are listed on **Exhibit R**, including applicable heat rates.

(iii) For each quantity of Net Energy, or equivalent quantity of Ancillary Services, that may be Scheduled by Buyer in such hour from the Peakload Capacity component of the Contract Capacity, Buyer shall deliver a quantity of Fuel equal to the Peakload Fuel Supply Requirement, which shall equal such quantity of Net Energy, or equivalent quantity of Ancillary Services, multiplied by the applicable Peakload Heat Rate. The “**Peakload Heat Rate**” applicable to different quantities of Net Energy, or equivalent quantities of Ancillary Services, that may be Scheduled by Buyer from time to time from the Peakload Capacity component of the Contract Capacity are set forth in **Exhibit R**. Any amount not shown on **Exhibit R**, but which falls between listed numbers on **Exhibit R** and is explicitly within the range of allowed dispatch, shall be interpolated from the numbers immediately above and below that amount which are listed on **Exhibit R**, including applicable heat rates.

(iv) For each quantity of Net Energy, or equivalent quantity of Ancillary Services, that may be Scheduled by Buyer in such hour from the Facility in Simple Cycle mode, Buyer shall deliver a quantity of Fuel equal to the Simple Cycle Fuel Supply Requirement, which shall be equal to such quantity of Net Energy, or equivalent quantity of Ancillary Services, multiplied by the applicable Simple Cycle Heat Rate. The “**Simple Cycle Heat Rate**” applicable to different quantities of Net Energy, or equivalent quantities of Ancillary Services, that may be Scheduled by Buyer from time to time from the Facility in the Simple Cycle mode are set forth in **Exhibit R**. Any amount not shown on **Exhibit R**, but which falls between listed numbers on **Exhibit R** and is explicitly within the range of allowed dispatch, shall be interpolated from the numbers immediately above and below that amount which are listed on **Exhibit R**, including applicable heat rates.

6.5.3.9 Each Party shall cooperate reasonably with the other Party to coordinate the supply and transportation of Fuel for the Facility with the operation of the Facility (x) by providing the other Party such information as the first Party shall reasonably request relating to the supply and transportation of the Fuel to the Facility (on both an historical and estimated future basis) and (y) by maintaining personnel available at all times to address scheduling of Fuel supply and transportation.

6.6 Outages.

6.6.1 Planned Outages. No Planned Outage may be scheduled to occur during any portion of the time period commencing on May 15 and concluding on September 15.

6.6.2 Maintenance Outages. If Seller reasonably determines that it is necessary to schedule a Maintenance Outage, Seller shall notify Buyer of the proposed Maintenance Outage at least five (5) days before the outage begins (or such shorter period to which Buyer may reasonably consent in light of then existing conditions). Upon such notice, the Parties shall plan the Maintenance Outage to mutually accommodate the reasonable requirements of Seller and the service obligations of Buyer; *provided, however*, that, unless Buyer otherwise consents, such consent not to be unreasonably withheld, no Maintenance Outage may be scheduled between the hour ending 0700 through the hour ending 2200, Monday through Saturday, during the time period commencing on May 15 and concluding on September 15. Notice of a proposed Maintenance Outage shall include the expected start date and time of the outage, the amount of Capacity of the Facility that will not be available, and the expected completion date and time of the outage. Seller shall give Buyer notice of the Maintenance Outage as soon as Seller determines that the Maintenance Outage is necessary. Buyer shall promptly respond to such notice and may request reasonable modifications in the schedule for the outage. Seller shall use all reasonable efforts to comply with any request to modify the schedule for a Maintenance Outage. Seller shall notify Buyer of any subsequent changes in Capacity available to Buyer or any changes in the Maintenance Outage completion date and time. As soon as practicable, any notifications given orally shall be confirmed in writing. Seller shall take all reasonable measures and exercise its best efforts in accordance with Prudent Electrical Practices to minimize the frequency and duration of Maintenance Outages.

6.6.3 Forced Outages. Seller shall promptly provide to Buyer an oral report of any Forced Outage of the Facility. This report shall include the amount of the Capacity of the Facility that will not be available because of the Forced Outage and the expected return date of such Capacity. Seller shall promptly update the report as necessary to advise Buyer of changed circumstances. As soon as practicable, if the Forced Outage resulted in more than five percent (5%) of the Facility Capacity being unavailable, the oral report shall be confirmed in writing. Seller shall take all reasonable measures and exercise its best efforts in accordance with Prudent Electrical Practices to avoid Forced Outages and to minimize their duration.

6.6.4 Notice of Deratings and Outages. Without limiting the foregoing, Seller will inform Buyer of any major limitations, restrictions, deratings or outages known to Seller affecting the Facility for the following day and will promptly update Seller's notice to the extent of any material changes in this information, with "major" defined as affecting more than five percent (5%) of the Facility Capacity.

6.7 Schedule Coordination. If, as a result of this Agreement, Buyer is deemed by an RTO to be financially responsible for Seller's performance under the Interconnection Agreement, due to Seller's lack of a "scheduling coordinator" or other RTO recognized standing or otherwise, then (a) Seller shall use commercially reasonable and diligent efforts to acquire such RTO recognized standing such that Buyer is no longer responsible for Seller's performance under the Interconnection Agreement, and (b) Seller shall defend, indemnify and hold Buyer harmless against any liability arising due to Seller's performance or failure to perform under the Interconnection Agreement.

6.8 Electronic Communications.

6.8.1 Telemetering. Seller shall provide telemetering equipment and facilities capable of transmitting the following information concerning the Facility pursuant to the Interconnection Agreement and to Buyer on a real-time basis and will operate such equipment when requested by Buyer to indicate:

- 6.8.1.1 instantaneous MW output at the Electricity Delivery Point;
- 6.8.1.2 Net Energy; and
- 6.8.1.3 Facility Capacity.

Seller shall also transmit to Buyer any other data from the Facility that Seller receives on a real time basis. Seller shall provide such real time data to Buyer on the same basis as the basis on which Seller receives the data (e.g., if Seller receives the data in four second intervals, Buyer shall also receive the data in four second intervals).

6.8.2 Dedicated Communication Circuit. Seller shall install a dedicated direct communication circuit (which may be by common carrier telephone) between Buyer and the control center in the Facility's control room or such other communication equipment as the Parties may agree.

6.9 Reports and Records.

6.9.1 Monthly Reports. Within thirty (30) days after the end of each calendar month during the Term (each, a "**Reporting Month**"), Seller shall provide to Buyer a report in electronic format, which report shall include (a) summaries of the Facility's output data for the Reporting Month in intervals not to exceed one hour (or such shorter period as is reasonably possible with commercially available technology), including information from the Facility's Computer Monitoring System; (b) summaries of any other significant events related to the construction or operation of the Facility for the Reporting Month; and (c) any supporting information that Buyer may from time to time reasonably request (including historical data for the Facility).

6.9.2 Electronic Fault Log. Seller shall maintain an electronic fault log of operations of the Facility during each hour of the Term beginning as of the

Commercial Operation Date. Seller shall provide Buyer with a copy of the electronic fault log within thirty (30) days after the end of the calendar month to which the fault log applies.

6.93 Other Information to Be Provided to Buyer. Seller shall provide to Buyer the following information concerning the Facility:

6.9.3.1 Upon the request of Buyer, the manufacturers' guidelines and recommendations for maintenance of the Facility equipment;

6.9.3.2 A detailed report summarizing the results of maintenance performed during each Planned Outage and any Forced Outage, and upon request of Buyer any of the technical data obtained in connection with such maintenance; and

6.9.3.3 A detailed report describing the facts, circumstances and events that caused and arose out of, or related to, any Forced Outage, failed Start-Up or other item of Major Equipment being taken off-line or tripping for any reason other than in connection with a Planned Outage.

6.9.4 Information to Any Governmental Authority. Seller shall, promptly upon written request from Buyer, provide Buyer with all data which is collected by Seller related to the Facility reasonably required for reports to and information requests from any Governmental Authority. Along with said information, Seller shall provide to Buyer copies of all submittals to any Governmental Authority directed by Buyer and related to the operation of the Facility with a certificate that the contents of the submittals are true and accurate to the best of Seller's knowledge. Seller shall use best efforts to provide this information to Buyer soon enough so that Buyer has time to review such information and meet any submission deadlines imposed by the requesting organization or entity. After the sending or filing any statement, application, and report or any document with any Governmental Authority relating to operation and maintenance of the Facility, Seller shall promptly provide to Buyer with a copy of the same.

6.9.5 Information to Any Intervenor. Seller shall, promptly upon written request from Buyer, provide Buyer with data reasonably required for information requests from any state or federal agency intervenor or any other party achieving intervenor status in any Buyer rate proceeding or other proceeding before any Governmental Authority. Seller shall use best efforts to provide this information to Buyer soon enough so that Buyer has time to review such information and meet any submission deadlines imposed by the requesting organization or entity.

6.9.6 Environmental Information. Seller shall, promptly upon written request from Buyer, provide Buyer with all data reasonably requested by Buyer relating to environmental information under the Required Facility Documents.

6.9.7 Information Relating to Facility Performance. Seller shall provide Buyer monthly operational reports in a form and substance acceptable to Buyer and Seller shall, promptly upon written request from Buyer, provide Buyer with all operational data requested by Buyer with respect to the performance of the Facility and delivery of energy therefrom.

6.9.8 Audited Financial Statements. Seller shall provide Buyer within ninety (90) days after the end of each calendar year, its audited financial statements together with the audited financial statements of any guarantor providing Credit Support, in each case prepared in accordance with generally accepted accounting principles by an accounting firm of nationally recognized standing in the electric power industry reasonably acceptable to Buyer.

6.9.9 Notice of Default. Seller shall promptly notify Buyer of receipt of written notice or actual knowledge of the occurrence of any event of default under any material agreement to which Seller is a party and of any other development, financial or otherwise, which would have a material adverse effect on Seller, the Facility or Seller's ability to develop, construct, operate, maintain or own the Facility as provided in this Agreement.

6.9.10 Notice of Litigation. Following its receipt of written notice or actual knowledge of the commencement of any action, suit, and proceeding before any court or Governmental Authority which would, if adversely determined, adversely affect Seller, the Premises or the Facility, Seller shall promptly give notice to Buyer of the same.

6.9.11 Additional Information. Seller shall provide to Buyer such other information respecting the condition or operations of Seller and the Facility as Buyer may, from time to time, reasonably request.

6.10 Access Rights. Upon reasonable prior notice and subject to the safety rules and regulations of Seller, Seller shall provide Buyer and its authorized agents, employees and inspectors with reasonable access to the Facility: (a) for the purpose of reading or testing metering equipment, (b) as necessary to witness any required Capacity tests necessary to determine the amount of Capacity associated with the Facility, (c) in connection with the operation and maintenance of the Electrical Interconnection Facilities for the Facility, (d) to provide tours of the Facility to customers and other guests of Buyer (not more than twelve (12) times per year), (e) for purposes of implementing Section 9.5, and (f) for other reasonable purposes at the reasonable request of Buyer.

6.11 EWG. Seller shall provide Buyer with copies of Seller's applications to FERC for EWG status and for authority to sell energy under this Agreement within ten (10) days of filing such application(s). During the Term, Seller shall either (i) maintain its EWG status and its authority to sell power under this Agreement or (ii) otherwise cause Seller to be exempt from federal and state regulations as an electric utility.

6.12 Facility Images. Buyer shall be free to use any and all images from or of the Facility for promotional purposes. Upon Buyer's request and at Buyer's expense, Seller shall install equipment as Buyer may request, including without limitation video and or web-based imaging equipment. Buyer shall use its discretion with respect to how images from or of the Facility are presented by Buyer, including without limitation associating images of the Facility with Buyer's corporate logo but not the corporate logo of Seller.

6.13 Financial and Accounting Information. If Buyer or one of its Affiliates determines that, under the Financial Accounting Standards Board's revised Interpretation No. 46, Consolidation of Variable Interest Entities ("**FIN 46**"), it may hold a variable interest in Seller, but it lacks the information necessary to make a definitive conclusion, Seller hereby agrees to provide sufficient financial and ownership information so that Buyer or its Affiliate may confirm whether a variable interest does exist under FIN 46. If Buyer or one of its affiliates determines that, under FIN 46, it holds a variable interest in Seller, Seller hereby agrees to provide sufficient financial and other information to Buyer or its Affiliate so that Buyer may properly consolidate the entity in which it holds the variable interest and/or present the disclosures required by FIN 46.

SECTION 7

SECURITY AND CREDIT SUPPORT

7.1 Credit Support. At any time during the Term, Seller may have to post Credit Support Security in the amounts outlined on the Credit Matrix based upon its' Credit Rating or that of the entity providing credit assurances as Credit Support Security on behalf of the Seller, and the size of the project. If Seller has a published Credit Rating from each of S&P and Moody's, the lower rating will be used to determine the level of Credit Support in the Credit Matrix. If Seller, or the entity providing credit assurances as Credit Support Security on behalf of the Seller, has no published Credit Rating, an equivalent Credit Rating will be determined by Buyer through the application of Buyer's proprietary credit scoring model developed in conjunction with a third party, and the amount of Credit Support for Seller (as shown on the Credit Matrix) will be based upon this equivalent Credit Rating. If the required Credit Support is greater than zero dollars (\$0.00), upon the request of Buyer, Seller shall provide the Credit Support in the form of: (x) a guaranty, in form and substance acceptable to Buyer in its sole discretion from a Person acceptable to Buyer in its sole discretion, (y) a Letter of Credit, or (z) a Cash Escrow. [IE has requested language to the effect of: Buyer shall be required to post Credit Support Security in the amount of ___% of the Credit Support if the same is required at any time before the milestone set forth in Section 2.2.3 has been met; and after such milestone has been met, Buyer shall be required to post Credit Support Security in the amount of 100% of the required Credit Support.]

7.2 Subordinated Security Interests.

7.2.1 Security Interests. Concurrently with the execution of this Agreement and simultaneously with the acquisition by Seller after the Effective Date of any real property in connection with the Facility (including land and water or rights thereto), Seller shall execute, file and record such agreements, documents,

Deleted: If at any time during the Term, Seller maintains a Credit Rating of (1) "Aa2" or higher by Moody's and (2) "AA" or higher by S&P, then Seller will not be required to post any Credit Support Security. If Seller does not meet the Credit Rating requirements of (1) and (2) in the preceding sentence, it may have to post Credit Support Security in the amounts outlined on the Credit Matrix based upon its' Credit Rating or that of the entity providing a guaranty as Credit Support Security on behalf of the Seller, and the size of the project. If Seller has a published Credit Rating from each of S&P and Moody's, the lower rating will be used to determine the level of Credit Support in the Credit Matrix. If Seller, or the entity providing a guaranty as Credit Support Security on behalf of the Seller, has no published Credit Rating, an equivalent Credit Rating will be determined by Buyer through the application of Buyer's proprietary credit scoring model developed in conjunction with S&P, and the amount of Credit Support for Seller (as shown on the Credit Matrix) will be based upon this equivalent Credit Rating. If the required Credit Support is greater than zero dollars (\$0.00), upon the request of Buyer, Seller shall within five (5) Business Days provide one of the following in the amount of the Credit Support: (x) a guaranty, in form and substance acceptable to Buyer in its sole discretion from a Person acceptable to Buyer in its sole discretion, (y) a Letter of Credit, or (z) a Cash Escrow.

instruments, deeds of trust and other writings as Buyer may request, all in form and substance satisfactory to Buyer, to give Buyer a perfected security interest in and lien on the Facility, the Premises and all other assets necessary or in Buyer's opinion desirable for the development, construction, ownership, operation or maintenance of the Facility as security for Seller's performance and any amounts owed by Seller to Buyer pursuant to this Agreement (collectively the "**Security Interests**"). The Security Interests shall be subordinate in right of payment, priority and remedies only to the interests of the financiers for the Facility contemplated by Section 2.2.3 and approved by Buyer.

7.2.2 Pledge of Ownership Interests. [*Note to bidders: This section is applicable only if Seller is a special purpose entity.*] Concurrently with the execution of this Agreement, Seller's equity holders shall execute and file such agreements, documents, instruments, and other writings as Buyer may request, all in form and substance satisfactory to Buyer, to give Buyer a perfected security interest in and lien on all ownership interests in Seller as security for Seller's performance and any amounts owed by Seller to Buyer pursuant to this Agreement (the "**Pledge Interest**"). The Pledge Interest shall be subordinate in right of payment, priority and remedies only to the interests of the financiers for the Facility contemplated by Section 2.2.3 and approved by Buyer.

7.2.3 Maintenance of Security Interests. Seller shall execute and file and record (or cause to be executed and filed and recorded) such Uniform Commercial Code financing statements and deeds of trust and shall take such further action and execute such further instruments and other writings as shall be required by Buyer to confirm and continue the validity, priority, and perfection of the Security Interests [and the Pledge Interest]. The granting of the Security Interests [and the Pledge Interest] shall not be to the exclusion of, nor be construed to limit the amount of any further claims, causes of action or other rights accruing to Buyer by reason of any breach or default by Seller under this Agreement or the termination of this Agreement prior to the expiration of the Term.

7.2.4 Transfer of Required Facility Documents. The Security Interests shall provide that if Buyer acts to obtain title to the Facility pursuant to the interests provided by Seller pursuant to Section 7.2.1, Seller shall take all steps necessary to transfer all Required Facility Documents necessary to operate the Facility to Buyer, and shall diligently prosecute and cooperate in such transfers.

7.3 Quarterly Financial Statements. If requested by Buyer, Seller shall within thirty (30) days provide Buyer with copies of its most recent quarterly financial statements, together with the audited financial statements of any guarantor providing Credit Support, in each case prepared in accordance with generally accepted accounting principles.

7.4 Security is Not a Limit on Seller's Liability. The Credit Support and Security Interests contemplated by this Section 7: (a) constitutes security for, but is not a limitation of, Seller's obligations under this Agreement, and (b) shall not be Buyer's exclusive remedy for

Seller's failure to perform in accordance with this Agreement. To the extent that Buyer draws on the Credit Support, Seller shall within five (5) Business Days reinstate the security to the full amount required by this Section 7.

7.5 Escrow Account. With respect to any Cash Escrow established pursuant to this Section 7 as Credit Support, Seller hereby grants Buyer a security interest in the escrow account and all moneys and other amounts in the account to secure payment and performance of Seller's obligations under this Agreement. Buyer shall have, and Seller agrees to take all further action required or reasonably requested by Buyer to ensure that Buyer has, all rights of a secured party under Article 9 of the Uniform Commercial Code and applicable law with respect to the escrow account and all moneys and other amounts in the escrow account. The escrow agreement shall be in form and substance acceptable to Buyer in its discretion and shall contain the following language: "Escrow Agent acknowledges that Seller has granted Buyer a security interest in the amounts held by Escrow Agent in the [*describe escrow accounts and all moneys and other amounts in the account*] (collectively, the "**Collateral**"). Escrow Agent acknowledges that it (a) has received and holds possession of the Collateral for the benefit of Buyer and not as the agent of or on behalf of Seller and (b) shall continue to hold possession of the Collateral for Buyer's benefit until Escrow Agent receives notice in an authenticated record from Buyer that Buyer's security interest in the Collateral has been terminated. Escrow Agent acknowledges that it has no rights in and to the Collateral other than its right to receive payment of its fees and expenses pursuant to the Escrow Agreement."

7.6 Senior Lender Protective Provisions. PacifiCorp agrees to enter into a consent to collateral assignment in substantially the form of the Lender Consent for the benefit of the Senior Lenders, and to reasonably cooperate with the reasonable requests of such Senior Lenders in conjunction with any financing of the Facility; *provided, however,* that except as provided in the form of the Lender Consent, in no event shall PacifiCorp be required to agree to any modification hereof; and provided further, however, that if and to the extent any Lenders request (a) changes to the form of the Lender Consent (or otherwise attempt to negotiate the form of consent), (b) any additional documents or assurances, or (c) any legal opinion from PacifiCorp with regard hereto, then Seller shall reimburse PacifiCorp for its reasonable out-of-pocket costs in making any such changes or providing any such additional documents or legal opinion, with such costs to be paid to PacifiCorp at the closing of the financing as a condition to the effectiveness of PacifiCorp's consents, documents and opinions.

SECTION 8

METERING

8.1 Net Energy. Meter equipment shall be installed, owned, operated, maintained and tested in accordance with the terms of the Interconnection Agreement and shall automatically account for line losses between such meter equipment and the Electricity Delivery Point (collectively, the "**Electric Metering Equipment**"). The Electric Metering Equipment shall be capable of metering Net Energy delivered at the Electricity Delivery Point on a continuous real time basis.

8.1.1 Seller Electric Metering. Seller shall be responsible for the maintenance, testing and calibration of the Electric Metering Equipment and the maintenance and testing of the electrical facilities and Protective Apparatus, including any transmission equipment and related facilities, necessary to interconnect the Facility at the Electricity Delivery Point. Such installation shall be completed, and the delivery of such data shall be commenced, as promptly as possible but in no event later than one month prior to the commencement of Net Energy deliveries. Seller shall bear all costs and expenses of installing, maintaining and testing all Electric Metering Equipment.

8.1.2 Fuel Meters. Fuel delivered by Buyer to Seller shall be metered at the Fuel Delivery Point by the meters owned by the respective interstate pipelines delivering such Fuel to each of the Fuel delivery points identified in **Exhibit O** (the “**Fuel Metering Point(s)**”).

8.1.3 Check Meters. Buyer may at its option and expense install and operate one or more check meters to check Seller’s meters. Such check meters shall be for check purposes and shall not be used in the measurement of Net Energy or Ancillary Services for the purposes of this Agreement. The check meters shall be subject at all reasonable times to inspection and examination by the Seller or its designee. The installation and operation thereof shall, however, be done entirely by Buyer at no cost or expense to Seller. The Seller shall grant to Buyer, at no cost or expense, the right to install such check meters at the Electricity Delivery Point and the right to access such check meters at reasonable times as requested by Buyer if such check meters are located on the Premises.

8.1.4 Change in Measurement Method. If, at any time during the Term a new method or technique is developed with respect to electricity measurement, or the determination of the factors used in electricity measurement, such new method or technique may be substituted for the method set forth in this Section 8.1 when in the opinion of the Parties, employing such new method or technique is advisable, and they so agree in writing.

8.1.5 Industry Standards. All Electric Metering Equipment, whether owned by the Seller or by a third party, shall be operated, maintained and tested by and/or on behalf of the Seller in accordance with Prudent Electrical Practices.

8.1.6 Access. Each Party shall have the right to receive reasonable advance notice with respect to, and to be present at the time of, any installing, cleaning, changing, repairing, inspecting, testing, calibrating or adjusting of Electric Metering Equipment. The records from such Electric Metering Equipment shall be the property of the Seller, but upon reasonable advance notice, the Seller shall make available to Buyer all data, records and charts relating to the Electric Metering Equipment, together with calculations therefrom, for inspection and verification.

8.1.7 Installations. Any installations of Electric Metering Equipment required pursuant to this Agreement shall be scheduled by the Seller; provided,

however, that no installation which shall or could affect deliveries of Net Energy shall be made without the prior written consent of Buyer, which shall not be unreasonably withheld. Any installations of check meters by Buyer shall be scheduled by Buyer; provided, however that the installation shall not unreasonably interfere with the operation and maintenance of the Facility by the Seller.

8.1.8 Estimates. During the period after the Effective Date and prior to the installation and commencement of operation of the meters contemplated by this Section 8.1.8, the Net Energy generated and delivered shall be estimated in good faith by the Seller and the Parties shall prepare and submit invoices on the basis of such estimates. Any such invoice shall be adjusted retroactively based on the performance of the Facility during the three month period immediately following the installation of such meters.

8.1.9 Inspection. Seller, at its sole cost and expense, shall inspect and calibrate, or cause to be inspected and calibrated, all Electric Metering Equipment periodically, but not less frequently than annually. When any test, in the case of Electric Metering Equipment, shall show a measurement error of more than one-quarter percent (1/4%), correction shall be made for the period during which the measurement instruments were in error, first, by using the registration of Buyer's check meter, if installed and registering accurately; if no check meter is installed and registering accurately, or if the period cannot be ascertained, correction shall be made for one-half (1/2) of the period elapsed since the last date of test; and the measuring instrument shall be adjusted immediately to measure accurately.

8.2 Records. The Parties shall, for five (5) years or such longer period as may be required by the applicable Governmental Authority, each keep and maintain accurate and detailed records relating to the Facility's hourly deliveries of Net Energy and Fuel consumption. Such records shall be made available for inspection by either Party or any Governmental Authority having jurisdiction with respect thereto during normal business hours upon reasonable notice. If either Party (the "**Notifying Party**") shall propose to discard any records theretofore required to be retained by this Section 8.2, it shall give notice to the other Party thereof and the other Party may within thirty (30) days elect to take possession of such records by notice to the Notifying Party, and in such case the Notifying Party shall promptly, and in any event, no later than five (5) days following receipt of such notice, deliver such records to the other Party at its expense. If the Party receiving a Notice pursuant to this Section 8.2 shall not respond within such thirty (30) days, the Notifying Party may discard such records without any further obligation hereunder. Upon written request by Buyer, Seller promptly shall request that the Transmission Provider provide in writing any and all meter or other data associated with the Facility and Net Energy directly to Buyer. Notwithstanding any other provision of this Agreement, Buyer shall have the right to provide such meter data to any RTO or generation tracking service.

8.3 Adjustment to Loss Factors. If Buyer or Seller has a reasonable basis for concluding that the Electric Metering Equipment is not accurately measuring losses between the Electric Metering Equipment and the Electricity Delivery Point, it may propose an adjustment to the Electric Metering Equipment by notice to the other Party. Such an adjustment shall be prospective only. The notice will include information explaining in reasonable detail why the loss factor appears to be incorrect. The other Party shall have thirty (30) days in which to approve or disapprove of the proposed adjustment, which approval may not be unreasonably withheld, conditioned or delayed. A proposed loss factor adjustment that is not disapproved by notice to Seller given within the thirty (30) day period shall be deemed approved. The Parties shall cooperate in causing PacifiCorp Transmission to make an appropriate adjustment to the Electric Metering Equipment pursuant to the Interconnection Agreement.

SECTION 9

BILLINGS, COMPUTATIONS AND PAYMENTS

9.1 Monthly Invoices. On or before the tenth (10th) day following the end of each month, Seller shall deliver to Buyer a proper invoice showing Seller's computation of the Variable Energy Payment, MAAF and the Capacity Payment for such month. If such invoice is delivered by Seller to Buyer, Buyer shall send to Seller payment for Seller's deliveries in respect thereof on or before the thirtieth (30th) day following the end of each month.

9.2 Offsets. Buyer may offset any payment due under this Agreement against amounts owing from Seller to Buyer pursuant to this Agreement, any other agreement between the Parties or otherwise.

9.3 Interest on Late Payments. Any amounts that are not paid when due under this Agreement shall bear interest at the Prime Rate plus two hundred (200) basis points from the date due until paid; provided, however, that this interest rate shall at no time exceed the maximum rate allowed by applicable law.

9.4 Disputed Amounts. If either Party, in good faith, disputes any amount due pursuant to an invoice rendered or written demand made under this Agreement, such Party shall notify the other Party of the specific basis for the dispute and, if the invoice shows an amount due, shall pay that portion of the statement that is undisputed, on or before the due date. Any such notice shall be provided within two (2) years of the date of the invoice in which the error first occurred. If any amount disputed by such Party is determined to be due the other Party, or if the Parties resolve the payment dispute, the amount due shall be paid within five (5) days of such determination or resolution, along with interest accrued at the rate determined under Section 9.3 from the date due until the date paid.

9.5 Audit Rights. Buyer, through its authorized representatives, shall have the right, at its sole expense and during normal business hours, to examine and copy the records of Seller to the extent reasonably necessary to verify the accuracy of any statement, charge or computation made hereunder or to verify the Seller's performance of its obligations hereunder. Upon request, Seller shall provide to Buyer statements evidencing the quantities of energy delivered at the Electricity Delivery Point. If any statement is found to be inaccurate, a corrected

statement shall be issued and any amount due thereunder will be promptly paid and shall bear interest calculated at the rate determined under Section 9.3 from the date of the overpayment or underpayment to the date of receipt of the reconciling payment. Notwithstanding the above, no adjustment shall be made with respect to any statement or payment hereunder unless Buyer questions the accuracy of such payment or statement within two (2) years after the date of such statement or payment.

SECTION 10

DEFAULTS AND REMEDIES

10.1 Defaults. The following events are defaults (each, an “**Event of Default**”) under this Agreement:

10.1.1 Events of Default by Either Party.

10.1.1.1 A Party’s failure to make a payment when due under this Agreement if the failure is not cured within ten (10) days after the non-defaulting Party gives the defaulting Party a notice of the default, except as provided in Section 9.4.

10.1.1.2 A Party (a) makes an assignment for the benefit of its creditors; (b) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy or similar law for the protection of creditors, or has such a petition filed against it and such petition is not withdrawn or dismissed within sixty (60) days after such filing; (c) becomes insolvent; or (d) is unable to pay its debts when due.

10.1.1.3 A Party’s breach of a representation or warranty made by that Party in this Agreement if the breach is not cured within thirty (30) days after the non-defaulting Party gives the defaulting Party a notice of the default.

10.1.1.4 A Party otherwise fails to perform any material obligation imposed upon that Party by this Agreement if the failure is not cured within thirty (30) days after the non-defaulting Party gives the defaulting Party notice of the default; provided, however, that, upon written notice from the defaulting Party, this thirty (30) day period shall be extended by an additional sixty (60) days if (a) the failure cannot reasonably be cured within the thirty (30) day period despite diligent efforts, (b) the default is capable of being cured within the additional sixty (60) day period, and (c) the defaulting Party commences the cure within the original thirty (30) day period and is at all times thereafter diligently and continuously proceeding to cure the failure.

10.1.2 Events of Default by Seller.

10.1.2.1 Seller’s failure to post or increase the Carry-Over Letter of Credit within ten (10) Business Days after the end of each month as may be required under Section 5.1.4.

10.1.2.2 Seller's failure to cause the Facility to achieve (a) an average of the applicable CAF_{ms} of at least [?%] in any three (3) consecutive quarters in a Contract Year or (b) achieve an average of the applicable CAF_{ms} of at least [?%] in three (3) out of any five (5) consecutive Contract Years.

10.1.2.3 Seller's failure to post and maintain Credit Support as required by Section 7 if the failure is not cured within five (5) days after Buyer gives Seller a notice of the default.

10.1.2.4 Seller's failure to achieve a milestone by the date set forth for the achievement of that milestone in Section 2.2 (other than the failure to achieve the Commercial Operation Date by the Guaranteed Commercial Operation Date) if the failure is not cured within thirty (30) days after Buyer gives Seller a notice of the default.

10.1.2.5 Seller's failure to cause the Facility to achieve the Commercial Operation Date on or before [___] days following the Guaranteed Commercial Operation Date. *[note to bidders: insert number of days; this will be a material component of the evaluation of your bid; the nature of the resource will be considered. The lowest feasible numeral is encouraged.]*

10.1.2.6 Seller's failure to cure any default under any Required Facility Documents (including the Interconnection Agreement) within the time allowed for a cure under such agreement or instrument.

10.1.2.7 Seller's sale of energy from the Facility to a Party other than Buyer in breach of this Agreement if Seller does not permanently cease such sale and compensate Buyer for the damages arising from the breach within ten (10) days after Buyer gives Seller a notice of default.

10.1.2.8 The Facility is unavailable to provide energy for ninety (90) consecutive days or one hundred twenty (120) non-consecutive days in any three hundred sixty-five (365) day period commencing on the Commercial Operation Date and prior to end of the Term.

10.2 Termination and Remedies.

10.2.1 Upon the occurrence of, and during the continuation of, an Event of Default, the non-defaulting Party shall be entitled to all remedies available at law or in equity, and may terminate this Agreement by notice to the other Party designating the date of termination and delivered to the defaulting Party no less than ten (10) days before such termination date. Further, during the continuation of an Event of Default by Seller, and until it has recovered all damages incurred on account of such Event of Default by Seller, without exercising its termination right, Buyer may offset its damages against any payment due Seller.

10.2.2 In the event of a termination of this Agreement:

10.2.2.1 The Parties' respective obligations under this Agreement shall terminate (other than those obligations which expressly are to be performed after termination).

10.2.2.2 Each Party shall pay to the other all amounts due the other under this Agreement for all periods prior to termination subject to offset by the non-defaulting Party against damages incurred by such Party.

10.2.2.3 The amounts due pursuant to Section 10.2.2.2 shall be paid within thirty (30) days of the billing date for such charges plus interest thereon at the Prime Rate from the date of termination until the date paid.

10.2.2.4 The provisions of Sections 6.4.4, 6.9.4, 6.9.5, 8.2, 9.3, 9.4, 9.5, 10.7, 10.9, 11 and 14 shall survive the termination of this Agreement.

10.3 Specific Performance. Buyer shall be entitled to seek and obtain a decree compelling specific performance or granting injunctive relief with respect to, and shall be entitled, without the necessity of filing any bond, to enjoin any actual or threatened breach of any material obligation of Seller under this Agreement. Seller agrees that in view of the nature of the bid procedure that caused Seller to be selected, and the importance of the Facility and the Buyer's requirement for Capacity and energy, specific performance (including temporary and preliminary relief) and injunctive and other equitable relief, including access to all records of Seller, are proper in the event of any actual or threatened breach of any material obligation by Seller under this Agreement, and that any liability limits contained in this Agreement shall not operate to limit the exercise of Buyer's remedies in equity to cause Seller to perform its obligations under this Agreement. In any action for specific performance or injunctive relief or other equitable relief, all expenses incurred by the prevailing party in such proceeding, including reasonable counsel fees, shall be awarded to the prevailing party in such proceeding. Seller agrees that it will not assert as a defense to Buyer's action for specific performance of, or injunctive relief or other equitable relief relating to, Seller's obligations hereunder that the amounts payable or paid by Seller in respect of liquidated damages or actual damage constitute an adequate remedy for the breach of such obligation, and Seller hereby conclusively waives such defense.

10.4 Failure to Meet Availability. If an Event of Default by Seller described in Section 10.1.2.2 shall occur, Buyer shall have the right to enter the Facility and do all such things as Buyer may consider necessary or desirable to remedy such situation or to improve the availability of the Contract Capacity, including making any repairs to the Major Equipment or the Facility. Seller shall reimburse Buyer for and shall indemnify and hold harmless Buyer from and against all losses, costs, charges and expenses incurred by Buyer in connection with exercise of its rights under this Section 10.4 other than due to the gross negligence or willful misconduct of Buyer. In connection with the exercise of the rights under this Section 10.4, Buyer shall have the right to recoup and set off all such losses, costs, charges and expenses against amounts otherwise owed by Buyer under this Agreement.

10.5 License to Operate Facility. During the occurrence and continuance of an Event of Default by Seller, Seller hereby irrevocably grants to Buyer the right, license, and authority to enter the Premises, operate the Facility, and to perform Seller's obligations under this Agreement for the Term of this Agreement. Notwithstanding the license granted to Buyer in this Section 10.5, so long as no Event of Default by Seller which would entitle Buyer to terminate this Agreement has occurred and is continuing, Buyer agrees that Seller may operate the Facility and provide the energy and Capacity in accordance with its obligations under this Agreement. Upon the occurrence of an Event of Default and the expiration of all applicable opportunities to cure, Buyer may, but shall not be obligated to, exercise its rights as licensee under this Section 10.5 in lieu of termination. Buyer's right to operate the Facility pursuant to the license granted in this Section 10.5 shall be effective for a period not to exceed 365 days from the date Buyer first exercises its license rights. During any period in which Buyer is operating the Facility pursuant to the license granted in this Section 10.5, Seller shall, upon request from Buyer, reimburse Buyer for all reasonable costs and expenses incurred by Buyer to operate and maintain the Facility. In connection with the exercise of the rights under this Section 10.5, Buyer shall have the right to recoup and set off all such losses, costs, charges and expenses against amounts otherwise owed by Buyer under this Agreement.

10.6 Termination of Duty to Buy. If this Agreement is terminated because of Seller's default, Seller may not require Buyer to purchase energy from the Facility before the date on which the Term would have ended had this Agreement remained in effect. Seller hereby waives its rights to require Buyer to do so.

10.7 Net Replacement Power Costs. If this Agreement is terminated because of Seller's default, Seller shall pay Buyer the positive difference, if any, obtained by subtracting (a) the result of (1) the energy, stated in MWh, that Seller was obligated to provide to Buyer during the remainder of the Term, multiplied by (2) the price per MWh (i) specified in **Exhibit F** for the remaining Contract Years subtracted from (ii) the market price of such energy as determined in good faith by Buyer, from (b) the Replacement Price for any energy that Seller was obligated to provide during the remainder of the Term. Amounts owed by Seller pursuant to this Section 10.7 shall be due within five (5) Business Days after Buyer gives Seller notice of the amount due.

10.8 Credit Support Security. Buyer may apply the Credit Support Security at any time to reduce amounts due from Seller to Buyer under this Agreement which are not paid when due.

Deleted: Default Security
Buyer may apply the Credit Support Security at any time to reduce amounts due from Seller to Buyer under this Agreement which are not paid when due.

10.9 Cumulative Remedies. The rights and remedies provided to Buyer under this Agreement are cumulative and not exclusive of any rights or remedies which Buyer would otherwise have.

SECTION 11

INDEMNIFICATION AND LIABILITY

11.1 Indemnities.

11.1.1 Indemnity by Seller. Seller hereby releases, indemnifies and holds harmless Buyer, its directors, officers, agents, and representatives against and from any and all losses, claims, actions or suits, including costs and attorney's fees, resulting from, or arising out of or in any way connected with (a) the energy delivered by Seller under this Agreement to and at the Electricity Delivery Point, (b) the Fuel delivered by Buyer under this Agreement at and after the Fuel Delivery Point, (c) any facilities on Seller's side of the Electricity Delivery Point, (d) Seller's operation and/or maintenance of the Facility, or (e) arising from Seller's performance under this Agreement, including any loss, claim, action or suit, for or on account of injury, bodily or otherwise, to, or death of, persons, or for damage to, or destruction or economic loss of property belonging to Buyer, Seller or others, excepting only such loss, claim, action or suit as may be caused solely by the fault or gross negligence of Buyer, its directors, officers, employees, agents or representatives.

11.1.2 Indemnity by Buyer. Buyer hereby releases, indemnifies and holds harmless Seller, its directors, officers, agents, and representatives against and from any and all losses, claims, actions or suits, including costs and attorney's fees, resulting from, or arising out of or in any way connected with (a) the energy delivered by Seller under this Agreement after the Electricity Delivery Point, and (b) the Fuel prior to delivery at the Fuel Delivery Point under this Agreement, including any loss, claim, action or suit, for or on account of injury, bodily or otherwise, to, or death of, persons, or for damage to, or destruction or economic loss of property, excepting only such loss, claim, action or suit as may be caused solely by the fault or gross negligence of Seller, its directors, officers, employees, agents or representatives.

11.2 No Dedication. Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to, or any liability to any person not a Party to this Agreement. No undertaking by one Party to the other under any provision of this Agreement shall constitute the dedication of that Party's system or any portion thereof to the other Party or to the public, nor affect the status of Buyer as an independent public utility corporation or Seller as an independent individual or entity.

11.3 Consequential Damages. Neither Party shall be liable to the other Party 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.

SECTION 12

INSURANCE

12.1 Required Policies and Coverages. Without limiting any liabilities or any other obligations of Seller under this Agreement, Seller shall secure and continuously carry with an insurance company or companies rated not lower than “A” by the A.M. Best Company the insurance coverage specified on **Exhibit J** during the periods specified on **Exhibit J**.

12.2 Certificates and Certified Copies of Policies. Seller shall provide Buyer with a certified “true and correct” copy of the insurance policies, provisions and endorsements contemplated by **Exhibit J** within ten (10) days after the date by which such policies are required to be obtained (as set forth in **Exhibit J**). If any coverage is written on a “claims-made” basis, the certification accompanying the policy shall conspicuously state that the policy is “claims made.”

SECTION 13

FORCE MAJEURE

13.1 Definition of Force Majeure. As used in this Agreement, “**Force Majeure**” or “**an event of Force Majeure**” means an event (a) is not reasonably anticipated as of the date of this Agreement, (b) is not within the reasonable control of the Party affected by the event, (c) is not the result of such Party’s negligence or failure to act, and (d) could not be overcome by the affected Party’s use of due diligence in the circumstances. Force Majeure includes, but is not restricted to, events of the following types (but only to the extent that such an event, in consideration of the circumstances, satisfies the tests set forth in the preceding sentence): acts of God; fire; explosion; civil disturbance; sabotage; action or restraint by court order or public or government authority (as long as the affected Party has not applied for or assisted in the application for, and has opposed to the extent reasonable, such court or government action). Notwithstanding the foregoing, none of the following constitute Force Majeure: (i) Seller’s ability to sell, or Buyer’s ability to purchase energy at a more advantageous price than is provided under this Agreement; (ii) economic hardship including lack of money; (iii) the imposition upon Seller of costs or taxes allocated to Seller under Sections 5 or 6; (iv) delay or failure by Seller to obtain any Required Facility Document, other than Permits which Seller is diligently and timely taking all reasonable steps to obtain; (v) strikes or labor disturbances occurring at the Facility, the Premises or any of Buyer’s or Seller’s facilities; (vi) changes in, or costs of compliance with, Environmental Laws enacted after the date of this Agreement; and (vii) the failure of the Transmission Provider, whether or not Transmission Provider is PacifiCorp acting in its regulated transmission function capacity, for any reason to transmit Contract Capacity or energy.

13.2 Suspension of Performance. If either Party is rendered wholly or in part unable to perform its obligations under this Agreement because of an event of Force Majeure, both Parties shall be excused from the performance affected by the event of Force Majeure, provided that:

13.2.1 the Party affected by the Force Majeure, shall, within two (2) weeks after the occurrence of the event of Force Majeure, give the other Party written notice describing the particulars of the event; and

13.2.2 the suspension of performance shall be of no greater scope and of no longer duration than is required by the Force Majeure; and

13.2.3 the affected Party shall use diligent efforts to remedy its inability to perform.

13.3 Force Majeure Does Not Affect Other Obligations. No obligations of either Party that arose before the Force Majeure causing the suspension of performance or that arise after the cessation of the Force Majeure shall be excused by the Force Majeure.

13.4 Right to Terminate. If a Force Majeure event prevents a Party from substantially performing its obligations under this Agreement for a period exceeding one hundred eighty (180) days, then Buyer may terminate this Agreement by giving ten (10) days' prior notice to Seller. Upon such termination, neither Party will have any liability to the other with respect to the period following the effective date of such termination; *provided, however*, that this Agreement will remain in effect to the extent necessary to facilitate the settlement of all liabilities and obligations arising under this Agreement before the effective date of such termination.

SECTION 14

CONFIDENTIALITY

14.1 Confidential Business Information. The Parties' proposals and negotiations prior to the date hereof concerning this Agreement, the terms of this Agreement, and the actual charges billed to Buyer under this Agreement, constitute the "Confidential Business Information" of both Parties. Seller and Buyer each agree to hold such Confidential Business Information wholly confidential.

14.2 Duty to Maintain Confidentiality. Confidential Business Information may only be used by the Parties for purposes related to the approval, administration or enforcement of this Agreement and for no other purpose. Each Party agrees not to disclose Confidential Business Information to any other person (other than its affiliates, counsel, consultants, lenders, prospective lenders, buyers, prospective buyers, contractors constructing or providing services to the Facility, employees, officers and directors who agree to be bound by the provisions of this Section), without the prior written consent of the other Party, provided that either Party may disclose Confidential Business Information, if such disclosure is required by law, required in order for Buyer to receive regulatory recovery of expenses related to the Agreement or pursuant to an order of a court or regulatory agency or in order to enforce this Agreement or to seek approval of this Agreement. In the event a Party is required by law or by a court or regulatory agency to disclose Confidential Business Information, such Party shall to the extent possible notify the other Party at least three (3) Business Days in advance of such disclosure.

14.3 Irreparable Injury; Remedies. Each Party agrees that violation of the terms of this Section 14 constitutes irreparable harm to the other, and that the harmed Party may seek any and all remedies available to it at law or in equity, including injunctive relief.

14.4 News Releases and Publicity. Before issuing any news release or promotional material regarding the Facility, Seller shall contact Buyer for language that credits Buyer as purchasing the Net Energy and shall use such language in such news releases and promotional material.

SECTION 15

DISAGREEMENTS

15.1 Negotiations. The Parties shall attempt in good faith to resolve all disputes arising out of or related to or in connection with this Agreement promptly by negotiation, as follows. Any Party may give the other Party written notice of any dispute not resolved in the normal course of business. Executives of both Parties at levels one level above the personnel who have previously been involved in the dispute shall meet at a mutually acceptable time and place within ten (10) days after delivery of such notice, and thereafter as often as they reasonably deem necessary, to exchange relevant information and to attempt to resolve the dispute. If the matter has not been resolved within thirty (30) days from the referral of the dispute to senior executives, or if no meeting of such senior executives has taken place within fifteen (15) days after such referral, either Party may initiate litigation as provided hereinafter if neither Party has requested that the dispute be mediated in accordance with Section 15.2 below. All negotiations pursuant to this clause are confidential.

15.2 Mediation. If the dispute is not resolved within thirty (30) days from the referral of the dispute to senior executives, or if no meeting of senior executives has taken place within fifteen (15) days after such referral, either Party may request that the matter be submitted to nonbinding mediation. If the other Party agrees, the mediation will be conducted in accordance with the Construction Industry Arbitration Rules and Mediation Procedures (Including Procedures for Large, Complex Construction Disputes) of the American Arbitration Association (the “AAA”), as amended and effective on July 1, 2003 (the “**Mediation Procedures**”), notwithstanding any Dollar amounts or Dollar limitations contained therein.

15.2.1 The Party requesting the mediation, may commence the mediation process with AAA by notifying AAA and the other Party in writing (“**Mediation Notice**”) of such Party’s desire that the dispute be resolved through mediation, including therewith a copy of the Dispute Notice and the response thereto, if any, and a copy of the other Party’s written agreement to such mediation.

15.2.2 The mediation shall be conducted through, by and at the office of AAA located in Salt Lake City, Utah.

15.2.3 The mediation shall be conducted by a single mediator. The Parties may select any mutually acceptable member from the panel of retired

judges at AAA as a mediator. If the parties cannot agree on a mediator within five (5) days after the date of the Mediation Notice, then the AAA's Arbitration Administrator shall send a list and resumes of three (3) available mediators to the parties, each of whom shall strike one name, and the remaining person shall be appointed as the mediator. If more than one name remains, either because one or both parties have failed to respond to the AAA's Arbitration Administrator within five (5) days of receiving the list or because one or both parties have failed to strike a name from the list or because both parties strike the same name, the AAA's Arbitration Administrator will choose the mediator from the remaining names. If the designated mediator shall die, become incapable or, unwilling to, or unable to serve or proceed with the mediation, a substitute mediator shall be appointed in accordance with the selection procedure described above in this Section 15.2.3, and such substitute mediator shall have all such powers as if he or she has been originally appointed herein.

15.2.4 The mediation shall consist of one or more informal, nonbinding meetings between the Parties and the mediator, jointly and in separate caucuses, out of which the mediator will seek to guide the Parties to a resolution of the dispute. The mediation process shall continue until the resolution of the dispute, or the termination of the mediation process pursuant to Section 15.2.7.

15.2.5 The mediator's fees and expenses, shall be borne equally by the Parties. Each Party shall bear its own expenses incurred in connection with such mediation; provided, however, that if any dispute hereunder is not fully resolved as a result of such mediation, the prevailing party shall be awarded its reasonable attorney fees in any subsequent dispute resolution proceedings.

15.2.6 All verbal and written communications between the parties and issued or prepared in connection with this Section 15.2 shall be deemed prepared and communicated in furtherance, and in the context, of dispute settlement, and shall be exempt from discovery and production, and shall not be admissible in evidence (whether as admission or otherwise) in any arbitration or other proceedings for the resolution of the dispute.

15.2.7 The initial mediation meeting between the Parties and the mediator shall be held within twenty (20) days after the Mediation Notice. Either Party may terminate the mediation process upon the earlier to occur of (A) the failure of the initial mediation meeting to occur within twenty (20) days after the date of the Mediation Notice, (B) the passage of thirty (30) days from the date of the Mediation Notice without the dispute having been resolved, or (C) such time as the mediator makes a finding that there is no possibility of resolution through mediation. The mediation shall follow and be governed by the laws of the State of Oregon.

15.2.8 All deadlines specified in this Section 15.2 may be extended by mutual agreement.

15.3 Choice of Forum. Each Party irrevocably consents and agrees that any legal action or proceeding arising out of this Agreement or the actions of the Parties leading up to the Agreement shall be brought exclusively in the United States District Court for the District of Oregon, Portland Division. By execution and delivery of this Agreement, each Party (a) accepts the exclusive jurisdiction of such court and waives any objection that it may now or hereafter have to the exercise of personal jurisdiction by such court over each Party, (b) irrevocably agrees to be bound by any final judgment (after any and all appeals) of any such court arising out of such documents or actions, (c) irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceedings arising out of such documents brought in such court (including any claim that any such suit, action or proceeding has been brought in an inconvenient forum), (d) agrees that service of process in any such action may be effected by mailing a copy thereof by registered or certified mail, postage prepaid, to such Party at its address as set forth in this Agreement, and (e) agrees that nothing in this Agreement shall affect the right to effect service of process in any other manner permitted by law.

15.4 Settlement Discussions. The Parties agree that no statements of position or offers of settlement made in the course of the dispute process described in this Section will be offered into evidence for any purpose in any litigation or arbitration between the Parties, nor will any such statements or offers of settlement be used in any manner against either Party in any such litigation or arbitration. Further, no such statements or offers of settlement shall constitute an admission or waiver of rights by either Party in connection with any such litigation or arbitration. At the request of either Party, any such statements and offers of settlement, and all copies thereof, shall be promptly returned to the Party providing the same.

15.5 Waiver of Jury Trial. EACH PARTY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND IRREVOCABLY WAIVES THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON THIS AGREEMENT, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT AND ANY AGREEMENT EXECUTED OR CONTEMPLATED TO BE EXECUTED IN CONJUNCTION WITH THIS AGREEMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY TO THIS AGREEMENT. THIS PROVISION IS A MATERIAL INDUCEMENT TO EACH OF THE PARTIES FOR ENTERING INTO THIS AGREEMENT. EACH PARTY HEREBY WAIVES ANY RIGHT TO CONSOLIDATE ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT AND ANY OTHER AGREEMENT EXECUTED OR CONTEMPLATED TO BE EXECUTED IN CONJUNCTION WITH THIS AGREEMENT, OR ANY MATTER ARISING HEREUNDER OR THEREUNDER IN WHICH A JURY TRIAL HAS NOT OR CANNOT BE WAIVED.

15.6 Equitable Remedies. In any action for specific performance or injunctive relief or other equitable relief, all expenses incurred by the prevailing party in such proceeding, including reasonable counsel fees, shall be awarded to the prevailing party in such proceeding. Seller agrees that it will not assert as a defense to Buyer's action for specific performance of, or injunctive or other equitable relief relating to, Seller's obligations hereunder that the amounts payable or paid by Seller in respect of liquidated damages constitute an adequate remedy for the

breach of such obligation, and Seller hereby conclusively waives such defense. Seller shall at all times during the Term, own, lease, control, hold in its own name or be signatory to all Required Facility Documents (as the case may be) relating to the Facility to the extent necessary to prevent a material adverse effect on Buyer's right to specific performance or injunctive relief.

SECTION 16

GUARANTEED PERFORMANCE PARAMETERS

16.1 Guaranteed Heat Rate. Seller shall operate and maintain the Facility so as to achieve the Guaranteed Heat Rate in accordance with the provisions of **Exhibit R**.

16.2 Guaranteed Start-Up Time. Seller shall operate and maintain the Facility so as to achieve the Guaranteed Start-Up Time in accordance with the provisions of **Exhibit R**.

16.3 Guaranteed Ramp Rate. Seller shall operate and maintain the Facility so as to achieve the Guaranteed Ramp Rate in accordance with the provisions of **Exhibit R**.

SECTION 17

MISCELLANEOUS

17.1 Several Obligations. Nothing contained in this Agreement shall be construed to create an association, trust, partnership or joint venture or to impose a trust, partnership or fiduciary duty, obligation or liability on or between the Parties. If Seller includes two or more parties, each such party shall be jointly and severally liable for Seller's obligations under this Agreement.

17.2 Choice of Law. This Agreement shall be interpreted and enforced in accordance with the laws of the state of Oregon, excluding any choice of law rules that may direct the application of the laws of another jurisdiction.

17.3 Partial Invalidity. The Parties do not intend to violate any Requirements of Law governing the subject matter of this Agreement. If any of the terms of this Agreement are finally held or determined to be invalid, illegal or void as being contrary to any Requirements of Law or public policy, all other terms of the Agreement shall remain in effect. The Parties shall use best efforts to amend this Agreement to reform or replace any terms determined to be invalid, illegal or void, such that the amended terms (a) comply with and are enforceable under Requirements of Law, (b) give effect to the intent of the Parties in entering into this Agreement, and (c) preserve the balance of the equities contemplated by this Agreement in all material respects.

17.4 Waiver. No waiver of any provision of this Agreement shall be effective unless the waiver is set forth in a writing that (a) expressly identifies the provision being waived, and (b) is signed by the Party waiving the provision. A Party's waiver of one or more failures by the other Party in the performance of any of the provisions of this Agreement shall not be construed as a waiver of any other failure or failures, whether of a like kind or different nature.

17.5 Governmental Jurisdiction and Authorizations. This Agreement is subject to the jurisdiction of those Governmental Authorities having control over either Party or this Agreement. Buyer's duty to comply with this Agreement is conditioned on Seller's submission to Buyer before the Commercial Operation Date and maintaining thereafter copies of all Required Facility Documents.

17.6 Restriction on Assignments. Except as expressly provided in Section 17.7, neither Party shall assign this Agreement or any of its rights or obligations under this Agreement without the prior written consent of the other Party.

17.7 Permitted Assignments. The Buyer may assign its rights, delegate its duties or otherwise transfer its interests hereunder, in whole or in part to another entity having a long-term credit rating assigned thereto by a "nationally recognized statistical rating organization" (as that term is used in Rule 15c3-1(c)(2)(vi)(F) under the Securities Exchange Act of 1934) that equals or exceeds the Buyer's long term credit rating as of the date of such assignment.

17.8 Entire Agreement. This Agreement (including all attached Exhibits, which are incorporated by this reference) supersedes all prior agreements, proposals, representations, negotiations, discussions or letters, whether oral or in writing, regarding the subject matter of this Agreement. No modification of this Agreement shall be effective unless it is in writing and signed by both Parties.

17.9 Amendments. This Agreement shall not be altered or amended except by an instrument in writing specifically identifying the provisions to be amended and executed by authorized representatives of both parties.

17.10 No Third Party Beneficiaries. Notwithstanding anything to the contrary herein, this Agreement does not confer any rights upon any person other than the parties and their respective successors and permitted assigns. There are no third party beneficiaries of this Agreement.

17.11 Agents and Subcontractors. This Agreement may be performed by Buyer through the use of agents and subcontractors (but such use shall not relieve Buyer of any obligation hereunder).

17.12 Notices. All notices, requests, statements or payments shall be (a) made to the addresses set forth below, (b) in writing, and (c) delivered by letter, facsimile or other documentary form. Notice by facsimile or hand delivery shall be deemed to have been received by the close of the Business Day during which the notice is received or hand delivered. Notice by overnight mail or courier shall be deemed to have been received upon delivery as evidenced by the delivery receipt.

To Seller: _____

with a copy to:

To Buyer:

PacifiCorp
825 NE Multnomah, Suite 2000
Portland, Oregon 97232-2315
Attn: Sr. Vice President, Commercial & Trading

with copies to:

PacifiCorp
825 NE Multnomah, Suite 600
Portland, Oregon 97232-2315
Attn: Director of Contract Administration, Commercial & Trading

The Parties may change any of the persons to whom such notices are addressed, or their addresses, by providing written notices thereof in accordance with this Section.

17.13 Mobile-Sierra. The rates for service specified in this Agreement shall remain in effect until expiration of the Term, and shall not be subject to change for any reason, including regulatory review, absent agreement of the parties. Neither Party shall petition FERC pursuant to the provisions of sections 205 or 206 of the Federal Power Act (16 U.S.C. § 792 et seq.) to amend such prices or terms, or support a petition by any other person seeking to amend such prices or terms, absent the agreement in writing of the other Party. Further, absent the agreement in writing by both Parties, the standard of review for changes to this Agreement proposed by a Party, a non-party or the FERC acting *sua sponte* shall be the “public interest” standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956). To the extent that the FERC adopts specific language that parties must incorporate into agreements in order to bind FERC, third parties and themselves to a public interest standard of review, the Parties hereby incorporate such language herein by reference.

17.14 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which is an original and all of which taken together constitute one and the same instrument.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed in their respective names as of the date first above written.

[SELLER],
as Seller

By: _____

Name: _____

Title: _____

PACIFICORP,
as Buyer

By: _____

Name: _____

Title:

EXHIBIT U

FORM OF LENDER CONSENT

This CONSENT AND AGREEMENT (this "Consent"), dated as of _____, 200__, is entered into by and among PacifiCorp, an Oregon corporation, acting in its merchant function capacity (together with its permitted successors and assigns, "PacifiCorp"), _____, in its capacity as [**Administrative Agent**] for the Lenders referred to below (together with its successors, designees and assigns in such capacity, "Administrative Agent"), and _____, a _____ formed and existing under the laws of the State of _____ (together with its permitted successors and assigns, "Borrower"). Unless otherwise defined, all capitalized terms have the meaning given in the Contract (as hereinafter defined).

RECITALS

A. Borrower intends to develop, construct, install, test, own, operate and use an approximately ___ MW electric generating facility located _____, known as the _____ Generation Project (the "Project").

B. In order to partially finance the development, construction, installation, testing, operation and use of the Project, Borrower has entered into that certain [**Financing Agreement**], dated as of _____ (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Financing Agreement"), among Borrower, the financial institutions from time to time parties thereto (collectively, the "Lenders"), and Administrative Agent for the Lenders, pursuant to which, among other things, Lenders have extended commitments to make loans and other financial accommodations to, and for the benefit of, Borrower.

C. Borrower anticipates that, prior to the completion of construction of the Project, it will seek an additional investor (the "Tax Investor") to make an investment in Borrower to provide additional funds to finance the operation and use of the Project. *[if applicable]*

D. PacifiCorp and Borrower have entered into that certain Tolling Agreement, dated as of _____ (collectively with all documents entered into in connection therewith that are listed on [Schedule A] attached hereto and incorporated herein by reference, as all are amended, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms thereof and hereof, the "Contract").

E. Pursuant to a security agreement executed by Borrower and Administrative Agent for the Lenders (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Security Agreement"), Borrower has agreed, among other things, to assign, as collateral security for its obligations under the Financing Agreement and related documents (collectively, the "Financing Documents"), all of its right, title and interest in, to and under the Contract to Administrative Agent for the benefit of itself, the Lenders and each other entity or person providing collateral security under the Financing Documents.

AGREEMENT

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound, the parties hereto hereby agree as follows:

SECTION 1. CONSENT TO ASSIGNMENT. PacifiCorp acknowledges the assignment referred to in Recital E above, consents to an assignment of the Contract pursuant thereto, and agrees with Administrative Agent as follows:

(A) Administrative Agent shall be entitled (but not obligated) to exercise all rights and to cure any defaults of Borrower under the Contract, subject to applicable notice and cure periods provided in the Contract. Upon receipt of notice from Administrative Agent, PacifiCorp agrees to accept such exercise and cure by Administrative Agent if timely made by Administrative Agent under the Contract and this Consent. Upon receipt of Administrative Agent's written instructions, PacifiCorp agrees to make directly to Administrative Agent all payments to be made by PacifiCorp to Borrower under the Contract from and after PacifiCorp's receipt of such instructions, and Borrower consents to any such action.

(B) PacifiCorp will not, without the prior written consent of Administrative Agent (such consent not to be unreasonably withheld), (i) cancel or terminate the Contract, or consent to or accept any cancellation, termination or suspension thereof by Borrower, except as provided in the Contract and in accordance with subparagraph 1(C) hereof, (ii) sell, assign or otherwise dispose (by operation of law or otherwise) of any part of its interest in the Contract, except as provided in the Contract, or (iii) amend or modify the Contract in any manner materially adverse to the interest of the Lenders in the Contract as collateral security under the Security Agreement.

(C) PacifiCorp agrees to deliver duplicates or copies of all notices of default delivered by PacifiCorp under or pursuant to the Contract to Administrative Agent in accordance with the notice provisions of this Consent. PacifiCorp may deliver any such notices concurrently with delivery of the notice to Borrower under the Contract. Administrative Agent shall have: (a) the same period of time to cure the breach or default that Borrower is entitled to under the Contract if such default is the failure to pay amounts to PacifiCorp which are due and payable by Borrower under the Contract, except that if PacifiCorp does not deliver the default notice to Administrative Agent concurrently with delivery of the notice to Borrower under the Contract, then as to Administrative Agent, the applicable cure period under the Contract shall begin on the date on which the notice is given to Administrative Agent, or (b) ninety (90) days from the date notice of default or breach is delivered to Administrative Agent to cure such default if such breach or default cannot be cured by the payment of money to PacifiCorp, so long as Administrative Agent continues to perform any monetary obligations under the Contract, Section 11.1.2(c) of the Contract is not being breached, and all other obligations under the Contract are performed by Borrower or Administrative Agent or its designee(s) or assignee(s). If possession of the Project is necessary to cure such breach or default, and Administrative Agent or its designee(s) or assignee(s) declare Borrower in default and commence foreclosure proceedings, Administrative Agent or its designee(s) or assignee(s) will be allowed a reasonable period to complete such proceedings. PacifiCorp consents to the transfer of Borrower's interest under the Contract to the Lenders or Administrative Agent or their designee(s) or assignee(s) or

any of them or a purchaser or grantee at a foreclosure sale by judicial or nonjudicial foreclosure and sale or by a conveyance by Borrower in lieu of foreclosure and agrees that upon such foreclosure, sale or conveyance, PacifiCorp shall recognize the Lenders or Administrative Agent or their designee(s) or assignee(s) or any of them or other purchaser or grantee as the applicable party under the Contract (provided that such Lenders or Administrative Agent or their designee(s) or assignee(s) or purchaser or grantee assume the obligations of Borrower under the Contract, including, without limitation, satisfaction and compliance with all requirements of Sections 8.1 and 8.2 of the Contract, and provided further that PacifiCorp's subordinated lien rights with respect to the Project are preserved in the event of any transfer of Borrower's interest under the Contract).

(D) Notwithstanding subparagraph 1(C) above, in the event that the Contract is rejected by a trustee or debtor-in-possession in any bankruptcy or insolvency proceeding, or if the Contract is terminated for any reason other than a default which could have been but was not cured by Administrative Agent or its designee(s) or assignee(s) as provided in subparagraph 1(C) above, and if, within forty-five (45) days after such rejection or termination, the Lenders or their successors or assigns shall so request, to the extent permitted by applicable law, PacifiCorp and the Lenders or Administrative Agent or their designee(s) or assignee(s) will enter into a new contract. Such new contract shall be on the same terms and conditions as the original Contract for the remaining term of the original Contract before giving effect to such termination, and shall require the Lenders or Administrative Agent or their designee(s) or assignee(s) to cure any payment defaults then existing under the original Contract.

(E) In the event Administrative Agent, the Lenders or their designee(s) or assignee(s) elect to perform Borrower's obligations under the Contract as provided in subparagraph 1(C) above or enter into a new contract as provided in subparagraph 1(D) above, the recourse of PacifiCorp against Administrative Agent, Lenders or their designee(s) and assignee(s) shall be limited to such parties' interests in the Project, the credit support required under Section 7 of the Contract, and recourse against the assets of any party or entity that assumes the Contract or that enters into such new contract.

(F) In the event Administrative Agent, the Lenders or their designee(s) or assignee(s) succeed to Borrower's interest under the Contract, Administrative Agent, the Lenders or their designee(s) or assignee(s) shall cure any then-existing payment and performance defaults under the Contract, except any performance defaults of Borrower itself which by their nature are not susceptible of being cured. Administrative Agent, the Lenders and their designee(s) or assignee(s) shall have the right to assign all or a pro rata interest in the Contract or the new contract entered into pursuant to subparagraph 1(d) above to a person or entity to whom Borrower's interest in the Project is transferred, provided such transferee assumes the obligations of Borrower under the Contract. Upon such assignment, Administrative Agent and the Lenders and their designee(s) or assignee(s) (including their agents and employees, but excluding Seller) shall be released from any further liability thereunder accruing from and after the date of such assignment, to the extent of the interest assigned.

SECTION 2. REPRESENTATIONS AND WARRANTIES [PacifiCorp shall have the right to qualify the factual information contained in this Section to ensure that such representation is a true statement as of the date of this Consent]

PacifiCorp, acting in its merchant function capacity (and therefore specifically excluding the knowledge of PacifiCorp, acting in its transmission function capacity (“PacifiCorp Transmission”), as to any of the matters stated below, and without imputation to PacifiCorp of any knowledge whatsoever relating to the PacifiCorp Transmission, whether as a result of information publicly posted to the open access same-time information system or otherwise), hereby represents and warrants that as of the date of this Consent:

(A) It (i) is a corporation duly formed and validly existing under the laws of the state of its organization, (ii) is duly qualified, authorized to do business and in good standing in every jurisdiction necessary to perform its obligations under this Consent, and (iii) has all requisite corporate power and authority to enter into and to perform its obligations hereunder and under the Contract, and to carry out the terms hereof and thereof and the transactions contemplated hereby and thereby;

(B) the execution, delivery and performance of this Consent and the Contract have been duly authorized by all necessary corporate action on its part and do not require any approvals, material filings with, or consents of any entity or person which have not previously been obtained or made;

(C) each of this Consent and the Contract is in full force and effect;

(D) each of this Consent and the Contract has been duly executed and delivered on its behalf and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, except as the enforceability thereof may be limited as set forth in Section 3.1.5 of the Contract;

(E) there is no litigation, arbitration, investigation or other proceeding pending for which PacifiCorp has received service of process or, to PacifiCorp’s actual knowledge, threatened, against PacifiCorp relating solely to this Consent or the Contract and the transactions contemplated hereby and thereby;

(F) the execution, delivery and performance by it of this Consent and the Contract, and the consummation of the transactions contemplated hereby, will not result in any violation of, breach of or default under any term of (i) its formation or governance documents, or (ii) any material contract or material agreement to which it is a party or by which it or its property is bound, or of any material Requirements of Law presently in effect having applicability to it, the violation, breach or default of which could have a material adverse effect on its ability to perform its obligations under this Consent;

(G) neither PacifiCorp nor, to PacifiCorp’s actual knowledge, any other party to the Contract, is in default of any of its obligations thereunder;

(H) to the best of PacifiCorp's actual knowledge, (i) no Force Majeure Event exists under, and as defined in, the Contract and (ii) no event or condition exists which would either immediately or with the passage of any applicable grace period or giving of notice, or both, enable either PacifiCorp or Borrower to terminate or suspend its obligations under the Contract; and

(I) the Contract and the documents and instruments contemplated therein and this Consent are the only agreements between Borrower and PacifiCorp with respect to the Project, and all conditions precedent to effectiveness under the Contract have been satisfied or waived. ***[Reference to subordinated lien documents per Section 7.3 of the Contract to be inserted.]***

Each of the representations and warranties set forth herein shall survive the execution and delivery of this Consent and the consummation of the transactions contemplated hereby.

SECTION 3. NOTICES. All notices required or permitted hereunder shall be in writing and shall be effective (a) upon receipt if hand delivered, (b) upon telephonic verification of receipt if sent by facsimile and (c) if otherwise delivered, upon the earlier of receipt or three (3) Business Days after being sent registered or certified mail, return receipt requested, with proper postage affixed thereto, or by private courier or delivery service with charges prepaid, and addressed as specified below:

If to PacifiCorp: [_____] [_____] [_____] Telephone No.: [_____] Telecopy No.: [_____] Attn: [_____]
--

<p>If to Administrative Agent:</p> <p>[_____]</p> <p>[_____]</p> <p>[_____]</p> <p>Telephone No.: [_____]</p> <p>Telecopy No.: [_____]</p> <p>Attn: [_____]</p>
<p>If to Borrower:</p> <p>[_____]</p> <p>[_____]</p> <p>[_____]</p> <p>Telephone No.: [_____]</p> <p>Telecopy No.: [_____]</p> <p>Attn: [_____]</p>

Any party shall have the right to change its address for notice hereunder to any other location within the United States by giving thirty (30) days written notice to the other parties in the manner set forth above. Further, the Tax Investor shall be entitled to receive notices from PacifiCorp by providing written notice to PacifiCorp of Tax Investor's address for notices. PacifiCorp's failure to provide any notice to the Tax Investor shall not be a breach of this Consent.

SECTION 4. ASSIGNMENT, TERMINATION, AMENDMENT AND GOVERNING LAW.

This Consent shall be binding upon and benefit the successors and assigns of the parties hereto and the Tax Investor and their respective successors, transferees and assigns (including without limitation, any entity that refinances all or any portion of the obligations under the Financing Agreement). PacifiCorp agrees (a) to confirm such continuing obligation in writing upon the reasonable request of (and at the expense of) Borrower, Administrative Agent, the Lenders or any of their respective successors, transferees or assigns, and (b) to cause any successor-in-interest to PacifiCorp with respect to its interest in the Contract to assume, in writing in form and substance reasonably satisfactory to Administrative Agent, the obligations of PacifiCorp hereunder. Any purported assignment or transfer of the Contract not in conjunction with the written instrument of assumption contemplated by the foregoing clause (b) shall be null and void. No termination, amendment, variation or waiver of any provisions of this Consent shall be effective unless in writing and signed by the parties hereto. This Consent shall be governed by the laws of the State of New York (without giving effect to the principles thereof relating to conflicts of law except Section 5-1401 and 5-1402 of the New York General Obligations Law).

SECTION 5. COUNTERPARTS. This Consent may be executed in one or more duplicate counterparts, and when executed and delivered by all the parties listed below, shall constitute a single binding agreement.

SECTION 6. SEVERABILITY. In case any provision of this Consent, or the obligations of any of the parties hereto, shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions, or the obligations of the other parties hereto, shall not in any way be affected or impaired thereby.

SECTION 7. ACKNOWLEDGMENTS BY BORROWER. Borrower, by its execution hereof, acknowledges and agrees that notwithstanding any term to the contrary in the Contract, PacifiCorp may perform as set forth herein and that neither the execution of this Consent, the performance by PacifiCorp of any of the obligations of PacifiCorp hereunder, the exercise of any of the rights of PacifiCorp hereunder, or the acceptance by PacifiCorp of performance of the Contract by any party other than Borrower shall (1) release Borrower from any obligation of Borrower under the Contract, (2) constitute a consent by PacifiCorp to, or impute knowledge to PacifiCorp of, any specific terms or conditions of the Financing Agreement, the Security Agreement or any of the other Financing Documents, or (3) constitute a waiver by PacifiCorp of any of its rights under the Contract. Borrower and Administrative Agent acknowledge hereby for the benefit of PacifiCorp that none of the Financing Agreement, the Security Agreement, the Financing Documents or any other documents executed in connection therewith alter, amend, modify or impair (or purport to alter, amend, modify or impair) any provisions of the Contract. Borrower shall have no rights against PacifiCorp on account of this Consent.

IN WITNESS WHEREOF, the parties hereto by their officers thereunto duly authorized, have duly executed this Consent as of the date first set forth above.

PacifiCorp,
an Oregon corporation

By: _____
Name: _____
Title: _____

_____,
a _____

By: _____
Name: _____
Title: _____

_____,
as Administrative Agent for the Lenders

By: _____
Name: _____
Title: _____

FINAL DRAFT

4-25-08 version

**PacifiCorp
2008 All Source Request for
Proposals**

**Appendices, Attachments
and Forms**

Issued **XX, 2008
Responses due **XX**, 2008**

PacifiCorp – Request For Proposals
RFP Responses due XX, 2008

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Intent to Bid Form for Request for Proposal

Due XX, 2008

Complete Appendices A and B

PacifiCorp – Request for Proposals
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Intent to Bid Responses due XX, 2008

Intent to Bid Form for RFP

This Intent to Bid Form is comprised of Appendices A and B which both must be fully completed and submitted by **Insert date** to the Independent Evaluators (“IEs”) in order to participate in PacifiCorp’s RFP.

This is to declare that the undersigned intends to respond to PacifiCorp’s Request for Proposals in the All Source RFP (“RFP”).

Please include:

Company:	
Mailing Address:	
Phone:	
Fax:	
Email:	
Contact Person:	
Authorized Signature:	
Date:	

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Return five (5) copies of all completed Intent to Bid forms by express mail, registered or certified mail, or hand delivery by **XX, 2008** to both addresses:

Utah Independent Evaluator
Merrimack Energy Group, Inc.
c/o Utah Division of Public Utilities
Heber M Wells Bldg, 4th Floor
160 East 300 South
Box 146751
Salt Lake City, Utah 84114-6751

and

Oregon Independent Evaluator
Accion Group and Boston Pacific Company, Inc.
c/o Pacific Power Legal Department
Attention: Natalie L. Hocken
825 NE Multnomah, Suite 2000
Portland, Oregon 97232

The Intent to Bid Form consists of Appendices A and B. Both Appendices **must be completed in their entirety**. Bidders must complete both Appendices A and B in order to qualify to submit a proposal in the RFP. If a Bidder makes the shortlist the Bidder must be able to demonstrate within 20 business days their ability to satisfy their credit, capability, experience and qualification to deliver, along with specific references for each and every selected Resource Alternative being submitted in response to the RFP.

PacifiCorp reserves the right, following consultation with the IEs, to reject as non-responsive any, all, or portions of bid proposals received for failure to complete Appendix A and Appendix B in full. PacifiCorp also reserves the right to request that the IEs 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.

Intent to Bid Form

Appendix A: Bidder's Qualification Capability and Experience

1. RESOURCE ALTERNATIVES

Bidder must submit a separate form for each Resource Alternative it plans to submit. Each Resource Alternative will be assigned a separate bid number by the IEs. Bidder must select by marking with an “X” only one of the following Resource Alternatives as described in Section C.1 of the RFP. To the extent the Bidder submits a proposal that is different than the one checked in the Intent to Bid Form, PacifiCorp reserves the right to reject the RFP bid proposal.

- Power Purchase Agreement
 - Asset Backed Not Asset Backed
- Tolling Agreement
 - Asset Backed Not Asset Backed
- Asset Purchase and Sale Agreement on Bidder’s Site
- Asset Purchase and Sale Agreement on PacifiCorp’s Site
 - Currant Creek Lake Side
- 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
- Restructure of an existing Exchange Agreement
- Buyback of an existing Sales Agreement
- Load Curtailment
- Qualifying Facility
 - Asset Backed Not Asset Backed
- Biomass
 - Asset Backed Not Asset Backed
- Geothermal
 - Asset Backed Not Asset Backed

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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:	

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<p>Proposed Project</p> <p>(As applicable but not limited to the project submitted.)</p>	<ul style="list-style-type: none"> • Commercial Operation Date _____ • Eligible Online Date _____ • Bid Category _____ • Size _____ • Location and Delivery Point _____ • Fuel _____ • Technology (e.g. simple cycle gas-fired, combined cycle gas-fired) _____ • 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 _____ • Is PPA/TSA backed by an Asset?* • Is PPA/TSA backed by market purchases other than coal? • Other Information _____
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*For Power Purchase Agreements and Tolling Service Agreements to be backed by its respective physical asset, the agreements by their terms must put that physical resource behind the agreement, which may include, but not be limited to, the following: allowing the Company meaningful and actual exercise of step-in rights and a second lien (behind only the project lenders) on the assets and the special purpose entity equity, establishing a cap on the debt to equity ratio, and other financial covenants for the life of the Power Purchase Agreements or Tolling Service Agreements.

2. BIDDER QUALIFICATIONS

Please complete and/or provide documentation on the following sections listed below

1. Corporate structure and primary and secondary businesses

2. Location of offices

3. Provide a list of the officers of the company and provide the biographies of key officers

4. Please provide documentation of your company's previous experience developing/operating the proposed Resource Alternative over the last three (3) to five (5) years. Please provide a list of all projects developed, operated and/or financed during this same timeframe including the name of the project, location of each project, the project type and technology, project size, fuel source(s), commercial operation date, date financed, project partners and power purchasers.

3. BIDDER EXPERIENCE

In the case where a bid contains a proposal to develop a new project or expand an existing project please describe the types of agreements necessary for successful project development and identify 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. Provide documentation regarding the contractual relationship between the Bidder and any vendor. Indicate the status of any arrangements between the Bidder and vendor regarding the above agreements or any other agreements. **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 Resource Alternatives, proposed by the Bidder, the Company, after consultation with the IEs, reserves the right to exclude the Bidder from the RFP process.

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Appendix B: Bidder's Credit
Information

BIDDER’S CREDIT INFORMATION AND CREDIT MATRIX

Please provide the following information to enable PacifiCorp to 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 entity(ies) providing credit assurances on behalf of Bidder (if applicable).

A. Exact legal name and address of entity(ies):

B. Describe relationship to Bidder and describe type of credit assurances to be provided (e.g. parental guaranty, letter of credit, etc.) once notified that the Bidder has been selected for the final shortlist. Bidder must provide to Company a commitment letter(s) in a form acceptable to the Company (see Attachment 22) from the entity(ies) 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. It should be noted that more than one commitment letter, or more than one form of commitment letter, may be necessary.

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 (3) most recent fiscal years.

Fiscal Year End:

E. Identify material pending legal disputes (describe):

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

G. If Bidder is unable to provide audited financial statements or is relying upon another entity(ies) 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(ies) to provide credit assurances on Bidder's behalf?

H. Bidder should demonstrate their ability (and/or the ability of their credit support provider(s)) to provide the required security, including its plan for doing so (including type of security, sources of security, and a description of its credit support provider).

I. Bidder should provide a reasonable demonstration of their ability to finance the proposed project based on past experience and a sound financial plan identifying the proposed sources for debt and equity and evidence the project is financeable.

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

A. Exact legal name and address of entity(ies) 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.) once notified that the Bidder has been selected for the final shortlist. Bidder must provide to Company a letter(s) of commitment in a form acceptable to Company (see **Attachment 22**) from the entity(ies)

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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 (3) most recent fiscal years.

Fiscal Year End:

E. Pending material 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 estimated amount of credit assurances required for each Resource Alternative bid in each Bid Category. The Bidder will be required to demonstrate the ability to post any required credit assurances in the form of a commitment letter(s) consistent with **Attachment 22** from a proposed guarantor(s) and/or from a financial institution(s) that would be issuing a Letter of Credit. The Company will require each Bidder to provide the Company with an acceptable commitment letter(s) (if applicable) twenty (20) business days after the Bidder is notified that the Bidder has been selected for the final shortlist.

The amount of any credit assurances to be provided will be determined based upon:

- a) the Credit Rating of the Bidder and the entity(ies) providing credit assurances on behalf of the Bidder, if applicable, b) the size of the project, c) the Eligible Online Date, d) the type of Resource Alternative, and e) the Bid Category.

The Credit Rating is defined as 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) from Moody's Investor Services. If option x) or y) is not available, the Credit Rating will be determined by the Company through an internal process review utilizing a proprietary credit scoring model developed in conjunction with a third party.

All Bidders will receive a Credit Rating which will be used in determining the amount of any credit assurances to be posted. 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 assurances in addition to those outlined in the Credit Matrix.

The timing of when credit security must be posted is detailed in **Attachment 21**.

Credit Matrices Notes

- Columns contain maximum value of credit assurances to be posted for each range of MW for a 2012-2016 resource
- Based on the Eligible Online Date, size and type of Resource Alternative bid and Bid Category
- For projects less than five (5) years, the amount of credit assurances required may be adjusted
- Credit Requirements for the Bid Categories other than the Base Load Bid Category will be determined based on a percentage of the amount contained in the Credit Matrix
 - For the Intermediate Load Bid Category, the percentage of the amount contained in the Credit Matrix is based on the following formula:

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Percentage = capacity factor adjustment * price type adjustment; where the capacity factor adjustment is the Bidder's capacity factor divided by 60%, and the price type adjustment is the average of the monthly super-peak price divided by the monthly on-peak price, or 1.03 for PACW and 1.08 for PACEU.

- For the Summer Peak Bid Category, the percentage of the amount contained in the Credit Matrix for Resource Alternatives backed by an asset is 66%; the percentage of the amount contained in the Credit Matrix for Resource Alternatives not backed by an asset is 31%.

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RFP

**Appendix C: Information Required in
Bid Proposals for each Resource
Alternative**

Appendix C-1: Power Purchase Agreements and Tolling Service 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. The RFP is seeking capacity and energy resources to serve PacifiCorp's entire system. As a result, a Power Purchase Agreement or Tolling Service Agreement from new or existing coal resources must be consistent with multi-state legal and regulatory requirements regarding new and existing coal resources. Power Purchase Agreements and Tolling Service Agreements that are not backed by an asset cannot exceed a five (5) year term. 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 resource attributes largely consist of, 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.

Bidders should provide the following information:

- Address of the site where the Project will be located (the “Project Site”)
- Name of the existing facility at the Project site, if any
- Copies of maps showing the boundaries of the Project Site and key facilities, including any off-sites (fuel, water, wastewater, and electrical interconnection). 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.
- 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.
- Status of permits or process applicable to the Project. If the Bidder has not secured permits, the Bidder is required to provide a list of all permits required and a plan for securing the permits.
- Emissions offsets and credits required and how these will be obtained.
- Source and availability of water supply. Provide agreements for water rights if the Bidder has already obtained such rights. If the Bidder does not control water rights, provide a plan for securing such rights.
- Right-of-ways. Provide a list of any right-of-ways secured by the Bidder. If the Bidder has not secured right-of-ways, provide a list of the right-of-ways required and a plan for securing such right-of-ways.
- Critical Path Schedule. Provide a critical path schedule with important events and activities from the selection of the proposal to commercial operation date. Bidders should identify activities on the critical path along with the time required to complete each activity.
- Fuel Access. Provide a description of the fuel supply/transportation infrastructure accessible to the project site and provide a plan/strategy for securing and delivering the fuel from the source to the plant.

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

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- 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 – Bidders should conform 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 including turbine, steam generator, emission control equipment, gasifier, cooling equipment, etc.
- 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.)
- Project design elements that have been included for the separation and capture of carbon emissions. Identify feasible options if not included in project design
- Strategy for maintaining environmental compliance
- 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.

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- Guarantee and expected degradation curves (kW and heat rate)
- Guaranteed availability and reliability
- Long Term Outage Plan
- Anticipated on-site gas compression, if applicable.
- Size and levels of redundancy for all major process equipment and material handling facilities (i.e. major pumps, fans, compressors, storage tanks, mills)
- Design basis for the resource
- Material balance
- Solid waste disposals.

Section 3 – Pricing Proposal – Describe in detail the pricing proposal, including the use of any index or escalation factors, as outlined in Section G. of the Request for Proposal. Proposed dates, amounts, and detailed milestone descriptions justifying payments are required consistent with **Form 1** and **Form 2** in the Request for Proposal.

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.

Owner or operator of generating facility must execute written agreement with utility stating at a minimum:

- Will construct and operate all interconnected generation facilities within its control in accordance with all applicable laws
- Will furnish, install, operate and maintain in good order and repair, and without cost to utility, relays, locks and seals, breakers, automatic synchronizers and other control and protective apparatus determined by the utility to be necessary for the safe and reliable operation of the facility in parallel with the utility's system; and
- Utility will be able to gain access at all times to switching equipment capable of isolating generation facility from utility's system
- Provide for provision of energy or capacity under system emergencies pursuant to agreement or as ordered under section 202(c) of the Federal Power Act; during emergency utility may discontinue or curtail purchases/sales if such purchases/sales would contribute to such emergency.

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 must provide fuel source type. Bidders should describe their fuel supply plan and the extent to which they desire to provide fuel and transportation and other fuel-

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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 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 material contract terms in the Proforma PPA or TSA, including appendices, that the Bidder would seek to modify during contract negotiations. Bidder shall identify any and all PacifiCorp obligations not specifically outlined in the referenced agreements.

EXHIBIT 1 TO APPENDIX C-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.

Weighted Average Raw Water Consumption is _____ gallons per minute.

Minimum Sustainable Load at above conditions _____ MW

Automatic Generation Control (AGC) capable: Yes ____ No ____.

If yes then the AGC range at above conditions is _____ MW to _____ MW.

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

If applicable, 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.

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:	_____	_____

Expected startup fuel requirement (MMBtus/Start) for:

Cold Start: _____

Hot Start: _____

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

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

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

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

If applicable, time to transfer from combined cycle to duct firing _____ min.

If applicable, duct firing ramp rate: (MW/Min.) Increase: _____ Decrease: _____

If applicable, time to transfer from combined cycle to power augmentation _____ min.

If applicable, power augmentation ramp rate: (MW/Min.) Increase: _____ Decrease: _____

If applicable, anticipated number of starts per combustion turbine to reach Commercial Operation (CO): _____

Anticipated quantity of natural gas or fuel oil consumed through CO: _____ (gas, MMBtus; fuel oil, gallons).

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:

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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: Asset Purchase Sale Agreement (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 resource attributes largely consist of, 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.
- Markup of Operation & Maintenance (O&M) Term Sheet (or Bidder form of O&M Agreement)
- 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.

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- 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 regarding 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.

- If built on PacifiCorp sites, the projects must be built consistent with the Specifications for Currant Creek and or Lake Side provided in the Appendices.

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 – Bidders should conform 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

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- 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.
- Size and levels of redundancy for all major process equipment and material handling facilities (i.e. major pumps, fans, compressors, storage tanks, mills)
- Design basis for the resource
- Material balance
- Solid waste disposals.

Section 3 – Describe in detail the pricing proposal, including the use of any index or escalation factors, as outlined in Section G. of the Request for Proposal. Proposed dates, amounts, and detailed milestone descriptions justifying payments are required consistent with **Form 1** and **Form 2** in the Request for Proposal.

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.

Owner or operator of generating facility must execute written agreement with utility stating at a minimum:

- Will construct and operate all interconnected generation facilities within its control in accordance with all applicable laws
- Will furnish, install, operate and maintain in good order and repair, and without cost to utility, relays, locks and seals, breakers, automatic synchronizers and other control and protective apparatus determined by the utility to be necessary for the safe and reliable operation of the facility in parallel with the utility's system; and
- Utility will be able to gain access at all times to switching equipment capable of isolating generation facility from utility's system
- Provide for provision of energy or capacity under system emergencies pursuant to agreement or as ordered under section 202(c) of the Federal Power Act; during emergency utility may discontinue or curtail purchases/sales if such purchases/sales would contribute to such emergency.

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 must provide fuel source type. 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 Base Load 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 – The Bidder will provide a comprehensive listing/description of all material modifications to the APSA terms and conditions, including the appendices, and O&M terms and conditions 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 TO APPENDIX C-2

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.

Weighted Average Raw Water Consumption is _____ gallons per minute.

Minimum Sustainable Load at above conditions _____ MW

Automatic Generation Control (AGC) capable: Yes ____ No ____.

If yes, then 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.

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: _____

If applicable, time to transfer from combined cycle to duct firing _____ min.

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If applicable, duct firing ramp rate: (MW/Min.) Increase: _____ Decrease: _____.

If applicable, time to transfer from combined cycle to power augmentation _____ min.

If applicable, power augmentation ramp rate: (MW/Min.) Increase: _____ Decrease: _____.

If applicable, anticipated number of starts per combustion turbine to reach Commercial Operation (CO): _____.

Anticipated quantity of natural gas or fuel oil consumed through CO: _____ (gas, MMBtus; fuel oil, gallons).

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:

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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: 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 resource 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.

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- 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 – Bidders should conform 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.
- Size and levels of redundancy for all major process equipment and material handling facilities (i.e. major pumps, fans, compressors, storage tanks, mills)
- Design basis for the resource

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- Material balance
- Solid waste disposals.

Section 3 – Pricing Proposal – Describe in detail the pricing proposal, 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 in 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 TO APPENDIX C-3

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.

Weighted Average Raw Water Consumption is _____ gallons per minute.

Minimum Sustainable Load at above conditions _____ MW

Automatic Generation Control (AGC) capable: Yes ____ No ____.

If yes then 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.

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: _____

If applicable, time to transfer from combined cycle to duct firing _____ min.

If applicable, duct firing ramp rate: (MW/Min.) Increase: _____ Decrease: _____

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If applicable, time to transfer from combined cycle to power augmentation _____
min.

If applicable, power augmentation ramp rate: (MW/Min.) Increase: _____ Decrease:

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-4.1 below:

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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

RFP
Appendix D: Fuel Supply Form

Appendix D: Fuel Supply Form

Site Location _____

Primary Type of Fuel (Natural Gas,Other) _____

Primary Source of Fuel _____

Secondary Source of Fuel (if any) _____

Supplier(s) of Primary Fuel _____

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

If yes, please attach the agreements or the general terms and conditions for all fuel source(s).

If no, please provide a detailed plan on how all fuel source(s) will be acquired.

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 _____ decatherms (mmBtu) Term _____

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

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

Please provide plan to support any and all rail arrangements in quantities sufficient to operate the facility at its maximum capacity.

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

Lime and/or Limestone for Air Quality Control System provided. (Yes) (No)

Provide any additional relevant information on the Proposal.

RFP
Appendix E: Officer Certification
Form

Appendix E: Officer Certification Form

The undersigned Bidder executes and submits this form with each Proposal it submits in PacifiCorp's RFP, 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 RFP. The Bidder accepts the contract attached to the 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 **Insert date, 2009** 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, unless earlier released in writing by the Company or if the Bidder's proposal does not make the short list.

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
Appendix F: [Intentionally Left
Blank]

RFP
Appendix G: Bidder Site Control
Form

Appendix G: Bidder Site Control Form

Project Name: _____

Site Location: _____

Street Address or Nearest Intersection: _____

Acres: _____

Distance to Fuel 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

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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 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
Appendix H: Construction
Coordination Agreement

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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.

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 seven (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], nor 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.

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.

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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 A 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

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- (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.

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**EXHIBIT B
TO CONSTRUCTION COORDINATION AGREEMENT**

Common Facilities

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EXHIBIT C
CONSTRUCTION COORDINATION AGREEMENT

Site Plan Designation of Construction Area

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EXHIBIT D
CONSTRUCTION COORDINATION AGREEMENT

Security Requirement

RFP ATTACHMENTS

RFP
Attachment 1: Benchmark Resources

Currant Creek Block 2 - Company Benchmark

PacifiCorp Energy's planned benchmark is the addition of a second combined cycle block at PacifiCorp's Currant Creek Plant and will have a nominal net rating, which includes duct firing capability, of 535 MW to 700 MW (at average ambient conditions). The rating will depend on the selected gas turbine type, configuration, and level of duct firing. The resource addition will be fired with natural gas.

The Currant Creek Plant is situated on a 240 acre site directly adjacent to PacifiCorp's Mona Substation in Juab County, Utah and is 75 miles due south of Salt Lake City. The existing plant consists of two General Electric 7241FA combustion turbines, two heat recovery steam generators with duct burners equipped with oxidation catalysts, selective catalytic reduction (SCR) systems, and combustion controls featuring dry-low nitrogen oxide (NOx) combustors; a single condensing steam turbine generator, a main air cooled condenser, an auxiliary fin-fan process cooler, and associated support equipment.

Currant Creek Block 2 will be based on the use of one or more advanced natural gas-fired combustion turbines in a combined cycle configuration. Block 2 will have additional power generation capability through the use of duct burners in the heat recovery steam generator to produce supplementary steam for use by the steam turbine generator. The expected additional capability associated with duct firing is 50 to 105 MW, depending on gas turbine type and configuration.

The gas turbines will be enclosed in their own dedicated weatherproof enclosures. The steam turbine will be located in a fully enclosed steam turbine building equipped with overhead crane. The heat recovery steam generator steam drums will be fully enclosed in heated, ventilated rooms.

The combustion turbines will be equipped with inlet cooling to increase plant output during periods of high ambient temperatures. The gas turbines will use low-NOx combustors designed to minimize NOx emissions from the combustion process; NOx emissions levels in the gas turbine exhaust will be 15 parts per million (by volume) or less, depending on the manufacturer of the gas turbine. Each gas turbine will exhaust into a three-pressure heat recovery steam generator. High, medium, and low pressure steam from the heat recovery steam generator will be admitted to the steam turbine generator and exhaust to a main air-cooled condenser. Steam will be condensed in the main air cooled condenser. The plant will be designed for 100% steam turbine bypass. Boiler feed pumps will be located in their own enclosed dedicated, heated and ventilated buildings equipped with overhead monorails for maintenance.

The heat recovery steam generator will be equipped with an oxidation catalyst bed to oxidize any unburned hydrocarbons in the gas turbine exhaust. The heat recovery steam generator will also be equipped with a selective catalytic reduction system to further reduce nitrogen oxides emissions in the gas turbine exhaust before it is vented through

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the stack. The selective catalytic reduction system will use aqueous ammonia. Emissions limits and control will be achieved through the application of best-available-control technology that meet or exceed Utah and federal environmental protection agency requirements. Air quality emissions reduction credits may be required as part of the permitting process.

Gas to the plant is transported via an existing 20” dedicated pipeline (JTL 113) from the Questar Main Line (ML) 104 natural gas transmission line. Questar's ML104 is a high-pressure natural gas transmission line which also connects into the Kern River Gas Transmission system. The pipeline is pressurized in excess of 1,000 psig and is capable of delivering in excess of 190,000 million Btu per day to the plant. This capacity is adequate to serve both the needs of the existing plant and the new addition.

The existing plant is equipped with an auxiliary boiler that is used to provide steam when the plant is not operational. The auxiliary boiler is used to supply steam to the steam turbine gland seals to maintain condenser vacuum and to the heat recovery steam generator drums and liquid headers to maintain temperatures to reduce startup times. Some gas turbine manufacturers require an external source of steam during startup for blade cooling and to decrease the start duration; this steam is typically supplied by an auxiliary boiler. If a new auxiliary boiler is required for this purpose it will be fired exclusively with natural gas.

Raw water required for the new block will come from the existing plant’s water supply system. 200 acre-feet of consumptive water is available for the second block. A new raw water storage tank will be constructed. The demineralized water system will be expanded to meet the needs of the heat recovery steam generator and other process needs of the second block. Blowdown from the heat recovery steam generator and other low quality water from other process streams will be recovered and reused. After recovery, process wastewater will be discharged to on-site evaporation ponds or other suitable alternative.

The existing fire protection system will be extended and modified; no new fire pumps are expected to be needed. The existing potable water system will be extended. Sanitary wastewater will be discharged into the existing sanitary wastewater drain field. The existing combined administration, control and warehouse building will be used. New compressors and air receivers will be installed to serve the new block and will be integrated with the existing compressed air system.

Currant Creek Block 2 will be connected via an extension to the existing 345 kV Currant Creek switchyard which will connect to the existing Mona 345 kV Substation.

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

Lake Side Block 2 – Company Benchmark

PacifiCorp Energy's planned benchmark is the addition of a second combined cycle block at PacifiCorp's Lake Side Plant and will have a nominal net rating, with duct firing capacity, of 550 MW to 580 MW. The overall rating will depend on the selected gas turbine type, configuration, and level of duct firing. The resource addition will be fired with natural gas.

The Lake Side Plant is situated on a 64 acre site located on the old Geneva Steel Mill property in Vineyard City Utah, approximately 40 miles south of Salt Lake City. The existing plant consists of two Siemens SGT6-5000F combustion turbines each with their own dedicated heat recovery steam generator equipped with duct burners for production of supplementary steam, oxidation catalysts, selective catalytic reduction (SCR) systems, and combustion controls featuring dry-low nitrogen oxide (NOx) burners. The existing plant has a single condensing steam turbine generator, a de-aerating surface condenser; a bank of mechanical draft wet cooling towers; and associated support equipment.

Lake Side Block 2 will be based on the use of one or more advanced natural gas-fired combustion turbines in a combined cycle configuration. Block 2 will have additional power generation capability through the use of power augmentation and/or additional steam turbine capability. Duct burners in the heat recovery steam generator will have the capability to produce supplementary steam for use by the steam turbine generator. Additional capability is also achievable through gas turbine power augmentation involving steam injection into the power turbine portion of the gas turbine. The expected additional capability associated with the combination of power augmentation and duct firing is 65 MW.

The gas turbines will be enclosed in their own dedicated weatherproof enclosures. The steam turbine will be located in a fully enclosed steam turbine building equipped with overhead crane. The heat recovery steam generator steam drums will be fully enclosed in heated, ventilated rooms.

The combustion turbines will be equipped with inlet cooling to increase plant output during periods of high ambient temperatures. The gas turbines will use low-NOx combustors designed to minimize NOx emissions from the combustion process; NOx emissions levels in the gas turbine exhaust will be 25 parts per million (by volume) or less, depending on the manufacturer of the gas turbine. Each gas turbine will exhaust into a three-pressure heat recovery steam generator. High, medium, and low pressure steam from the heat recovery steam generator will be admitted to the steam turbine generator and exhaust to a water cooled surface condenser. Cooling water for the surface condenser will be provided by circulating water cooled by a cooling tower. The plant will be designed for 100% steam turbine bypass. Boiler feed pumps will be located in their own enclosed dedicated, heated and ventilated buildings equipped with overhead monorails for maintenance.

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The heat recovery steam generator will be equipped with an oxidation catalyst to oxidize any unburned hydrocarbons in the gas turbine exhaust. The heat recovery steam generator will also be equipped with a selective catalytic reduction system to further reduce nitrogen oxides emissions before it is vented through the stack. The selective catalytic reduction system will use aqueous ammonia. Emissions limits and control technologies will be the best-available-combustion-technology that will meet or exceed Utah and federal environmental protection agency requirements. Air quality emissions reduction credits will be required as part of the permitting process.

Gas to the Lake Side plant is transported via a dedicated pipeline from Questar Gas feeder line 85 which connects to the Kern River Gas Transmission system main pipeline. The pipeline is pressurized at approximately 1000 psig and is capable of delivering 190,000 million Btu per day to the plant. This capacity is adequate to serve both the needs of the existing plant and the new addition.

The existing plant is equipped with an auxiliary boiler that is used to provide steam when the plant is not operational. The auxiliary boiler is used to supply steam to the steam turbine gland seals to maintain condenser vacuum and to the heat recovery steam generator drums to maintain temperatures to reduce the time it takes for a startup. Some gas turbine manufacturers require an external source of steam during startup for blade cooling or to decrease the startup time; this steam is typically supplied by an auxiliary boiler. If a new auxiliary boiler is required for this purpose, it will be fired exclusively with pipeline natural gas.

Raw water required for the new block will come from existing onsite and new wells. Acquisition of additional water rights will be necessary. A new well will be needed. A new raw water storage tank will be constructed. Blowdown from the gas turbine evaporative coolers and heat recovery steam generators will be routed to the cooling tower basin. Cooling tower blowdown will be mixed with existing cooling tower blowdown and discharged after pretreatment to the Lindon Hollow discharge.

The demineralized water system will be expanded to meet the needs of the second block which will include installation of a new 200,000 gallon demineralized water storage tank. The existing fire protection system will be extended and modified; no new fire pumps will be required. The existing potable water system will be extended. Sanitary wastewater will be discharged to the City of Lindon sewer system. The existing combined administration, control and warehouse building will be used. A new warehouse will be required. New compressors and air receivers will be installed to serve the new block and will be tied together with the existing compressed air system.

The new block will be equipped with a dedicated digital control system, process information data historian, burner management controls, protection systems, and other controls as required. A new diesel generator will be installed to provide necessary backup power in the event of loss of power to ensure a safe shutdown and maintenance of key electrical equipment.

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Lake Side Block 2 will include a new switchyard which will be located adjacent to the existing Dynamo Switchyard. The new addition will connect to PacifiCorp's transmission backbone at 345 kV.

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

Simple Cycle Company Benchmarks

PacifiCorp Energy's planned simple cycle benchmarks are the addition of three to seven advanced gas turbines at one or more locations in the PacifiCorp system. It is expected that the nominal capacity at each location will range from 250 to 290 megawatts. Locations currently being considered include sites at PacifiCorp's major substations in the Wasatch Front, adjacent to the second block proposed for the company's benchmark at Currant Creek, and near the company's Wyoming-based wind projects.

These sites being considered have been selected on the basis of proximity to load or resource, transmission, load, high pressure fuel, infrastructure, zoning, and permitting considerations. Proximity to high pressure natural gas is critical to eliminate or minimize the need for on-site gas compression.

The simple cycle benchmarks will be based on the application of advanced natural gas-fired combustion turbines. Primary technologies being considered include General Electric's LM6000 Sprint PC/PE gas turbines or their LMS-100 gas turbines. Emphasis will be placed on gas turbines with high flexibility, fast starting capability, starts flexibility, low emissions, high availability, and high efficiency in open cycle. Other alternatives such as Pratt & Whitney's FT-8 Twinpac may also be considered. The gas turbines will be enclosed in their own dedicated weatherproof enclosures. The use of a secondary fuel, such as number two fuel oil is not being considered.

The combustion turbines will be equipped with inlet cooling to increase plant output during periods of high ambient temperatures. The gas turbines will use low-NOx combustors designed to minimize NOx emissions from the combustion process; NOx emissions levels in the gas turbine exhaust will be 25 parts per million (by volume) which will be achieved by water injection or through application of dry low emissions (DLE) combustors.

Each gas turbine will exhaust into an expanded duct equipped with a selective catalytic reduction system to further reduce nitrogen oxides emissions in the gas turbine exhaust before it is vented through the stack. The selective catalytic reduction system will use aqueous ammonia. The duct may also contain an oxidation catalyst if required. Emissions limits and control will be achieved through the application of best-available-control technology that meet or exceed Utah (or Wyoming) and federal environmental protection agency requirements. Expected stack NOx emissions levels are 2.5 ppmvd with ammonia slip levels of 5 ppmv. Air quality emissions reduction credits may be required as part of the permitting process if located in or adjacent to the non-attainment counties in Utah.

Sources of water will be required. The quantities of water will depend on a number of issues including: type of inlet cooling, need for water injection for NOx control, need for inter-cooling and the type of cooling system employed. The water consumption requirements range from 180 to 720 acre feet per year. Water requirements are primarily driven by the type of inter-cooling system used and the type of heat rejection system used

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for inlet cooling. The emphasis will be on utilizing technologies that minimize water use where economically practicable. Expected operational annual capacity factors for design purposes are 50% or less. The plants will be designed for at least daily starts and will need to be capable of multiple daily starts if required.

A raw water storage tank will be constructed that will serve both process water needs and fire protection if municipal system can not be utilized. A water treatment system will be required for process cooling needs. A demineralized water system will be installed to process water for water injection.

A fire protection system will be required. A combined control and warehouse building will be constructed. New compressors and air receivers will be installed. The need for an emergency generator has not yet been determined.

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

RFP
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 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>

PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF GREATER THAN 10,000 KW

Available

To owners of Qualifying Facilities (“QF”) making sales of electricity to the Company in the State of Oregon.

Applicable

For power purchased from Qualifying Facilities with a nameplate capacity greater than 10,000 kW. Owners of these Qualifying Facilities will be required to enter into a negotiated written power purchase agreement with the Company. Pursuant to Order No. 05-584 and 07-360, the pricing options specified in Schedule 37 should serve as a starting point for prices under a negotiated power purchase agreement.

Definitions

Cogeneration Facility

A facility which produces electric energy together with steam or other form of useful energy (such as heat) which are used for industrial, commercial, heating or cooling purposes through the sequential use of energy.

Qualifying Facilities

Qualifying cogeneration facilities or qualifying small power production facilities within the meaning of section 201 and 210 of the Public Utility Regulatory Policies Act of 1978 (PURPA), 16 U.S.C. 796 and 824a-3.

Small Power Production Facility

A facility which produces electric energy using as a primary energy source biomass, waste, renewable resources or any combination thereof and has a power production capacity which, together with other facilities located at the same site, is not greater than 80 megawatts.

On-Peak Hours or Peak Hours

On-peak hours are defined as 6:00 a.m. to 10:00 p.m. Pacific Prevailing Time Monday through Saturday, excluding NERC holidays.

Due to the expansions of Daylight Saving Time (DST) as adopted under Section 110 of the U.S. Energy Policy Act of 2005, the time periods shown above will begin and end one hour later for the period between the second Sunday in March and the first Sunday in April and for the period between the last Sunday in October and the first Sunday in November.

Off-Peak Hours

All hours other than On-Peak.

Excess Output

Excess output shall mean any increment of Net Output delivered at a rate, on an hourly basis, exceeding either the Facility Capacity Rating or the amount committed to in the contract. PacifiCorp shall pay the Qualifying Facility the Non-Firm Market Index Avoided Cost Price for all Excess Output.

Qualifying Facilities Contracting Procedure

A. Communications

Unless otherwise directed by the Company, all communications to the Company regarding QF power purchase agreements should be directed in writing as follows:

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

The Company will respond to all such communications in a timely manner. If the Company is unable to respond on the basis of incomplete or missing information from the QF owner, the Company shall indicate what additional information is required. Thereafter, the Company will respond in a timely manner following receipt of all required information.

B. Procedures

8. 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, firmness, and timing of daily and monthly power deliveries (including project ability to respond to dispatch orders from the Company and maintenance schedule)
 - 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, deadband, electric or gas market indexed)
- j) status of interconnection arrangements

B. Procedures (Continued)

2. The Company shall not be obligated to provide an indicative pricing proposal until all information described in Paragraph 1 has been received in writing from the Qualifying Facility owner. Within 30 days following receipt of all information required in Paragraph 1, the Company will provide the owner with an indicative pricing proposal, which may include other indicative contract terms and conditions as allowed under federal law, state law, and per Order 07-360, 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. The Company will provide with the indicative prices a description of the allowed price adjustments and the methodology used to develop the prices. Prices specified in Schedule 37 will provide a starting point for negotiated prices, and will be modified to address specific factors or adjustments as allowed under federal law and per Order 07-36. Any adjustments other than those listed in Order 07-360 must first be approved by the Commission.

The following factors or adjustments, to the extent practicable will be included in the price delivered in the indicative pricing proposal.

- a. Dispatchability – Adjustment will reflect the ability of PacifiCorp to schedule and dispatch the Qualifying Facility as compared to the proxy resource on a forward, probabilistic basis. This adjustment will also account for the Company backing down more economic generating resources in lieu of wheeling the Qualifying Facility's power outside a load-constrained area.
- b. Reliability – Adjustment to be made based on the Qualifying Facility's demonstrated service quality and availability of its capacity and energy as compared to its contracted level of service quality and availability during

the Company's daily and seasonal peak periods. The value of the adjustment will reflect the Company's avoided resource in the Company's sufficiency and deficiency periods, as appropriate, and provide the Qualifying Facility an incentive for contracted performance and a disincentive for non-performance.

- c. Fossil Fuel Risk – Applicable only during the Company's resource deficiency period and if the Company's avoided resource is a fossil fuel plant. Adjustment will be based on the benefit of reduced fuel cost volatility of the Qualifying Facility compared to the avoided resource.
- d. Line Losses – Adjustment will be the costs or savings resulting from variations in line losses using a proximity-based approach to compare Qualifying Facility's location and the Company's proxy plant location relative the closest load area served by the Qualifying Facility.

B. Procedures (Continued)

- e. Transmission and Distribution System Upgrades – Adjustment will be based on the potential savings that can be achieved for transmission and distribution system upgrade deferrals or avoidance resulting from the Qualifying Facility's location relative to the Company's avoided resource. This adjustment does not include any costs associated with upgrades as part of the interconnection of the Qualifying Facility to PacifiCorp's system.
3. If the owner desires to proceed forward with the project after reviewing the Company's indicative pricing 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.1,
 - b) evidence of adequate control of proposed site
 - c) identification of, and timelines for obtaining any necessary governmental permits, approvals or authorizations
 - 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.
- 4. The Company shall not be obligated to provide the owner with a draft power purchase agreement until all information required pursuant to Paragraph 3 has been received by the Company in writing. Within 30 days following receipt of all information required pursuant to paragraph 3, the Company shall provide the owner with a draft power purchase agreement containing a comprehensive set of proposed terms and conditions, including specific pricing 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.
 - 5. 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 Qualifying Facility owner until the Company has received an initial set of written comments and proposals from the Qualifying Facility 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:

B. Procedures (Continued)

- 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
- 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.

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6. When both parties are in full agreement as to all terms and conditions of the power purchase agreement, the Company will prepare and forward to the owner a final, executable version of the agreement within 15 business days. 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.
7. At any time after 60 days from the date that Qualifying Facility has provided its written notification pursuant to Paragraph 5, the Qualifying Facility may file a complaint with the Commission asking the Commission to adjudicate any unresolved contract terms or conditions.

RFP
Attachment 3: Power Purchase
Agreement

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**Due to the size of RFP Attachment 3, the
Power Purchase Agreement is available on PacifiCorp's
website as a separate document**

www.pacificorp.com

RFP
**Attachment 4: Role And Function Of
The Independent Evaluators And
Communication Protocols**

ROLE OF THE INDEPENDENT EVALUATOR

- 1) The role and function of the Independent Evaluators (“IEs”) is outlined as follows:
 - a. Facilitate and monitor communications between the Soliciting Utility and Bidders.
 - b. Review and validate the assumptions and calculations of any Company Benchmarks.
 - c. Analyze the Company Benchmarks, for reasonableness and consistency with the Solicitation Process.
 - d. Access all important models in order to 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.
 - 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;
 - iii. whether a Bidder has met the criteria specified in any bidding process and whether to reject or accept non-conforming bid responses;
 - iv. whether and when data and information should be distributed to Bidders when 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 for any reason or accept conforming changes;
 - vi. whether to return bid fees.
 - g. Ensure that all Bids are treated in a fair and non-discriminatory manner.

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- 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, shortlisted Bidders; and
 - v. negotiation of proposed contracts with successful Bidders.
- i. The IEs will evaluate the unique risks and advantages associated with any Company Benchmarks, including the regulatory treatment of costs or benefits related to actual construction cost and plant operation differing from what was projected for the RFP.
- j. Once the competing bids have been evaluated by the Soliciting Utility and the IEs, the Soliciting Utility and the IEs will compare results.
- k. 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 received.
- l. Solicit additional information on Bids necessary for screening and evaluation purposes.
- m. 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.
- n. 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.
- o. Participate in and testify at Commission hearings on approval of the Solicitation and Solicitation Process and/or approval of a Significant Energy Resource Decision and/or acknowledgement of the final shortlist.
- p. 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.

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- q. Perform such other evaluations and tasks as the Commission may direct.
- 2) The Communications between the IEs, the Company and the Bidders shall be conducted in the following manner:
- a. 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 IEs.
 - b. The Soliciting Utility shall provide timely and accurate responses to any request from the IEs, including requests from Bidders submitted by the IEs, for information regarding any aspect of the Solicitation or the Solicitation Process.
- 3) The IEs shall prepare at least the following confidential reports and provide them to the Regulators and the Soliciting Utility:
- a. Monthly progress reports on all aspects of the Solicitation Process as it progresses;
 - b. 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 Company Benchmark Team:
- a. The Evaluation Team, may not be members of the Company Benchmark Team, nor communicate with members of such team during the Solicitation Process about any aspect of the Solicitation Process, except that internal company attorneys and credit analysis personnel may deliver legal or credit advice, as applicable, to either or both teams, or except as authorized herein.
 - b. The IEs must participate in any communications between members of the Company Benchmark Team and Evaluation Team and must retain a copy of all such correspondence to be made available in future Commission proceedings.

RFP
Attachment 5: Tolling Service
Agreement

PacifiCorp – Request for Proposals
RFP Responses due XX, 2008

**Due to the size of RFP Attachment 5, the
Tolling Service Agreement is available on PacifiCorp's website
as a separate document**

www.pacificorp.com

RFP
Attachment 6: Asset Purchase And
Sale Agreement (APSA) With
Appendices

**Due to the size of RFP Attachment 6, the
Asset Sale and Purchase Agreement (APSA) with Appendices
is available on PacifiCorp's website as a separate document**

www.pacificorp.com

RFP
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 16** 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 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
Attachment 8: Currant 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 17** to this RFP.

Emission Reduction Credits (ERCs)

PacifiCorp does not believe that ERCs will be required for this project at this time. Bidder shall be required to perform air quality analysis and permitting to determine need for ERCs. If ERCs are required, Bidder shall be responsible to obtain ERCs.

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
Attachment 9: Estimated Owner's
Costs Under APSA

**ATTACHMENT 9: OWNER’S COST ASSUMPTIONS
UNDER AN APSA**

Costs for both Lake Side and Currant Creek:

ESTIMATED OWNER COSTS	CURRENT 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 Counsel	\$ 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 ¹	\$ 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
Training	\$ 250,000	\$ 250,000
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	\$ 11,467,900	\$ 11,567,900

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. Actual costs will depend on then current fuel costs and startup and commissioning schedule.
2. Costs over and above those stated in **Attachment 10** “Owner’s Development Costs”
3. Bidder shall divide proposal into taxable and non-taxable items.
4. Owner’s Contingency will be the same on both sites.
5. Current Effective Rate for Currant Creek is 0.86%, for Lake Side, 1.10%. Both are subject to change.
6. 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 March 2007, will be the one used.

RFP

**Attachment 10: Owner's Estimated
Development Cost Assumptions**

**ATTACHMENT 10: OWNER’S ESTIMATED 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 ⁴	\$0
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)
- ⁴ Currently assumed that no ERCs will be required; Air Quality modeling will be revised to determine RC requirements, if any.

RFP
Attachment 11: Requirements for a
Letter Of Credit

ATTACHMENT 11: 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 there under, 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 there under 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 there under 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
Attachment 12: Intentionally Left
Blank

RFP
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:

East system Points of Delivery (PACE)

- 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

Although the Company will consider resources delivered to the following areas these areas have been identified as having potential transmission constraint implications and as such, will need to be evaluated accordingly:

- Wyoming, unless the resource(s) electrically reside south of the Naughton Monument 230kV line. If, resources in Wyoming are not electrically west of Naughton such resources may be useful in supporting the increased load and wind resources in Wyoming; however, such resources may be negatively affected by transmission constraints.
- Borah, Brady or Kinport unless such resources is interconnected to the Company's Southwest Idaho electrical system near Goshen area.

West System Points of Delivery (PACW)

PacifiCorp is willing to purchase capacity and associated energy that is sourced from Desert Southwest (Nevada, California, Arizona, New Mexico); provided, the selling entity is able to purchase firm transmission from the resource to either Gonder or Nevada Utah Border or Crystal.

- Mid Columbia
- Paul 500kV
- California Oregon Border
- PACW System
 - Within the Western Control Area – The point of interconnection between the resource, or the electrical

system to which the resource is connected, and PacifiCorp’s transmission system¹.

- Scheduled to the point(s) of interconnection between PacifiCorp’s western control area and the Bonneville Power Administration or Portland General Electric such that transfer limitations are not exceeded. If the source located within the Bonneville the Bidder must show they have control area service from the resource to the delivery point.

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 upgrade. These indicative costs are based on assessments done by the PacifiCorp Transmission group for RFP 2003B, the 2004

¹ Willamette Valley

Alvey 500 kV
Chiloquin 230 kV
Dixonville 230 kV

Fry 230 kV
Meridian 230 kV
Reston 230 kV

Central Oregon – Deschutes Valley

Bend 69 kV
Pilot Butte 69/230 kV

Ponderosa 230 kV
Redmond 69 kV

Yakima Area – Mid Columbia

Midway 230 kV

Wanapum 230 kV

Oregon Coast

Astoria to Tillamook 115 kV
Boyer (Lincoln City) 115 kV
Fairview (Coos Bay) 115/230 kV

Alvey 500 kV
Chiloquin 230 kV
Dixonville 230 kV

Fry 230 kV
Meridian 230 kV
Reston 230 kV

Central Oregon – Deschutes Valley

Bend 69 kV
Pilot Butte 69/230 kV

Ponderosa 230 kV
Redmond 69 kV

Yakima Area – Mid Columbia

Midway 230 kV

Wanapum 230 kV

Oregon Coast

Astoria to Tillamook 115 kV
Boyer (Lincoln City) 115 kV
Fairview (Coos Bay) 115/230 kV

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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.

East System			
Point of Delivery	Description of Possible Transmission Additions / Upgrades	Path(s) to Upgrade and Voltage Support	Estimated Cost of Upgrades
Salt Lake Valley 138 kV 600 MW	Upgrades to existing lines	Unknown location	\$30 M
Lake Side 345 kV 600 MW	Transmission line, substation	Lake Side to Salt Lake Valley	\$62 M
Mona/ Currant Creek 345 kV 600 MW	Transmission line, substation	Mona to PACE	\$169 M
Glen Canyon 345 kV 600 MW	Transmission line(s), substation, phase shifter	Glen Canyon to Sigurd and Mona to PACE	\$398 M
Gonder 345 kV 600 MW	Transmission line(s), substation	Gonder/Nev Border to Sigurd and Mona to PACE	\$371 M
NUB (Harry Allen 345 kV) 600 MW	Transmission line, substation, phase shifter	H.Allen to RButte + RButte-Sigurd + Mona to PACE	\$681 M
Crystal 345 kV 600 MW	Transmission line(s), substation, transformer, phase shifter	Crystal to RButte + RButte-Sigurd + Mona to PACE	\$6810 M
Wyoming	Pending	Pending	Pending
Borah, Brady or Kinport	Pending	Pending	Pending
Four Corners 345kV 600 MW	New line, terminations, phase shifter	F.Corners to Mona + Mona to PACE	\$802 M

West System			
Point of Delivery	Description of Possible Transmission Additions / Upgrades	Path(s) to Upgrade and Voltage Support	Estimated Cost of Upgrades
PACW System	Pending	Pending	Pending
Mid Columbia Paul 500kV	Pending	Pending	Pending

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California Oregon Border	Pending	Pending	Pending
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RFP
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 Base Load Resources ("RFP"), 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 party agrees that the Acceptable Forums are convenient to it, and each party irrevocably

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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: _____

RFP
Attachment 15: Non-Reliance Letter

PacifiCorp – Request for Proposals
RFP Responses due XX, 2008

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

Date

[Name]

[Address]

Re: PacifiCorp's Request For Proposals Base Load Resources

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") (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 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

PacifiCorp – Request for Proposals
RFP Responses due XX, 2008

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 this RFP 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 this RFP, 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 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.

PacifiCorp – Request for Proposals
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Sincerely,

PacifiCorp

By: _____

Name: _____

Title: _____

Date: _____

ACCEPTED AND AGREED:

[Insert Name of Party]

By: _____

Name: _____

Title: _____

Date: _____

RFP
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 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,

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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:

PacifiCorp – Request for Proposals
RFP Responses due XX, 2008

EXHIBIT A

**PROPERTY DESCRIPTION TO BE COMPLETED
PRIOR TO CLOSING**

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EXHIBIT B

SURVEY TO BE ATTACHED

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

RFP
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 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.

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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

EXHIBIT C

WATER RIGHTS

Buyer shall receive water rights to two hundred (200) acre-feet of ground water as part of this transaction.

RFP
Attachment 18: [Intentionally Left
Blank]

RFP
Attachment 19: Due Diligence Items
For The Acquisition Of An Existing
Facility

DUE DILIGENCE ITEMS

The following 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.

- 1.0 Plant General
 - 1.1 Plant organization charts.
 - 1.2 Annual Plant Budget (total) Actual for 5 years. Projected for 5 years.
 - 1.3 Summary of the budget for 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.
 - 1.3.10 Fuel by component.
 - 1.4 Summary of the maintenance expenses.
 - 1.4.1 Major Maintenance (annual).
 - 1.4.2 Consumables.
 - 1.4.3 Inventory draws.
 - 1.4.4 Maintenance contracts.
 - 1.4.5 Building and grounds.
 - 1.4.6 Other.

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- 1.5 Summary of equipment expenses.
 - 1.5.1 Shop equipment maintenance.
 - 1.5.2 Equipment rental.
 - 1.5.3 Rolling stock fuel.
 - 1.5.4 Rolling stock maintenance.
 - 1.5.5 Other.
- 1.6 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 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
 - 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 Summary of administrative expenses.
 - 1.8.1 Telephone expenses.

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- 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 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 Personnel roster and organization chart.
 - 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).
 - 2.1.7 Overtime hourly costs.
 - 2.1.8 Total overtime (% of annual base salary).
 - 2.1.9 Employee age demographics.
 - 2.2 Summary of payroll additions.
 - 2.2.1 Payroll taxes.
 - 2.2.2 Workman's compensation.
 - 2.2.3 Retirement Account.
 - 2.2.4 Insurance.

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- 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).

3.0 Major maintenance.

3.1 Summary of maintenance costs and schedules.

3.1.1 Annual, major and frequency of major outages for:

- 3.1.1.1 Turbine valves.
- 3.1.1.3 Pulverizers.
- 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.
- 3.1.1.8 Boiler insulation and lagging.
- 3.1.1.9 Main steam turbine.
- 3.1.1.10 Main condenser.
- 3.1.1.11 Generator.
- 3.1.1.12 Pumps.
- 3.1.1.13 Switchgear.
- 3.1.1.14 Water treatment system/Demineralizer.
- 3.1.1.15 Precipitators.
- 3.1.1.16 Flue Gas Desulphurization system.
- 3.1.1.17 Selective Catalytic Reduction System.
- 3.1.1.18 Gas Turbines.

3.1.1.19 Cooling Tower or Air Cooled Condenser

3.1.1.20 Auxiliary Cooling Towers.

3.2 Provide the latest overhaul inspection reports and summaries showing the condition of major equipment. These reports are required to show the “as-found” equipment condition, work performed during the overhaul, equipment settings, and test results after returning the equipment to service. Overhaul reports shall be provided for the following equipment:

3.2.1 steam generation and fuel firing equipment

3.2.2 steam turbine and/or combustion turbines

3.3.3 generator and excitation equipment

3.3.4 all emissions control equipment

3.3.5 all large transformers

3.3.6 all large electric motors

3.3.7 critical piping

3.3 Provide list of all OEM service bulletins for the following equipment. Identify correction action was taken in response to the service bulletin and who performed the corrective action:

3.3.1 steam turbine and/or combustion turbines

3.3.2 generator and excitation equipment

3.3.3 large transformers

4.0 Plant Performance:

4.1 Provide the following for the design of the plant:

4.4.1 Summary of plant design and operating conditions

4.4.2 Piping & Instrument Diagrams for the plant

4.4.3 Heat balance diagrams

4.4.4 Fuel specifications

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- 4.4.5 Design parameters for emissions control equipment
- 4.2 Provide the following actual performance data for the last five (5) years:
 - 4.2.1 Fuel consumed reports and analysis data
 - 4.2.2 Plant heat rate data
 - 4.2.3 Availability data per NERC GADS formulas and codes for calculations and identification of the types of equipment component failure mechanisms.
 - 4.2.3.1 Availability data for the unit
 - 4.2.3.2 Availability data for each piece of major equipment
 - 4.2.4 Generation summaries, net and gross
 - 4.2.5 Emission rates and tests reports
 - 4.2.6 Major equipment performance testing reports
- 5.0 Operations.
 - 5.1 Description of how efficiency is tracked.
 - 5.2 Description of how availability is determined.
 - 5.3 Identify the equipment that presents the most problems.
- 6.0 Maintenance
 - 6.1 Description on how major maintenance is scheduled.
 - 6.2 Evaluation on whether the inventory of spare parts is adequate.
 - 6.3 Are there contingency plans for equipment failure?
 - 6.4 Reports on any non-destructive tests performed on major boiler parts and steam lines in the last 10 years.
 - 6.5 Reports on any comprehensive reviews of the HT/HP piping systems?
 - 6.6 Evaluation of the electrical switchgear.
 - 6.6.1 Schedule of regularly performed switchgear inspections.
 - 6.7 Condition assessment of the water treatment plant.

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7.0 Controls.

- 7.1 Description of the type, age and condition of the control systems.
- 7.2 Description of any plans to change out any of the control systems.
- 7.3 Identify if plant is equipped for fire protection?
- 7.4 Description of how injuries are handled.
- 7.5 Identify any dangerous or hazardous chemicals or materials located on the plant site.

8.0 Safety

- 8.1 Describe the on-going safety program.
- 8.2 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.
- 8.3 Provide copies of 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.
- 8.4 Provide 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.
- 8.5 Provide 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.
- 8.6 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 Provide copies of any environmental audits that have been performed.
- 9.2 Description of any known or suspected environmental contamination of the plant site.
- 9.3 Provide a record on any environmental exceedances for the last five (5) years.

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- 9.4 Provide copies of all Phase I, Phase II and other environmental site assessments, risk assessments, site investigations, site remediation plans, closure reports, compliance audits, etc.
- 9.5 Provide 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.
- 9.6 Provide 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.
- 9.7 Provide documents (including EHS Permits) pertaining to the use, development, conservation or disturbance of land, wetlands, natural resources, biota and/or ecologically sensitive receptors.
- 9.8 Provide 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.
- 9.9 Provide 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.
- 9.10 Provide 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.
- 9.11 Provide 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.
- 9.12 Provide (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

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- 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.
- 9.13 Provide documents relating to: (1) the maintenance, handling, storage or disposal 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.
 - 9.14 Provide 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.
 - 9.15 Provide 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.
 - 9.16 Provide a listing of hazardous and non-hazardous wastes which are stored on-site or off-site, or have been disposed of.
- 10.0 Description of any natural perils that could affect this site.
 - 11.0 Copies of any licenses, permits or certificates are required at this site.
 - 12.0 Provide nameplate data for all units.
 - 12.1 Provide start up times, ramp rates for synchronization and total event costs to full load for hot, warm and cold start conditions.
 - 12.2 Capacity Factor, Equivalent Availability Factor, and Equivalent Forced Outage Rate for each of the last five (5) years. Define terms and method of calculation
 - 12.3 Results of test of Net Maximum Capacity tests.
 - 13.0 Title.
 - 13.1 Real property.
 - 13.2 UCC Filings.
 - 14.0 Claims history (both by and against Owner in connection with the Facility).
 - 14.1 Litigation (including arbitration and other forms of alternative dispute resolution.
 - 14.2 Labor issues.
 - 14.3 Warranty claims.
 - 14.4 Copies of all auditor's letters prepared by law firms with respect to the Facility or with respect to Owner's liability in connection with the Facility.

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- 15.0 Provide copies of any contracts.
 - 15.1 O&M contract.
 - 15.2 Power Purchase Agreement
 - 15.3 Interconnection agreements and terms.
 - 15.4 Fuel purchase, transportation and storage contracts.
 - 15.5 Ash storage, transportation and disposal contracts.
 - 15.6 Production by product sales contracts.
 - 15.7 Steam sales contracts.
 - 15.8 Water supply/sewer agreements.
 - 15.9 All other contracts, subcontracts and leases for maintenance services, labor, professional services, materials, parts or other at each plant.
 - 15.10 Collective bargaining agreements, if any.
 - 15.11 Pension, benefit and welfare plans.

- 16.0 Insurance.
 - 16.1 Provide 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**

- History of all scheduled maintenance outages and all significant forced outages.

RFP
Attachment 20: Code Of Conduct

Code of Conduct Governing PacifiCorp’s Intra-Company Relationships for RFP Process

As part of the RFP process, PacifiCorp will commit to abide by a self-imposed code of conduct which will govern PacifiCorp’s intra-company business relationships in order to ensure a fair and unbiased RFP evaluation and selection process. As part of the RFP process, PacifiCorp has identified various teams and work groups who will be responsible for the evaluation of the proposals and the development of any Company Benchmark Resource. The Evaluation Team and the Company Benchmark Team will have separate responsibilities and be required to adhere to the self-imposed code of conduct.

PacifiCorp will take the steps outlined below to maintain the appropriate Bidder and Benchmark Team.

EVALUATION TEAM

The Evaluation Team will be made up of seven separate work groups. The IRP work group will not share any information it obtains from either Team with the other Team and the IRP work group will not share any non-public transmission system information with either Team at any point in this process.

As set forth below in the Information Status, no members of the Evaluation Team will have contact or communication with any Bidder other than through the IEs. If any Bidder or member of the Benchmark Team attempts to contact a member of the Evaluation Team, such Bidder or member of the Benchmark Team shall be directed to the IEs for all information and such communication shall promptly be reported to the IEs by the Evaluation Team.

The roles and responsibilities of the members of the Evaluation Team work groups are set forth below, along with the individual member’s name and title and information status restrictions for each work group.

Evaluation Team: Origination, Structuring and Pricing, and Environmental

1. Origination

Roles: Members of the Origination work group will be responsible for overall coordination of the RFP process. The Origination work group will also have responsibility to coordinate with the IEs and all of the Evaluation Team work groups. The Origination work group will also perform the evaluation of the non-price components of the bid analysis.

Individual Members and Titles: To be submitted to the IEs upon issuance of the RFP and updated if there are any changes.

2. Structuring and Pricing

Roles: Members of the Structuring and Pricing work group will be responsible for the economic analysis and modeling for the initial shortlist including the validation on the inputs to the risk assessment of the bid.

3. Environmental

Roles: The Environmental work group will be responsible for evaluation and acquisition of necessary air, water supply and discharge, emission credits, and siting and facilities permits.

4. Credit

Roles: The Credit work group will be responsible for credit screening, evaluation and monitoring throughout the entire RFP process.

5. Legal

Roles: The Legal work group will be responsible for confirming compliance of bids to the RFP requirements, including the forms, attachments and appendices. The Legal work group will conduct the legal process and due diligence inquiries, and will have responsibility for legal review of any documentation entered into as part of the RFP process.

INTEGRATED RESOURCE PLANNING TEAM (IRP)

The IRP Team will be responsible for running the capacity expansion model and the planning at risk model to determine the portfolios. The IRP Team will receive inputs from the Benchmark Team which will be required to model the Benchmark Team portfolios subject to the information sharing restrictions set forth below. The IRP Team will not be responsible for making an economic determination about the bids.

Individual Members and Titles: To be submitted to the IEs upon issuance of the RFP and updated if there are any changes.

BENCHMARK TEAM

The Benchmark Team will consist of members from PacifiCorp Energy's Generation unit. A third-party engineering consultant may be retained by Generation as needed and if retained, will be considered a member of the Benchmark Team. No member of the Evaluation Team will be a member of the Benchmark Team; however, the Benchmark Team will provide inputs to the IRP work group to allow the IRP work group to model Benchmark proposals. This is not intended to be an iterative process. The IRP work

group may not share any information received from the Benchmark Team with the Evaluation Team.

Roles: The Benchmark Team will be responsible for development of PacifiCorp's Benchmark resources.

Individual Members and Titles: Generation and/or Third Party Engineering Consultant To be submitted to the IEs upon issuance of the RFP and updated if there are any changes.

INTENT TO BID TEAM

The RFQ is not blinded and will be comprised of members from PacifiCorp Origination, legal and credit who will work with the IEs to assess the Bidders' qualifications.

Individual Members and Titles: To be submitted to the IEs upon issuance of the RFP and updated if there are any changes.

FERC'S STANDARDS OF CONDUCT

In addition to this self-imposed code of conduct, as a transmission provider, PacifiCorp is required to comply with FERC's Standards of Conduct which govern interactions between PacifiCorp's Transmission Function and its Marketing Affiliate. Under the Standards of Conduct, PacifiCorp's Transmission Function employees must function independently of PacifiCorp's Marketing Affiliate employees. Marketing Affiliate employees cannot have access to transmission control center or other transmission facilities or information systems that differ in any way from the access provided to non-affiliated transmission customers. The Standards of Conduct prohibit Marketing Affiliate employees from gaining access to any information about PacifiCorp's transmission system that is not posted on the OASIS or otherwise made publicly-available to all other market participants.

Under the Standards of Conduct, FERC will allow certain non-operating employees to be shared between the Transmission Function and Marketing Affiliate. Under FERC's "no-conduit rule", shared employees may receive confidential transmission system or marketing information, but they are prohibited from sharing such information with Marketing Affiliate employees through any non-public or off-OASIS communications.

Marketing Affiliate Employees

PacifiCorp has identified the following business groups as Marketing Affiliate Business Units of PacifiCorp:

PacifiCorp Energy, Commercial & Trading:
 Energy Trading
 Marketing & Trading Contracts

Origination
Structuring and Pricing

Transmission Function Employees

PacifiCorp's Transmission Function includes: employees, contractors, consultants or agents of PacifiCorp who conducts transmission system operations or reliability functions, including, but not limited to, those who are engaged in day-to-day duties and responsibilities for planning, directing, or carrying out transmission-related operations.

Shared Employees

PacifiCorp has identified Integrated Resource Planning, Environmental, Credit, Legal, and Risk Management as shared employee functions under FERC's Standards of Conduct.

Information Status

PacifiCorp's Marketing Affiliate (as defined above) will not be involved in a Bidder's transmission interconnection and integration with the control area. PacifiCorp's employees will at all times abide by FERC's Standards of Conduct. If an issue arises about compliance with FERC's Standards of Conduct, PacifiCorp's FERC Standards of Conduct Compliance Officer, Colt Norrish at 503-813-5545, should be contacted immediately.

RFP
Attachment 21: Credit Methodology

Credit Security Requirements Methodology

Methodology Overview for Base Load Category

The RFP (includes Resources Alternatives with Eligible Online Dates of June 1, 2012; June 1, 2013; June 1, 2014; June 1, 2015; and June 1, 2016) selected resources have the potential to expose PacifiCorp and its ratepayers to credit risk in the event a selected Bidder is unable to fulfill its obligations pursuant to the terms of an executed agreement. The credit risk profile is a function of several factors:

1. Type of resource (see Resource Alternatives Key at the end of this paper)
2. The Bid Category (Base Load, Intermediate Load and Summer Peak)
3. Size of Resource Alternative
4. Expected energy delivery start date
5. Term of underlying contract
6. Creditworthiness of Bidder and Bidder's credit support provider, if applicable

Acquisition of an Asset

For all resources that involve a physical asset with appropriate step-in rights (Resource Alternatives #3-6), PacifiCorp views potential credit exposure as the cost it would incur in the event the resource failed to come on-line when expected. PacifiCorp believes it could take up to 12 months to either step in and complete the project or cause the project to be completed on its behalf. If the failure occurred near the expected on-line date, PacifiCorp would have to procure energy in the open market at then-prevailing market prices.

Although it may take up to one additional year to get the resource on-line in the event of a Bidder default, PacifiCorp is most concerned about replacing expected energy during the summer months (June-September), specifically the on-peak hours.

In determining where prices for replacement power might be between contract execution and the replacement period (i.e. the future summer months), PacifiCorp employs standard statistical analysis to estimate future price levels within a certain confidence interval. Once the "stressed" forward price is determined, the expected cost to procure energy, had the project not been delayed, based on contract terms and conditions is subtracted. The difference between these prices is then multiplied by the number of megawatt hours for the replacement period to estimate the expected replacement cost, or damages, PacifiCorp might sustain due to Bidder nonperformance.

To illustrate, for the 2012 resource the forward price for on-peak power delivered at PACE over the four summer months during 2012 as indicated by the market on January 17, 2008 was \$91.09/MWh. Market-implied volatility of prices for those same delivery

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months was 29.9%² on the same observation date. Using this data, PacifiCorp estimated – with 84% confidence – that prices for that delivery point and replacement period are expected to be no higher than \$160.51/MWh. Subtracting the cost of on-peak power PacifiCorp expects to pay had the resource been operational (e.g. \$91.09/MWh) results in a potential replacement cost to PacifiCorp of \$69.43/MWh, or \$135,524³ for a 1 MW resource.

With regard to a calculation for the estimate of the price of PACE power for the replacement period of \$160.51/MWh, PacifiCorp estimated, with 84% confidence, how high Utah power prices could be in the event PacifiCorp had to procure replacement energy during the summer of 2012 (four months, June-September) in the event of a bidder default. PacifiCorp used the forward price curve and the five year price volatility level observed on January 17, 2008 as inputs to its statistical analysis. Using a 7x16 delivery pattern, PacifiCorp nominally levelized power prices for each of the individual summer months to arrive at a single strip price of \$91.09/MWh. The price was then multiplied by a stress factor to generate a potential forward price based on the desired confidence level:

Stress factor = $\exp^{(1 \text{ standard deviation} * 29.9\% \text{ annual five year volatility} * \sqrt{[(\text{mid point date of summer strip} - \text{contract signing date})/365.25]}} = 1.7622$.

Stressed price = 1.7622 stress factor * \$91.09/MWh levelized price = \$160.51/MWh

Using a similar assessment for the 2013, 2014, 2015 and 2016 resources, the potential credit exposure was estimated to be \$145,736, \$159,221, \$171,808 and \$186,871, respectively, for a 1 MW resource.

Asset-Backed Agreements

For other resources that are backed by an asset with appropriate step-in rights (Resource Alternatives 1, 2, 7, 8(b) and 8(c): asset-backed only), PacifiCorp views its potential credit exposure as the cost it would incur in the event the Bidder failed at any time during the life of the contract. However because the resource is backed by an attachable asset, PacifiCorp believes it can have the project operational, or cause to have the project operational on its behalf, within 12-18 months from the date of nonperformance. PacifiCorp acknowledges that the potential for prices to change is greater for this resource group due to the term of the underlying contract but will treat the potential replacement costs the same as asset backed Resource Alternatives 3-6. PacifiCorp will hold any credit security for a longer period, however, due to the length of contract related to this resource group.

² Execution of contracts related to the RFP is expected to occur on or about January 1, 2009. Therefore, volatility for the 2011 period was used as the best estimate of where volatility levels would be in 2012 as viewed on January 1, 2009.

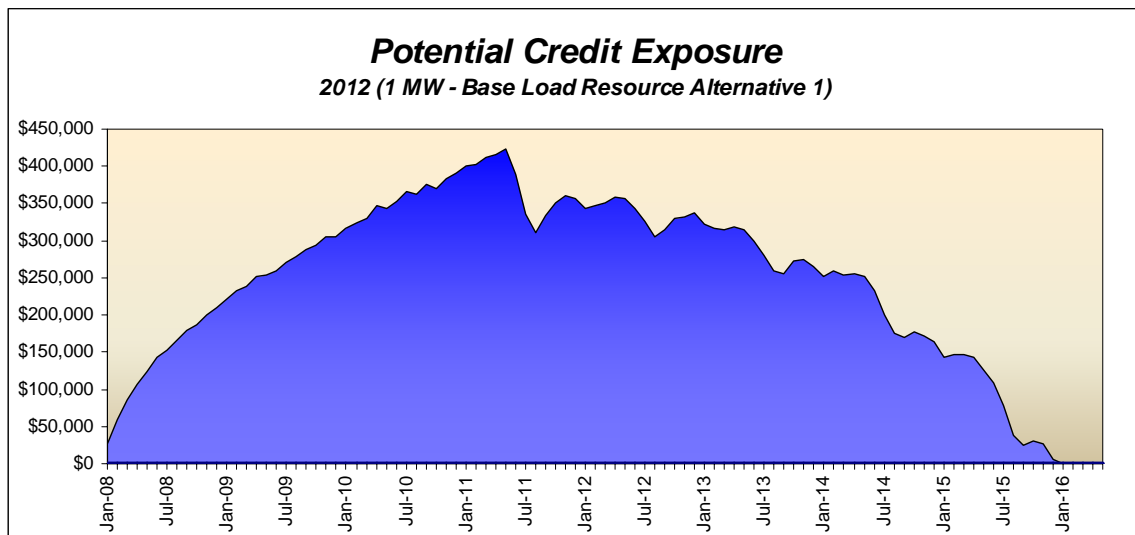
³ Assumes 1,952 on-peak hours during June-September 2012.

This discussion of the credit requirements for Power Purchase Agreements (and Tolling Services Agreements) and the Asset Purchase and Sales Agreements assumes, for these credit requirements to be comparably analyzed, that each of these types of agreement is backed by its respective physical asset. In order for this to be the case, the agreements by their terms must put that physical resource behind the agreement, which would include, but not be limited to, the following: allowing PacifiCorp meaningful and actual exercise of step-in rights and a second lien (behind only the project lenders) on the assets and the special purpose entity equity, limiting the amount of leverage on the project by way of a cap on the debt to equity ratio, and other financial covenants for the life of the Power Purchase Agreement (resources 1, 2, 7 and 8(b)).

Non-Asset Backed Agreements

For resources that are not backed by an asset (resources 1, 2, 7, 8(a), 8(b) and 8(c)), PacifiCorp estimates potential credit exposure on not just four summers' worth of replacement volume but on the entire remaining volume at any point a Bidder might default during the term of a contract. PacifiCorp also takes into account the entire time horizon of the contract from contract execution. To estimate potential credit exposure at any possible point of default, PacifiCorp performs a Monte Carlo simulation⁴ using a program purchased from a third-party vendor⁵ that factors in forward prices, forward price volatility, temporal correlations, and asset correlations. The simulation steps through time, removing delivered volumes from the valuation while revaluing remaining, undelivered volumes. The result is a distribution of potential credit exposures from which PacifiCorp uses those at the 84th percentile.

The following chart shows the potential credit risk profile of a 1 MW, five year, non-asset backed, base load Resource Alternative 1 for 2012:



⁴ A Monte Carlo simulation incorporates randomness into the revaluation process while mindful of the boundaries imposed by volatility and correlation assumptions.

⁵ Risk Capital Management Partners, LLC, acquired by Towers Perrin on June 19, 2006.

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For the 2012, 2013, 2014, 2015 and 2016 resources that are not backed by an asset, the potential credit exposure was estimated to be \$424,155, \$468,995, \$527,486, \$541,682, and \$621,774 respectively, for a 1 MW resource.

Once the potential credit exposures were estimated for all resources, the exposures then were inserted into a series of credit matrices (each a “Credit Matrix”). Each Credit Matrix lists various sizes of resources in 100 MW increments (columns) for each possible credit rating of Bidder and Bidder’s credit support provider, if applicable (rows). A Credit Matrix for each Resource Alternative is shown for each Eligible Online Date.

Next, PacifiCorp applies its internal credit risk tolerance specific to this RFP to each potential credit exposure in every cell of every Credit Matrix. The results are the amounts of excess credit risk that PacifiCorp requests be secured through third-party guaranties, cash, letters of credit, or other collateral, or combinations thereof.

To interpret a Credit Matrix, a Bidder needs to select the Resource Alternative, the Bid Category, the size of the resource, and the Eligible Online Date. Depending on the credit rating of the Bidder and the Bidder’s credit support provider, if applicable, the value in the applicable Credit Matrix represents the maximum value of credit security the Bidder or Bidder’s credit support provider must provide. The credit matrix was developed based on the Base Load Bid Category; credit requirements for the other two Bid Categories will be determined based on a percentage of the amount contained in the credit matrix.

Using the sample Credit Matrix excerpt below for illustration purposes only, credit security required for a base load 600 MW asset purchase and sale agreement for 2012 with a ‘BBB+’ rated Bidder would be \$0 (row 8). If the Bidder was not rated or was rated less than investment grade, the Bidder would be required to provide \$97,599,600 (row 11) in credit security to cover the potential credit exposure. Security could include a third-party guaranty from an investment grade entity but in that event additional security may be required depending on the security amounts listed in the Credit Matrix corresponding to the rating of the guarantor. For instance, if the third-party guarantor was only rated ‘BBB’, PacifiCorp would require a guaranty in the amount of \$75.0m (\$97,599,600 (row 11) minus \$22,599,600 (row 9)) from the guarantor and additional security (i.e. a letter of credit) in the amount of \$22,599,600 (row 9) from the Bidder.

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Size of Nameplate bid in MW ==>	501-600	
Credit Rating		
AAA/Aaa and above	\$0	row 1
AA+/Aa1	\$0	row 2
AA/Aa2	\$0	row 3
AA-/Aa3	\$0	row 4
A+/A1	\$0	row 5
A/A2	\$0	row 6
A-/A3	\$0	row 7
BBB+/Baa1	\$0	row 8
BBB/Baa2	\$22,599,600	row 9
BBB-/Baa3	\$47,599,600	row 10
Below BBB-/Baa3	\$97,599,600	row 11

In the event the Bidder’s credit rating and Bidder’s credit support provider’s credit rating, if applicable, adversely changes during the contract term, the amount of credit security must be adjusted commensurate with the amounts listed in the Credit Matrix.

For resource sizes that fall inside a MW range on the Credit Matrix, the exact amount of credit security is determined by taking the actual MW size of the resource and dividing it by the upper range boundary MW size. That result is then multiplied by the security amounts shown in the Credit Matrix for that size range to produce the credit security amount. For example, using the sample Credit Matrix excerpt above, for a 525 MW resource the amount of credit security required for a non-investment grade Bidder would be:

$$\mathbf{\$85,399,650} = 525 \text{ MW} / 600 \text{ MW} * \$97,599,600$$

Posting of Credit Security

For all Resource Alternatives that are backed by an asset that can be attached by PacifiCorp, credit security must be posted in accordance with the following schedule (this includes a Power Purchase Agreement that is backed by an asset):

Cumulative Value of Credit Security*	2012 Resource	2013 Resource	2014 Resource	2015 Resource	2016 Resource
10%	Effective Date (ED)	Effective Date (ED)	Effective Date (ED)	Effective Date (ED)	Effective Date (ED)
20%	ED+6 months	ED+18 months	ED+30 months	ED+42 months	ED+54 months
30%	ED+12 months	ED+24 months	ED+36 months	ED+48 months	ED+60 months
40%	ED+18 months	ED+30 months	ED+42 months	ED+54 months	ED+66 months
100%	ED+24 months	ED+36 months	ED+48 months	ED+60 months	ED+72 months

* When the Bidder receives project development financing, 100% of the required credit security is then immediately due, regardless of the deadlines contained in the schedule.

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The Effective Date is the date the contract is approved by the Utah Commission or the date the contract is executed by the parties, whichever is later.

A Bidder may select to either post the initial security, which must be in the form of cash or letter of credit only, or alternatively, a Bidder may post the full amount of credit security using *any* form of security acceptable to PacifiCorp (e.g. a third-party guaranty.)

For all other resources, full credit security is due within ten (10) business days after the Effective Date.

Reduction in Credit Security

For Resource Alternatives 3, 4, 5 and 6, any credit security posted will be returned to the counterparty at a reasonable time period after PacifiCorp has assumed complete ownership of the resource and any necessary indemnification period has passed.

For Resource Alternatives 1, 2, 7, 8(a), 8(b), and 8(c), posted credit security will be reduced according to the following schedule: starting at the mid-point of the term of the contract, the amount of credit security will be amortized over the remaining term of the contract and may be reduced in equal installments at the end of each successive contract year until the amount of credit security to be posted is \$0. PacifiCorp reserves the right to hold credit security for a longer period if the potential credit exposure at the time of collateral return warrants such an action.

As an example: the counterparty has posted \$8,419,200 in credit security for a PPA with a term of 6/1/2012 to 5/31/2032, or 20 years. After 10 years, the credit security amount of \$8,419,200 will be divided by the 10 years remaining (\$8,419,200/10, or \$841,920) such that the amount of security may be reduced by \$841,920 at the end of each successive contract year until the balance of the credit security reaches \$0 at the end of the contract term.

Note that the above examples assume that the creditworthiness of the counterparty and/or its credit support provider remains the same over time. If the creditworthiness of the counterparty and/or its credit support provider changes at any point before or after the contract is executed, the amount of credit security required may change.

Resource Alternatives Key:	
1	Power Purchase Agreements
2	Tolling Service Agreements
3	Asset Purchase and Sale Agreements on PacifiCorp sites
4	Asset Purchase and Sale Agreements
5	Purchase of an Existing Facility
6	Purchase of a portion of a facility jointly owned by or operated by PacifiCorp
7	Restructuring of existing Power Purchase Agreement or Exchange Agreement
8(a)	Load Curtailment
8(b)	Qualified Facility
8(c)	Biomass or Geothermal

RFP
Attachment 22: Forms of Credit
Commitment Letters

GUARANTY COMMITMENT LETTER

(Must be on letterhead of Bidder's credit support provider)

PacifiCorp
825 NE Multnomah, Suite 700
Portland, Oregon 97232
Attn: Credit Dept.

Dear Sirs:

The undersigned bears the following relationship to the Bidder _____ (insert Bidder name) ("Bidder") in your RFP process: (insert nature of relationship, e.g., Parent company, tax investor, etc.). Bidder and the undersigned have their own, separate agreement with respect to the undersigned's promise set forth in this letter.

This will indicate our promise to you that, should you enter into a transaction with Bidder arising out of any bid submitted by Bidder in the RFP, with terms and conditions mutually acceptable to you and Bidder that we will at that time issue an unconditional guaranty in form and substance reasonably satisfactory to you, and that we will guarantee all obligations of payment and performance of Bidder to you as our independent obligation, (up to a maximum amount of \$_____, plus expenses of enforcing the guaranty.).

We understand that you will not enter into a transaction with Bidder without said guaranty. We understand that you are under no obligation to enter into any transaction with Bidder, under the RFP or otherwise.

Yours truly,

(name of committing guarantor)
(name of authorized officer)

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LETTER OF CREDIT COMMITMENT LETTER

(Must be on letterhead of Bidder's credit support provider)

PacifiCorp
825 NE Multnomah, Suite 700
Portland, Oregon 97232
Attn: Credit Dept

Dear Sirs:

The undersigned bears the following relationship to the Bidder _____ (insert Bidder name) ("Bidder") in your RFP process: (insert nature of relationship). Bidder and the undersigned have reached their own agreement with respect to the undersigned's promise set forth in this letter.

This will indicate our promise to you that, should you enter into a transaction with Bidder arising out of any bid submitted by Bidder in the RFP, that we will at that time issue an irrevocable standby letter of credit in a form reasonably acceptable to you up to a maximum amount of \$_____.

We understand that you will not enter into a transaction with Bidder without said letter of credit. We understand that you are under no obligation to enter into any transaction with Bidder, under the RFP or otherwise.

Yours truly,

(name of committing financial institution)
(name of authorized officer)

RFP
**Attachment 23: Operating and
Maintenance Terms and Conditions**

RFP
Attachment 24: Specifications for the
APSA at the Lake Side Site

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**Due to the size of RFP Attachment 24, the
Specifications for the APSA for the Lake Side Site is available
on PacifiCorp's website as a separate document**

www.pacificorp.com

RFP
Attachment 25: Specifications for the
APSA at the Currant Creek Site

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**Due to the size of RFP Attachment 25, the
Specifications for the APSA for the Currant Creek Site is
available on PacifiCorp's website as a separate document**

www.pacificorp.com

RFP FORMS

RFP
FORM 1: Pricing Input Sheet

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**The Form 1 Pricing Input Sheet is Available in an Interactive
Electronic Format on PacifiCorp's website.**

www.pacificorp.com

RFP
FORM 2: Permitting and
Construction Milestones

**RFP FORM 2
PERMITTING AND CONSTRUCTION MILESTONES**

Milestone	Date	Bidder to insert Break up Fee	Bidder to insert 1 yr Acceleration Fee	Bidder to insert 1 yr Deferral Fee
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				

**RFP FORM 2
PERMITTING AND CONSTRUCTION MILESTONES
INTEGRATED GASIFICATION COMBINED CYCLE**

General	Date	Bidder to insert Break up Fee	Bidder to insert 1 yr Acceleration Fee	Bidder to insert 1 yr Deferral Fee
Feasibility Study Complete				
FEED Study complete				
Geotech Report complete				
Major Permit Applications Filed				
Secure Property				
Secure Water Rights				
Major Permits secured				
Natural Gas Interconnection Agreement				
Complete Large Generator Interconnection Agreement				
Full Notice to Proceed				
Site Access Available				
Power Grid (Backfeed) Available				
Natural Gas Available				
Major Equipment Procurement				
Combustion Turbine generators				
Steam Turbine generator				
Main Condenser				
Generator Step-Up & Main Auxiliary Transformers				
Heat Recovery Steam Generators/SCR System/Duct/Stacks				
Gasifiers				
Air Separation System				
Acid Gas Removal System				
Tail Gas Clean up System				
Digital Control System				
Engineering (Overall)				
Final Process /Equip. Data Sheets Issued				
Piping & Instrument Diagrams Issued for Design				

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General	Date	Break up Fee	1 yr Acceleration Fee	1 yr Deferral Fee
Fabrication & Delivery of Major Equipment				
Major Foundation Design Completed				
Underground Utilities Design				
Gas Turbine generators				
Steam Turbine generator				
Main Condenser				
Generator Step-Up & Main Auxiliary Transformers				
Heat Recovery Steam Generators/SCR/Stacks				
Gasifiers				
Air Separation System				
Acid Gas Removal System				
Tail Gas Clean up System				
Digital Control System				
Overall Construction & Installation				
Mobilized				
Break ground				
Begin pouring of piling & foundations				
Major Buildings Complete				
Combustion Turbine 1 set				
Combustion Turbine 2 set				
Heat Recovery Steam Generator 1 erected				
Heat Recovery Steam Generator 2 erected				
Gasification Major Components set				
Steam turbine set				
Critical Piping Installed				
Install Digital Control System				
Main Transformers set				
Mechanically complete				
First Fire of Combustion Turbine 1				
First Fire of Combustion Turbine 2				
First Fire of each Gasifier and associated Air Separation Unit and downstream cleanup				
Cooling Tower Installation Complete				

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General	Date	Break up Fee	1 yr Acceleration Fee	1 yr Deferral Fee
Startup and Commissioning				
Steam Blows Complete				
Roll Steam Turbine				
Performance Testing Complete - Natural Gas				
Performance Testing Complete - Syn-Gas				
Substantial Completion				
Final Acceptance				

FINAL DRAFT

4-25-08 version

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PacifiCorp 2008 All Source Request for Proposals

Appendices, Attachments and Forms

Issued **XX, 2008
Responses due **XX**, 2008**

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APPENDICES

Intent to Bid Form for Request for Proposal

Due XX, 2008

Complete Appendices A and B

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Intent to Bid Form for RFP

This Intent to Bid Form is comprised of Appendices A and B which both must be fully completed and submitted by **Insert date** to the Independent Evaluators (“IEs”) in order to participate in PacifiCorp’s RFP.

This is to declare that the undersigned intends to respond to PacifiCorp’s Request for Proposals in the All Source RFP (“RFP”).

Please include:

Company:	
Mailing Address:	
Phone:	
Fax:	
Email:	
Contact Person:	
Authorized Signature:	
Date:	

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Return five (5) copies of all completed Intent to Bid forms by express mail, registered or certified mail, or hand delivery by **XX, 2008** to both addresses:

Utah Independent Evaluator

Merrimack Energy Group, Inc.
c/o Utah Division of Public Utilities
Heber M Wells Bldg, 4th Floor
160 East 300 South
Box 146751
Salt Lake City, Utah 84114-6751

and

Oregon Independent Evaluator

Accion Group and Boston Pacific Company, Inc.
c/o Pacific Power Legal Department
Attention: Natalie L. Hocken
825 NE Multnomah, Suite 2000
Portland, Oregon 97232

The Intent to Bid Form consists of Appendices A and B. Both Appendices **must be completed in their entirety**. Bidders must complete both Appendices A and B in order to qualify to submit a proposal in the RFP. If a Bidder makes the shortlist the Bidder must be able to demonstrate within 20 business days their ability to satisfy their credit, capability, experience and qualification to deliver, along with specific references for each and every selected Resource Alternative being submitted in response to the RFP.

PacifiCorp reserves the right, following consultation with the IEs, to reject as non-responsive any, all, or portions of bid proposals received for failure to complete Appendix A and Appendix B in full. PacifiCorp also reserves the right to request that the IEs 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.

Intent to Bid Form

Appendix A: Bidder's Qualification Capability and Experience

1. RESOURCE ALTERNATIVES

Bidder must submit a separate form for each Resource Alternative it plans to submit. Each Resource Alternative will be assigned a separate bid number by the IEs. Bidder must select by marking with an “X” only one of the following Resource Alternatives as described in Section C.1 of the RFP. To the extent the Bidder submits a proposal that is different than the one checked in the Intent to Bid Form, PacifiCorp reserves the right to reject the RFP bid proposal.

- Power Purchase Agreement
 - Asset Backed Not Asset Backed
- Tolling Agreement
 - Asset Backed Not Asset Backed
- Asset Purchase and Sale Agreement on Bidder’s Site
- Asset Purchase and Sale Agreement on PacifiCorp’s Site
 - Currant Creek Lake Side
- 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
- Restructure of an existing Exchange Agreement
- Buyback of an existing Sales Agreement
- Load Curtailment
- Qualifying Facility
 - Asset Backed Not Asset Backed
- Biomass
 - Asset Backed Not Asset Backed
- Geothermal
 - Asset Backed Not Asset Backed

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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:	

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<p>Proposed Project</p> <p>(As applicable but not limited to the project submitted.)</p>	<ul style="list-style-type: none"> • Commercial Operation Date _____ • Eligible Online Date _____ • Bid Category _____ • Size _____ • Location and Delivery Point _____ • Fuel _____ • Technology (e.g. simple cycle gas-fired, combined cycle gas-fired) _____ • 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 _____ • Is PPA/TSA backed by an Asset?* • Is PPA/TSA backed by market purchases other than coal? _____ • Other Information _____
---	--

*For Power Purchase Agreements and Tolling Service Agreements to be backed by its respective physical asset, the agreements by their terms must put that physical resource behind the agreement, which may include, but not be limited to, the following: allowing the Company meaningful actual exercise of step-in rights and a second lien (behind only the project lenders) on the assets and the special purpose entity equity, establishing a cap on the debt to equity ratio, and other financial covenants for the life of the Power Purchase Agreements or Tolling Service Agreements.

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3. BIDDER EXPERIENCE

In the case where a bid contains a proposal to develop a new project or expand an existing project please describe the types of agreements necessary for successful project development and identify 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. Provide documentation regarding the contractual relationship between the Bidder and any vendor. Indicate the status of any arrangements between the Bidder and vendor regarding the above agreements or any other agreements. **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 Resource Alternatives, proposed by the Bidder, the Company, after consultation with the IEs, reserves the right to exclude the Bidder from the RFP process.

Intent to Bid Form
Appendix B: Bidder's Credit
Information

BIDDER’S CREDIT INFORMATION AND CREDIT MATRIX

Please provide the following information to enable PacifiCorp to 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 entity(ies) providing credit assurances on behalf of Bidder (if applicable).

A. Exact legal name and address of entity(ies):

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Deleted: t

Deleted: Bidder

Deleted: Bidder

Deleted:

B. Describe relationship to Bidder and describe type of credit assurances to be provided (e.g. parental guaranty, letter of credit, etc.) once notified that the Bidder has been selected for the final shortlist. Bidder must provide to Company a commitment letter(s) in a form acceptable to the Company (see Attachment 22) from the entity(ies) 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. It should be noted that more than one commitment letter, or more than one form of commitment letter, may be necessary.

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:

Deleted: B.

D. Please attach copies of audited financial statements (including balance sheet, income statement, and cash flow statement) for the three (3) most recent fiscal years.

Deleted: C

Fiscal Year End:

E. Identify material pending legal disputes (describe):

Deleted: D

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

Deleted: E

Deleted: Bidder

Deleted:

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

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F

Is Bidder unable to provide audited financial statements?

Is Bidder relying upon another entity(ies) to provide credit assurances on Bidder's behalf?

H. Bidder should demonstrate their ability (and/or the ability of their credit support provider(s)) to provide the required security, including its plan for doing so (including type of security, sources of security, and a description of its credit support provider).

Deleted: G

I. Bidder should provide a reasonable demonstration of their ability to finance the proposed project based on past experience and a sound financial plan identifying the proposed sources for debt and equity and evidence the project is financeable.

Deleted: H

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

A. Exact legal name and address of entity(ies) 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.) once notified that the Bidder has been selected for the final shortlist. Bidder must provide to Company a letter(s) of commitment in a form acceptable to Company (see **Attachment 22**) from the entity(ies) 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.

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▼ 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 (3) most recent fiscal years.

Fiscal Year End:

E. Pending material 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 estimated amount of credit assurances required for each Resource Alternative bid in each Bid Category. The Bidder will be required to demonstrate the ability to post any required credit assurances in the form of a commitment letter(s) consistent with **Attachment 22** from a proposed guarantor(s) and/or from a financial institution(s) that would be issuing a Letter of Credit. The Company will require each Bidder to provide the Company with an acceptable commitment letter(s) (if applicable) twenty (20) business days after the Bidder is notified that the Bidder has been selected for the final shortlist.

The amount of any credit assurances to be provided will be determined based upon:

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- a) the Credit Rating of the Bidder and the entity(ies) providing credit assurances on behalf of the Bidder, if applicable, b) the size of the project, c) the Eligible Online Date, d) the type of Resource Alternative, and e) the Bid Category.

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The Credit Rating is defined as 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) from Moody's Investor Services. If option x) or y) is not available, the Credit Rating will be determined by the Company through an internal process review utilizing a proprietary credit scoring model developed in conjunction with a third party.

All Bidders will receive a Credit Rating which will be used in determining the amount of any credit assurances to be posted. 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 assurances in addition to those outlined in the Credit Matrix.

The timing of when credit security must be posted is detailed in **Attachment 21**.

Credit Matrices Notes

- Columns contain maximum value of credit assurances to be posted for each range of MW for a 2012-2016 resource
- Based on the Eligible Online Date, size and type of Resource Alternative bid and Bid Category
- For projects less than five (5) years, the amount of credit assurances required may be adjusted
- Credit Requirements for the Bid Categories other than the Base Load Bid Category will be determined based on a percentage of the amount contained in the Credit Matrix
 - For the Intermediate Load Bid Category, the percentage of the amount contained in the Credit Matrix is based on the following formula:

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Percentage = capacity factor adjustment * price type adjustment; where the capacity factor adjustment is the Bidder's capacity factor divided by 60%, and the price type adjustment is the average of the monthly super-peak price divided by the monthly on-peak price, or 1.03 for PACW and 1.08 for PACEU.

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- For the Summer Peak Bid Category, the percentage of the amount contained in the Credit Matrix for Resource Alternatives backed by an asset is 66%; the percentage of the amount contained in the Credit Matrix for Resource Alternatives not backed by an asset is 31%.

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PacifiCorp – Request for Proposals
RFP Responses due XX, 2008
Intent to Bid Responses due XX, 2008

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PacifiCorp – Request for Proposals
 RFP Responses due XX, 2008
 Intent to Bid Responses due XX, 2008

All Source RFP
 Credit Appendix B
 Credit Matrix
 Maximum Value of Credit Assurances to be Posted for each range of MW for a 2012 Resource
 Based on Size and Type of Resource Alternative Bid

For Resource Alternatives 3, 4, 5 and 6

Size of Nameplate bid in MW =>	100	101-200	201-300	301-400	401-500	501-600	601-700	701-800	801-900	901-1000	1001-1100	1101-1200	1201-1300	1301-1400	1401-1500	1501-1600	1601-1700	1701-1800	1801-1900	1901-2000
Credit Rating																				
AAA/Aaa and above	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,286,000	\$16,838,400	\$30,390,800	\$43,943,200	\$57,495,600	\$71,048,000
AA+/Aa1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,286,000	\$16,838,400	\$30,390,800	\$43,943,200	\$57,495,600	\$71,048,000
AA/Aa2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,286,000	\$16,838,400	\$30,390,800	\$43,943,200	\$57,495,600	\$71,048,000
AA-/Aa3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,286,000	\$16,838,400	\$30,390,800	\$43,943,200	\$57,495,600	\$71,048,000
A+/A1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,286,000	\$16,838,400	\$30,390,800	\$43,943,200	\$57,495,600	\$71,048,000
A/A2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,286,000	\$16,838,400	\$30,390,800	\$43,943,200	\$57,495,600	\$71,048,000
A-/A3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,286,000	\$16,838,400	\$30,390,800	\$43,943,200	\$57,495,600	\$71,048,000
BBB+/Baa1	\$0	\$0	\$0	\$0	\$0	\$0	\$8,419,200	\$21,971,600	\$35,524,000	\$49,076,400	\$62,628,800	\$76,181,200	\$89,733,600	\$103,286,000	\$116,838,400	\$130,390,800	\$143,943,200	\$157,495,600	\$171,048,000	
BBB/Baa2	\$0	\$0	\$0	\$0	\$0	\$6,314,400	\$19,866,800	\$33,419,200	\$46,971,600	\$60,524,000	\$74,076,400	\$87,628,800	\$101,181,200	\$114,733,600	\$128,286,000	\$141,838,400	\$155,390,800	\$168,943,200	\$182,495,600	\$196,048,000
BBB-/Baa3	\$0	\$0	\$4,209,600	\$17,762,000	\$31,314,400	\$44,866,800	\$58,419,200	\$71,971,600	\$85,524,000	\$99,076,400	\$112,628,800	\$126,181,200	\$139,733,600	\$153,286,000	\$166,838,400	\$180,390,800	\$193,943,200	\$207,495,600	\$221,048,000	
Below BBB-/Baa3	\$13,552,400	\$27,104,800	\$40,657,200	\$54,209,600	\$67,762,000	\$81,314,400	\$94,866,800	\$108,419,200	\$121,971,600	\$135,524,000	\$149,076,400	\$162,628,800	\$176,181,200	\$189,733,600	\$203,286,000	\$216,838,400	\$230,390,800	\$243,943,200	\$257,495,600	\$271,048,000

For Resource Alternatives 1, 2, 7, 8(b) and 8(c) (ASSET BACKED)

Size of Nameplate bid in MW =>	100	101-200	201-300	301-400	401-500	501-600	601-700	701-800	801-900	901-1000	1001-1100	1101-1200	1201-1300	1301-1400	1401-1500	1501-1600	1601-1700	1701-1800	1801-1900	1901-2000
Credit Rating																				
AAA/Aaa and above	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,286,000	\$16,838,400	\$30,390,800	\$43,943,200	\$57,495,600	\$71,048,000
AA+/Aa1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,286,000	\$16,838,400	\$30,390,800	\$43,943,200	\$57,495,600	\$71,048,000
AA/Aa2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,286,000	\$16,838,400	\$30,390,800	\$43,943,200	\$57,495,600	\$71,048,000
AA-/Aa3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,286,000	\$16,838,400	\$30,390,800	\$43,943,200	\$57,495,600	\$71,048,000
A+/A1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,286,000	\$16,838,400	\$30,390,800	\$43,943,200	\$57,495,600	\$71,048,000
A/A2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,286,000	\$16,838,400	\$30,390,800	\$43,943,200	\$57,495,600	\$71,048,000
A-/A3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,286,000	\$16,838,400	\$30,390,800	\$43,943,200	\$57,495,600	\$71,048,000
BBB+/Baa1	\$0	\$0	\$0	\$0	\$0	\$0	\$8,419,200	\$21,971,600	\$35,524,000	\$49,076,400	\$62,628,800	\$76,181,200	\$89,733,600	\$103,286,000	\$116,838,400	\$130,390,800	\$143,943,200	\$157,495,600	\$171,048,000	
BBB/Baa2	\$0	\$0	\$0	\$0	\$0	\$6,314,400	\$19,866,800	\$33,419,200	\$46,971,600	\$60,524,000	\$74,076,400	\$87,628,800	\$101,181,200	\$114,733,600	\$128,286,000	\$141,838,400	\$155,390,800	\$168,943,200	\$182,495,600	\$196,048,000
BBB-/Baa3	\$0	\$0	\$4,209,600	\$17,762,000	\$31,314,400	\$44,866,800	\$58,419,200	\$71,971,600	\$85,524,000	\$99,076,400	\$112,628,800	\$126,181,200	\$139,733,600	\$153,286,000	\$166,838,400	\$180,390,800	\$193,943,200	\$207,495,600	\$221,048,000	
Below BBB-/Baa3	\$13,552,400	\$27,104,800	\$40,657,200	\$54,209,600	\$67,762,000	\$81,314,400	\$94,866,800	\$108,419,200	\$121,971,600	\$135,524,000	\$149,076,400	\$162,628,800	\$176,181,200	\$189,733,600	\$203,286,000	\$216,838,400	\$230,390,800	\$243,943,200	\$257,495,600	\$271,048,000

For Resource Alternatives 1, 2, 7, 8(a), 8(b) and 8(c) (NON ASSET BACKED)-5YR

Size of Nameplate bid in MW =>	100	101-200	201-300	301-400	401-500	501-600	601-700	701-800	801-900	901-1000	1001-1100	1101-1200	1201-1300	1301-1400	1401-1500	1501-1600	1601-1700	1701-1800	1801-1900	1901-2000
Credit Rating																				
AAA/Aaa and above	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$36,232,500	\$78,648,000	\$121,063,500	\$163,479,000	\$205,894,500	\$248,310,000
AA+/Aa1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$36,232,500	\$78,648,000	\$121,063,500	\$163,479,000	\$205,894,500	\$248,310,000
AA/Aa2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$36,232,500	\$78,648,000	\$121,063,500	\$163,479,000	\$205,894,500	\$248,310,000
AA-/Aa3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$36,232,500	\$78,648,000	\$121,063,500	\$163,479,000	\$205,894,500	\$248,310,000
A+/A1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$36,232,500	\$78,648,000	\$121,063,500	\$163,479,000	\$205,894,500	\$248,310,000
A/A2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$36,232,500	\$78,648,000	\$121,063,500	\$163,479,000	\$205,894,500	\$248,310,000
A-/A3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$36,232,500	\$78,648,000	\$121,063,500	\$163,479,000	\$205,894,500	\$248,310,000
BBB+/Baa1	\$0	\$0	\$0	\$0	\$0	\$0	\$39,324,000	\$81,739,500	\$124,155,000	\$166,570,500	\$208,986,000	\$251,401,500	\$293,817,000	\$336,232,500	\$378,648,000	\$421,063,500	\$463,479,000	\$505,894,500	\$548,310,000	
BBB/Baa2	\$0	\$0	\$0	\$0	\$0	\$28,493,000	\$71,908,500	\$114,324,000	\$156,739,500	\$199,155,000	\$241,570,500	\$283,986,000	\$326,401,500	\$368,817,000	\$411,232,500	\$453,648,000	\$496,063,500	\$538,479,000	\$580,894,500	\$623,310,000
BBB-/Baa3	\$0	\$0	\$19,662,000	\$62,077,500	\$104,493,000	\$146,908,500	\$189,324,000	\$231,739,500	\$274,155,000	\$316,570,500	\$358,986,000	\$401,401,500	\$443,817,000	\$486,232,500	\$528,648,000	\$571,063,500	\$613,479,000	\$655,894,500	\$698,310,000	
Below BBB-/Baa3	\$42,415,500	\$84,831,000	\$127,246,500	\$169,662,000	\$212,077,500	\$254,493,000	\$296,908,500	\$339,324,000	\$381,739,500	\$424,155,000	\$466,570,500	\$508,986,000	\$551,401,500	\$593,817,000	\$636,232,500	\$678,648,000	\$721,063,500	\$763,479,000	\$805,894,500	\$848,310,000

Note 1: For Resource 8(a), the amount of credit assurances required in \$&W equates to \$424&W.
 Please note that the amount of credit assurances required for this resource type represents an "up to" amount depending on the terms of the curtailment and whether there is an acceptable physical asset behind the agreement.

Note 2: For projects less than 5 years, the amount of credit assurances required may be adjusted.

PacifiCorp – Request for Proposals

RFP Responses due XX, 2008

Intent to Bid Responses due XX, 2008

All Source RFP
 Credit Appendix B
 Credit Matrix
 Maximum Value of Credit Assurances to be Posted for each range of MW for a 2013 Resource
 Based on Size and Type of Resource Alternative Bid

For Resource Alternatives 3, 4, 5, 6 and 7

Size of Nameplate bid in MW =>	100	101-200	201-300	301-400	401-500	501-600	601-700	701-800	801-900	901-1000	1001-1100	1101-1200	1201-1300	1301-1400	1401-1500	1501-1600	1601-1700	1701-1800	1801-1900	1901-2000
Credit Rating																				
AAA/As and above	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,456,800	\$24,030,400	\$38,604,000	\$53,177,600	\$67,751,200	\$82,324,800	\$96,898,400	\$111,472,000
AA+/A1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,456,800	\$24,030,400	\$38,604,000	\$53,177,600	\$67,751,200	\$82,324,800	\$96,898,400	\$111,472,000
AA/A2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,456,800	\$24,030,400	\$38,604,000	\$53,177,600	\$67,751,200	\$82,324,800	\$96,898,400	\$111,472,000
AA/A3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,456,800	\$24,030,400	\$38,604,000	\$53,177,600	\$67,751,200	\$82,324,800	\$96,898,400	\$111,472,000
A+/A1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,456,800	\$24,030,400	\$38,604,000	\$53,177,600	\$67,751,200	\$82,324,800	\$96,898,400	\$111,472,000
A/A2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,456,800	\$24,030,400	\$38,604,000	\$53,177,600	\$67,751,200	\$82,324,800	\$96,898,400	\$111,472,000
A/A3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,456,800	\$24,030,400	\$38,604,000	\$53,177,600	\$67,751,200	\$82,324,800	\$96,898,400	\$111,472,000
BBB+/Baa1	\$0	\$0	\$0	\$0	\$0	\$12,441,600	\$27,015,200	\$41,588,800	\$56,162,400	\$70,736,000	\$85,309,600	\$99,883,200	\$114,456,800	\$129,030,400	\$143,604,000	\$158,177,600	\$172,751,200	\$187,324,800	\$201,898,400	\$216,472,000
BBB/Baa2	\$0	\$0	\$0	\$2,044,400	\$16,618,000	\$31,191,600	\$45,765,200	\$60,338,800	\$74,912,400	\$89,486,000	\$104,059,600	\$118,633,200	\$133,206,800	\$147,780,400	\$162,354,000	\$176,927,600	\$191,501,200	\$206,074,800	\$220,648,400	\$235,222,000
BBB-/Baa3	\$0	\$0	\$6,220,800	\$20,794,400	\$35,368,000	\$49,941,600	\$64,515,200	\$79,088,800	\$93,662,400	\$108,236,000	\$122,809,600	\$137,383,200	\$151,956,800	\$166,530,400	\$181,104,000	\$195,677,600	\$210,251,200	\$224,824,800	\$239,398,400	\$253,972,000
Below BBB-/Baa3	\$14,673,600	\$29,147,200	\$43,720,800	\$58,294,400	\$72,868,000	\$87,441,600	\$102,015,200	\$116,588,800	\$131,162,400	\$145,736,000	\$160,309,600	\$174,883,200	\$189,456,800	\$204,030,400	\$218,604,000	\$233,177,600	\$247,751,200	\$262,324,800	\$276,898,400	\$291,472,000

For Resource Alternatives 1, 2, 7, 8(b) and 8(c) (ASSET BACKED)

Size of Nameplate bid in MW =>	100	101-200	201-300	301-400	401-500	501-600	601-700	701-800	801-900	901-1000	1001-1100	1101-1200	1201-1300	1301-1400	1401-1500	1501-1600	1601-1700	1701-1800	1801-1900	1901-2000
Credit Rating																				
AAA/As and above	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,456,800	\$24,030,400	\$38,604,000	\$53,177,600	\$67,751,200	\$82,324,800	\$96,898,400	\$111,472,000
AA+/A1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,456,800	\$24,030,400	\$38,604,000	\$53,177,600	\$67,751,200	\$82,324,800	\$96,898,400	\$111,472,000
AA/A2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,456,800	\$24,030,400	\$38,604,000	\$53,177,600	\$67,751,200	\$82,324,800	\$96,898,400	\$111,472,000
AA/A3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,456,800	\$24,030,400	\$38,604,000	\$53,177,600	\$67,751,200	\$82,324,800	\$96,898,400	\$111,472,000
A+/A1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,456,800	\$24,030,400	\$38,604,000	\$53,177,600	\$67,751,200	\$82,324,800	\$96,898,400	\$111,472,000
A/A2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,456,800	\$24,030,400	\$38,604,000	\$53,177,600	\$67,751,200	\$82,324,800	\$96,898,400	\$111,472,000
A/A3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,456,800	\$24,030,400	\$38,604,000	\$53,177,600	\$67,751,200	\$82,324,800	\$96,898,400	\$111,472,000
BBB+/Baa1	\$0	\$0	\$0	\$0	\$0	\$12,441,600	\$27,015,200	\$41,588,800	\$56,162,400	\$70,736,000	\$85,309,600	\$99,883,200	\$114,456,800	\$129,030,400	\$143,604,000	\$158,177,600	\$172,751,200	\$187,324,800	\$201,898,400	\$216,472,000
BBB/Baa2	\$0	\$0	\$0	\$2,044,400	\$16,618,000	\$31,191,600	\$45,765,200	\$60,338,800	\$74,912,400	\$89,486,000	\$104,059,600	\$118,633,200	\$133,206,800	\$147,780,400	\$162,354,000	\$176,927,600	\$191,501,200	\$206,074,800	\$220,648,400	\$235,222,000
BBB-/Baa3	\$0	\$0	\$6,220,800	\$20,794,400	\$35,368,000	\$49,941,600	\$64,515,200	\$79,088,800	\$93,662,400	\$108,236,000	\$122,809,600	\$137,383,200	\$151,956,800	\$166,530,400	\$181,104,000	\$195,677,600	\$210,251,200	\$224,824,800	\$239,398,400	\$253,972,000
Below BBB-/Baa3	\$14,673,600	\$29,147,200	\$43,720,800	\$58,294,400	\$72,868,000	\$87,441,600	\$102,015,200	\$116,588,800	\$131,162,400	\$145,736,000	\$160,309,600	\$174,883,200	\$189,456,800	\$204,030,400	\$218,604,000	\$233,177,600	\$247,751,200	\$262,324,800	\$276,898,400	\$291,472,000

For Resource Alternatives 1, 2, 7, 8(a), 8(b) and 8(c) (NON ASSET BACKED)-5YR

Size of Nameplate bid in MW =>	100	101-200	201-300	301-400	401-500	501-600	601-700	701-800	801-900	901-1000	1001-1100	1101-1200	1201-1300	1301-1400	1401-1500	1501-1600	1601-1700	1701-1800	1801-1900	1901-2000
Credit Rating																				
AAA/As and above	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$22,794,000	\$69,693,500	\$116,593,000	\$163,492,500	\$210,392,000	\$257,291,500	\$304,191,000	\$351,090,500	\$397,990,000
AA+/A1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$22,794,000	\$69,693,500	\$116,593,000	\$163,492,500	\$210,392,000	\$257,291,500	\$304,191,000	\$351,090,500	\$397,990,000
AA/A2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$22,794,000	\$69,693,500	\$116,593,000	\$163,492,500	\$210,392,000	\$257,291,500	\$304,191,000	\$351,090,500	\$397,990,000
AA/A3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$22,794,000	\$69,693,500	\$116,593,000	\$163,492,500	\$210,392,000	\$257,291,500	\$304,191,000	\$351,090,500	\$397,990,000
A+/A1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$22,794,000	\$69,693,500	\$116,593,000	\$163,492,500	\$210,392,000	\$257,291,500	\$304,191,000	\$351,090,500	\$397,990,000
A/A2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$22,794,000	\$69,693,500	\$116,593,000	\$163,492,500	\$210,392,000	\$257,291,500	\$304,191,000	\$351,090,500	\$397,990,000
A/A3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$22,794,000	\$69,693,500	\$116,593,000	\$163,492,500	\$210,392,000	\$257,291,500	\$304,191,000	\$351,090,500	\$397,990,000
BBB+/Baa1	\$0	\$0	\$0	\$0	\$8,497,500	\$56,397,000	\$103,296,500	\$150,196,000	\$197,095,500	\$243,995,000	\$290,894,500	\$337,794,000	\$384,693,500	\$431,593,000	\$478,492,500	\$525,392,000	\$572,291,500	\$619,191,000	\$666,090,500	\$712,990,000
BBB/Baa2	\$0	\$0	\$0	\$18,048,000	\$65,747,500	\$112,647,000	\$159,546,500	\$206,446,000	\$253,345,500	\$300,245,000	\$347,144,500	\$394,044,000	\$440,943,500	\$487,843,000	\$534,742,500	\$581,642,000	\$628,541,500	\$675,441,000	\$722,340,500	\$769,240,000
BBB-/Baa3	\$0	\$0	\$28,198,500	\$74,098,000	\$121,997,500	\$169,897,000	\$217,796,500	\$265,696,000	\$313,595,500	\$361,495,000	\$409,394,500	\$457,294,000	\$505,193,500	\$553,093,000	\$600,992,500	\$648,892,000	\$696,791,500	\$744,691,000	\$792,590,500	\$840,490,000
Below BBB-/Baa3	\$48,899,500	\$93,799,000	\$140,698,500	\$187,598,000	\$234,497,500	\$281,397,000	\$328,296,500	\$375,196,000	\$422,095,500	\$468,995,000	\$515,894,500	\$562,794,000	\$609,693,500	\$656,593,000	\$703,492,500	\$750,392,000	\$797,291,500	\$844,191,000	\$891,090,500	\$937,990,000

Note 1: For Resource 8(a), the amount of credit assurances required in \$/kW equates to \$469/kW.
 Please note that the amount of credit assurances required for this resource type represents an "up to" amount depending on the terms of the curtailment and whether there is an acceptable physical asset behind the agreement.
 Note 2: For projects less than 5 years, the amount of credit assurances required may be adjusted.

PacifiCorp – Request for Proposals

RFP Responses due XX, 2008

Intent to Bid Responses due XX, 2008

All Source RFP
 Credit Appendix B
 Credit Matrix
 Maximum Value of Credit Assurances to be Posted for each range of MW for a 2014 Resource
 Based on Size and Type of Resource Alternative Bid

For Resource Alternatives 3, 4, 5, 6 and 7

Size of Nameplate bid in MW =>	100	101-200	201-300	301-400	401-500	501-600	601-700	701-800	801-900	901-1000	1001-1100	1101-1200	1201-1300	1301-1400	1401-1500	1501-1600	1601-1700	1701-1800	1801-1900	1901-2000	
Credit Rating																					
AAA/Asa and above	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,221,000	\$31,143,100	\$47,065,200	\$62,987,300	\$78,909,400	\$94,831,500	\$110,753,600	\$126,675,700	\$142,597,800	\$158,519,900	\$174,442,000	
AA+/Aa1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,221,000	\$31,143,100	\$47,065,200	\$62,987,300	\$78,909,400	\$94,831,500	\$110,753,600	\$126,675,700	\$142,597,800	\$158,519,900	\$174,442,000	
AA/Aa2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,221,000	\$31,143,100	\$47,065,200	\$62,987,300	\$78,909,400	\$94,831,500	\$110,753,600	\$126,675,700	\$142,597,800	\$158,519,900	\$174,442,000	
AA-/Aa3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,221,000	\$31,143,100	\$47,065,200	\$62,987,300	\$78,909,400	\$94,831,500	\$110,753,600	\$126,675,700	\$142,597,800	\$158,519,900	\$174,442,000	
A+/A1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,221,000	\$31,143,100	\$47,065,200	\$62,987,300	\$78,909,400	\$94,831,500	\$110,753,600	\$126,675,700	\$142,597,800	\$158,519,900	\$174,442,000	
A/A2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,221,000	\$31,143,100	\$47,065,200	\$62,987,300	\$78,909,400	\$94,831,500	\$110,753,600	\$126,675,700	\$142,597,800	\$158,519,900	\$174,442,000	
A-/A3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,221,000	\$31,143,100	\$47,065,200	\$62,987,300	\$78,909,400	\$94,831,500	\$110,753,600	\$126,675,700	\$142,597,800	\$158,519,900	\$174,442,000	
BBB+/Baa1	\$0	\$0	\$10,266,300	\$26,188,400	\$42,110,500	\$58,032,600	\$73,954,700	\$89,876,800	\$105,798,900	\$121,721,000	\$137,643,100	\$153,565,200	\$169,487,300	\$185,409,400	\$201,331,500	\$217,253,600	\$233,175,700	\$249,097,800	\$265,019,900	\$280,942,000	
BBB/Baa2	\$0	\$3,719,200	\$19,641,300	\$35,563,400	\$51,485,500	\$67,407,600	\$83,329,700	\$99,251,800	\$115,173,900	\$131,096,000	\$147,018,100	\$162,940,200	\$178,862,300	\$194,784,400	\$210,706,500	\$226,628,600	\$242,550,700	\$258,472,800	\$274,394,900	\$290,317,000	
BBB-/Baa3	\$0	\$13,094,200	\$29,016,300	\$44,938,400	\$60,860,500	\$76,782,600	\$92,704,700	\$108,626,800	\$124,548,900	\$140,471,000	\$156,393,100	\$172,315,200	\$188,237,300	\$204,159,400	\$220,081,500	\$236,003,600	\$251,925,700	\$267,847,800	\$283,769,900	\$299,692,000	
Below BBB-/Baa3	\$15,822,100	\$31,644,200	\$47,466,300	\$63,288,400	\$79,110,500	\$94,932,600	\$110,754,700	\$126,576,800	\$142,398,900	\$158,221,000	\$174,043,100	\$189,865,200	\$205,687,300	\$221,509,400	\$237,331,500	\$253,153,600	\$268,975,700	\$284,797,800	\$300,619,900	\$316,442,000	

For Resource Alternatives 1, 2, 7, 8(b) and 8(c) (ASSET BACKED)

Size of Nameplate bid in MW =>	100	101-200	201-300	301-400	401-500	501-600	601-700	701-800	801-900	901-1000	1001-1100	1101-1200	1201-1300	1301-1400	1401-1500	1501-1600	1601-1700	1701-1800	1801-1900	1901-2000	
Credit Rating																					
AAA/Asa and above	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,221,000	\$31,143,100	\$47,065,200	\$62,987,300	\$78,909,400	\$94,831,500	\$110,753,600	\$126,675,700	\$142,597,800	\$158,519,900	\$174,442,000	
AA+/Aa1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,221,000	\$31,143,100	\$47,065,200	\$62,987,300	\$78,909,400	\$94,831,500	\$110,753,600	\$126,675,700	\$142,597,800	\$158,519,900	\$174,442,000	
AA/Aa2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,221,000	\$31,143,100	\$47,065,200	\$62,987,300	\$78,909,400	\$94,831,500	\$110,753,600	\$126,675,700	\$142,597,800	\$158,519,900	\$174,442,000	
AA-/Aa3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,221,000	\$31,143,100	\$47,065,200	\$62,987,300	\$78,909,400	\$94,831,500	\$110,753,600	\$126,675,700	\$142,597,800	\$158,519,900	\$174,442,000	
A+/A1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,221,000	\$31,143,100	\$47,065,200	\$62,987,300	\$78,909,400	\$94,831,500	\$110,753,600	\$126,675,700	\$142,597,800	\$158,519,900	\$174,442,000	
A/A2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,221,000	\$31,143,100	\$47,065,200	\$62,987,300	\$78,909,400	\$94,831,500	\$110,753,600	\$126,675,700	\$142,597,800	\$158,519,900	\$174,442,000	
A-/A3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,221,000	\$31,143,100	\$47,065,200	\$62,987,300	\$78,909,400	\$94,831,500	\$110,753,600	\$126,675,700	\$142,597,800	\$158,519,900	\$174,442,000	
BBB+/Baa1	\$0	\$0	\$10,266,300	\$26,188,400	\$42,110,500	\$58,032,600	\$73,954,700	\$89,876,800	\$105,798,900	\$121,721,000	\$137,643,100	\$153,565,200	\$169,487,300	\$185,409,400	\$201,331,500	\$217,253,600	\$233,175,700	\$249,097,800	\$265,019,900	\$280,942,000	
BBB/Baa2	\$0	\$3,719,200	\$19,641,300	\$35,563,400	\$51,485,500	\$67,407,600	\$83,329,700	\$99,251,800	\$115,173,900	\$131,096,000	\$147,018,100	\$162,940,200	\$178,862,300	\$194,784,400	\$210,706,500	\$226,628,600	\$242,550,700	\$258,472,800	\$274,394,900	\$290,317,000	
BBB-/Baa3	\$0	\$13,094,200	\$29,016,300	\$44,938,400	\$60,860,500	\$76,782,600	\$92,704,700	\$108,626,800	\$124,548,900	\$140,471,000	\$156,393,100	\$172,315,200	\$188,237,300	\$204,159,400	\$220,081,500	\$236,003,600	\$251,925,700	\$267,847,800	\$283,769,900	\$299,692,000	
Below BBB-/Baa3	\$15,822,100	\$31,644,200	\$47,466,300	\$63,288,400	\$79,110,500	\$94,932,600	\$110,754,700	\$126,576,800	\$142,398,900	\$158,221,000	\$174,043,100	\$189,865,200	\$205,687,300	\$221,509,400	\$237,331,500	\$253,153,600	\$268,975,700	\$284,797,800	\$300,619,900	\$316,442,000	

For Resource Alternatives 1, 2, 7, 8(a), 8(b) and 8(c) (NON ASSET BACKED)-5YR

Size of Nameplate bid in MW =>	100	101-200	201-300	301-400	401-500	501-600	601-700	701-800	801-900	901-1000	1001-1100	1101-1200	1201-1300	1301-1400	1401-1500	1501-1600	1601-1700	1701-1800	1801-1900	1901-2000	
Credit Rating																					
AAA/Asa and above	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$42,737,400	\$95,486,000	\$148,234,600	\$200,983,200	\$253,731,800	\$306,480,400	\$359,229,000	\$411,977,600	\$464,726,200	\$517,474,800	\$570,223,400	\$622,972,000	
AA+/Aa1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$42,737,400	\$95,486,000	\$148,234,600	\$200,983,200	\$253,731,800	\$306,480,400	\$359,229,000	\$411,977,600	\$464,726,200	\$517,474,800	\$570,223,400	\$622,972,000	
AA/Aa2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$42,737,400	\$95,486,000	\$148,234,600	\$200,983,200	\$253,731,800	\$306,480,400	\$359,229,000	\$411,977,600	\$464,726,200	\$517,474,800	\$570,223,400	\$622,972,000	
AA-/Aa3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$42,737,400	\$95,486,000	\$148,234,600	\$200,983,200	\$253,731,800	\$306,480,400	\$359,229,000	\$411,977,600	\$464,726,200	\$517,474,800	\$570,223,400	\$622,972,000	
A+/A1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$42,737,400	\$95,486,000	\$148,234,600	\$200,983,200	\$253,731,800	\$306,480,400	\$359,229,000	\$411,977,600	\$464,726,200	\$517,474,800	\$570,223,400	\$622,972,000	
A/A2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$42,737,400	\$95,486,000	\$148,234,600	\$200,983,200	\$253,731,800	\$306,480,400	\$359,229,000	\$411,977,600	\$464,726,200	\$517,474,800	\$570,223,400	\$622,972,000	
A-/A3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$42,737,400	\$95,486,000	\$148,234,600	\$200,983,200	\$253,731,800	\$306,480,400	\$359,229,000	\$411,977,600	\$464,726,200	\$517,474,800	\$570,223,400	\$622,972,000	
BBB+/Baa1	\$0	\$0	\$45,745,800	\$98,494,400	\$151,243,000	\$203,991,600	\$256,740,200	\$309,488,800	\$362,237,400	\$414,986,000	\$467,734,600	\$520,483,200	\$573,231,800	\$625,980,400	\$678,729,000	\$731,477,600	\$784,226,200	\$836,974,800	\$889,723,400	\$942,472,000	
BBB/Baa2	\$0	\$21,122,200	\$73,870,800	\$126,619,400	\$179,368,000	\$232,116,600	\$284,865,200	\$337,613,800	\$390,362,400	\$443,111,000	\$495,859,600	\$548,608,200	\$601,356,800	\$654,105,400	\$706,854,000	\$759,602,600	\$812,351,200	\$865,099,800	\$917,848,400	\$970,597,000	
BBB-/Baa3	\$0	\$69,217,200	\$191,965,800	\$314,714,400	\$437,463,000	\$560,211,600	\$682,960,200	\$805,708,800	\$928,457,400	\$1,051,206,000	\$1,173,954,600	\$1,296,703,200	\$1,419,451,800	\$1,542,200,400	\$1,664,949,000	\$1,787,697,600	\$1,910,446,200	\$2,033,194,800	\$2,155,943,400	\$2,278,692,000	
Below BBB-/Baa3	\$52,748,600	\$105,497,200	\$158,245,800	\$210,994,400	\$263,743,000	\$316,491,600	\$369,240,200	\$421,988,800	\$474,737,400	\$527,486,000	\$580,234,600	\$632,983,200	\$685,731,800	\$738,480,400	\$791,229,000	\$843,977,600	\$896,726,200	\$949,474,800	\$1,002,223,400	\$1,054,972,000	

Note 1: For Resource 8(c), the amount of credit assurances required in \$4W equates to \$527.1M.
 Please note that the amount of credit assurance required for this resource type represents an "up to" amount depending on the terms of the curtailment and whether there is an acceptable physical asset behind the agreement.

Note 2: For projects less than 5 years, the amount of credit assurances required may be adjusted.

PacifiCorp – Request for Proposals

RFP Responses due XX, 2008

Intent to Bid Responses due XX, 2008

All Source RFP
 Credit Appendix B
 Credit Matrix
 Maximum Value of Credit Assurances for each range of MW for a 2015 Resource
 Based on Size and Type of Resource Alternative Bid

For Resource Alternatives 3, 4, 5, 6 and 7

Size of Nameplate bid in MW =>	100	101-200	201-300	301-400	401-500	501-600	601-700	701-800	801-900	901-1000	1001-1100	1101-1200	1201-1300	1301-1400	1401-1500	1501-1600	1601-1700	1701-1800	1801-1900	1901-2000	
Credit Rating																					
AAA/aa and above	\$0	\$0	\$0	\$0	\$0	\$0	\$5,065,600	\$22,246,400	\$39,427,200	\$56,608,000	\$73,788,800	\$90,969,600	\$108,150,400	\$125,331,200	\$142,512,000	\$159,692,800	\$176,873,600	\$194,054,400	\$211,235,200	\$228,416,000	
AA+/A1	\$0	\$0	\$0	\$0	\$0	\$0	\$5,065,600	\$22,246,400	\$39,427,200	\$56,608,000	\$73,788,800	\$90,969,600	\$108,150,400	\$125,331,200	\$142,512,000	\$159,692,800	\$176,873,600	\$194,054,400	\$211,235,200	\$228,416,000	
AA/A2	\$0	\$0	\$0	\$0	\$0	\$0	\$5,065,600	\$22,246,400	\$39,427,200	\$56,608,000	\$73,788,800	\$90,969,600	\$108,150,400	\$125,331,200	\$142,512,000	\$159,692,800	\$176,873,600	\$194,054,400	\$211,235,200	\$228,416,000	
AA-/A3	\$0	\$0	\$0	\$0	\$0	\$0	\$5,065,600	\$22,246,400	\$39,427,200	\$56,608,000	\$73,788,800	\$90,969,600	\$108,150,400	\$125,331,200	\$142,512,000	\$159,692,800	\$176,873,600	\$194,054,400	\$211,235,200	\$228,416,000	
A+/A1	\$0	\$0	\$0	\$0	\$0	\$0	\$5,065,600	\$22,246,400	\$39,427,200	\$56,608,000	\$73,788,800	\$90,969,600	\$108,150,400	\$125,331,200	\$142,512,000	\$159,692,800	\$176,873,600	\$194,054,400	\$211,235,200	\$228,416,000	
A/A2	\$0	\$0	\$0	\$0	\$0	\$0	\$5,065,600	\$22,246,400	\$39,427,200	\$56,608,000	\$73,788,800	\$90,969,600	\$108,150,400	\$125,331,200	\$142,512,000	\$159,692,800	\$176,873,600	\$194,054,400	\$211,235,200	\$228,416,000	
A-/A3	\$0	\$0	\$0	\$0	\$0	\$0	\$5,065,600	\$22,246,400	\$39,427,200	\$56,608,000	\$73,788,800	\$90,969,600	\$108,150,400	\$125,331,200	\$142,512,000	\$159,692,800	\$176,873,600	\$194,054,400	\$211,235,200	\$228,416,000	
BBB+/Baa1	\$0	\$15,611,600	\$32,792,400	\$49,973,200	\$67,154,000	\$84,334,800	\$101,515,600	\$118,696,400	\$135,877,200	\$153,058,000	\$170,238,800	\$187,419,600	\$204,600,400	\$221,781,200	\$238,962,000	\$256,142,800	\$273,323,600	\$290,504,400	\$307,685,200	\$324,866,000	
BBB/Baa2	\$3,116,300	\$20,299,100	\$37,479,900	\$54,660,700	\$71,841,500	\$89,022,300	\$106,203,100	\$123,383,900	\$140,564,700	\$157,745,500	\$174,926,300	\$192,107,100	\$209,287,900	\$226,468,700	\$243,649,500	\$260,830,300	\$278,011,100	\$295,191,900	\$312,372,700	\$329,553,500	
BBB-/Baa3	\$7,805,600	\$24,986,400	\$42,167,200	\$59,348,000	\$76,528,800	\$93,709,600	\$110,890,400	\$128,071,200	\$145,252,000	\$162,432,800	\$179,613,600	\$196,794,400	\$213,975,200	\$231,156,000	\$248,336,800	\$265,517,600	\$282,698,400	\$299,879,200	\$317,060,000	\$334,240,800	
Below BBB-/Baa3	\$17,180,800	\$34,361,600	\$51,542,400	\$68,723,200	\$85,904,000	\$103,084,800	\$120,265,600	\$137,446,400	\$154,627,200	\$171,808,000	\$188,988,800	\$206,169,600	\$223,350,400	\$240,531,200	\$257,712,000	\$274,892,800	\$292,073,600	\$309,254,400	\$326,435,200	\$343,616,000	

For Resource Alternatives 1, 2, 7, 8(b) and 8(c) (ASSET BACKED)

Size of Nameplate bid in MW =>	100	101-200	201-300	301-400	401-500	501-600	601-700	701-800	801-900	901-1000	1001-1100	1101-1200	1201-1300	1301-1400	1401-1500	1501-1600	1601-1700	1701-1800	1801-1900	1901-2000	
Credit Rating																					
AAA/aa and above	\$0	\$0	\$0	\$0	\$0	\$0	\$5,065,600	\$22,246,400	\$39,427,200	\$56,608,000	\$73,788,800	\$90,969,600	\$108,150,400	\$125,331,200	\$142,512,000	\$159,692,800	\$176,873,600	\$194,054,400	\$211,235,200	\$228,416,000	
AA+/A1	\$0	\$0	\$0	\$0	\$0	\$0	\$5,065,600	\$22,246,400	\$39,427,200	\$56,608,000	\$73,788,800	\$90,969,600	\$108,150,400	\$125,331,200	\$142,512,000	\$159,692,800	\$176,873,600	\$194,054,400	\$211,235,200	\$228,416,000	
AA/A2	\$0	\$0	\$0	\$0	\$0	\$0	\$5,065,600	\$22,246,400	\$39,427,200	\$56,608,000	\$73,788,800	\$90,969,600	\$108,150,400	\$125,331,200	\$142,512,000	\$159,692,800	\$176,873,600	\$194,054,400	\$211,235,200	\$228,416,000	
AA-/A3	\$0	\$0	\$0	\$0	\$0	\$0	\$5,065,600	\$22,246,400	\$39,427,200	\$56,608,000	\$73,788,800	\$90,969,600	\$108,150,400	\$125,331,200	\$142,512,000	\$159,692,800	\$176,873,600	\$194,054,400	\$211,235,200	\$228,416,000	
A+/A1	\$0	\$0	\$0	\$0	\$0	\$0	\$5,065,600	\$22,246,400	\$39,427,200	\$56,608,000	\$73,788,800	\$90,969,600	\$108,150,400	\$125,331,200	\$142,512,000	\$159,692,800	\$176,873,600	\$194,054,400	\$211,235,200	\$228,416,000	
A/A2	\$0	\$0	\$0	\$0	\$0	\$0	\$5,065,600	\$22,246,400	\$39,427,200	\$56,608,000	\$73,788,800	\$90,969,600	\$108,150,400	\$125,331,200	\$142,512,000	\$159,692,800	\$176,873,600	\$194,054,400	\$211,235,200	\$228,416,000	
A-/A3	\$0	\$0	\$0	\$0	\$0	\$0	\$5,065,600	\$22,246,400	\$39,427,200	\$56,608,000	\$73,788,800	\$90,969,600	\$108,150,400	\$125,331,200	\$142,512,000	\$159,692,800	\$176,873,600	\$194,054,400	\$211,235,200	\$228,416,000	
BBB+/Baa1	\$0	\$15,611,600	\$32,792,400	\$49,973,200	\$67,154,000	\$84,334,800	\$101,515,600	\$118,696,400	\$135,877,200	\$153,058,000	\$170,238,800	\$187,419,600	\$204,600,400	\$221,781,200	\$238,962,000	\$256,142,800	\$273,323,600	\$290,504,400	\$307,685,200	\$324,866,000	
BBB/Baa2	\$3,116,300	\$20,299,100	\$37,479,900	\$54,660,700	\$71,841,500	\$89,022,300	\$106,203,100	\$123,383,900	\$140,564,700	\$157,745,500	\$174,926,300	\$192,107,100	\$209,287,900	\$226,468,700	\$243,649,500	\$260,830,300	\$278,011,100	\$295,191,900	\$312,372,700	\$329,553,500	
BBB-/Baa3	\$7,805,600	\$24,986,400	\$42,167,200	\$59,348,000	\$76,528,800	\$93,709,600	\$110,890,400	\$128,071,200	\$145,252,000	\$162,432,800	\$179,613,600	\$196,794,400	\$213,975,200	\$231,156,000	\$248,336,800	\$265,517,600	\$282,698,400	\$299,879,200	\$317,060,000	\$334,240,800	
Below BBB-/Baa3	\$17,180,800	\$34,361,600	\$51,542,400	\$68,723,200	\$85,904,000	\$103,084,800	\$120,265,600	\$137,446,400	\$154,627,200	\$171,808,000	\$188,988,800	\$206,169,600	\$223,350,400	\$240,531,200	\$257,712,000	\$274,892,800	\$292,073,600	\$309,254,400	\$326,435,200	\$343,616,000	

For Resource Alternatives 1, 2, 7, 8(a), 8(b) and 8(c) (NON ASSET BACKED)-5YR

Size of Nameplate bid in MW =>	100	101-200	201-300	301-400	401-500	501-600	601-700	701-800	801-900	901-1000	1001-1100	1101-1200	1201-1300	1301-1400	1401-1500	1501-1600	1601-1700	1701-1800	1801-1900	1901-2000	
Credit Rating																					
AAA/aa and above	\$0	\$0	\$0	\$0	\$0	\$0	\$33,577,400	\$87,745,600	\$141,913,800	\$196,082,000	\$250,250,200	\$304,418,400	\$358,586,600	\$412,754,800	\$466,923,000	\$521,091,200	\$575,259,400	\$629,427,600	\$683,595,800	\$737,764,000	
AA+/A1	\$0	\$0	\$0	\$0	\$0	\$0	\$33,577,400	\$87,745,600	\$141,913,800	\$196,082,000	\$250,250,200	\$304,418,400	\$358,586,600	\$412,754,800	\$466,923,000	\$521,091,200	\$575,259,400	\$629,427,600	\$683,595,800	\$737,764,000	
AA/A2	\$0	\$0	\$0	\$0	\$0	\$0	\$33,577,400	\$87,745,600	\$141,913,800	\$196,082,000	\$250,250,200	\$304,418,400	\$358,586,600	\$412,754,800	\$466,923,000	\$521,091,200	\$575,259,400	\$629,427,600	\$683,595,800	\$737,764,000	
AA-/A3	\$0	\$0	\$0	\$0	\$0	\$0	\$33,577,400	\$87,745,600	\$141,913,800	\$196,082,000	\$250,250,200	\$304,418,400	\$358,586,600	\$412,754,800	\$466,923,000	\$521,091,200	\$575,259,400	\$629,427,600	\$683,595,800	\$737,764,000	
A+/A1	\$0	\$0	\$0	\$0	\$0	\$0	\$33,577,400	\$87,745,600	\$141,913,800	\$196,082,000	\$250,250,200	\$304,418,400	\$358,586,600	\$412,754,800	\$466,923,000	\$521,091,200	\$575,259,400	\$629,427,600	\$683,595,800	\$737,764,000	
A/A2	\$0	\$0	\$0	\$0	\$0	\$0	\$33,577,400	\$87,745,600	\$141,913,800	\$196,082,000	\$250,250,200	\$304,418,400	\$358,586,600	\$412,754,800	\$466,923,000	\$521,091,200	\$575,259,400	\$629,427,600	\$683,595,800	\$737,764,000	
A-/A3	\$0	\$0	\$0	\$0	\$0	\$0	\$33,577,400	\$87,745,600	\$141,913,800	\$196,082,000	\$250,250,200	\$304,418,400	\$358,586,600	\$412,754,800	\$466,923,000	\$521,091,200	\$575,259,400	\$629,427,600	\$683,595,800	\$737,764,000	
BBB+/Baa1	\$0	\$62,088,400	\$106,256,800	\$150,425,200	\$194,593,600	\$238,762,000	\$282,930,400	\$327,098,800	\$371,267,200	\$415,435,600	\$459,604,000	\$503,772,400	\$547,940,800	\$592,109,200	\$636,277,600	\$680,446,000	\$724,614,400	\$768,782,800	\$812,951,200	\$857,119,600	
BBB/Baa2	\$11,880,700	\$66,049,100	\$110,217,500	\$154,385,900	\$198,554,300	\$242,722,700	\$286,891,100	\$331,059,500	\$375,227,900	\$419,396,300	\$463,564,700	\$507,733,100	\$551,901,500	\$596,069,900	\$640,238,300	\$684,406,700	\$728,575,100	\$772,743,500	\$816,911,900	\$861,080,300	
BBB-/Baa3	\$26,043,200	\$80,211,600	\$134,379,900	\$188,548,300	\$242,716,700	\$296,885,100	\$351,053,500	\$405,221,900	\$459,390,300	\$513,558,700	\$567,727,100	\$621,895,500	\$676,063,900	\$730,232,300	\$784,400,700	\$838,569,100	\$892,737,500	\$946,905,900	\$1,001,074,300	\$1,055,242,700	
Below BBB-/Baa3	\$54,168,200	\$108,336,400	\$162,504,600	\$216,672,800	\$270,841,000	\$325,009,200	\$379,177,400	\$433,345,600	\$487,513,800	\$541,682,000	\$595,850,200	\$650,018,400	\$704,186,600	\$758,354,800	\$812,523,000	\$866,691,200	\$920,859,400	\$975,027,600	\$1,029,195,800	\$1,083,364,000	

Note 1: For Resource 8(a), the amount of credit assurances required in \$AW equates to \$542AW.
 Please note that the amount of credit assurances required for this resource type represents an "up to" amount depending on the terms of the curtailment and whether there is an acceptable physical asset behind the agreement.

Note 2: For projects less than 5 years, the amount of credit assurances required may be adjusted.

PacifiCorp – Request for Proposals

RFP Responses due XX, 2008

Intent to Bid Responses due XX, 2008

All Source RFP
 Credit Appendix B
 Credit Matrix
 Maximum Value of Credit Assurances to be Posted for each range of MW for a 2016 Resource
 Based on Size and Type of Resource Alternative Bid

For Resource Alternatives 3, 4, 5, 6 and 7

Size of Nameplate bid in MW =>	100	101-200	201-300	301-400	401-500	501-600	601-700	701-800	801-900	901-1000	1001-1100	1101-1200	1201-1300	1301-1400	1401-1500	1501-1600	1601-1700	1701-1800	1801-1900	1901-2000	
Credit Rating																					
AAA/aa and above	\$0	\$0	\$0	\$0	\$1,275,500	\$19,962,600	\$38,649,700	\$57,336,800	\$76,023,900	\$94,711,000	\$113,398,100	\$132,085,200	\$150,772,300	\$169,459,400	\$188,146,500	\$206,833,600	\$225,520,700	\$244,207,800	\$262,894,900	\$281,582,000	
AA+/A1	\$0	\$0	\$0	\$0	\$1,275,500	\$19,962,600	\$38,649,700	\$57,336,800	\$76,023,900	\$94,711,000	\$113,398,100	\$132,085,200	\$150,772,300	\$169,459,400	\$188,146,500	\$206,833,600	\$225,520,700	\$244,207,800	\$262,894,900	\$281,582,000	
AA/A2	\$0	\$0	\$0	\$0	\$1,275,500	\$19,962,600	\$38,649,700	\$57,336,800	\$76,023,900	\$94,711,000	\$113,398,100	\$132,085,200	\$150,772,300	\$169,459,400	\$188,146,500	\$206,833,600	\$225,520,700	\$244,207,800	\$262,894,900	\$281,582,000	
AA-/A3	\$0	\$0	\$0	\$0	\$1,275,500	\$19,962,600	\$38,649,700	\$57,336,800	\$76,023,900	\$94,711,000	\$113,398,100	\$132,085,200	\$150,772,300	\$169,459,400	\$188,146,500	\$206,833,600	\$225,520,700	\$244,207,800	\$262,894,900	\$281,582,000	
A+/A1	\$0	\$0	\$0	\$0	\$1,275,500	\$19,962,600	\$38,649,700	\$57,336,800	\$76,023,900	\$94,711,000	\$113,398,100	\$132,085,200	\$150,772,300	\$169,459,400	\$188,146,500	\$206,833,600	\$225,520,700	\$244,207,800	\$262,894,900	\$281,582,000	
A/A2	\$0	\$0	\$0	\$0	\$1,275,500	\$19,962,600	\$38,649,700	\$57,336,800	\$76,023,900	\$94,711,000	\$113,398,100	\$132,085,200	\$150,772,300	\$169,459,400	\$188,146,500	\$206,833,600	\$225,520,700	\$244,207,800	\$262,894,900	\$281,582,000	
A/A3	\$0	\$0	\$0	\$0	\$1,275,500	\$19,962,600	\$38,649,700	\$57,336,800	\$76,023,900	\$94,711,000	\$113,398,100	\$132,085,200	\$150,772,300	\$169,459,400	\$188,146,500	\$206,833,600	\$225,520,700	\$244,207,800	\$262,894,900	\$281,582,000	
BBB+/Baa1	\$9,312,100	\$27,999,200	\$46,686,300	\$65,373,400	\$84,060,500	\$102,747,600	\$121,434,700	\$140,121,800	\$158,808,900	\$177,496,000	\$196,183,100	\$214,870,200	\$233,557,300	\$252,244,400	\$270,931,500	\$289,618,600	\$308,305,700	\$326,992,800	\$345,679,900	\$364,367,000	
BBB/Baa2	\$11,655,850	\$30,342,950	\$49,030,050	\$67,717,150	\$86,404,250	\$105,091,350	\$123,778,450	\$142,465,550	\$161,152,650	\$179,839,750	\$198,526,850	\$217,213,950	\$235,901,050	\$254,588,150	\$273,275,250	\$291,962,350	\$310,649,450	\$329,336,550	\$348,023,650	\$366,710,750	
BBB-/Baa3	\$13,999,600	\$32,686,700	\$51,373,800	\$70,060,900	\$88,748,000	\$107,435,100	\$126,122,200	\$144,809,300	\$163,496,400	\$182,183,500	\$200,870,600	\$219,557,700	\$238,244,800	\$256,931,900	\$275,619,000	\$294,306,100	\$312,993,200	\$331,680,300	\$350,367,400	\$369,054,500	
Below BBB-/Baa3	\$18,687,100	\$37,374,200	\$56,061,300	\$74,748,400	\$93,435,500	\$112,122,600	\$130,809,700	\$149,496,800	\$168,183,900	\$186,871,000	\$205,558,100	\$224,245,200	\$242,932,300	\$261,619,400	\$280,306,500	\$298,993,600	\$317,680,700	\$336,367,800	\$355,054,900	\$373,742,000	

For Resource Alternatives 1, 2, 7, 8(b) and 8(c)(ASSET BACKED)

Size of Nameplate bid in MW =>	100	101-200	201-300	301-400	401-500	501-600	601-700	701-800	801-900	901-1000	1001-1100	1101-1200	1201-1300	1301-1400	1401-1500	1501-1600	1601-1700	1701-1800	1801-1900	1901-2000	
Credit Rating																					
AAA/aa and above	\$0	\$0	\$0	\$0	\$1,275,500	\$19,962,600	\$38,649,700	\$57,336,800	\$76,023,900	\$94,711,000	\$113,398,100	\$132,085,200	\$150,772,300	\$169,459,400	\$188,146,500	\$206,833,600	\$225,520,700	\$244,207,800	\$262,894,900	\$281,582,000	
AA+/A1	\$0	\$0	\$0	\$0	\$1,275,500	\$19,962,600	\$38,649,700	\$57,336,800	\$76,023,900	\$94,711,000	\$113,398,100	\$132,085,200	\$150,772,300	\$169,459,400	\$188,146,500	\$206,833,600	\$225,520,700	\$244,207,800	\$262,894,900	\$281,582,000	
AA/A2	\$0	\$0	\$0	\$0	\$1,275,500	\$19,962,600	\$38,649,700	\$57,336,800	\$76,023,900	\$94,711,000	\$113,398,100	\$132,085,200	\$150,772,300	\$169,459,400	\$188,146,500	\$206,833,600	\$225,520,700	\$244,207,800	\$262,894,900	\$281,582,000	
AA-/A3	\$0	\$0	\$0	\$0	\$1,275,500	\$19,962,600	\$38,649,700	\$57,336,800	\$76,023,900	\$94,711,000	\$113,398,100	\$132,085,200	\$150,772,300	\$169,459,400	\$188,146,500	\$206,833,600	\$225,520,700	\$244,207,800	\$262,894,900	\$281,582,000	
A+/A1	\$0	\$0	\$0	\$0	\$1,275,500	\$19,962,600	\$38,649,700	\$57,336,800	\$76,023,900	\$94,711,000	\$113,398,100	\$132,085,200	\$150,772,300	\$169,459,400	\$188,146,500	\$206,833,600	\$225,520,700	\$244,207,800	\$262,894,900	\$281,582,000	
A/A2	\$0	\$0	\$0	\$0	\$1,275,500	\$19,962,600	\$38,649,700	\$57,336,800	\$76,023,900	\$94,711,000	\$113,398,100	\$132,085,200	\$150,772,300	\$169,459,400	\$188,146,500	\$206,833,600	\$225,520,700	\$244,207,800	\$262,894,900	\$281,582,000	
A/A3	\$0	\$0	\$0	\$0	\$1,275,500	\$19,962,600	\$38,649,700	\$57,336,800	\$76,023,900	\$94,711,000	\$113,398,100	\$132,085,200	\$150,772,300	\$169,459,400	\$188,146,500	\$206,833,600	\$225,520,700	\$244,207,800	\$262,894,900	\$281,582,000	
BBB+/Baa1	\$9,312,100	\$27,999,200	\$46,686,300	\$65,373,400	\$84,060,500	\$102,747,600	\$121,434,700	\$140,121,800	\$158,808,900	\$177,496,000	\$196,183,100	\$214,870,200	\$233,557,300	\$252,244,400	\$270,931,500	\$289,618,600	\$308,305,700	\$326,992,800	\$345,679,900	\$364,367,000	
BBB/Baa2	\$11,655,850	\$30,342,950	\$49,030,050	\$67,717,150	\$86,404,250	\$105,091,350	\$123,778,450	\$142,465,550	\$161,152,650	\$179,839,750	\$198,526,850	\$217,213,950	\$235,901,050	\$254,588,150	\$273,275,250	\$291,962,350	\$310,649,450	\$329,336,550	\$348,023,650	\$366,710,750	
BBB-/Baa3	\$13,999,600	\$32,686,700	\$51,373,800	\$70,060,900	\$88,748,000	\$107,435,100	\$126,122,200	\$144,809,300	\$163,496,400	\$182,183,500	\$200,870,600	\$219,557,700	\$238,244,800	\$256,931,900	\$275,619,000	\$294,306,100	\$312,993,200	\$331,680,300	\$350,367,400	\$369,054,500	
Below BBB-/Baa3	\$18,687,100	\$37,374,200	\$56,061,300	\$74,748,400	\$93,435,500	\$112,122,600	\$130,809,700	\$149,496,800	\$168,183,900	\$186,871,000	\$205,558,100	\$224,245,200	\$242,932,300	\$261,619,400	\$280,306,500	\$298,993,600	\$317,680,700	\$336,367,800	\$355,054,900	\$373,742,000	

For Resource Alternatives 1, 2, 7, 8(a), 8(b) and 8(c) (NON ASSET BACKED)-5YR

Size of Nameplate bid in MW =>	100	101-200	201-300	301-400	401-500	501-600	601-700	701-800	801-900	901-1000	1001-1100	1101-1200	1201-1300	1301-1400	1401-1500	1501-1600	1601-1700	1701-1800	1801-1900	1901-2000	
Credit Rating																					
AAA/aa and above	\$0	\$0	\$0	\$0	\$34,407,000	\$96,584,400	\$158,761,800	\$220,939,200	\$283,116,600	\$345,294,000	\$407,471,400	\$469,648,800	\$531,826,200	\$594,003,600	\$656,181,000	\$718,358,400	\$780,535,800	\$842,713,200	\$904,890,600	\$967,068,000	
AA+/A1	\$0	\$0	\$0	\$0	\$34,407,000	\$96,584,400	\$158,761,800	\$220,939,200	\$283,116,600	\$345,294,000	\$407,471,400	\$469,648,800	\$531,826,200	\$594,003,600	\$656,181,000	\$718,358,400	\$780,535,800	\$842,713,200	\$904,890,600	\$967,068,000	
AA/A2	\$0	\$0	\$0	\$0	\$34,407,000	\$96,584,400	\$158,761,800	\$220,939,200	\$283,116,600	\$345,294,000	\$407,471,400	\$469,648,800	\$531,826,200	\$594,003,600	\$656,181,000	\$718,358,400	\$780,535,800	\$842,713,200	\$904,890,600	\$967,068,000	
AA-/A3	\$0	\$0	\$0	\$0	\$34,407,000	\$96,584,400	\$158,761,800	\$220,939,200	\$283,116,600	\$345,294,000	\$407,471,400	\$469,648,800	\$531,826,200	\$594,003,600	\$656,181,000	\$718,358,400	\$780,535,800	\$842,713,200	\$904,890,600	\$967,068,000	
A+/A1	\$0	\$0	\$0	\$0	\$34,407,000	\$96,584,400	\$158,761,800	\$220,939,200	\$283,116,600	\$345,294,000	\$407,471,400	\$469,648,800	\$531,826,200	\$594,003,600	\$656,181,000	\$718,358,400	\$780,535,800	\$842,713,200	\$904,890,600	\$967,068,000	
A/A2	\$0	\$0	\$0	\$0	\$34,407,000	\$96,584,400	\$158,761,800	\$220,939,200	\$283,116,600	\$345,294,000	\$407,471,400	\$469,648,800	\$531,826,200	\$594,003,600	\$656,181,000	\$718,358,400	\$780,535,800	\$842,713,200	\$904,890,600	\$967,068,000	
A/A3	\$0	\$0	\$0	\$0	\$34,407,000	\$96,584,400	\$158,761,800	\$220,939,200	\$283,116,600	\$345,294,000	\$407,471,400	\$469,648,800	\$531,826,200	\$594,003,600	\$656,181,000	\$718,358,400	\$780,535,800	\$842,713,200	\$904,890,600	\$967,068,000	
BBB+/Baa1	\$34,052,400	\$96,229,800	\$158,407,200	\$220,584,600	\$282,762,000	\$344,939,400	\$407,116,800	\$469,294,200	\$531,471,600	\$593,649,000	\$655,826,400	\$718,003,800	\$780,181,200	\$842,358,600	\$904,536,000	\$966,713,400	\$1,028,890,800	\$1,091,068,200	\$1,153,245,600	\$1,215,423,000	
BBB/Baa2	\$41,063,650	\$103,241,050	\$165,418,450	\$227,595,850	\$289,773,250	\$351,950,650	\$414,128,050	\$476,305,450	\$538,482,850	\$600,660,250	\$662,837,650	\$725,015,050	\$787,192,450	\$849,369,850	\$911,547,250	\$973,724,650	\$1,035,902,050	\$1,098,079,450	\$1,160,256,850	\$1,222,434,250	
BBB-/Baa3	\$48,114,900	\$110,292,300	\$172,469,700	\$234,647,100	\$296,824,500	\$359,001,900	\$421,179,300	\$483,356,700	\$545,534,100	\$607,711,500	\$669,888,900	\$732,066,300	\$794,243,700	\$856,421,100	\$918,598,500	\$980,775,900	\$1,042,953,300	\$1,105,130,700	\$1,167,308,100	\$1,229,485,500	
Below BBB-/Baa3	\$62,177,400	\$124,354,800	\$186,532,200	\$248,709,600	\$310,887,000	\$373,064,400	\$435,241,800	\$497,419,200	\$559,596,600	\$621,774,000	\$683,951,400	\$746,128,800	\$808,306,200	\$870,483,600	\$932,661,000	\$994,838,400	\$1,057,015,800	\$1,119,193,200	\$1,181,370,600	\$1,243,548,000	

Note 1: For Resource 8(a), the amount of credit assurances required in \$AW equates to \$622.2M.
 Please note that the amount of credit assurances required for this resource type represents an "up to" amount depending on the terms of the curtailment and whether there is an acceptable physical asset behind the agreement.

Note 2: For projects less than 5 years, the amount of credit assurances required may be adjusted.

RFP
Appendix C: Information Required in
Bid Proposals for each Resource
Alternative

Appendix C-1: Power Purchase Agreements and Tolling Service 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. The RFP is seeking capacity and energy resources to serve PacifiCorp's entire system. As a result, a Power Purchase Agreement or Tolling Service Agreement from new or existing coal resources must be consistent with multi-state legal and regulatory requirements regarding new and existing coal resources. Power Purchase Agreements and Tolling Service Agreements that are not backed by an asset cannot exceed a five (5) year term. 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 resource attributes largely consist of, 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.

Bidders should provide the following information:

- Address of the site where the Project will be located (the “Project Site”)
- Name of the existing facility at the Project site, if any
- Copies of maps showing the boundaries of the Project Site and key facilities, including any off-sites (fuel, water, wastewater, and electrical interconnection). 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.
- 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.
- Status of permits or process applicable to the Project. If the Bidder has not secured permits, the Bidder is required to provide a list of all permits required and a plan for securing the permits.
- Emissions offsets and credits required and how these will be obtained.
- Source and availability of water supply. Provide agreements for water rights if the Bidder has already obtained such rights. If the Bidder does not control water rights, provide a plan for securing such rights.
- Right-of-ways. Provide a list of any right-of-ways secured by the Bidder. If the Bidder has not secured right-of-ways, provide a list of the right-of-ways required and a plan for securing such right-of-ways.
- Critical Path Schedule. Provide a critical path schedule with important events and activities from the selection of the proposal to commercial operation date. Bidders should identify activities on the critical path along with the time required to complete each activity.
- Fuel Access. Provide a description of the fuel supply/transportation infrastructure accessible to the project site and provide a plan/strategy for securing and delivering the fuel from the source to the plant.

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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 – Bidders should conform 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 including turbine, steam generator, emission control equipment, gasifier, cooling equipment, etc.
- 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.)
- Project design elements that have been included for the separation and capture of carbon emissions. Identify feasible options if not included in project design
- Strategy for maintaining environmental compliance
- 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.
- Size and levels of redundancy for all major process equipment and material handling facilities (i.e. major pumps, fans, compressors, storage tanks, mills)
- Design basis for the resource
- Material balance
- Solid waste disposals.

Section 3 – Pricing Proposal – Describe in detail the pricing proposal, including the use of any index or escalation factors, as outlined in Section G. of the Request for Proposal. Proposed dates, amounts, and detailed milestone descriptions justifying payments are required consistent with **Form 1** and **Form 2** in the Request for Proposal.

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.

Owner or operator of generating facility must execute written agreement with utility stating at a minimum:

- Will construct and operate all interconnected generation facilities within its control in accordance with all applicable laws
- Will furnish, install, operate and maintain in good order and repair, and without cost to utility, relays, locks and seals, breakers, automatic synchronizers and other control and protective apparatus determined by the utility to be necessary for the safe and reliable operation of the facility in parallel with the utility's system; and
- Utility will be able to gain access at all times to switching equipment capable of isolating generation facility from utility's system
- Provide for provision of energy or capacity under system emergencies pursuant to agreement or as ordered under section 202(c) of the Federal Power Act; during emergency utility may discontinue or curtail purchases/sales if such purchases/sales would contribute to such emergency.

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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 must provide fuel source type. Bidders should describe their fuel supply plan and the extent to which they desire to provide fuel and transportation and other fuel-

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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 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 material contract terms in the Proforma PPA or TSA, including appendices, that the Bidder would seek to modify during contract negotiations. Bidder shall identify any and all PacifiCorp obligations not specifically outlined in the referenced agreements.

EXHIBIT 1 TO APPENDIX C-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.

Weighted Average Raw Water Consumption is _____ gallons per minute.

Minimum Sustainable Load at above conditions _____ MW

Automatic Generation Control (AGC) capable: Yes ____ No ____.

If yes then the AGC range at above conditions is _____ MW to _____ MW.

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

If applicable, 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.

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:	_____	_____

Expected startup fuel requirement (MMBtus/Start) for:

Cold Start: _____

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: _____

If applicable, time to transfer from combined cycle to duct firing _____ min.

If applicable, duct firing ramp rate: (MW/Min.) Increase: _____ Decrease: _____

If applicable, time to transfer from combined cycle to power augmentation _____ min.

If applicable, power augmentation ramp rate: (MW/Min.) Increase: _____ Decrease: _____

If applicable, anticipated number of starts per combustion turbine to reach Commercial Operation (CO): _____

Anticipated quantity of natural gas or fuel oil consumed through CO: _____ (gas, MMBtus; fuel oil, gallons).

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:

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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: Asset Purchase Sale Agreement (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 resource attributes largely consist of, 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.
- Markup of Operation & Maintenance (O&M) Term Sheet (or Bidder form of O&M Agreement)
- 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 regarding 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.

- If built on PacifiCorp sites, the projects must be built consistent with the Specifications for Currant Creek and or Lake Side provided in the Appendices.

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 – Bidders should conform 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.
- Size and levels of redundancy for all major process equipment and material handling facilities (i.e. major pumps, fans, compressors, storage tanks, mills)
- Design basis for the resource
- Material balance
- Solid waste disposals.

Section 3 – Describe in detail the pricing proposal, including the use of any index or escalation factors, as outlined in Section G. of the Request for Proposal. Proposed dates, amounts, and detailed milestone descriptions justifying payments are required consistent with **Form 1** and **Form 2** in the Request for Proposal.

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.

Owner or operator of generating facility must execute written agreement with utility stating at a minimum:

- Will construct and operate all interconnected generation facilities within it control in accordance will all applicable laws
- Will furnish, install, operate and maintain in good order and repair, and without cost to utility, relays, locks and seals, breakers, automatic synchronizers and other control and protective apparatus determine by the utility to be necessary for the safe and reliable operation of the facility in parallel with the utility’s system; and
- Utility will be able to gain access at all times to switching equipment capable of isolating generation facility from utility’s system
- Provide for provision of energy or capacity under system emergencies pursuant to agreement or as ordered under section 202(c) of the Federal Power Act; during emergency utility may discontinue or curtail purchases/sales if such purchases/sales would contribute to such emergency.

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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 must provide fuel source type. 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 Base Load 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 – The Bidder will provide a comprehensive listing/description of all material modifications to the APSA terms and conditions, including the appendices, and O&M terms and conditions 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 TO APPENDIX C-2

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.

Weighted Average Raw Water Consumption is _____ gallons per minute.

Minimum Sustainable Load at above conditions _____ MW

Automatic Generation Control (AGC) capable: Yes _____ No _____.

If yes, then 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.

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: _____

If applicable, time to transfer from combined cycle to duct firing _____ min.

If applicable, duct firing ramp rate: (MW/Min.) Increase: _____ Decrease: _____.

If applicable, time to transfer from combined cycle to power augmentation _____
min.

If applicable, power augmentation ramp rate: (MW/Min.) Increase: _____ Decrease:
_____.

If applicable, anticipated number of starts per combustion turbine to reach Commercial
Operation (CO): _____.

Anticipated quantity of natural gas or fuel oil consumed through CO: _____ (gas,
MMBtus; fuel oil, gallons).

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:

PacifiCorp – Request for Proposals
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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: 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 resource 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 – Bidders should conform 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.
- Size and levels of redundancy for all major process equipment and material handling facilities (i.e. major pumps, fans, compressors, storage tanks, mills)
- Design basis for the resource

- Material balance
- Solid waste disposals.

Section 3 – Pricing Proposal – Describe in detail the pricing proposal, 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 in 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 TO APPENDIX C-3

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.

Weighted Average Raw Water Consumption is _____ gallons per minute.

Minimum Sustainable Load at above conditions _____ MW

Automatic Generation Control (AGC) capable: Yes ____ No ____.

If yes then 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.

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: _____

If applicable, time to transfer from combined cycle to duct firing _____ min.

If applicable, duct firing ramp rate: (MW/Min.) Increase: _____ Decrease: _____

If applicable, time to transfer from combined cycle to power augmentation _____
min.

If applicable, power augmentation ramp rate: (MW/Min.) Increase: _____ Decrease:

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-4.1 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

RFP
Appendix D: Fuel Supply Form

Appendix D: Fuel Supply Form

Site Location _____

Primary Type of Fuel (Natural Gas,Other) _____

Primary Source of Fuel _____

Secondary Source of Fuel (if any) _____

Supplier(s) of Primary Fuel _____

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

If yes, please attach the agreements or the general terms and conditions for all fuel source(s).

If no, please provide a detailed plan on how all fuel source(s) will be acquired.

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 _____ decatherms (mmBtu) Term _____

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

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

Please provide plan to support any and all rail arrangements in quantities sufficient to operate the facility at its maximum capacity.

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

Lime and/or Limestone for Air Quality Control System provided. (Yes) (No)

Provide any additional relevant information on the Proposal.

RFP
Appendix E: Officer Certification
Form

Appendix E: Officer Certification Form

The undersigned Bidder executes and submits this form with each Proposal it submits in PacifiCorp’s RFP, 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 RFP. The Bidder accepts the contract attached to the 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 **Insert date, 2009** 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, unless earlier released in writing by the Company or if the Bidder’s proposal does not make the short list.

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
Appendix F: [Intentionally Left
Blank]

RFP
Appendix G: Bidder Site Control
Form

Appendix G: Bidder Site Control Form

Project Name: _____

Site Location: _____

Street Address or Nearest Intersection: _____

Acres: _____

Distance to Fuel 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

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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 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
Appendix H: Construction
Coordination Agreement

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.

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 seven (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], nor 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.

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.

PacifiCorp – Request for Proposals
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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 A 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.

**EXHIBIT B
TO CONSTRUCTION COORDINATION AGREEMENT**

Common Facilities

EXHIBIT C
CONSTRUCTION COORDINATION AGREEMENT

Site Plan Designation of Construction Area

EXHIBIT D
CONSTRUCTION COORDINATION AGREEMENT

Security Requirement

**RFP
ATTACHMENTS**

RFP
Attachment 1: Benchmark Resources

Currant Creek Block 2 - Company Benchmark

PacifiCorp Energy's planned benchmark is the addition of a second combined cycle block at PacifiCorp's Currant Creek Plant and will have a nominal net rating, which includes duct firing capability, of 535 MW to 700 MW (at average ambient conditions). The rating will depend on the selected gas turbine type, configuration, and level of duct firing. The resource addition will be fired with natural gas.

The Currant Creek Plant is situated on a 240 acre site directly adjacent to PacifiCorp's Mona Substation in Juab County, Utah and is 75 miles due south of Salt Lake City. The existing plant consists of two General Electric 7241FA combustion turbines, two heat recovery steam generators with duct burners equipped with oxidation catalysts, selective catalytic reduction (SCR) systems, and combustion controls featuring dry-low nitrogen oxide (NOx) combustors; a single condensing steam turbine generator, a main air cooled condenser, an auxiliary fin-fan process cooler, and associated support equipment.

Currant Creek Block 2 will be based on the use of one or more advanced natural gas-fired combustion turbines in a combined cycle configuration. Block 2 will have additional power generation capability through the use of duct burners in the heat recovery steam generator to produce supplementary steam for use by the steam turbine generator. The expected additional capability associated with duct firing is 50 to 105 MW, depending on gas turbine type and configuration.

The gas turbines will be enclosed in their own dedicated weatherproof enclosures. The steam turbine will be located in a fully enclosed steam turbine building equipped with overhead crane. The heat recovery steam generator steam drums will be fully enclosed in heated, ventilated rooms.

The combustion turbines will be equipped with inlet cooling to increase plant output during periods of high ambient temperatures. The gas turbines will use low-NOx combustors designed to minimize NOx emissions from the combustion process; NOx emissions levels in the gas turbine exhaust will be 15 parts per million (by volume) or less, depending on the manufacturer of the gas turbine. Each gas turbine will exhaust into a three-pressure heat recovery steam generator. High, medium, and low pressure steam from the heat recovery steam generator will be admitted to the steam turbine generator and exhaust to a main air-cooled condenser. Steam will be condensed in the main air cooled condenser. The plant will be designed for 100% steam turbine bypass. Boiler feed pumps will be located in their own enclosed dedicated, heated and ventilated buildings equipped with overhead monorails for maintenance.

The heat recovery steam generator will be equipped with an oxidation catalyst bed to oxidize any unburned hydrocarbons in the gas turbine exhaust. The heat recovery steam generator will also be equipped with a selective catalytic reduction system to further reduce nitrogen oxides emissions in the gas turbine exhaust before it is vented through

the stack. The selective catalytic reduction system will use aqueous ammonia. Emissions limits and control will be achieved through the application of best-available-control technology that meet or exceed Utah and federal environmental protection agency requirements. Air quality emissions reduction credits may be required as part of the permitting process.

Gas to the plant is transported via an existing 20" dedicated pipeline (JTL 113) from the Questar Main Line (ML) 104 natural gas transmission line. Questar's ML104 is a high-pressure natural gas transmission line which also connects into the Kern River Gas Transmission system. The pipeline is pressurized in excess of 1,000 psig and is capable of delivering in excess of 190,000 million Btu per day to the plant. This capacity is adequate to serve both the needs of the existing plant and the new addition.

The existing plant is equipped with an auxiliary boiler that is used to provide steam when the plant is not operational. The auxiliary boiler is used to supply steam to the steam turbine gland seals to maintain condenser vacuum and to the heat recovery steam generator drums and liquid headers to maintain temperatures to reduce startup times. Some gas turbine manufacturers require an external source of steam during startup for blade cooling and to decrease the start duration; this steam is typically supplied by an auxiliary boiler. If a new auxiliary boiler is required for this purpose it will be fired exclusively with natural gas.

Raw water required for the new block will come from the existing plant's water supply system. 200 acre-feet of consumptive water is available for the second block. A new raw water storage tank will be constructed. The demineralized water system will be expanded to meet the needs of the heat recovery steam generator and other process needs of the second block. Blowdown from the heat recovery steam generator and other low quality water from other process streams will be recovered and reused. After recovery, process wastewater will be discharged to on-site evaporation ponds or other suitable alternative.

The existing fire protection system will be extended and modified; no new fire pumps are expected to be needed. The existing potable water system will be extended. Sanitary wastewater will be discharged into the existing sanitary wastewater drain field. The existing combined administration, control and warehouse building will be used. New compressors and air receivers will be installed to serve the new block and will be integrated with the existing compressed air system.

Currant Creek Block 2 will be connected via an extension to the existing 345 kV Currant Creek switchyard which will connect to the existing Mona 345 kV Substation.

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

Lake Side Block 2 – Company Benchmark

PacifiCorp Energy's planned benchmark is the addition of a second combined cycle block at PacifiCorp's Lake Side Plant and will have a nominal net rating, with duct firing capacity, of 550 MW to 580 MW. The overall rating will depend on the selected gas turbine type, configuration, and level of duct firing. The resource addition will be fired with natural gas.

The Lake Side Plant is situated on a 64 acre site located on the old Geneva Steel Mill property in Vineyard City Utah, approximately 40 miles south of Salt Lake City. The existing plant consists of two Siemens SGT6-5000F combustion turbines each with their own dedicated heat recovery steam generator equipped with duct burners for production of supplementary steam, oxidation catalysts, selective catalytic reduction (SCR) systems, and combustion controls featuring dry-low nitrogen oxide (NO_x) burners. The existing plant has a single condensing steam turbine generator, a de-aerating surface condenser; a bank of mechanical draft wet cooling towers; and associated support equipment.

Lake Side Block 2 will be based on the use of one or more advanced natural gas-fired combustion turbines in a combined cycle configuration. Block 2 will have additional power generation capability through the use of power augmentation and/or additional steam turbine capability. Duct burners in the heat recovery steam generator will have the capability to produce supplementary steam for use by the steam turbine generator. Additional capability is also achievable through gas turbine power augmentation involving steam injection into the power turbine portion of the gas turbine. The expected additional capability associated with the combination of power augmentation and duct firing is 65 MW.

The gas turbines will be enclosed in their own dedicated weatherproof enclosures. The steam turbine will be located in a fully enclosed steam turbine building equipped with overhead crane. The heat recovery steam generator steam drums will be fully enclosed in heated, ventilated rooms.

The combustion turbines will be equipped with inlet cooling to increase plant output during periods of high ambient temperatures. The gas turbines will use low-NO_x combustors designed to minimize NO_x emissions from the combustion process; NO_x emissions levels in the gas turbine exhaust will be 25 parts per million (by volume) or less, depending on the manufacturer of the gas turbine. Each gas turbine will exhaust into a three-pressure heat recovery steam generator. High, medium, and low pressure steam from the heat recovery steam generator will be admitted to the steam turbine generator and exhaust to a water cooled surface condenser. Cooling water for the surface condenser will be provided by circulating water cooled by a cooling tower. The plant will be designed for 100% steam turbine bypass. Boiler feed pumps will be located in their own enclosed dedicated, heated and ventilated buildings equipped with overhead monorails for maintenance.

The heat recovery steam generator will be equipped with an oxidation catalyst to oxidize any unburned hydrocarbons in the gas turbine exhaust. The heat recovery steam generator will also be equipped with a selective catalytic reduction system to further reduce nitrogen oxides emissions before it is vented through the stack. The selective catalytic reduction system will use aqueous ammonia. Emissions limits and control technologies will be the best-available-combustion-technology that will meet or exceed Utah and federal environmental protection agency requirements. Air quality emissions reduction credits will be required as part of the permitting process.

Gas to the Lake Side plant is transported via a dedicated pipeline from Questar Gas feeder line 85 which connects to the Kern River Gas Transmission system main pipeline. The pipeline is pressurized at approximately 1000 psig and is capable of delivering 190,000 million Btu per day to the plant. This capacity is adequate to serve both the needs of the existing plant and the new addition.

The existing plant is equipped with an auxiliary boiler that is used to provide steam when the plant is not operational. The auxiliary boiler is used to supply steam to the steam turbine gland seals to maintain condenser vacuum and to the heat recovery steam generator drums to maintain temperatures to reduce the time it takes for a startup. Some gas turbine manufacturers require an external source of steam during startup for blade cooling or to decrease the startup time; this steam is typically supplied by an auxiliary boiler. If a new auxiliary boiler is required for this purpose, it will be fired exclusively with pipeline natural gas.

Raw water required for the new block will come from existing onsite and new wells. Acquisition of additional water rights will be necessary. A new well will be needed. A new raw water storage tank will be constructed. Blowdown from the gas turbine evaporative coolers and heat recovery steam generators will be routed to the cooling tower basin. Cooling tower blowdown will be mixed with existing cooling tower blowdown and discharged after pretreatment to the Lindon Hollow discharge.

The demineralized water system will be expanded to meet the needs of the second block which will include installation of a new 200,000 gallon demineralized water storage tank. The existing fire protection system will be extended and modified; no new fire pumps will be required. The existing potable water system will be extended. Sanitary wastewater will be discharged to the City of Lindon sewer system. The existing combined administration, control and warehouse building will be used. A new warehouse will be required. New compressors and air receivers will be installed to serve the new block and will be tied together with the existing compressed air system.

The new block will be equipped with a dedicated digital control system, process information data historian, burner management controls, protection systems, and other controls as required. A new diesel generator will be installed to provide necessary backup power in the event of loss of power to ensure a safe shutdown and maintenance of key electrical equipment.

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Lake Side Block 2 will include a new switchyard which will be located adjacent to the existing Dynamo Switchyard. The new addition will connect to PacifiCorp's transmission backbone at 345 kV.

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

Simple Cycle Company Benchmarks

PacifiCorp Energy's planned simple cycle benchmarks are the addition of three to seven advanced gas turbines at one or more locations in the PacifiCorp system. It is expected that the nominal capacity at each location will range from 250 to 290 megawatts. Locations currently being considered include sites at PacifiCorp's major substations in the Wasatch Front, adjacent to the second block proposed for the company's benchmark at Currant Creek, and near the company's Wyoming-based wind projects.

These sites being considered have been selected on the basis of proximity to load or resource, transmission, load, high pressure fuel, infrastructure, zoning, and permitting considerations. Proximity to high pressure natural gas is critical to eliminate or minimize the need for on-site gas compression.

The simple cycle benchmarks will be based on the application of advanced natural gas-fired combustion turbines. Primary technologies being considered include General Electric's LM6000 Sprint PC/PE gas turbines or their LMS-100 gas turbines. Emphasis will be placed on gas turbines with high flexibility, fast starting capability, starts flexibility, low emissions, high availability, and high efficiency in open cycle. Other alternatives such as Pratt & Whitney's FT-8 Twinpac may also be considered. The gas turbines will be enclosed in their own dedicated weatherproof enclosures. The use of a secondary fuel, such as number two fuel oil is not being considered.

The combustion turbines will be equipped with inlet cooling to increase plant output during periods of high ambient temperatures. The gas turbines will use low-NOx combustors designed to minimize NOx emissions from the combustion process; NOx emissions levels in the gas turbine exhaust will be 25 parts per million (by volume) which will be achieved by water injection or through application of dry low emissions (DLE) combustors.

Each gas turbine will exhaust into an expanded duct equipped with a selective catalytic reduction system to further reduce nitrogen oxides emissions in the gas turbine exhaust before it is vented through the stack. The selective catalytic reduction system will use aqueous ammonia. The duct may also contain an oxidation catalyst if required. Emissions limits and control will be achieved through the application of best-available-control technology that meet or exceed Utah (or Wyoming) and federal environmental protection agency requirements. Expected stack NOx emissions levels are 2.5 ppmvd with ammonia slip levels of 5 ppmv. Air quality emissions reduction credits may be required as part of the permitting process if located in or adjacent to the non-attainment counties in Utah.

Sources of water will be required. The quantities of water will depend on a number of issues including: type of inlet cooling, need for water injection for NOx control, need for inter-cooling and the type of cooling system employed. The water consumption requirements range from 180 to 720 acre feet per year. Water requirements are primarily driven by the type of inter-cooling system used and the type of heat rejection system used

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for inlet cooling. The emphasis will be on utilizing technologies that minimize water use where economically practicable. Expected operational annual capacity factors for design purposes are 50% or less. The plants will be designed for at least daily starts and will need to be capable of multiple daily starts if required.

A raw water storage tank will be constructed that will serve both process water needs and fire protection if municipal system can not be utilized. A water treatment system will be required for process cooling needs. A demineralized water system will be installed to process water for water injection.

A fire protection system will be required. A combined control and warehouse building will be constructed. New compressors and air receivers will be installed. The need for an emergency generator has not yet been determined.

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

RFP
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 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>

PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF GREATER THAN 10,000 KW

Available

To owners of Qualifying Facilities (“QF”) making sales of electricity to the Company in the State of Oregon.

Applicable

For power purchased from Qualifying Facilities with a nameplate capacity greater than 10,000 kW. Owners of these Qualifying Facilities will be required to enter into a negotiated written power purchase agreement with the Company. Pursuant to Order No. 05-584 and 07-360, the pricing options specified in Schedule 37 should serve as a starting point for prices under a negotiated power purchase agreement.

Definitions

Cogeneration Facility

A facility which produces electric energy together with steam or other form of useful energy (such as heat) which are used for industrial, commercial, heating or cooling purposes through the sequential use of energy.

Qualifying Facilities

Qualifying cogeneration facilities or qualifying small power production facilities within the meaning of section 201 and 210 of the Public Utility Regulatory Policies Act of 1978 (PURPA), 16 U.S.C. 796 and 824a-3.

Small Power Production Facility

A facility which produces electric energy using as a primary energy source biomass, waste, renewable resources or any combination thereof and has a power production capacity which, together with other facilities located at the same site, is not greater than 80 megawatts.

On-Peak Hours or Peak Hours

On-peak hours are defined as 6:00 a.m. to 10:00 p.m. Pacific Prevailing Time Monday through Saturday, excluding NERC holidays.

Due to the expansions of Daylight Saving Time (DST) as adopted under Section 110 of the U.S. Energy Policy Act of 2005, the time periods shown above will begin and end one hour later for the period between the second Sunday in March and the first Sunday in April and for the period between the last Sunday in October and the first Sunday in November.

Off-Peak Hours

All hours other than On-Peak.

Excess Output

Excess output shall mean any increment of Net Output delivered at a rate, on an hourly basis, exceeding either the Facility Capacity Rating or the amount committed to in the contract. PacifiCorp shall pay the Qualifying Facility the Non-Firm Market Index Avoided Cost Price for all Excess Output.

Qualifying Facilities Contracting Procedure

A. Communications

Unless otherwise directed by the Company, all communications to the Company regarding QF power purchase agreements should be directed in writing as follows:

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

The Company will respond to all such communications in a timely manner. If the Company is unable to respond on the basis of incomplete or missing information from the QF owner, the Company shall indicate what additional information is required. Thereafter, the Company will respond in a timely manner following receipt of all required information.

B. Procedures

8. 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, firmness, and timing of daily and monthly power deliveries (including project ability to respond to dispatch orders from the Company and maintenance schedule)
 - 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

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- g) fuel type (s) and source (s)
- h) plans for fuel and transportation agreements
- i) proposed contract term and pricing provisions (i.e., fixed, deadband, electric or gas market indexed)
- j) status of interconnection arrangements

B. Procedures (Continued)

2. The Company shall not be obligated to provide an indicative pricing proposal until all information described in Paragraph 1 has been received in writing from the Qualifying Facility owner. Within 30 days following receipt of all information required in Paragraph 1, the Company will provide the owner with an indicative pricing proposal, which may include other indicative contract terms and conditions as allowed under federal law, state law, and per Order 07-360, 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. The Company will provide with the indicative prices a description of the allowed price adjustments and the methodology used to develop the prices. Prices specified in Schedule 37 will provide a starting point for negotiated prices, and will be modified to address specific factors or adjustments as allowed under federal law and per Order 07-36. Any adjustments other than those listed in Order 07-360 must first be approved by the Commission.

The following factors or adjustments, to the extent practicable will be included in the price delivered in the indicative pricing proposal.

- a. Dispatchability – Adjustment will reflect the ability of PacifiCorp to schedule and dispatch the Qualifying Facility as compared to the proxy resource on a forward, probabilistic basis. This adjustment will also account for the Company backing down more economic generating resources in lieu of wheeling the Qualifying Facility’s power outside a load-constrained area.
- b. Reliability – Adjustment to be made based on the Qualifying Facility’s demonstrated service quality and availability of its capacity and energy as compared to its contracted level of service quality and availability during

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the Company's daily and seasonal peak periods. The value of the adjustment will reflect the Company's avoided resource in the Company's sufficiency and deficiency periods, as appropriate, and provide the Qualifying Facility an incentive for contracted performance and a disincentive for non-performance.

- c. Fossil Fuel Risk – Applicable only during the Company's resource deficiency period and if the Company's avoided resource is a fossil fuel plant. Adjustment will be based on the benefit of reduced fuel cost volatility of the Qualifying Facility compared to the avoided resource.
- d. Line Losses – Adjustment will be the costs or savings resulting from variations in line losses using a proximity-based approach to compare Qualifying Facility's location and the Company's proxy plant location relative the closest load area served by the Qualifying Facility.

B. Procedures (Continued)

- e. Transmission and Distribution System Upgrades – Adjustment will be based on the potential savings that can be achieved for transmission and distribution system upgrade deferrals or avoidance resulting from the Qualifying Facility's location relative to the Company's avoided resource. This adjustment does not include any costs associated with upgrades as part of the interconnection of the Qualifying Facility to PacifiCorp's system.

- 3. If the owner desires to proceed forward with the project after reviewing the Company's indicative pricing 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.1,
- b) evidence of adequate control of proposed site
- c.) identification of, and timelines for obtaining any necessary governmental permits, approvals or authorizations
- d.) assurance of fuel supply or motive force
- e.) anticipated timelines for completion of key project milestones

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- 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.

4. The Company shall not be obligated to provide the owner with a draft power purchase agreement until all information required pursuant to Paragraph 3 has been received by the Company in writing. Within 30 days following receipt of all information required pursuant to paragraph 3, the Company shall provide the owner with a draft power purchase agreement containing a comprehensive set of proposed terms and conditions, including specific pricing 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.

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5. 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 Qualifying Facility owner until the Company has received an initial set of written comments and proposals from the Qualifying Facility 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:

B. Procedures (Continued)

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

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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.

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6. When both parties are in full agreement as to all terms and conditions of the power purchase agreement, the Company will prepare and forward to the owner a final, executable version of the agreement within 15 business days. 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.

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7. At any time after 60 days from the date that Qualifying Facility has provided its written notification pursuant to Paragraph 5, the Qualifying Facility may file a complaint with the Commission asking the Commission to adjudicate any unresolved contract terms or conditions.

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RFP
Attachment 3: Power Purchase
Agreement

**Due to the size of RFP Attachment 3, the
Power Purchase Agreement is available on PacifiCorp's
website as a separate document**

www.pacificorp.com

RFP
**Attachment 4: Role And Function Of
The Independent Evaluators And
Communication Protocols**

ROLE OF THE INDEPENDENT EVALUATOR

- 1) The role and function of the Independent Evaluators (“IEs”) is outlined as follows:
 - a. Facilitate and monitor communications between the Soliciting Utility and Bidders.
 - b. Review and validate the assumptions and calculations of any Company Benchmarks.
 - c. Analyze the Company Benchmarks, for reasonableness and consistency with the Solicitation Process.
 - d. Access all important models in order to 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.
 - 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;
 - iii. whether a Bidder has met the criteria specified in any bidding process and whether to reject or accept non-conforming bid responses;
 - iv. whether and when data and information should be distributed to Bidders when 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 for any reason or accept conforming changes;
 - vi. whether to return bid fees.
 - g. Ensure that all Bids are treated in a fair and non-discriminatory manner.

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- 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, shortlisted Bidders; and
 - v. negotiation of proposed contracts with successful Bidders.
- i. The IEs will evaluate the unique risks and advantages associated with any Company Benchmarks, including the regulatory treatment of costs or benefits related to actual construction cost and plant operation differing from what was projected for the RFP.
- j. Once the competing bids have been evaluated by the Soliciting Utility and the IEs, the Soliciting Utility and the IEs will compare results.
- k. 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 received.
- l. Solicit additional information on Bids necessary for screening and evaluation purposes.
- m. 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.
- n. 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.
- o. Participate in and testify at Commission hearings on approval of the Solicitation and Solicitation Process and/or approval of a Significant Energy Resource Decision and/or acknowledgement of the final shortlist.
- p. 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.

- q. Perform such other evaluations and tasks as the Commission may direct.
- 2) The Communications between the IEs, the Company and the Bidders shall be conducted in the following manner:
- a. 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 IEs.
 - b. The Soliciting Utility shall provide timely and accurate responses to any request from the IEs, including requests from Bidders submitted by the IEs, for information regarding any aspect of the Solicitation or the Solicitation Process.
- 3) The IEs shall prepare at least the following confidential reports and provide them to the Regulators and the Soliciting Utility:
- a. Monthly progress reports on all aspects of the Solicitation Process as it progresses;
 - b. 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 Company Benchmark Team:
- a. The Evaluation Team, may not be members of the Company Benchmark Team, nor communicate with members of such team during the Solicitation Process about any aspect of the Solicitation Process, except that internal company attorneys and credit analysis personnel may deliver legal or credit advice, as applicable, to either or both teams, or except as authorized herein.
 - b. The IEs must participate in any communications between members of the Company Benchmark Team and Evaluation Team and must retain a copy of all such correspondence to be made available in future Commission proceedings.

RFP
Attachment 5: Tolling Service
Agreement

**Due to the size of RFP Attachment 5, the
Tolling Service Agreement is available on PacifiCorp's website
as a separate document**

www.pacificorp.com

RFP
Attachment 6: Asset Purchase And
Sale Agreement (APSA) With
Appendices

**Due to the size of RFP Attachment 6, the
Asset Sale and Purchase Agreement (APSA) with Appendices
is available on PacifiCorp's website as a separate document**

www.pacificorp.com

RFP
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 16** 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 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
Attachment 8: Currant 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 17** to this RFP.

Emission Reduction Credits (ERCs)

PacifiCorp does not believe that ERCs will be required for this project at this time. Bidder shall be required to perform air quality analysis and permitting to determine need for ERCS. If ERCs are required, Bidder shall be responsible to obtain ERCs.

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
Attachment 9: Estimated Owner's
Costs Under APSA

**ATTACHMENT 9: OWNER’S COST ASSUMPTIONS
UNDER AN APSA**

Costs for both Lake Side and Currant Creek:

ESTIMATED OWNER COSTS	CURRENT 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 Counsel	\$ 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 ¹	\$ 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
Training	\$ 250,000	\$ 250,000
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	\$ 11,467,900	\$ 11,567,900

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. Actual costs will depend on then current fuel costs and startup and commissioning schedule.
2. Costs over and above those stated in **Attachment 10** “Owner’s Development Costs”
3. Bidder shall divide proposal into taxable and non-taxable items.
4. Owner’s Contingency will be the same on both sites.
5. Current Effective Rate for Currant Creek is 0.86%, for Lake Side, 1.10%. Both are subject to change.
6. 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 March 2007, will be the one used.

RFP
**Attachment 10: Owner's Estimated
Development Cost Assumptions**

**ATTACHMENT 10: OWNER’S ESTIMATED 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 ⁴	\$0
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)

⁴ Currently assumed that no ERCs will be required; Air Quality modeling will be revised to determine RC requirements, if any.

RFP
Attachment 11: Requirements for a
Letter Of Credit

ATTACHMENT 11: 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 there under, 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 there under 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 there under 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
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RFP
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:

East system Points of Delivery (PACE)

- 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

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Although the Company will consider resources delivered to the following areas these areas have been identified as having potential transmission constraint implications and as such, will need to be evaluated accordingly:

- Wyoming, unless the resource(s) electrically reside south of the Naughton Monument 230kV line. If, resources in Wyoming are not electrically west of Naughton such resources may be useful in supporting the increased load and wind resources in Wyoming; however, such resources may be negatively affected by transmission constraints.
- Borah, Brady or Kinport unless such resources is interconnected to the Company’s Southwest Idaho electrical system near Goshen area.

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West System Points of Delivery (PACW)

PacifiCorp is willing to purchase capacity and associated energy that is sourced from Desert Southwest (Nevada, California, Arizona, New Mexico); provided, the selling entity is able to purchase firm transmission from the resource to either Gonder or Nevada Utah Border or Crystal.

- Mid Columbia
- Paul 500kV
- California Oregon Border
- PACW System
 - Within the Western Control Area – The point of interconnection between the resource, or the electrical

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system to which the resource is connected, and PacifiCorp's transmission system¹.

- Scheduled to the point(s) of interconnection between PacifiCorp's western control area and the Bonneville Power Administration or Portland General Electric such that transfer limitations are not exceeded. If the source located within the Bonneville the Bidder must show they have control area service from the resource to the delivery point.

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 upgrade. These indicative costs are based on assessments done by the PacifiCorp Transmission group for RFP 2003B, the 2004

Willamette Valley

Alvey 500 kV
Chiloquin 230 kV
Dixonville 230 kV

Fry 230 kV
Meridian 230 kV
Reston 230 kV

Central Oregon – Deschutes Valley

Bend 69 kV
Pilot Butte 69/230 kV

Ponderosa 230 kV
Redmond 69 kV

Yakima Area – Mid Columbia

Midway 230 kV

Wanapum 230 kV

Oregon Coast

Astoria to Tillamook 115 kV
Boyer (Lincoln City) 115 kV
Fairview (Coos Bay) 115/230 kV

Alvey 500 kV
Chiloquin 230 kV
Dixonville 230 kV

Fry 230 kV
Meridian 230 kV
Reston 230 kV

Central Oregon – Deschutes Valley

Bend 69 kV
Pilot Butte 69/230 kV

Ponderosa 230 kV
Redmond 69 kV

Yakima Area – Mid Columbia

Midway 230 kV

Wanapum 230 kV

Oregon Coast

Astoria to Tillamook 115 kV
Boyer (Lincoln City) 115 kV
Fairview (Coos Bay) 115/230 kV

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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.

East System			
Point of Delivery	Description of Possible Transmission Additions / Upgrades	Path(s) to Upgrade and Voltage Support	Estimated Cost of Upgrades
Salt Lake Valley 138 kV 600 MW	Upgrades to existing lines	Unknown location	\$30 M
Lake Side 345 kV 600 MW	Transmission line, substation	Lake Side to Salt Lake Valley	\$62 M
Mona/ Currant Creek 345 kV 600 MW	Transmission line, substation	Mona to PACE	\$169 M
Glen Canyon 345 kV 600 MW	Transmission line(s), substation, phase shifter	Glen Canyon to Sigurd and Mona to PACE	\$398 M
Gonder 345 kV 600 MW	Transmission line(s), substation	Gonder/Nev Border to Sigurd and Mona to PACE	\$371 M
NUB (Harry Allen 345 kV) 600 MW	Transmission line, substation, phase shifter	H.Allen to RButte + RButte-Sigurd + Mona to PACE	\$681 M
Crystal 345 kV 600 MW	Transmission line(s), substation, transformer, phase shifter	Crystal to RButte + RButte-Sigurd + Mona to PACE	\$6810 M
Wyoming	Pending	Pending	Pending
Borah, Brady or Kinport	Pending	Pending	Pending
Four Corners 345kV 600 MW	New line, terminations, phase shifter	F.Corners to Mona + Mona to PACE	\$802 M

West System			
Point of Delivery	Description of Possible Transmission Additions / Upgrades	Path(s) to Upgrade and Voltage Support	Estimated Cost of Upgrades
PACW System	Pending	Pending	Pending
Mid Columbia Paul 500kV	Pending	Pending	Pending

PacifiCorp – Request for Proposals
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California Oregon Border	Pending	Pending	Pending
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RFP
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 Base Load Resources ("RFP"), 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 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: _____

RFP
Attachment 15: Non-Reliance Letter

Date

[Name]

[Address]

Re: PacifiCorp's Request For Proposals Base Load Resources

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") (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 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 this RFP 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 this RFP, 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 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.

PacifiCorp – Request for Proposals
RFP Responses due XX, 2008

Sincerely,

PacifiCorp

By: _____

Name: _____

Title: _____

Date: _____

ACCEPTED AND AGREED:

[Insert Name of Party]

By: _____

Name: _____

Title: _____

Date: _____

RFP
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 of 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 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 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:

EXHIBIT A

**PROPERTY DESCRIPTION TO BE COMPLETED
PRIOR TO CLOSING**

EXHIBIT B

SURVEY TO BE ATTACHED

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

RFP
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 of 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 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.

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RFP Responses due XX, 2008

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:

EXHIBIT A

**PROPERTY DESCRIPTION TO BE COMPLETED
PRIOR TO CLOSING**

EXHIBIT B

SURVEY TO BE ATTACHED

EXHIBIT C

WATER RIGHTS

Buyer shall receive water rights to two hundred (200) acre-feet of ground water as part of this transaction.

RFP
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Attachment 19: Due Diligence Items
For The Acquisition Of An Existing
Facility

DUE DILIGENCE ITEMS

The following 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.

1.0 Plant General

1.1 Plant organization charts.

1.2 Annual Plant Budget (total) Actual for 5 years. Projected for 5 years.

1.3 Summary of the budget for 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.

1.3.10 Fuel by component.

1.4 Summary of the maintenance expenses.

1.4.1 Major Maintenance (annual).

1.4.2 Consumables.

1.4.3 Inventory draws.

1.4.4 Maintenance contracts.

1.4.5 Building and grounds.

1.4.6 Other.

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- 1.5 Summary of equipment expenses.
 - 1.5.1 Shop equipment maintenance.
 - 1.5.2 Equipment rental.
 - 1.5.3 Rolling stock fuel.
 - 1.5.4 Rolling stock maintenance.
 - 1.5.5 Other.
- 1.6 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 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
 - 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 Summary of administrative expenses.
 - 1.8.1 Telephone expenses.

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- 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 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 Personnel roster and organization chart.
 - 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).
 - 2.1.7 Overtime hourly costs.
 - 2.1.8 Total overtime (% of annual base salary).
 - 2.1.9 Employee age demographics.
 - 2.2 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).

3.0 Major maintenance.

3.1 Summary of maintenance costs and schedules.

3.1.1 Annual, major and frequency of major outages for:

- 3.1.1.1 Turbine valves.
- 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.
- 3.1.1.8 Boiler insulation and lagging.
- 3.1.1.9 Main steam turbine.
- 3.1.1.10 Main condenser.
- 3.1.1.11 Generator.
- 3.1.1.12 Pumps.
- 3.1.1.13 Switchgear.
- 3.1.1.14 Water treatment system/Demineralizer.
- 3.1.1.15 Precipitators.
- 3.1.1.16 Flue Gas Desulphurization system.
- 3.1.1.17 Selective Catalytic Reduction System.
- 3.1.1.18 Gas Turbines.

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3.1.1.19 Cooling Tower or Air Cooled Condenser

3.1.1.20 Auxiliary Cooling Towers.

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3.2 Provide the latest overhaul inspection reports and summaries showing the condition of major equipment. These reports are required to show the “as-found” equipment condition, work performed during the overhaul, equipment settings, and test results after returning the equipment to service. Overhaul reports shall be provided for the following equipment:

3.2.1 steam generation and fuel firing equipment

3.2.2 steam turbine and/or combustion turbines

3.3.3 generator and excitation equipment

3.3.4 all emissions control equipment

3.3.5 all large transformers

3.3.6 all large electric motors

3.3.7 critical piping

3.3 Provide list of all OEM service bulletins for the following equipment. Identify correction action was taken in response to the service bulletin and who performed the corrective action:

3.3.1 steam turbine and/or combustion turbines

3.3.2 generator and excitation equipment

3.3.3 large transformers

4.0 Plant Performance:

4.1 Provide the following for the design of the plant:

4.4.1 Summary of plant design and operating conditions

4.4.2 Piping & Instrument Diagrams for the plant

4.4.3 Heat balance diagrams

4.4.4 Fuel specifications

- 4.4.5 Design parameters for emissions control equipment
- 4.2 Provide the following actual performance data for the last five (5) years:
 - 4.2.1 Fuel consumed reports and analysis data
 - 4.2.2 Plant heat rate data
 - 4.2.3 Availability data per NERC GADS formulas and codes for calculations and identification of the types of equipment component failure mechanisms.
 - 4.2.3.1 Availability data for the unit
 - 4.2.3.2 Availability data for each piece of major equipment
 - 4.2.4 Generation summaries, net and gross
 - 4.2.5 Emission rates and tests reports
 - 4.2.6 Major equipment performance testing reports
- 5.0 Operations.
 - 5.1 Description of how efficiency is tracked.
 - 5.2 Description of how availability is determined.
 - 5.3 Identify the equipment that presents the most problems.
- 6.0 Maintenance
 - 6.1 Description on how major maintenance is scheduled.
 - 6.2 Evaluation on whether the inventory of spare parts is adequate.
 - 6.3 Are there contingency plans for equipment failure?
 - 6.4 Reports on any non-destructive tests performed on major boiler parts and steam lines in the last 10 years.
 - 6.5 Reports on any comprehensive reviews of the HT/HP piping systems?
 - 6.6 Evaluation of the electrical switchgear.
 - 6.6.1 Schedule of regularly performed switchgear inspections.
 - 6.7 Condition assessment of the water treatment plant.

7.0 Controls.

- 7.1 Description of the type, age and condition of the control systems.
- 7.2 Description of any plans to change out any of the control systems.
- 7.3 Identify if plant is equipped for fire protection?
- 7.4 Description of how injuries are handled.
- 7.5 Identify any dangerous or hazardous chemicals or materials located on the plant site.

8.0 Safety

- 8.1 Describe the on-going safety program.
- 8.2 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.
- 8.3 Provide copies of 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.
- 8.4 Provide 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.
- 8.5 Provide 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.
- 8.6 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 Provide copies of any environmental audits that have been performed.
- 9.2 Description of any known or suspected environmental contamination of the plant site.
- 9.3 Provide a record on any environmental exceedances for the last five (5) years.

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- 9.4 Provide copies of all Phase I, Phase II and other environmental site assessments, risk assessments, site investigations, site remediation plans, closure reports, compliance audits, etc.
- 9.5 Provide 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.
- 9.6 Provide 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.
- 9.7 Provide documents (including EHS Permits) pertaining to the use, development, conservation or disturbance of land, wetlands, natural resources, biota and/or ecologically sensitive receptors.
- 9.8 Provide 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.
- 9.9 Provide 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.
- 9.10 Provide 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.
- 9.11 Provide 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.
- 9.12 Provide (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.

- 9.13 Provide documents relating to: (1) the maintenance, handling, storage or disposal 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.
 - 9.14 Provide 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.
 - 9.15 Provide 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.
 - 9.16 Provide a listing of hazardous and non-hazardous wastes which are stored on-site or off-site, or have been disposed of.
- 10.0 Description of any natural perils that could affect this site.
- 11.0 Copies of any licenses, permits or certificates are required at this site.
- 12.0 Provide nameplate data for all units.
- 12.1 Provide start up times, ramp rates for synchronization and total event costs to full load for hot, warm and cold start conditions.
 - 12.2 Capacity Factor, Equivalent Availability Factor, and Equivalent Forced Outage Rate for each of the last five (5) years. Define terms and method of calculation
 - 12.3 Results of test of Net Maximum Capacity tests.
- 13.0 Title.
- 13.1 Real property.
 - 13.2 UCC Filings.
- 14.0 Claims history (both by and against Owner in connection with the Facility).
- 14.1 Litigation (including arbitration and other forms of alternative dispute resolution.
 - 14.2 Labor issues.
 - 14.3 Warranty claims.
 - 14.4 Copies of all auditor's letters prepared by law firms with respect to the Facility or with respect to Owner's liability in connection with the Facility.

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- 15.0 Provide copies of any contracts.
 - 15.1 O&M contract.
 - 15.2 Power Purchase Agreement
 - 15.3 Interconnection agreements and terms.
 - 15.4 Fuel purchase, transportation and storage contracts.
 - 15.5 Ash storage, transportation and disposal contracts.
 - 15.6 Production by product sales contracts.
 - 15.7 Steam sales contracts.
 - 15.8 Water supply/sewer agreements.
 - 15.9 All other contracts, subcontracts and leases for maintenance services, labor, professional services, materials, parts or other at each plant.
 - 15.10 Collective bargaining agreements, if any.
 - 15.11 Pension, benefit and welfare plans.

- 16.0 Insurance.
 - 16.1 Provide 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**

- History of all scheduled maintenance outages and all significant forced outages.

RFP
Attachment 20: Code Of Conduct

**Code of Conduct Governing PacifiCorp’s Intra-Company
Relationships for RFP Process**

As part of the RFP process, PacifiCorp will commit to abide by a self-imposed code of conduct which will govern PacifiCorp’s intra-company business relationships in order to ensure a fair and unbiased RFP evaluation and selection process. As part of the RFP process, PacifiCorp has identified various teams and work groups who will be responsible for the evaluation of the proposals and the development of any Company Benchmark Resource. The Evaluation Team and the Company Benchmark Team will have separate responsibilities and be required to adhere to the self-imposed code of conduct.

PacifiCorp will take the steps outlined below to maintain the appropriate Bidder and Benchmark Team.

EVALUATION TEAM

The Evaluation Team will be made up of seven separate work groups. The IRP work group will not share any information it obtains from either Team with the other Team and the IRP work group will not share any non-public transmission system information with either Team at any point in this process.

As set forth below in the Information Status, no members of the Evaluation Team will have contact or communication with any Bidder other than through the IEs. If any Bidder or member of the Benchmark Team attempts to contact a member of the Evaluation Team, such Bidder or member of the Benchmark Team shall be directed to the IEs for all information and such communication shall promptly be reported to the IEs by the Evaluation Team.

The roles and responsibilities of the members of the Evaluation Team work groups are set forth below, along with the individual member’s name and title and information status restrictions for each work group.

Evaluation Team: Origination, Structuring and Pricing, and Environmental

1. Origination

Roles: Members of the Origination work group will be responsible for overall coordination of the RFP process. The Origination work group will also have responsibility to coordinate with the IEs and all of the Evaluation Team work groups. The Origination work group will also perform the evaluation of the non-price components of the bid analysis.

Individual Members and Titles: To be submitted to the IEs upon issuance of the RFP and updated if there are any changes.

2. Structuring and Pricing

Roles: Members of the Structuring and Pricing work group will be responsible for the economic analysis and modeling for the initial shortlist including the validation on the inputs to the risk assessment of the bid.

3. Environmental

Roles: The Environmental work group will be responsible for evaluation and acquisition of necessary air, water supply and discharge, emission credits, and siting and facilities permits.

4. Credit

Roles: The Credit work group will be responsible for credit screening, evaluation and monitoring throughout the entire RFP process.

5. Legal

Roles: The Legal work group will be responsible for confirming compliance of bids to the RFP requirements, including the forms, attachments and appendices. The Legal work group will conduct the legal process and due diligence inquiries, and will have responsibility for legal review of any documentation entered into as part of the RFP process.

INTEGRATED RESOURCE PLANNING TEAM (IRP)

The IRP Team will be responsible for running the capacity expansion model and the planning at risk model to determine the portfolios. The IRP Team will receive inputs from the Benchmark Team which will be required to model the Benchmark Team portfolios subject to the information sharing restrictions set forth below. The IRP Team will not be responsible for making an economic determination about the bids.

Individual Members and Titles: To be submitted to the IEs upon issuance of the RFP and updated if there are any changes.

BENCHMARK TEAM

The Benchmark Team will consist of members from PacifiCorp Energy's Generation unit. A third-party engineering consultant may be retained by Generation as needed and if retained, will be considered a member of the Benchmark Team. No member of the Evaluation Team will be a member of the Benchmark Team; however, the Benchmark Team will provide inputs to the IRP work group to allow the IRP work group to model Benchmark proposals. This is not intended to be an iterative process. The IRP work

group may not share any information received from the Benchmark Team with the Evaluation Team.

Roles: The Benchmark Team will be responsible for development of PacifiCorp's Benchmark resources.

Individual Members and Titles: Generation and/or Third Party Engineering Consultant
To be submitted to the IEs upon issuance of the RFP and updated if there are any changes.

INTENT TO BID TEAM

The RFQ is not blinded and will be comprised of members from PacifiCorp Origination, legal and credit who will work with the IEs to assess the Bidders' qualifications.

Individual Members and Titles: To be submitted to the IEs upon issuance of the RFP and updated if there are any changes.

FERC'S STANDARDS OF CONDUCT

In addition to this self-imposed code of conduct, as a transmission provider, PacifiCorp is required to comply with FERC's Standards of Conduct which govern interactions between PacifiCorp's Transmission Function and its Marketing Affiliate. Under the Standards of Conduct, PacifiCorp's Transmission Function employees must function independently of PacifiCorp's Marketing Affiliate employees. Marketing Affiliate employees cannot have access to transmission control center or other transmission facilities or information systems that differ in any way from the access provided to non-affiliated transmission customers. The Standards of Conduct prohibit Marketing Affiliate employees from gaining access to any information about PacifiCorp's transmission system that is not posted on the OASIS or otherwise made publicly-available to all other market participants.

Under the Standards of Conduct, FERC will allow certain non-operating employees to be shared between the Transmission Function and Marketing Affiliate. Under FERC's "no-conduit rule", shared employees may receive confidential transmission system or marketing information, but they are prohibited from sharing such information with Marketing Affiliate employees through any non-public or off-OASIS communications.

Marketing Affiliate Employees

PacifiCorp has identified the following business groups as Marketing Affiliate Business Units of PacifiCorp:

PacifiCorp Energy, Commercial & Trading:
 Energy Trading
 Marketing & Trading Contracts

Origination
Structuring and Pricing

Transmission Function Employees

PacifiCorp's Transmission Function includes: employees, contractors, consultants or agents of PacifiCorp who conducts transmission system operations or reliability functions, including, but not limited to, those who are engaged in day-to-day duties and responsibilities for planning, directing, or carrying out transmission-related operations.

Shared Employees

PacifiCorp has identified Integrated Resource Planning, Environmental, Credit, Legal, and Risk Management as shared employee functions under FERC's Standards of Conduct.

Information Status

PacifiCorp's Marketing Affiliate (as defined above) will not be involved in a Bidder's transmission interconnection and integration with the control area. PacifiCorp's employees will at all times abide by FERC's Standards of Conduct. If an issue arises about compliance with FERC's Standards of Conduct, PacifiCorp's FERC Standards of Conduct Compliance Officer, Colt Norrish at 503-813-5545, should be contacted immediately.

RFP
Attachment 21: Credit Methodology

Credit Security Requirements Methodology

Methodology Overview for Base Load Category

The RFP (includes Resources Alternatives with Eligible Online Dates of June 1, 2012; June 1, 2013; June 1, 2014; June 1, 2015; and June 1, 2016) selected resources have the potential to expose PacifiCorp and its ratepayers to credit risk in the event a selected Bidder is unable to fulfill its obligations pursuant to the terms of an executed agreement. The credit risk profile is a function of several factors:

1. Type of resource (see Resource Alternatives Key at the end of this paper)
2. The Bid Category (Base Load, Intermediate Load and Summer Peak)
3. Size of Resource Alternative
4. Expected energy delivery start date
5. Term of underlying contract
6. Creditworthiness of Bidder and Bidder's credit support provider, if applicable

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Acquisition of an Asset

For all resources that involve a physical asset with appropriate step-in rights (Resource Alternatives #3-6), PacifiCorp views potential credit exposure as the cost it would incur in the event the resource failed to come on-line when expected. PacifiCorp believes it could take up to 12 months to either step in and complete the project or cause the project to be completed on its behalf. If the failure occurred near the expected on-line date, PacifiCorp would have to procure energy in the open market at then-prevailing market prices.

Although it may take up to one additional year to get the resource on-line in the event of a Bidder default, PacifiCorp is most concerned about replacing expected energy during the summer months (June-September), specifically the on-peak hours.

In determining where prices for replacement power might be between contract execution and the replacement period (i.e. the future summer months), PacifiCorp employs standard statistical analysis to estimate future price levels within a certain confidence interval. Once the "stressed" forward price is determined, the expected cost to procure energy, had the project not been delayed, based on contract terms and conditions is subtracted. The difference between these prices is then multiplied by the number of megawatt hours for the replacement period to estimate the expected replacement cost, or damages, PacifiCorp might sustain due to Bidder nonperformance.

To illustrate, for the 2012 resource the forward price for on-peak power delivered at PACE over the four summer months during 2012 as indicated by the market on January 17, 2008 was \$91.09/MWh. Market-implied volatility of prices for those same delivery

months was 29.9%² on the same observation date. Using this data, PacifiCorp estimated – with 84% confidence – that prices for that delivery point and replacement period are expected to be no higher than \$160.51/MWh. Subtracting the cost of on-peak power PacifiCorp expects to pay had the resource been operational (e.g. \$91.09/MWh) results in a potential replacement cost to PacifiCorp of \$69.43/MWh, or \$135,524³ for a 1 MW resource.

With regard to a calculation for the estimate of the price of PACE power for the replacement period of \$160.51/MWh, PacifiCorp estimated, with 84% confidence, how high Utah power prices could be in the event PacifiCorp had to procure replacement energy during the summer of 2012 (four months, June-September) in the event of a bidder default. PacifiCorp used the forward price curve and the five year price volatility level observed on January 17, 2008 as inputs to its statistical analysis. Using a 7x16 delivery pattern, PacifiCorp nominally leveled power prices for each of the individual summer months to arrive at a single strip price of \$91.09/MWh. The price was then multiplied by a stress factor to generate a potential forward price based on the desired confidence level:

Stress factor = $\exp^{(1 \text{ standard deviation} * 29.9\% \text{ annual five year volatility} * \sqrt{[(\text{mid point date of summer strip} - \text{contract signing date})/365.25]}}$ = 1.7622.

Stressed price = 1.7622 stress factor * \$91.09/MWh leveled price = \$160.51/MWh

Using a similar assessment for the 2013, 2014, 2015 and 2016 resources, the potential credit exposure was estimated to be \$145,736, \$159,221, \$171,808 and \$186,871, respectively, for a 1 MW resource.

Asset-Backed Agreements

For other resources that are backed by an asset with appropriate step-in rights (Resource Alternatives 1, 2, 7, 8(b) and 8(c): asset-backed only), PacifiCorp views its potential credit exposure as the cost it would incur in the event the Bidder failed at any time during the life of the contract. However because the resource is backed by an attachable asset, PacifiCorp believes it can have the project operational, or cause to have the project operational on its behalf, within 12-18 months from the date of nonperformance. PacifiCorp acknowledges that the potential for prices to change is greater for this resource group due to the term of the underlying contract but will treat the potential replacement costs the same as asset backed Resource Alternatives 3-6. PacifiCorp will hold any credit security for a longer period, however, due to the length of contract related to this resource group.

² Execution of contracts related to the RFP is expected to occur on or about January 1, 2009. Therefore, volatility for the 2011 period was used as the best estimate of where volatility levels would be in 2012 as viewed on January 1, 2009.

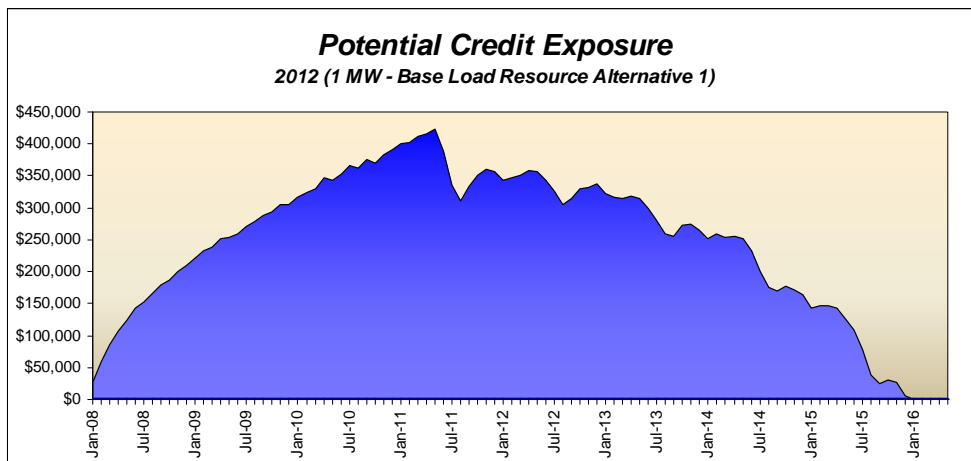
³ Assumes 1,952 on-peak hours during June-September 2012.

This discussion of the credit requirements for Power Purchase Agreements (and Tolling Services Agreements) and the Asset Purchase and Sales Agreements assumes, for these credit requirements to be comparably analyzed, that each of these types of agreement is backed by its respective physical asset. In order for this to be the case, the agreements by their terms must put that physical resource behind the agreement, which would include, but not be limited to, the following: allowing PacifiCorp meaningful and actual exercise of step-in rights and a second lien (behind only the project lenders) on the assets and the special purpose entity equity, limiting the amount of leverage on the project by way of a cap on the debt to equity ratio, and other financial covenants for the life of the Power Purchase Agreement (resources 1, 2, 7 and 8(b)).

Non-Asset Backed Agreements

For resources that are not backed by an asset (resources 1, 2, 7, 8(a), 8(b) and 8(c)), PacifiCorp estimates potential credit exposure on not just four summers' worth of replacement volume but on the entire remaining volume at any point a Bidder might default during the term of a contract. PacifiCorp also takes into account the entire time horizon of the contract from contract execution. To estimate potential credit exposure at any possible point of default, PacifiCorp performs a Monte Carlo simulation⁴ using a program purchased from a third-party vendor⁵ that factors in forward prices, forward price volatility, temporal correlations, and asset correlations. The simulation steps through time, removing delivered volumes from the valuation while revaluing remaining, undelivered volumes. The result is a distribution of potential credit exposures from which PacifiCorp uses those at the 84th percentile.

The following chart shows the potential credit risk profile of a 1 MW, five year, non-asset backed, base load Resource Alternative 1 for 2012:



⁴ A Monte Carlo simulation incorporates randomness into the revaluation process while mindful of the boundaries imposed by volatility and correlation assumptions.

⁵ Risk Capital Management Partners, LLC, acquired by Towers Perrin on June 19, 2006.

For the 2012, 2013, 2014, 2015 and 2016 resources that are not backed by an asset, the potential credit exposure was estimated to be \$424,155, \$468,995, \$527,486, \$541,682, and \$621,774 respectively, for a 1 MW resource.

Once the potential credit exposures were estimated for all resources, the exposures then were inserted into a series of credit matrices (each a “Credit Matrix”). Each Credit Matrix lists various sizes of resources in 100 MW increments (columns) for each possible credit rating of Bidder and Bidder’s credit support provider, if applicable (rows). A Credit Matrix for each Resource Alternative is shown for each Eligible Online Date.

Next, PacifiCorp applies its internal credit risk tolerance specific to this RFP to each potential credit exposure in every cell of every Credit Matrix. The results are the amounts of excess credit risk that PacifiCorp requests be secured through third-party guaranties, cash, letters of credit, or other collateral, or combinations thereof.

To interpret a Credit Matrix, a Bidder needs to select the Resource Alternative, the Bid Category, the size of the resource, and the Eligible Online Date. Depending on the credit rating of the Bidder and the Bidder’s credit support provider, if applicable, the value in the applicable Credit Matrix represents the maximum value of credit security the Bidder or Bidder’s credit support provider must provide. The credit matrix was developed based on the Base Load Bid Category; credit requirements for the other two Bid Categories will be determined based on a percentage of the amount contained in the credit matrix.

Using the sample Credit Matrix excerpt below for illustration purposes only, credit security required for a base load 600 MW asset purchase and sale agreement for 2012 with a ‘BBB+’ rated Bidder would be \$0 (row 8). If the Bidder was not rated or was rated less than investment grade, the Bidder would be required to provide \$97,599,600 (row 11) in credit security to cover the potential credit exposure. Security could include a third-party guaranty from an investment grade entity but in that event additional security may be required depending on the security amounts listed in the Credit Matrix corresponding to the rating of the guarantor. For instance, if the third-party guarantor was only rated ‘BBB’, PacifiCorp would require a guaranty in the amount of \$75.0m (\$97,599,600 (row 11) minus \$22,599,600 (row 9)) from the guarantor and additional security (i.e. a letter of credit) in the amount of \$22,599,600 (row 9) from the Bidder.

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Size of Nameplate bid in MW ==>	501-600	
Credit Rating		
AAA/Aaa and above	\$0	row 1
AA+/Aa1	\$0	row 2
AA/Aa2	\$0	row 3
AA-/Aa3	\$0	row 4
A+/A1	\$0	row 5
A/A2	\$0	row 6
A-/A3	\$0	row 7
BBB+/Baa1	\$0	row 8
BBB/Baa2	\$22,599,600	row 9
BBB-/Baa3	\$47,599,600	row 10
Below BBB-/Baa3	\$97,599,600	row 11

In the event the Bidder’s credit rating and Bidder’s credit support provider’s credit rating, if applicable, adversely changes during the contract term, the amount of credit security must be adjusted commensurate with the amounts listed in the Credit Matrix.

For resource sizes that fall inside a MW range on the Credit Matrix, the exact amount of credit security is determined by taking the actual MW size of the resource and dividing it by the upper range boundary MW size. That result is then multiplied by the security amounts shown in the Credit Matrix for that size range to produce the credit security amount. For example, using the sample Credit Matrix excerpt above, for a 525 MW resource the amount of credit security required for a non-investment grade Bidder would be:

$$\mathbf{\$85,399,650} = 525 \text{ MW} / 600 \text{ MW} * \$97,599,600$$

Posting of Credit Security

For all Resource Alternatives that are backed by an asset that can be attached by PacifiCorp, credit security must be posted in accordance with the following schedule (this includes a Power Purchase Agreement that is backed by an asset):

Cumulative Value of Credit Security*	2012 Resource	2013 Resource	2014 Resource	2015 Resource	2016 Resource
10%	Effective Date (ED)	Effective Date (ED)	Effective Date (ED)	Effective Date (ED)	Effective Date (ED)
20%	ED+6 months	ED+18 months	ED+30 months	ED+42 months	ED+54 months
30%	ED+12 months	ED+24 months	ED+36 months	ED+48 months	ED+60 months
40%	ED+18 months	ED+30 months	ED+42 months	ED+54 months	ED+66 months
100%	ED+24 months	ED+36 months	ED+48 months	ED+60 months	ED+72 months

* When the Bidder receives project development financing, 100% of the required credit security is then immediately due, regardless of the deadlines contained in the schedule.

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The Effective Date is the date the contract is approved by the Utah Commission or the date the contract is executed by the parties, whichever is later.

A Bidder may select to either post the initial security, which must be in the form of cash or letter of credit only, or alternatively, a Bidder may post the full amount of credit security using *any* form of security acceptable to PacifiCorp (e.g. a third-party guaranty.)

For all other resources, full credit security is due within ten (10) business days after the Effective Date.

Reduction in Credit Security

For Resource Alternatives 3, 4, 5 and 6, any credit security posted will be returned to the counterparty at a reasonable time period after PacifiCorp has assumed complete ownership of the resource and any necessary indemnification period has passed.

For Resource Alternatives 1, 2, 7, 8(a), 8(b), and 8(c), posted credit security will be reduced according to the following schedule: starting at the mid-point of the term of the contract, the amount of credit security will be amortized over the remaining term of the contract and may be reduced in equal installments at the end of each successive contract year until the amount of credit security to be posted is \$0. PacifiCorp reserves the right to hold credit security for a longer period if the potential credit exposure at the time of collateral return warrants such an action.

As an example: the counterparty has posted \$8,419,200 in credit security for a PPA with a term of 6/1/2012 to 5/31/2032, or 20 years. After 10 years, the credit security amount of \$8,419,200 will be divided by the 10 years remaining (\$8,419,200/10, or \$841,920) such that the amount of security may be reduced by \$841,920 at the end of each successive contract year until the balance of the credit security reaches \$0 at the end of the contract term.

Note that the above examples assume that the creditworthiness of the counterparty and/or its credit support provider remains the same over time. If the creditworthiness of the counterparty and/or its credit support provider changes at any point before or after the contract is executed, the amount of credit security required may change.

Resource Alternatives Key:	
1	Power Purchase Agreements
2	Tolling Service Agreements
3	Asset Purchase and Sale Agreements on PacifiCorp sites
4	Asset Purchase and Sale Agreements
5	Purchase of an Existing Facility
6	Purchase of a portion of a facility jointly owned by or operated by PacifiCorp
7	Restructuring of existing Power Purchase Agreement or Exchange Agreement
8(a)	Load Curtailment
8(b)	Qualified Facility
8(c)	Biomass or Geothermal

RFP
Attachment 22: Forms of Credit
Commitment Letters

GUARANTY COMMITMENT LETTER

(Must be on letterhead of Bidder's credit support provider)

PacifiCorp
825 NE Multnomah, [Suite 700](#)
Portland, Oregon 97232
[Attn: Credit Dept.](#)

Dear Sirs:

The undersigned bears the following relationship to the Bidder _____ (insert Bidder name) ("Bidder") in your RFP process: (insert nature of relationship, e.g., Parent company, tax investor, etc.). [Bidder and the undersigned have their own, separate agreement with respect to the undersigned's promise set forth in this letter.](#)

This will indicate our promise to you that, should you enter into a transaction with Bidder arising out of any bid submitted by Bidder in the RFP, [with terms and conditions mutually acceptable to you and Bidder](#) that we will at that time issue an unconditional guaranty in form and substance reasonably satisfactory to you, and that we will guarantee all obligations of payment and performance of Bidder to you as our independent obligation, (up to a maximum amount of \$ _____, plus [expenses of enforcing the guaranty](#)).

Deleted: enforcement expenses

We understand that you will not enter into a transaction with Bidder without said guaranty. We understand that you are under no obligation to enter into any transaction with Bidder, under the RFP or otherwise.

Yours truly,

(name of committing guarantor)
(name of authorized officer)

LETTER OF CREDIT COMMITMENT LETTER

(Must be on letterhead of Bidder's credit support provider)

PacifiCorp
825 NE Multnomah, [Suite 700](#)
Portland, Oregon 97232
[Attn: Credit Dept](#)

Dear Sirs:

The undersigned bears the following relationship to the Bidder _____ (insert Bidder name) ("Bidder") in your RFP process: (insert nature of relationship). [Bidder and the undersigned have reached their own agreement with respect to the undersigned's promise set forth in this letter.](#)

This will indicate our promise to you that, should you enter into a transaction with Bidder arising out of any bid submitted by Bidder in the RFP, that we will at that time issue an irrevocable standby letter of credit in a form reasonably acceptable to you up to a maximum amount of \$ _____.

We understand that you will not enter into a transaction with Bidder without said letter of credit. We understand that you are under no obligation to enter into any transaction with Bidder, under the RFP or otherwise.

Yours truly,

(name of committing financial institution)
(name of authorized officer)

RFP
Attachment 23: Operating and
Maintenance Terms and Conditions

RFP
Attachment 24: Specifications for the
APSA at the Lake Side Site

**Due to the size of RFP Attachment 24, the
Specifications for the APSA for the Lake Side Site is available
on PacifiCorp's website as a separate document**

www.pacificorp.com

RFP
Attachment 25: Specifications for the
APSA at the Currant Creek Site

**Due to the size of RFP Attachment 25, the
Specifications for the APSA for the Currant Creek Site is
available on PacifiCorp's website as a separate document**

www.pacificorp.com

**RFP
FORMS**

RFP
FORM 1: Pricing Input Sheet

**The Form 1 Pricing Input Sheet is Available in an Interactive
Electronic Format on PacifiCorp's website.**

www.pacificorp.com

RFP
FORM 2: Permitting and
Construction Milestones

**RFP FORM 2
PERMITTING AND CONSTRUCTION MILESTONES**

Milestone	Date	Bidder to insert Break up Fee	Bidder to insert 1 yr Acceleration Fee	Bidder to insert 1 yr Deferral Fee
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				

**RFP FORM 2
PERMITTING AND CONSTRUCTION MILESTONES
INTEGRATED GASIFICATION COMBINED CYCLE**

General	Date	Bidder to insert Break up Fee	Bidder to insert 1 yr Acceleration Fee	Bidder to insert 1 yr Deferral Fee
Feasibility Study Complete				
FEED Study complete				
Geotech Report complete				
Major Permit Applications Filed				
Secure Property				
Secure Water Rights				
Major Permits secured				
Natural Gas Interconnection Agreement				
Complete Large Generator Interconnection Agreement				
Full Notice to Proceed				
Site Access Available				
Power Grid (Backfeed) Available				
Natural Gas Available				
Major Equipment Procurement				
Combustion Turbine generators				
Steam Turbine generator				
Main Condenser				
Generator Step-Up & Main Auxiliary Transformers				
Heat Recovery Steam Generators/SCR System/Duct/Stacks				
Gasifiers				
Air Separation System				
Acid Gas Removal System				
Tail Gas Clean up System				
Digital Control System				
Engineering (Overall)				
Final Process /Equip. Data Sheets Issued				
Piping & Instrument Diagrams Issued for Design				

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General	Date	Break up Fee	1 yr Acceleration Fee	1 yr Deferral Fee
Fabrication & Delivery of Major Equipment				
Major Foundation Design Completed				
Underground Utilities Design				
Gas Turbine generators				
Steam Turbine generator				
Main Condenser				
Generator Step-Up & Main Auxiliary Transformers				
Heat Recovery Steam Generators/SCR/Stacks				
Gasifiers				
Air Separation System				
Acid Gas Removal System				
Tail Gas Clean up System				
Digital Control System				
Overall Construction & Installation				
Mobilized				
Break ground				
Begin pouring of piling & foundations				
Major Buildings Complete				
Combustion Turbine 1 set				
Combustion Turbine 2 set				
Heat Recovery Steam Generator 1 erected				
Heat Recovery Steam Generator 2 erected				
Gasification Major Components set				
Steam turbine set				
Critical Piping Installed				
Install Digital Control System				
Main Transformers set				
Mechanically complete				
First Fire of Combustion Turbine 1				
First Fire of Combustion Turbine 2				
First Fire of each Gasifier and associated Air Separation Unit and downstream cleanup				
Cooling Tower Installation Complete				

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General	Date	Break up Fee	1 yr Acceleration Fee	1 yr Deferral Fee
Startup and Commissioning				
Steam Blows Complete				
Roll Steam Turbine				
Performance Testing Complete - Natural Gas				
Performance Testing Complete - Syn-Gas				
Substantial Completion				
Final Acceptance				

FINAL DRAFT

4-25-08 Version

**All Source - Request for Proposal
PacifiCorp**

Issued **XX, 2008
Responses due **XX**, 2008**

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- Appendix A: Bidder's Qualifications, Capability and Experience
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- Appendix E: Officer Certification Form
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Attachments

- Attachment 1: Benchmark Resources
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- Attachment 3: Power Purchase Agreement
- Attachment 4: Role of the Independent Evaluator
- Attachment 5: Tolling Service Agreement
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- Attachment 7: Lake Side APSA Rights and Facilities
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- Attachment 9: Owner's Costs under APSA
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Attachment 22: Forms of Credit Commitment Letters

Attachment 23: Operating and Maintenance Terms and Conditions

Attachment 24: Specification for the APSA at the Lake Side Site

Attachment 25: Specification for the APSA at the Currant Creek Site

Forms

Form 1: Pricing Input Sheet

Form 2: Permitting and Construction Milestones

SECTION 1. INTRODUCTION

The purpose of this document is to prescribe the process by which PacifiCorp (the “Company”) will request and evaluate proposals from Bidders to fulfill a portion of the capacity and energy resource needs identified in the Company’s 2007 Integrated Resource Plan (“IRP”) as filed with and pending acknowledgement before the Oregon Commission.¹ The scope of this All Source Request for Proposals (“RFP”), subject to the limitations described herein, is focused on system-wide, east and west control area, energy and capacity² generation which is capable of delivering energy and capacity in or to the Company’s Network Transmission system³ (www.oasis.pacificorp.com). This RFP is seeking capacity and energy resources to serve PacifiCorp’s entire system. Bids from new or existing coal resources will only be considered by the Company if such proposals are consistent with multi-state legal and regulatory requirements regarding new and existing coal resources.

Bidders may propose any of seven (7) different Resource Alternative structures and three (3) exceptions in three (3) separate Bid Categories of resource requirements. The Bid Categories are separated into Base Load, Intermediate Load and Summer Peak resources as set forth below. Each Bid Category will be screened to determine the initial shortlist and the top bids will then be input into the Integrated Resource Plan models to determine the final shortlist.

Bid Category	Capacity Factor	Heat Rates (HHV ⁴)
1) Base Load	60%	⁵ 6,900-8,870
2) Intermediate Load	20-60%	8,870-11,500 ⁶
3) Summer Peak - Q3 purchases		July-September HE0700 through HE 2300 ⁷

All energy and capacity resources must provide unit contingent or firm resource capacity and associated energy incremental to the Company’s existing capacity and energy resources and available for dispatch or scheduling by June 1, 2012; June 1, 2013; June 1, 2014; June 1, 2015; and/or June 1, 2016 (the “Eligible Online Dates”).⁸ Bidders will

¹ The Public Service Commission of Utah did not acknowledge the 2007 IRP.

² All Source with the exception of intermittent generating resources which will be solicited through separate RFPs. Intermittent generation is defined as generation that can not be scheduled or dispatched by PacifiCorp.

³ Company’s Eastern Control Area (“PACE”) and/or the Company’s Western Control Area (“PACW”).

⁴ Higher Heating Values.

⁵ Heat rates lower than 6,900 may participate in this Bid Category.

⁶ Heat rates which exceed 11,500 new and or existing Intermediate Load may participate in this Bid Category.

⁷ Excluding NERC holidays.

⁸ The Company may allow on-line flexibility consistent with the resource need identified in the Capacity Load and Resource Balance, however, a resource must be online by June 1, 2012 or starting with June 1 of

need to specify the online date for each resource proposed. In this RFP, the Company will propose Benchmark Resources in the Base Load and Intermediate Load Bid Category as further provided in **Attachment 1** of the RFP. The Company will use the applicable east/west markets as the benchmark for comparison of proposals received in the Bid Category of Summer Peak – Q3 purchases. The Company will submit a detailed evaluation for each Benchmark Resource(s), with supporting cost information, to the Oregon Commission and the IEs prior to the opening of proposals submitted by the Bidders. The IE and the Company will complete the initial evaluation of the Benchmark Resource(s) prior to opening the third party Bids. During the course of the RFP process, the Company, with input from the IEs, will determine if a Bidder update is appropriate, the Company will then also be entitled to update the assumptions in the Benchmark Resource(s). The IEs will review the reasonableness of the Benchmark Resource(s).

Table 1 sets forth the Company's expected resource requirements for calendar years 2012 – 2016 based on its 2007 IRP:

TABLE 1

Calendar Year	2012	2013	2014	2015	2016
East					
East Existing Resources	7,105	7,105	7,105	7,101	7,080
East Obligation	8,190	8,333	8,490	8,621	8,961
East Reserves*	956	973	992	1,007	1,051
East Obligation + Reserves	9,146	9,306	9,482	9,628	10,012
East Position	(2,041)	(2,201)	(2,377)	(2,528)	(2,932)
East Reserve Margin	-13%	-14%	-16%	-17%	-21%
West					
West Existing Resources	3,506	3,558	3,519	3,519	3,518
West Obligation	3,498	3,509	3,520	3,429	3,360
West Reserves*	413	411	416	405	397
West Obligation + Reserves	3,911	3,920	3,936	3,834	3,757
West Position	(405)	(362)	(417)	(314)	(239)
West Reserve Margin	0%	2%	0%	3%	5%
System					
Total Resources	10,611	10,663	10,624	10,620	10,598
Obligation	11,688	11,842	12,010	12,050	12,321
Reserves*	1,369	1,384	1,408	1,412	1,447
Obligation + Reserves	13,057	13,226	13,417	13,462	13,768
System Position	(2,446)	(2,563)	(2,794)	(2,842)	(3,171)
Reserve Margin	-9%	-10%	-11%	-12%	-14%

* Reserves assume a target planning reserve margin of 12%, and include company non-owned reserves.

As described in more detail below, the Company has adopted prudent safeguards to assure that no bias occurs. The Company seeks proposals from all potential suppliers who can meet the requirements of this RFP. 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. The 2007 IRP⁹ assumed a 12% planning margin. The planned renewable targets, conservation and demand side

each year for each year within the Eligible Online Dates.

⁹ Pending acknowledgement in Oregon.

management¹⁰ set forth in the IRP are not included for purposes of calculating resource needs; however, the renewable targets, and demand side management, will be inputs into the Capacity Expansion Model (which is discussed in more detail in Section 6) based on IRP forecasted price.

The Company may opt to contract for more or less power, depending among other things, bids received in response to the ongoing 2012 RFP, purchases, quality of bids received in response to this RFP, updates to the Company’s forecasts, regional transmission availability and timing, procurement of shorter term resources or intermittent resources, and changes in the wholesale energy market conditions. In the event a resource(s) is selected from the 2012 RFP, the total resource need will be adjusted at such point in time.

In order to provide for a transparent and fair process, the RFP will be conducted under the oversight of independent evaluators (“IEs”). An IE hired by the Utah Public Service Commission and an IE retained by the Company on behalf of the Oregon Public Utility Commission will be involved in all aspects of receiving, evaluating, and ranking bids in response to this RFP, and in ensuring fairness throughout the RFP process. Potential bidders are invited and encouraged to contact either of the IEs with questions or concerns. More information concerning the role of the IEs is provided in **Attachment 4**. Contact information for the IEs is as follows:

Utah Independent Evaluator: Merrimack Energy Group, Inc.
http://www.merrimackenergy.com/PacifiCorp2008RFP/index.asp
Oregon Independent Evaluators: Accion Group and Boston Pacific Company, Inc.
To ensure timely responses, bidders should address questions and concerns to the Oregon IEs using both of the following email addresses: Accion Group: advisors@acciongroup.com Boston Pacific: croach@bostonpacific.com

Upon conclusion of the RFP process, PacifiCorp will request the Utah Public Service Commission to approve the resources selected. The Company also has the option of seeking regulatory acknowledgement of the final shortlist consistent with Oregon Order No. 06-446. PacifiCorp will also seek rate recovery consistent with standard rate making practices in its six state jurisdictions.

This introductory Section 1 describes the type, timing and amount of resources sought for delivery by June 1, 2012 or starting with June 1 of each year for each year within the Eligible Online Dates. Section 2 addresses the Resource Alternatives, proposal characteristics and options. Section 3 covers logistics such as where and when proposals must be submitted, bid fees and minimum requirements, as well as important conditions and procedures. Section 4 provides the required content and format for all Resource Alternatives. Section 5 outlines resource information including price and non-price

¹⁰A separate RFP will solicit demand side management resources. Conservation is included in the Company’s load forecast.

information, integration, interconnection and transmission services, and use of PacifiCorp sites. Section 6 outlines the bid evaluation process. Section 7 outlines the awarding and rejecting of proposals. All of the required Appendices, Attachments and Forms for each of the Resource Alternatives are also provided.

SECTION 2. RESOURCE ALTERNATIVES AND PROPOSAL CHARACTERICS

A. RESOURCE ALTERNATIVES

The Company is seeking up to 2,000 MW of cost-effective resource(s) consisting of Base Load, Intermediate Load and Summer Peak resources to meet the Company's System Position during calendar years 2012 to 2016.¹¹ (See **Attachment 1** for a description of the engineering specifications, fuel type, technology, efficiency, location, projected life, transmission requirements and operation and dispatch characteristics of each Company Benchmark Resource). The minimum eligible fixed term and capacity requirements for proposals are 100 MW or greater of dependable capacity and a minimum term of five (5) years, except as noted below (exceptions to the minimum term and capacity include: a PPA or TSA not backed by an asset, load curtailment, QF and Biomass or Geothermal proposals). Resource(s) bid(s) must provide unit contingent or firm capacity and associated energy incremental to the Company's existing capacity and energy resources and available for dispatch or scheduling within the Eligible Online Dates.

The Company will consider bids that meet Base Load, Intermediate Load or Summer Peak¹² resource requirements that take the form of one of the following Resource Alternatives: (1) Power Purchase Agreement; (2) Tolling Service Agreement; (3) Asset Purchase and Sale Agreement (PacifiCorp site and PacifiCorp's specifications); (4) Asset Purchase and Sale Agreement (Bidder site); (5) purchase of an existing facility; (6) purchase of a portion of a facility jointly owned or operated by the Company; (7) restructuring of an existing Power Purchase Agreement or Exchange Agreement; or (8) Exceptions which include (a) Load Curtailment, (b) Qualifying Facilities or (c) Geothermal or Biomass. Descriptions of each of these Resource Alternatives are set out below.

¹¹The Company's System Position is as set forth in Table 4.15 - Capacity Load and Resource Balance in the 2007 IRP. To the extent resource acquisitions are made outside of the 2008 RFP the total resource levels may be adjusted accordingly.

¹²Base Load is defined as a resource with a heat rate between 6,900-8,870, however may be lower than 6,900; Intermediate Load is defined as a resource with a heat rate between 8,870-11,500, however may be greater than 11,500; Summer Peak is defined as third quarter calendar purchases for July through September HE0700 through HE2300 PPT, excluding NERC holidays.

CHART 1

Resource Alternatives	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 or PACW under the PPA. Must be a minimum term of 5 years and a minimum of 100 MW. A PPA not backed by assets is limited to a Maximum Term ¹³ of 5 years, a minimum of 100 MW, and is not eligible to use a PacifiCorp site.	Bidders can bid on their sites or on PacifiCorp sites; however, PacifiCorp is not required to operate the facilities, and it cannot impact PacifiCorp's existing generation on the site.	If the Bidder bids on one of the PacifiCorp sites the Bidder must bid a minimum of 420 MW and 85% of the facility's dependable generation with no less than 420 MW nominal generating capacity, a minimum of 20 years and a maximum of the life of the asset. Life of the asset will be evaluated consistent with IRP Tables C.27 and C.28. If a PacifiCorp site is used the Bidder must build to the Currant Creek specification or the Lake Side specification in Attachments 24 or 25 . Bidder must complete Appendices C-1, D and G .
2) Tolling Service Agreements	Same as #1	Same as #1	Same as #1

¹³ Maximum Term of five years means a term of greater than one year but no more than five years.

PacifiCorp – Request for Proposals

RFP Responses due **XX**, 2008

Resource Alternatives	Term	Location	Requirements
3) Asset Purchase and Sale Agreements on PacifiCorp sites	Life of the asset will be evaluated consistent with IRP Tables C.27 and C.28.	Currant Creek or Lake Side sites.	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. Contractual privity between PacifiCorp and the EPC contractor. The Bidder must build to the Currant Creek specification or the Lake Side specification in Attachments 24 or 25 . Bidder must complete Appendix C-2 .
4) Asset Purchase and Sales Agreement on Bidder's Site	Life of the 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 #5.	Bid pursuant to the APSA; PacifiCorp will own and operate the facility following commercial operation. Bidder must complete Appendices C-2 and G . Contractual privity between PacifiCorp and the EPC contractor.

PacifiCorp – Request for Proposals

RFP Responses due XX, 2008

Resource Alternatives	Term	Location	Requirements
5) 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 or PACW and integrated as a Network Resource.	Due diligence of facility that PacifiCorp deems appropriate (see Attachment 19). Bidder must complete Appendix C-3 . PacifiCorp would own and operate the facility.
6) Purchase of a portion of a facility jointly owned by and/or operated by PacifiCorp	Same as #5	Same as #5	Same as #5
7) Restructuring of Existing Power Purchase Agreement or Exchange Agreement and/or Buyback of an Existing Sales Agreement	Fixed term specified in the bid up to the life of the PPA or Exchange Agreement must be a minimum of 5 years and 100 MW.	Same as #5	Restructuring of the PPA or Exchange Agreement and/or buyback of an existing sales agreement must result in incremental capacity and energy.
Exceptions			
8 (a) Load Curtailment	Fixed term must be a minimum of 5 years and 25 MW.	Existing end use PacifiCorp customers with a load that can be physically curtailed and must be not less than 25 MW. The 25MW may be aggregated. The load must respond within 30 minutes prior to the hour and remain curtailed for	PacifiCorp will not accept proposals for financial curtailment nor will it accept proposals that result in PacifiCorp having a residual delivery obligation for the curtailment

Resource Alternatives	Term	Location	Requirements
		one continuous hour blocks.	of load via any other contract, law or regulation or order.
8 (b) Qualifying Facility	Fixed term must be a minimum of 5 years and 10 MW. A PPA not backed by assets is limited to a Maximum Term of 5 years and a minimum of 10 MW.	Same as #5	QFs are as defined under the regulations implementing PURPA. Bidder must complete Attachment 2 and Appendices C-1 and G .
8 (c) Geothermal or Biomass	Fixed term must be a minimum of 5 years and 10 MW. A PPA not backed by assets is limited to a Maximum Term of 5 years and a minimum of 10 MW.	Same as #5	Bidder must complete Appendices C-1, D, and G .

1. Power Purchase Agreement

Power purchase bids must be for a fixed term at a stated price which may be indexed or vary in price by year from a single resource located in or into PACE or PACW and must be in the form of a Power Purchase Agreement (“PPA”). A PPA Proforma Agreement is 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. The fuel source type must be specified in the proposal. For purposes of this RFP, 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 PACE.

In the event a Bidder proposes a PPA not backed by assets, the term accepted will be limited to a Maximum Term¹⁴ of five (5) years and the PPA will not be eligible for use of a PacifiCorp site.

¹⁴ Maximum Term of five years means a term of greater than one year but no more than five years.

In the event a Bidder proposes to locate a facility on a PacifiCorp site, the Bidder must propose a PPA for a 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 design plant life as contained in IRP Tables C. 27 and C.28. 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 apply to PacifiCorp sites because both of these sites are capable of second units, and PacifiCorp must ensure the value of these assets are used in the best interest of customers. If a bidder builds a project on either of the PacifiCorp sites, Currant Creek or Lake Side, the project must be built to meet the specifications provided **Attachments 24 or 25**, as applicable.

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, D, and G**.

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 H**. These negotiations will occur if and when the Bidder is selected from the final shortlist to enter into negotiations. **THIS RFP 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 for facilities located at a PacifiCorp site. The estimated cost and description of these points are contained in **Attachments 9 and 10**; 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 or an equivalent structure which will not increase the risk of default by multiple contractors to the Company and its customers. Any Contractor must be experienced with the type of facility being proposed and, in addition to any other credit provision described herein, this entity (or its credit support provider) must have a Credit Rating¹⁵ that is BBB-/Baa3 or greater from S&P/Moody's or, if not publicly

¹⁵ Credit Rating is defined in Section H.1.

rated, an equivalent Credit Rating as determined by PacifiCorp.

2. Tolling Service Agreement

Tolling Service Agreement bids must be for a fixed term at a stated price which may be indexed from a single resource which is located in or delivering to PACE or PACW, and must be in the form of a Tolling Service Agreement (“TSA”). The fuel source type must be specified in the proposal. A TSA Proforma Agreement is 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 design plant life as contained in IRP Tables C. 27 and C.28. 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, D and G**.

In the event a Bidder proposes a TSA not backed by assets, the term accepted will be limited to a maximum of five (5) years and the TSA will not be eligible for use of a PacifiCorp site.

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**. These negotiations will occur if and when the Bidder is selected from the final shortlist to enter into negotiations. **THIS RFP 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 for facilities located at a PacifiCorp site. The estimated cost and description of these points are contained in **Attachments 9 and 10**; 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, if applicable. 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 may elect to be responsible for the fuel and transportation however, the Bidder must demonstrate that fuel and transportation are available.

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. If a bidder builds a project on either of the PacifiCorp sites, Currant Creek or Lake Side, the project must be built to meet the specifications provided in the Appendix.

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 EPC contract or an equivalent structure which will not increase the risk of default by multiple contractors to the Company and its customers. Any Contractor must be experienced with the type of facility being proposed and, in addition to any other credit provision described herein, this entity (or its credit support provider) 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.

3. Asset Purchase and Sale Agreement on PacifiCorp Site

Bids for construction on a PacifiCorp site must take the form of an Asset Purchase and Sale Agreement ("APSA") to which the Company and the entity building the project must be parties. The APSA Proforma Agreement is attached as **Attachment 6** and the Appendices which will include **Attachments 7, 8, 24 or 25** (as applicable) which have the PacifiCorp site specifications set forth therein. The fuel source type must be specified in the proposal. Any APSA proposal for development and construction of a facility on a PacifiCorp site (Lake Side or Currant Creek) must be bid in compliance with the specifications in the APSA. Pricing for the purchase and sale of the facility can be structured to include progress payments with defined milestones, 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, and a Construction Coordination Agreement (**Appendix H**), which is also 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. If a bidder builds a project on either of the PacifiCorp sites, Currant Creek or Lake Side, the project must be built to meet the specifications provided in **Attachments 24 or 25**.

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 negotiated under the APSA.

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 H**. These negotiations will occur if and when the Bidders selected from the final shortlist to enter into negotiations. **THIS RFP 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, which must be a party to the APSA. To the extent the Bidder uses a Contractor or a separate legal entity other than the Bidder itself, this entity must be a party to the APSA and must be experienced with the type of facility being proposed and, in addition to any other credit provision described herein, this entity (or its credit support provider) 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.

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 Owners' development costs. A complete listing of categories of Owner's Estimated Development Cost Assumptions

can be found in **Attachment 10**.

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

Bids for construction on a Bidder-owned site must be in the form of an APSA, to which the Company and the entity building the project must be parties. The APSA Proforma Agreement is attached as **Attachment 6**. The fuel source type must be specified in the proposal. Pursuant to the APSA, the Company will own and operate the facility following commercial operation. All Bidders in this category must complete the information requested in **Appendices C-2 and G**. Bidders should also submit a form O&M Agreement based on the terms and conditions set forth in **Attachment 23**.

Pricing for the purchase and sale of the facility can be structured to include progress payments, with defined milestones, 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 #5 (Purchase of an Existing Facility). 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. The Company may require that the project be operated and maintained by Bidder for up to ten (10) years in order to ensure cost effectiveness, availability and reliability of the resources prior to the Company's acceptance of the resource. The parties agree to negotiate an O&M agreement after the bidder is selected from the final shortlist to enter into negotiations.

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, which must be a party to the APSA. To the extent the Bidder uses a Contractor or a separate legal entity other than the Bidder itself, this entity must be a party to the APSA and must be experienced with the type of facility being proposed and, in addition to any other credit provision described herein, this entity (or its credit support provider) 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.

The Company will own and the Bidder will operate the facility following commercial operation for up to ten (10) years. 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 such assignment.

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 Owner’s development costs. A complete listing of categories of Owner’s Estimated Development Cost Assumptions can be found in **Attachments 9 and 10**.

5. 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 or PACW and commercially operable as of the bid response date, the Company will consider purchasing, owning, and operating the facility. The fuel source type must be specified in the proposal. 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-3** 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.

6. 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. The fuel source type must be specified in the proposal. 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-3** 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.

7. 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 PACE or PACW. The fuel source type must be specified in the proposal and can not be sourced or tagged from a coal resource unless the proposal is consistent with multi-state legal and regulatory requirements regarding new and existing coal resources.

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 or PACW during the summer season (July through September) for delivery as provided in this RFP for a minimum term of five (5) years. The Bidder will be required to 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 if the Company selects 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 five (5) 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 or PACW) and/or during another time period.

8. Resource Alternative Exceptions

The following resources qualify for one of the three exceptions set forth below:

a. Load Curtailment

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. The fuel source type must be specified in the proposal. The Company invites end-use customers to bid physical load curtailment under this RFP. 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, however load can be aggregated by a single supplier to equal a total of 25 MW or more; (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 for the curtailed load after exercising its curtailment rights hereunder pursuant to 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 reasonable contractual surety and credit assurances that such load curtailment will take place at times and in amounts required by this RFP. The Company will not accept proposals for financial curtailment of load. Bidders should start with the Power Purchase Agreement (**Attachment 3**) as the underlying agreement.

b. Qualifying Facility

Qualifying Facilities (“QFs”), as defined under the regulations implementing the Public Utility Regulatory Policies Act of 1978 (“PURPA”), with 10 MW or greater of capacity are eligible to participate in this RFP. Firm QFs with 10 MW or greater of capacity and a minimum term of five (5) years or longer will constitute a Resource Alternative exception. In the event a Bidder proposes a PPA not backed by assets, the maximum term accepted will be five (5) years. The fuel source type must be specified in the proposal. All Bidders in this category must complete the information requested in **Appendices C-1**, and **G**. Each QF Bidder must also submit the required information in **Attachment 2**¹⁶ in order to be evaluated under this RFP. QF Bidders are subject to the credit requirements contained in this RFP. Bidders should start with the Power Purchase Agreement (**Attachment 3**) as the underlying agreement.

¹⁶ Schedule 38 in Utah and Oregon are included. Depending on location of the resource, a Bidder may also need to comply with the state specific QF tariff schedules which are available on PacifiCorp’s website at: <http://www.pacificorp.com/Navigation/Navigation4428.html>.

c. Geothermal or Biomass

If the Bidder proposes a Geothermal or Biomass resource, such proposal must provide for the delivery by the Bidder to the Company of dependable energy and capacity in an amount of not less than 10 MW for a minimum term of five (5) years as described in this RFP. However, in the event a Bidder proposes a PPA not backed by assets, the maximum term accepted will be five (5) years. The source of energy and capacity for the PPA should be a generation facility located on a Bidder-supplied site. The fuel source type must be specified in the proposal. 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, D, and G**. Bidders should start with the Power Purchase Agreement (**Attachment 3**) as the underlying agreement. Bidders are subject to the credit requirements contained in this RFP.

B. PROPOSAL OPTIONS

PacifiCorp is interested in creative proposal options that add value to customers. As a result, PacifiCorp encourages bidders to offer several different alternatives under the same proposal. For each proposal, Bidders are allowed to submit a base proposal and up to two alternatives, including index options for the same bid fee. Bidders will also be allowed to offer up to three additional alternatives at a fee of \$1,000 each. Alternatives will be limited to different bid sizes, contract terms, water cooling technologies, in-service dates, and/or pricing structures. A Bidder may submit more than one proposal. If a Bidder submits the same proposal but with three different bid sizes, the proposal will be considered one proposal with two alternatives and the Bidder will receive three separate bid numbers for the proposal and pay one bid fee. The Company's objective in offering Bidders the opportunity to propose multiple alternatives is to allow the Company to optimize the benefits from the solicitation by combining proposals of different sizes, terms and in-service dates.

C. FLEXIBILITY OF PROPOSALS

PacifiCorp is interested in proposals which offer PacifiCorp flexibility in terms of the commencement date of delivery in the contract and which provide PacifiCorp the ability to defer or accelerate the in-service date of the contract or buy-out the contract at its option. If Bidders provide proposals which would include an option to extend the proposal beyond the original term, Bidders are required to specifically identify such option and the required terms, conditions and price upon which the Company would exercise such option. If the Bidder is not offering to extend the term and no such option language is included in the proposal, the Company will not assume that the Resource Alternative extends beyond the term provided by the Bidder. Bidders are encouraged to be creative in their proposals within the scope of the RFP. To the extent Bidders want to propose in-service date deferral or acceleration options, Bidders should provide a complete description of their proposed deferral or acceleration option as an attachment to

Form 2. Bidders should provide a schedule that offers a one year in-service date deferral option and a one-year acceleration option along with the strike price (in total dollars) for which PacifiCorp would compensate the Bidder for exercising the option at each milestone date identified in **Form 2**. The schedule should also include the milestone dates prior to the proposed in-service date at which PacifiCorp could decide to exercise the deferral or acceleration option. Bidders can also offer a price schedule associated with the option for PacifiCorp to buy-out the contract at different milestone dates prior to commercial operation. For the buyout option, Bidders should use **Form 2** as a component of their bids. Bidders can provide breakup fees for all the milestone dates listed in **Form 2**, or identify select milestones and submit breakup fees for those dates. The milestones may be modified by the Bidders to address the specific project and proposal. For each option, Bidders should identify the option proposed along with specific triggers (i.e., triggers associated with specific milestones) within the Bidder’s proposal. Concerning deferral, acceleration, and breakup options, Bidders must complete **Form 2** with suggested milestones and strike price. For each resource and alternative proposed, **Forms 1 and 2** should be completed, if applicable.

D. UNACCEPTABLE PROPOSAL CHARACTERISTICS

The Company will not accept intermittent resource proposals as part of this RFP. The Company will not accept bids from new or existing coal resources unless such proposals are consistent with multi-state legal and regulatory requirements regarding new and existing coal resources. 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.

SECTION 3. LOGISTICS

A. SCHEDULE OF RFP ACTIONS

Chart 2 sets forth the anticipated schedule:

CHART 2

Event	Anticipated Date
RFP issued	Issued XX, 2008
RFP bid conference	Issued + 20 days
Intent to Bid Forms due	Issued + 30 days
Benchmark Proposals due	Issued + 60 days
Responses due	Issued + 75 days
Evaluation complete	Issued + 135 days
Oregon Commission acknowledgement of final shortlist ¹	Issued + 200 days

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Bidder negotiation	Issued + 240 days
PacifiCorp decision	Issued + 270 days
Utah Public Service Commission approval proceeding (180 days)	Issued + 450 days
Avoided cost filing ²	Issued + 500 days
¹ The Oregon Commission may acknowledge the final shortlist. <i>See</i> Oregon Order No. 06-446 Guideline 13.	
² Updated avoided costs filing by state will be made to the extent required by law or regulatory order.	

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: Oregon - 825 NE Multnomah – Room TBA
Utah - North Temple Office – Room TBA

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 on the PacifiCorp website at www.pacificorp.com prior to the issuance of the final approved RFP. After the final approval of the RFP, Merrimack Energy Group, Inc. will be responsible to maintain and post all material on a website established by the IEs. The Company will be responsible to maintain and post all materials on the Company’s website at www.pacificorp.com. **Any questions on the RFP or related documents and all communications with the Oregon and Utah IEs should be directed as follows:**

Utah Independent Evaluator: Merrimack Energy Group, Inc.
http://www.merrimackenergy.com/PacifiCorp2008RFP/index.asp
Oregon Independent Evaluators: Accion Group and Boston Pacific Company, Inc.
To ensure timely responses, bidders should address questions and concerns to the Oregon IEs using both of the following email addresses: Accion Group: advisors@acciongroup.com Boston Pacific: croach@bostonpacific.com

C. INTENT TO BID FORMS

Bidders who intend to be considered as part of this RFP process **must** return the “Intent to Bid Form” (**Appendices A and B**) as set forth below.

Five (5) copies of the Intent to Bid Form must be sent to both of the following addresses by express, certified or registered mail, or hand delivery by 5:00 p.m. Pacific Prevailing

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Time on [Insert Date]:

Utah Independent Evaluator
Merrimack Energy Group, Inc.
c/o Utah Division of Public Utilities
Heber M Wells Bldg, 4th Floor
160 East 300 South
Box 146751
Salt Lake City, Utah 84114-6751

and

Oregon Independent Evaluator
Accion Group and Boston Pacific Company, Inc.
c/o Pacific Power Legal Department
Attention: Natalie L. Hocken
825 NE Multnomah, Suite 2000
Portland, Oregon 97232

D. SUBMISSION OF BIDS

Bidders are required to submit hard copies and electronic copies of proposal(s) as set forth below:

1. a signed original and five (5) hard copies of each bid and any required forms, and
2. two (2) electronic copies of the bid and any required forms (on two (2) separate compact discs) that are in PDF format.

All bids must be submitted and must be transmitted by express, certified or registered mail or hand delivered to both addresses:

Utah Independent Evaluator
Merrimack Energy Group, Inc.
c/o Utah Division of Public Utilities
Heber M Wells Bldg, 4th Floor
160 East 300 South
Box 146751
Salt Lake City, Utah 84114-6751

and

Oregon Independent Evaluator

Accion Group and Boston Pacific Company Inc.
c/o Pacific Power Legal Department
Attention: Natalie L. Hocken
825 NE Multnomah, Suite 2000
Portland, Oregon 97232

Bids will be accepted until 5:00 p.m. Pacific Prevailing Time on **[Insert Date].** Any bids received after this time will be subject to return unopened to the Bidder following a decision based on consultation between the IEs and PacifiCorp.

E. RFP TEAM

An RFP Team will be established by the Company prior to the final approval of the RFP. The RFP Team shall consist of an Evaluation Team and an Intent to Bid Team. The composition of the teams and their primary roles and responsibilities are shown below in Chart 3.

CHART 3

Work Group	Roles
Independent Evaluators (IEs)	The IEs will ensure a fair and reasonable process is used in the RFP. The IEs will provide oversight of the RFP process and will validate, audit and review all aspects of all proposals, providing oversight to the process and validation on the models, inputs, assumption(s), risk assessment, and generation specifications for the PacifiCorp sites. See Attachment 4 for Role of the IEs.
Evaluation Team: Origination and/or Third-Party Engineering Consultants as required	Overall coordinator of the process. Bid process management for all proposals and coordination with the IEs and all of the work groups. Evaluation of the non-price components of the analysis. Specifying, evaluating and confirming conformity with design specifications; conducting, as needed, technological and operational due diligence, generation expertise, environmental due diligence on all resources.
Evaluation Team: Structuring and Pricing and/or Third-Party Engineering Consultant as required.	Economic analysis and modeling including validation of the inputs to the risk assessment of the bid.
Evaluation Team: Environmental	Air, water and discharge, emission credits, site permits and facilities.
Evaluation Team: Credit	Credit screening, evaluation and monitoring throughout the process.
Evaluation Team: Legal	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.
Intent to Bid Team: Origination, Legal and Credit	Origination, Legal and Credit will work with the IEs to ensure that Appendices A and B are complete.

F. BID FEES

To help defray the cost of the Utah 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 #8 (load curtailment, QFs, and Biomass or Geothermal) shall submit a nonrefundable bid fee of \$1,000. A bid in each Resource Alternative category may consist of one base proposal in addition to two alternatives, which may include a different index option for the same bid fee. The alternatives may consist of a different bid size, contract term, pollution control technologies, water cooling technologies, in-service date and/or pricing structure for the same Resource Alternative. In addition, bidders will have the option of submitting up to three additional alternatives for a fee of \$1,000 per alternative. A proposal for a different Resource Alternative, at a different site or using a different technology will be considered a separate proposal and will be subject to a separate bid fee. The bid fee(s) must be submitted with the proposals to Merrimack Energy Group, Inc. The Bidder must attach to its proposal a certified check written in the required amount payable to the order of PacifiCorp.

Bidders may submit multiple base bid proposals in response to this RFP. The Utah IE, in consultation with the Company shall confirm whether a Bidder’s submission constitutes one or more proposals, for purposes of assessing bid fees. Any questions regarding bid fees should be directed to Merrimack Energy Group, Inc.

G. EFFECTIVENESS OF BIDS

Each bid proposal must remain open for acceptance by the Company from the date of submittal through [Insert Date], unless earlier released in writing by the Company or if the Bidder’s proposal does not make the final shortlist. Bidders have the option of either submitting a proposal(s) with a fixed capacity charge or capital cost (e.g. fixed for the term of the contract or escalated by a fixed amount) or index a portion of the capacity charge or capital cost to a variable index. Under the latter option, Bidders must provide a minimum of 60% of the capacity charge or the capital cost as a fixed price. However, Bidders may index up to 40% of the total capital cost or capacity charge to the following two indices. A maximum of up to 25% of the capital costs or capacity charges may be indexed to the Consumer Price Index (“CPI”) and a maximum of up to 15% of the capital costs or capacity charges may be indexed to the Producer Price Index (“PPI”) – Metals and Metal Products. The Bidders will be allowed to index up to 40% of the capital costs or capacity charges from the time of bid submission (or contract execution if agreed to by the Company and Bidder) until the earlier of the time the Bidder executes the EPC Agreement or the Bidder achieves project financing, provided that it is not longer than two years after the EPC Agreement has been executed. Indexing for capital costs or capacity charges is only available for new resources under the following Resource Alternatives: 3 and 4, and Resource Alternatives 1 and 2 (to the extent such alternatives are asset backed by new construction).

In addition, Bidders are allowed to index the variable components to the CPI, or the

Gross Domestic Product (“GDP”). All final short-listed bids may be asked to provide their “best and final” prices.

If during the course of the RFP process, the Company, with input from the IEs, determines that a Bid update is appropriate, then all Bidders (including the Company) will be entitled to update their assumptions. The Company will be required to submit any Benchmarks two weeks prior to the due date for third-party Bids and on the same basis as third-party Bids and such Benchmarks will be evaluated using the same assumptions and evaluation tools as third-party Bids, however, the Company does not intend for the Benchmarks to be treated like third-party bids for purposes of subsequent ratemaking treatment (e.g. Benchmark Resources are different from other bids in that price and performance are not fixed because actual costs of the Benchmark are equally likely to be lower or higher than projected as part of the RFP proposal).

H. PROCEDURAL ITEMS

1. Intent to Bid Form - Bidder’s Qualification, Capability and Credit

In order to participate in the RFP, each Bidder must complete and submit to the IEs the Intent to Bid Form which includes **Appendices A and B** for each Resource Alternative it intends to submit in its proposal by the date identified in Section 3. The Company will require each Bidder to demonstrate their Qualification Capability and Experience as required in **Appendix A**. In addition, twenty (20) business days after the Bidder is notified by the Company that the Bidder has been selected for the final shortlist the Bidder will be required to provide any necessary guaranty commitment letter from the entity providing guaranty credit assurances on behalf of the Bidder and/or necessary letter of credit commitment letter from the financial institution providing letter of credit assurances. The timing of when credit security must be posted is detailed in **Attachment 21**. The forms of commitment letters are in **Attachment 22**.

Attachment 21 explains how the Credit Matrix in Appendix B will be used to determine the amount of credit assurances required. The use of the Credit Matrix requires a sequence of checks against the Credit Matrix. The Bidder must first check its Credit Rating in the Credit Matrix in order to determine the amount of total credit assurances required. If the amount of credit assurances required from the prior sentence is an amount other than \$0, the Bidder must next check the Credit Rating of its proposed credit support provider in the Credit Matrix. The difference in the amounts of credit assurances required using the Bidder’s Credit Rating and amount of credit assurances required using its proposed credit support provider’s Credit Rating is the maximum amount that the credit support provider will be required to commit to in its commitment letter. For any residual amount of credit assurances required, the Bidder must obtain a commitment letter from a second credit support provider with a higher Credit Rating than the first credit support provider, committing to provide credit assurances in the residual amount. Note that the higher Credit Rating of any second credit support provider will need to be high enough such that any ultimate residual amount will be \$0. An example of using the Credit Matrix in this sequence of checks is described in Attachment 21. It is important that Bidders

realize that more than one commitment letter from the entity(ies) providing credit assurances on behalf of the Bidder may be required. If the Bidder's initial proposed credit support provider's Credit Rating is high enough such that the amount of credit assurance required is \$0, note that only a single commitment letter from that entity is needed, and the amount required will be the difference between what is required based on the Bidders Credit Rating and \$0.

Appendices A and B are attached to the Intent to Bid Form and must be completed in order to submit a proposal. In **Appendix A**, the Bidder must provide information 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 experience, as determined by the Company's Evaluation Team. In **Appendix B** the Bidder must demonstrate the ability to post the credit assurances consistent with the Credit Matrix for each Resource Alternative being proposed.¹⁷ Each Bidder must provide the requested financial and credit information and indicate what its ability will be to post any necessary credit assurances, if applicable, and be prepared to provide the necessary guaranty and/or letter of credit commitment letter(s) if they are selected for the final short list. The forms of commitment letters are in **Attachment 22**.

All Bidders must demonstrate their ability to meet the credit requirements and to provide any necessary credit assurances, including their plan for doing so (including the type of security proposed, sources of security and a description of its credit support provider) for the Resource Alternative they are proposing. Bidders should also provide a demonstration of their ability to finance their project based on past experience and a sound financial plan identifying the proposed sources for debt and equity. If the Bidder does not provide all the information required in **Appendices A and B** to the satisfaction of the Company the Bidder may be notified that the Bidder will not be eligible to submit a proposal. If the Bidder can demonstrate to the Company its ability to meet the qualifications in **Appendices A and B** then the Bidder will be permitted to submit proposal(s) in the RFP. In the event that the Bidder (or Bidder's credit support provider's) credit status changes at any time after submission of a bid into the RFP process, the Company reserves the right to request updated information to reevaluate the creditworthiness of the Bidder and/or the Bidder's credit support provider.

The Bidder will be required to demonstrate its ability to post credit assurances in the amounts outlined in the Credit Matrix in **Appendix B** or as otherwise adjusted based on the Bid Category proposed. A credit methodology paper explaining the rationale behind the Credit Matrix is provided in **Attachment 21**. A Bidder must be able to demonstrate its ability to post any necessary credit assurances in the form of a guaranty commitment letter from either a proposed guarantor and/or in the form of a letter of credit commitment letter from a financial institution that would be issuing a letter of credit. This commitment letter(s) are then to be posted twenty (20) days after the Bidder is selected

¹⁷ The credit matrix was developed based on the Base Load Bid category; however, the matrix will form the basis for developing credit requirements for the other two Bid Categories.

for the final shortlist. Forms of credit commitment letters are provided in **Attachment 22**. The amount of any credit assurances to be provided will be determined based upon (a) the Credit Rating in the Credit Matrix of the Bidder and the entity(ies) providing credit assurances on behalf of the Bidder, if applicable, (b) the size of the project, (c) the Eligible Online Date, (d) the type of Resource Alternative bid, and (e) the Bid Category proposed. QF Bidders, and Biomass or Geothermal Bidders are subject to the credit requirements contained in this RFP.

The Credit Rating is defined as 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 the Company through an internal process review and utilizing a proprietary credit scoring model developed in conjunction with a third party. All Bidders will receive a Credit Rating which will determine the amount of any credit assurances to be posted.

If a Bidder is an existing counterparty of the Company, the Company reserves the right to protect itself from counterparty credit concentration risk and may 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 acceptable to the Company and meet the requirements set forth in **Attachment 11**. The timing of when credit assurances must be posted is detailed in **Attachment 21**.

2. Submission of Proposals by Bidders

All bid proposals must be received no later than the date specified in Section 3. All bid proposals must contain the requirements and be in the format set forth in the RFP Proposal Form for the specific Resource Alternative as indicated in Section 4. The RFP Proposal Form identifies all of the required Attachments and Forms for each Resource Alternative the Bidder intends to submit. Any bid proposal that does not contain all of the required information by the due date specified in Section 3 will be subject to rejection as nonresponsive following review and agreement by the IEs and 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**. Each proposal must contain the following information:

- a) Each bid must include a statement by the Bidder that the Terms and Conditions of the applicable Proforma Agreements, selected as part of the Resource Alternatives submitted by Bidder, are acceptable to the Bidder **or** identify any significant exceptions

to the Proforma Agreements in the form of a redline agreement or through written comments which specifically identify the significant exceptions as part of the Bidder's proposal.

b) Proposals must clearly specify all pricing terms. Any and all index prices and/or price escalations must be fully explained consistent with Section 3.G above.

In addition, Bidders should describe any contract deferral and acceleration options proposed, as well as any contract buyout options proposed. Proposals with pricing that is subject to change prior to [Insert Date] must explain what triggers the change, what the change is tied to, and any information the Company will require to evaluate 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 (**Form 1**) 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, and a variety of other inputs, including specific published indices, if applicable.

c) All bid proposals must be for a capacity greater than 100 MW except for: (i) Qualifying Facility, Biomass or Geothermal which must have 10 MW or greater of installed capacity; and (ii) end-use customers or an aggregate of the Company's customers 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 Resource Alternatives, 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.

e) All bid proposals must indicate a present ability and commitment to abide by safety standards, no less stringent than PacifiCorp's standards, with respect to the operation, construction and maintenance of any physical resources, facilities, plant or equipment.

f) All bid proposals must provide evidence that the developer or the bidder has already obtained or will obtain the generation site (e.g. letter of intent) before signing a contract with the Company.

3. Minimum Eligibility Requirements for Bidders

Bidders may be disqualified for failure to comply with the RFP if any of the requirements are not met. To the extent proposals do not comply with these requirements they will be

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deemed ineligible and will not be considered for further evaluation. PacifiCorp, in consultation with the IEs, will return those proposals deemed ineligible together with the bid evaluation fee. Reasons for rejection of a Bidder or its bid include:

- a) Receipt of proposal and/or Intent to Bid Form after the applicable response deadline.
- b) Failure to meet the requirements and provide all of the information requested in Section 4 of the RFP, including provision of the content required for each Resource Alternative.
- c) Failure to permit disclosure of information contained in the proposal to PacifiCorp's agents, contractors or regulators.
- d) Any attempt to influence PacifiCorp or the IEs in the evaluation of the proposals, outside the solicitation process.
- e) Failure to disclose the real parties of interest in the proposal submitted.
- f) Bidder is in current material litigation or has threatened material litigation against PacifiCorp. "Material litigation" for purposes of this provision includes an amount in dispute in excess of five (5) million dollars under circumstances in which the Bidder has issued a demand letter to PacifiCorp, the Bidder and PacifiCorp are currently involved in dispute resolution, the Bidder and PacifiCorp have an unresolved dispute pending or the Bidder has noticed a pending legal action against PacifiCorp.
- g) Failure to include a certified check for the appropriate bid fee(s) payable to PacifiCorp.
- h) Failure to clearly specify all pricing terms in proposal.
- i) Failure to offer unit contingent or system firm capacity and energy, delivered into or in PACW or PACE, including appropriate contract term lengths and commercial operation dates.
- j) Presentation of an unacceptable level of development and technology risk.
- k) Failure to demonstrate that the Bidder's project development team has successfully completed the developmental and commissioning of at least one generation project with characteristics similar to the proposed project.
- l) Failure to demonstrate, to PacifiCorp's satisfaction that Bidder can meet the security requirements for each Resource Alternative being proposed consistent with the requirements in the appropriate Proforma Agreements for that resource.
- m) Failure to address satisfactorily both the price and non-price factors.

- n) Bidder's failure to include a statement in the proposal that the Bidder agrees to indemnify and hold harmless the Independent Evaluators for their actions associated with the RFP process.
- o) Bidder's failure or inability to abide by the applicable safety standards.
- p) Submission of an unacceptable contract structure.
- q) Bidder or project being bid is involved in bankruptcy proceedings.
- r) Submission of a PPA or TSA that is not backed by an asset for a term longer than five (5) years.

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 in whole or in part at any time. Without limiting the foregoing, the Company reserves the right to reject as non responsive any or all bid proposals received for failure to meet any requirement of this RFP outlined in Section 4. The Company also reserves the right to request that the IEs 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 regulations 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, rejection of any bid proposal, failure to enter into an agreement, or for any other reason relating to or arising out of this RFP. The bid fees submitted by any Bidder, once the bid is accepted, will not be refunded (unless otherwise determined by the Company in consultation with the IEs) in the event of any modification or withdrawal of this RFP, 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 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 this RFP, accounting and tax rules may require either: (i) a contract

be accounted for by PacifiCorp as a Capital Lease or Operating Lease¹⁸ 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 Entity¹⁹ (VIE) onto PacifiCorp's balance sheet. To the extent a Bidder's 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 after they are given an opportunity to provide an alternate structure that does not trigger a VIE, which will be subject to consultation with the IEs.

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 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 determine potential accounting impacts. Such information may include, but may not be limited to, data supporting the 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.

To the extent PacifiCorp rejects a proposal submitted in this RFP because it triggers VIE treatment, PacifiCorp shall provide documentation to the IEs justifying the basis for its decision.

¹⁸ "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.

¹⁹ "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.

6. Cost Associated with Direct or Inferred Debt

PacifiCorp will not take into account potential costs to the Company associated with direct or inferred debt (described below) as part of its economic analysis in the initial or final shortlist evaluation. However, after completing the final shortlist and before the final resource selections are submitted for approval by the Utah Commission or acknowledgement by the Oregon Commission, the Company may take into consideration, in seeking approval, cost recovery or acknowledgement with respect to selected resources, any projected costs of direct or inferred debt. The Company will bear the burden to demonstrate to the satisfaction of its regulators the validity, magnitude and impacts of any such projected costs. At the request of the Utah or Oregon Commission, PacifiCorp will be required to obtain a written advisory opinion from a rating agency to substantiate the utility's analysis and final decision regarding direct or inferred debt.

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.

7. 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 such information shall not be available to any entity before, during or after this RFP 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.

Only those Company employees who are directly involved in this RFP 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 regulatory proceedings, subject to appropriate confidentiality provisions

applicable to that particular proceeding. This means that parties to regulatory proceedings may request to view confidential information. If such a request occurs, 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.

8. 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 (10) 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 contracts for any of the Resource Alternatives listed above the Company will go through a preapproval process, consistent with the Utah Energy Resource Procurement Act²⁰ and may seek acknowledgement of resources pursuant to Oregon Order No. 06-446.²¹

9. 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 4. RFP PROPOSAL CONTENT

The following outlines the content and format requirements for all proposals by Resource Alternative when responding to this RFP. 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(s) for the number of

²⁰ The Utah Energy Resource Procurement Act may be viewed at: <http://www.le.state.ut.us>.

²¹ Oregon Order No. 06-446 is located at: <http://edocs.puc.state.or.us>.

Resource Alternatives that are being offered.

Each Bidder must provide the following information: 1) All RFP Appendices, Form(s) and Attachments identified below as required for all proposals; and 2) the Appendices, Form(s) and Attachments identified under each of the Resource Alternatives identified below in Chart 4.

CHART 4

Proposal Type	Required Information
All Bidders are required to submit the following:	Intent to Bid Form: Appendix A and Appendix B Appendix D – Fuel Supply Form (may vary if Bidders offer fixed price) Appendix E – Officer Certificate 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 depending on the Resource Alternative

Proposal Type	Additional Required Information
1) Power Purchase Agreement:	Attachment 3 - Power Purchase Agreement Attachment 16 - Site Purchase Agreement for Lake Side (if applicable) Attachment 17 - Site Purchase Agreement for Currant Creek (if applicable) Attachment 24 – Specification for the APSA at the Lake Side Site (if applicable) Attachment 25 – Specification for the APSA at the Currant Creek Site (if applicable) Appendix C-1 - PPA and TSA Information Request Appendix G - Bidder Site Control Form Appendix H - Construction Coordination

Proposal Type	Additional Required Information
	Agreement (if applicable)
2) Tolling Service Agreement:	Attachment 5 – Tolling Service Agreement Attachment 16 - Site Purchase Agreement for Lake Side (if applicable) Attachment 17 - Site Purchase Agreement for Currant Creek (if applicable) Attachment 24 – Specification for the APSA at the Lake Side Site (if applicable) Attachment 25 – Specification for the APSA at the Currant Creek Site (if applicable) Appendix C-1 - PPA and TSA Information Request Appendix G - Bidder Site Control Form Appendix H - Construction Coordination Agreement (if applicable)
3) APSA Bids at PacifiCorp Sites:	Attachment 6 - Asset Purchase and Sale Agreement (APSA) with Appendices – Lake Side or Currant Creek specifications Attachment 16 or Attachment 17 – Site Purchase Agreement (if applicable) Attachment 24 – Specification for the APSA at the Lake Side Site (if applicable) Attachment 25 – Specification for the APSA at the Currant Creek Site (if applicable) Appendix C-2 - APSA Information Request
4) APSA Bids at Bidder Sites:	Attachment 6 - Asset Purchase and Sale Agreement (APSA) with Appendices Attachment 23 – O&M Term Sheet Appendix C-2 - APSA Information Request Appendix G - Bidder Site Control Form Bidder’s form of O&M Agreement
5) Sale of Existing Facilities Bids :	Attachment 19 – Due Diligence items for the Acquisition of an Existing Facility

Proposal Type	Additional Required Information
	Appendix C-3 – Existing Asset Purchase Information Request
6) Sale of Portion of Jointly Owned or Operated Bids:	Attachment 19 - Due Diligence Items for the Acquisition of an Existing Facility Appendix C-3 - Existing Asset Purchase Information Request
7) Restructuring Bids of an Existing Power Purchase Agreement or an Exchange Agreement and/or Buyback of an Existing Sales Agreement:	Any other form deemed to be required based on the restructuring
8) Exceptions: a) Load Curtailment:	Attachment 3 - Power Purchase Agreement
b) Qualifying Facilities:	Attachment 3 - Power Purchase Agreement Appendix C-1 - PPA Information Request Appendix G - Bidder Site Control Form Attachment 2 - QFs Bidder Information
c) Biomass or Geothermal:	Attachment 3 - Power Purchase Agreement Appendix C-1 - PPA Information Request Appendix G - Bidder Site Control Form

SECTION 5. RESOURCE INFORMATION

A. PRICE AND NON-PRICE INFORMATION

The Company intends to 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.

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 2007 IRP in Appendix A. 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 a PPA, a source must be identified which will determine the (CO₂) emissions. For bids with a specified facility, which would include an asset backed PPA, the potential CO₂-related expenses will be included in the Company's evaluation based on the asset identified by the Bidder as backing the resource. The CO₂-related expenses will be consistent with the reference case assumptions utilized in the 2007 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, the bid evaluation process will incorporate the assumption that Bidders will pass through to PacifiCorp any costs associated with meeting future air quality requirements relating to specified facilities.

B. PRICE INFORMATION

1. Fixed & Variable Cost for Capacity and Energy

a) Fixed Costs

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

- The Bidder - specified capacity cost payment (\$/kw-mo)
 - The capacity charge may include a combination of fixed and indexed pricing provided that the following minimum and maximum percentages and indices are submitted:
 - Minimum of 60% Fixed
 - Maximum of 25% Indexed to "Consumer Price Index"²²
 - Maximum of 15% Indexed to "Producer Price Index - Metals and Metal Products"
- The Bidder – capital cost purchase price (including Owner's cost) (\$/kw-mo) plus ongoing capital estimates for the term of the resource
 - Capital Cost may have a combination of fixed and indexed pricing for its capital costs provided that the following minimum and maximum percentages and indices are submitted:
 - Minimum of 60% Fixed
 - Maximum of 25% Indexed to "Consumer Price Index"

²² If the Bidder proposes an alternate Index than what is provided in the RFP the proposed Index must be transparent and easily measurable (i.e. "publicly available"). PacifiCorp and the Bidder with input from the IEs will need to ensure that there is no disagreement as to how costs will be measured if a bid is successful.

- Maximum of 15% Indexed to "Producer Price Index - Metals and Metal Products"
- The Bidder – specified fixed O&M payment (\$/kw-mo)
 - This value can be a fixed value or indexed to the Consumer Price Index, the Gross Domestic Product, or a bidder-supplier fixed rate.
- The Bidder – specified property tax, sales tax, and insurance payment, if not included in capacity cost or fixed O&M payment (\$/kw-mo)
- The Bidder – transport costs which may include: Fuel pipeline costs for the estimated costs of adequate firm natural gas capacity
- The Bidder – must include interconnection costs in their proposal and other costs (e.g., applicable transmission wheeling expense) necessary to deliver the energy to an interconnection point on PacifiCorp's system
- The Bidder – In the evaluation process, the Company will add the cost of integration. The Integration costs associated with the possible Points of Delivery in **Attachment 13** will be used, on a prorated basis, as a proxy cost in the initial shortlist. Bidders must identify the Point of Delivery in Section 4(C)(1). If the Bidder can not determine if the Point of Delivery corresponds to one of the Points of Delivery in **Attachment 13** then the Bidder must request clarification with the Utah IE who will seek the determination from PacifiCorp Transmission.
- Proposed fixed cost adjustment factor for availability.
 - b) Variable Costs

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

- The variable energy commodity price, which, depending on pricing structure, could take one of several forms. Energy commodity costs could (1) be based or indexed to a specified gas index, (2) could be established as the product of a fuel index value times the contractual heat rate, or (3) in certain structures, the variable energy commodity price will be fixed, or potentially fixed with an annual escalation. Escalators must be a fixed annual percentage, CPI, or GDP.
- Variable O&M (\$/MWh).
 - This value can be a fixed value or indexed to the Consumer Price Index, the Gross Domestic Product, or a bidder-supplier fixed rate.
- 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.²³

C. NON-PRICE INFORMATION

1. Point(s) of Delivery

This RFP is requesting up to 2,000 MW of cost-effective resources that are capable for delivery into or in the Company's network transmission system²⁴ in PACE or PACW. All proposals will be contingent on the ability of PacifiCorp's commercial and trading function to designate the proposed resource (new, existing, imported, etc.) as a Network Resource under the network service contract between PacifiCorp Transmission and PacifiCorp Commercial and Trading.

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

Eastern Control Area (PACE)

- Salt Lake Valley
- PacifiCorp Sites
 - Currant Creek
 - Lake Side
- Mona²⁵ 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
- Four Corners
- West of Naughton

Although the Company will consider resources delivered to the following areas these areas have been identified as having potential transmission constraint implications

²³ 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 $365 \times 90\% = 328$.

²⁴ 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.

²⁵ 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).

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and as such, will need to be evaluated accordingly:

- Wyoming, unless the resource(s) electrically reside south of the Naughton Monument 230kV line. If, resources in Wyoming are not electrically west of Naughton such resources may be useful in supporting the increased load and wind resources in Wyoming; however, such resources may be negatively affected by transmission constraints.
- Borah, Brady or Kinport unless such resources is interconnected to the Company's Southwest Idaho electrical system near Goshen area.

PacifiCorp is willing to purchase capacity and associated energy that is sourced from the Desert Southwest (Nevada, California, Arizona, New Mexico); provided, the selling entity is able to purchase firm transmission from the resource to either Gonder or Nevada Utah Border or Crystal.

Western Control Area (PACW)

- Mid Columbia
- Paul 500kV
- California Oregon Border
- PACW System
 - Within the Western Control Area – The point of interconnection between the resource, or the electrical system to which the resource is connected, and PacifiCorp's transmission system.²⁶

²⁶ Willamette Valley

Alvey 500 kV
Chiloquin 230 kV
Dixonville 230 kV

Fry 230 kV
Meridian 230 kV
Reston 230 kV

Central Oregon – Deschutes Valley

Bend 69 kV
Pilot Butte 69/230 kV

Ponderosa 230 kV
Redmond 69 kV

Yakima Area – Mid Columbia

Midway 230 kV

Wanapum 230 kV

Oregon Coast

Astoria to Tillamook 115 kV
Boyer (Lincoln City) 115 kV
Fairview (Coos Bay) 115/230 kV

Alvey 500 kV
Chiloquin 230 kV
Dixonville 230 kV

Fry 230 kV
Meridian 230 kV
Reston 230 kV

Central Oregon – Deschutes Valley

Bend 69 kV
Pilot Butte 69/230 kV

Ponderosa 230 kV
Redmond 69 kV

- Scheduled to the point(s) of interconnection between PacifiCorp’s western control area and the Bonneville Power Administration or Portland General Electric control areas such that transfer limitations are not exceeded. If the source is located within the Bonneville control area, the Bidder must show they have control area service from the resource to the delivery point.

2. Proposals Requiring Third-Party Interconnection and 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 west and east system, Bidders are responsible for any interconnection, electric losses, reserves, transmission and ancillary service arrangements required to deliver the proposed firm 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, provider of reserves, and must 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 bids relying on third-party transmission should be aware that the use of transmission that is interruptible within the hour in any segment of the schedule and tag from the source to the Point(s) of Delivery will require the Company to evaluate the need to carry 100% reserves against the import schedule.

Bidders who propose unit contingent arrangements or system portfolio bids that are interruptible within an operating hour will require the Company to evaluate the need to carry 100% reserves against the import schedule.

3. Standards of Conduct

Each Bidder responding to this RFP must conduct its communications, implementation and operations in compliance with FERC’s Standards of Conduct for Transmission Providers, requiring the separation of its transmission and merchant functions. The third-party transmission service is NOT a transmission service agreement with the Company’s commercial and trading function; rather it is with PacifiCorp’s transmission function or

Yakima Area – Mid Columbia
Midway 230 kV

Wanapum 230 kV

Oregon Coast
Astoria to Tillamook 115 kV
Boyer (Lincoln City) 115 kV
Fairview (Coos Bay) 115/230 kV

other third-party transmission providers.

4. PacifiCorp Transmission Interconnection & Transmission Services

This RFP requires that all Bidders must enter into a separate Interconnection Agreement if their facilities are located within the PacifiCorp footprint in accordance with PacifiCorp's Open Access Transmission Tariff ("OATT"). Bidders must advise PacifiCorp Transmission if their service is being requested as part of this RFP. Bidders requiring interconnection service from PacifiCorp Transmission must request Network Resources Interconnection Service.

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 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 PacifiCorp's Transmission system. The Bidder will be responsible for applying to PacifiCorp 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 from all Bidders will be included in the bid evaluation. **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.oasis.pacificorp.com) for information related to a system interconnection request.

Once the Bidder is selected, 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 per PacifiCorp's OATT. Any such revenue credits shall be assigned to the Company.

5. PacifiCorp Transmission Integration Service

Bidders should not factor in the cost of integrating the proposed resources from bid-specified Points of Delivery to PacifiCorp's system. Such integration costs will be factored in for determination of the final shortlist. PacifiCorp has preliminarily identified the potential costs to integrate resources from the bid-specified Points of Delivery to the PacifiCorp system. These costs are reflected in **Attachment 13**. These costs do not include interconnection costs. The Points of Delivery and the costs identified in **Attachment 13** are proxy costs to integrate resources into the system which will be used in the evaluation of the initial shortlist to determine the cost to integrate resources at those specific Points of Delivery. The costs in **Attachment 13** will be updated prior to issuance of the RFP to the market.

In the event that a Bidder proposes a facility, PPA or TSA that is not at one of the locations identified in **Attachment 13**, the Bidder will seek clarification from the IEs, who will seek clarification from PacifiCorp Transmission as to the appropriate cost to use

from **Attachment 13** for integration of the resources proposed to PacifiCorp’s system.

After the initial shortlist is determined, the Structuring and Pricing group will provide the results of the initial short list to the IRP group. Pursuant to a consulting agreement between the IRP Group and PacifiCorp Transmission, PacifiCorp Transmission will determine the actual costs associated with integrating the short-listed resources into PacifiCorp’s system. The IRP group will seek updated costs from PacifiCorp Transmission to integrate only the short-listed bidders. These integration costs will be used as inputs into the IRP model with the short-listed proposals in order to determine the final short list.

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 6** or **Appendix H**. These negotiations will occur if and when the Bidder is selected from the final shortlist to enter into negotiations. **THIS RFP 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 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 6. BID EVALUATION PROCESS OF THE PROPOSALS

The Evaluation Team and the IEs will adhere to the following bid evaluation process.

A. OVERVIEW OF THE EVALUATION PROCESS

The analysis for the RFP will be focused on finding the best combination of resource opportunities to meet customer requirements at the least cost, on a risk adjusted basis and in the public interest. The evaluation process will utilize a screening process to derive an initial shortlist of bids (described in Step 1 below) which will then be placed in a system wide production cost model to determine the final shortlist (described in Steps 2 and 3 below). The Company intends to utilize a “first price sealed bid format” in order to determine both the initial and final shortlist of proposals.

The selection of an initial shortlist of bids will be based on price and non-price factors. The Company will exchange Term Sheets containing all inputs with the Bidders in order to ensure that all inputs that are entered into the price evaluation are validated by the Bidder. The price factor will be derived, in the initial shortlist analysis, using the PacifiCorp Structuring and Pricing RFP Base Model. The RFP Base Model will be used

to establish the initial shortlist up to two times²⁷ the quantity in each of the three separate categories may be selected: a Base Load category, an Intermediate Load category and a Summer Peak category each on the projected net present value revenue requirement (net PVRR) per kilowatt month (Net PVRR/kW-mo). The non-price factors will evaluate the proposed resource characteristics, including development feasibility and risk, site control and permitting, and operational viability and risk impacts. The underlying criteria within each category are explained in more detail in Section 6.B.

Bids which qualify for the initial shortlist from a screening basis will be run through a production cost model to establish a preferred portfolio and subsequently a final shortlist, which may include up to one and a half times²⁸ the requested quantity. After the final shortlist is determined, post-bid negotiations will take place. Under this format, contract payments will be 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. Bidders who make the initial shortlist may be offered the option to refresh or update their pricing at the discretion of PacifiCorp, in consultation with the IEs.

In selecting the RFP bids for contract negotiations, an optimization model will be used to pick the least cost portfolios of resource options from the initial shortlist under different sets of forecast assumptions (prices, emission expenses, etc.). Additional deterministic and stochastic analyses will be performed to support portfolio risk analysis of each of the optimal portfolios determined by the optimization model.

In selecting resources to be submitted for approval or acknowledgement as part of the final shortlist, the Company will take into consideration, in consultation with the IEs, certain other factors not expressly included in the formal evaluation process, but required to be considered by applicable law or Commission order.

The evaluation process described below is consistent with that used in the Company’s IRP process and applicable laws and orders, and is expected to provide sufficient analytical basis from which to make resource choices. The evaluation will identify the resources most commonly included in the highest performing portfolios as the RFP “winners” that will then advance to contract negotiations. Portfolio performance is measured as the expected present value of revenue requirements (PVRR), adjusted for risk, and accounting for statutory public interest factors. The key stochastic performance measure used to assess each resource set will be the risk-adjusted PVRR which is calculated as the mean PVRR plus the expected value (EV) of the 95th percentile PVRR, where $EV = P(PVRR)_{95} \times 5\%$.²⁹ The Company will not ask for, or accept, updated pricing from Bidders during this evaluation period. It is the Company’s intent to negotiate

²⁷ Up to 2,000 MW *2 or 4,000 MW.

²⁸ Up to one and a half times the resource requested (2,000 MW *1.5 or 3,000 MW).

²⁹ This metric expresses a low-probability portfolio cost outcome as a risk premium applied to the expected (or mean) PVRR based on the 100 Monte Carlo simulations.

both price and non-price issues during the post-bid negotiations. Selection for the initial shortlist, final shortlist, and/or post-bid negotiation does not constitute a “winning bid proposal.” For the purpose of the RFP, 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’s Standards of Conduct, between the merchant and transmission functions of PacifiCorp (See **Attachment 20**). As a result, PacifiCorp will require the Bidder to be responsible for the negotiation, execution and cost of interconnecting a resource or a contract of firm capacity with associated energy in or in to PacifiCorp’s control area. The Bidder will be responsible for all incremental transmission expenses associated with delivery to PacifiCorp’s network transmission system (inclusive of any third-party system upgrade needed to deliver such energy to PACE or PACW). 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.

Transmission integration costs will be used on a prorated basis in the development of the initial shortlist in Step 1. In the system wide production cost models utilized in Step 2 and Step 3, the transmission costs and system benefits (i.e. additional economic transactions, etc.) will be evaluated. Figure 1 is an overview of the evaluation process

FIGURE 1

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. The IEs will have full access to the inputs (including the Company's forward price projections) and all models used in the evaluation process.

B. THE EVALUATION PROCESS

Bids submitted in this RFP will be evaluated in three steps:

- 1. Step 1—Price and Non-price screen will be used to determine a list which will be deemed an initial shortlist.**

The Company intends to evaluate each bid received in a consistent manner by separately evaluating the non-price characteristics of the resource and the price characteristics. Each component will be evaluated separately and recombined to determine the bundled price and non-price score. The price factor will be weighted up to 70%, while the non-price factor will be weighted up to 30%. No proposal will receive a total weighting in excess of 100%. The price and non-price evaluation will be added together and used to determine the initial shortlist. The initial shortlist will be made up of the highest scoring proposals in three separate categories, the Base Load resource, the Intermediate Load resource and the Summer Peak resource.

- a) Price Factor Evaluation (Up to 70%)

The Company will utilize the RFP Base Model to screen the proposals and to evaluate and determine the price ranking for the eligible bids received in the three categories, the Base Load resource, the Intermediate Load resource and the Summer Peak load resource.

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 fuel commodities. Treasury 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 (Transmission Integration costs will be used on a prorated basis)
- Emission 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
- Temperature – adjusted undegraded (new and clean) Heat rate Curve
- Capacity (MW) Degradation Schedule (Expected and/or Guaranteed)
- Heat Rate Degradation Schedule (Expected and/or Guaranteed)
- Turbine Type
- 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 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.³⁰

Bid Cost relative to adjusted price curves	Price Factor Weighting
Less than or equal to 60% of adjusted price projections	70%
Greater than 60% of adjusted price projections but less than 140% of adjusted price curves	Linearly interpolated
Equal to or greater than 140% of the adjusted price projection	0%

b) Non-price Factors (up to 30%)

The primary purpose of the non-price analysis is to help gauge the relative development, construction and operational characteristics and associated risks of each proposal from a screening basis. A matrix will be established for each non-price factor and will be used to compare the bids with one another. Non-price factors will be weighted up to 30% (in combination with the price scores) in the determination of which proposals will be chosen for the initial shortlist. The non-price factor criteria are identified in Chart 5 below. Bids will be evaluated and scored in three discrete categories: (1) 100% of the percentage weight; (2) 50% of the percentage weight; or (3) 0% of the percentage weight. Bids will be evaluated based on their ability to demonstrate the proposal is thorough, comprehensive and provides limited risk to the buyer prior to the company performing due diligence on any given Bid. Bids which have a demonstrated track record or are mature proposals will be more highly evaluated. Chart 5 lists the key non-price criteria and the basis for weighting for each criterion.

CHART 5

Non-price	Non-price Weighting Factor
Development Feasibility/Risk <ul style="list-style-type: none"> ▪ Critical Path Schedule 0-5% ▪ Engineering Design and Technology 0-2.5% ▪ Fuel Supply and Transportation Strategy 0-2.5% 	Up to 10% Bids will be evaluated based on the quality of their proposal, their responsiveness to the information requested and their ability to demonstrate that the project can be reasonably developed within the appropriate timeframe to meet the proposed

³⁰The 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. To the extent that all proposals are above 120% of adjusted price curves, they will be ranked by percentage.

Non-price	Non-price Weighting Factor
	in service date and with limited risk to the buyer. Bids which have achieved commercial operation will be awarded percentage weight consistent with the risk associated with each non-price category. For example, an existing project will be awarded 100% of the percentage weight associated with the Critical Path Schedule criteria.
<p>Site Control and Permitting</p> <ul style="list-style-type: none"> ▪ Permits Required 0-5% ▪ Access to Water Supply 0-2.5% ▪ Rights of Ways 0-2.5% 	<p>Up to 10%</p> <p>Bids will be evaluated based on the quality of their proposal, their responsiveness to the information requested and demonstration of sufficient detail on the status of permitting, access to available water supply and site control. Bids which can demonstrate little or no risk associated with these criteria will be more highly evaluated.</p>
<p>Operational Viability/Risk Impacts</p> <ul style="list-style-type: none"> ▪ Environmental Compliance/Strategy 0-5% ▪ Environmental Impact 0-2.5% ▪ O&M Plan 0-2.5% 	<p>Up to 10%</p> <p>Bids will be evaluated based on the quality of their proposal, their responsiveness to the information requested and demonstration of sufficient detail regarding the quality of their environmental compliance plan and O&M plan as well as the environmental impact of each proposal consistent with the proposed technology.</p>

i) Development Feasibility/Risk

This category is intended to assess the likelihood the project can be successfully developed as proposed based on a number of factors which influence project development feasibility and risk of development. Factors influencing the status of project development as well as the likelihood the project will be developed on schedule will be assessed. For this category, PacifiCorp will evaluate the Critical Path schedule provided by the Bidders, the engineering design and technology maturity for the project proposed, the status of fuel supply arrangements and the strategy of the Bidder for securing fuel for the project.

Bidders shall provide a detailed project schedule with critical path milestones for the project that includes activities from the period of selection as the winning bidder to the commercial operation date. PacifiCorp will review and evaluate the project schedule to

ensure there is a high likelihood the project can reach commercial operations as proposed. This review will include the risks of delays in securing the necessary environmental permits.

Bidders should also provide information about specific technology and equipment proposed for the project, including a description of the track record of the technology and equipment. The Bidder should provide a detailed description and specifications for the proposed equipment (including the turbine, steam generator, cooling equipment and environmental control equipment proposed). PacifiCorp reserves the right to conduct further due diligence on the equipment. PacifiCorp prefers proposals that demonstrate that the generation design and equipment proposed is technologically mature and the Bidder has included a reasonable plan to address how the project will conform to change in environmental requirements in the future

Bidders should provide a detailed strategy for securing and delivering fuel to the plant site. If the project is in the early stages of development, PacifiCorp requires a fuel supply and transportation plan that demonstrates that the fuel supply arrangements adequately conform to the type of project/technology proposed (*e.g.* gas-fired combined). PacifiCorp prefers proposals that can demonstrate a secure and reliable fuel supply or strategy which demonstrates the ability of the bidder to secure a reliable supply for the project.

ii) Site Control and Permits

Bidders must be able to 1) document they have obtained site control and necessary permits (maximum points in this category) or 2) demonstrate how site control and permits will be obtained. To meet the site control requirement, Bidders shall have identified a site and must provide a copy of documentation establishing that the seller has and/or will have control over the site for the entire term of the contract. Eligible documentation includes a demonstration of site ownership, an option to purchase the site, or a binding letter of intent from the landowners for the full term of the contract. The Bidder must be able to obtain site control prior to signing a contract with the Company.

For Bidders to demonstrate how they will obtain site control, they must submit documentation which supports the site control requirements. Bidders should also provide a list of all required permits that must be obtained. In addition, Bidders should identify any rights-of-ways that need to be acquired for the construction of supporting facilities (*i.e.* water pipelines, fuel lines, transmission lines, rail spurs, etc.) and provide a plan and schedule for securing the rights-of-ways.

Finally, PacifiCorp is particularly interested in the plan proposed by the Bidder for securing necessary water rights for the project, including the sources of water and status of any agreements in place to secure and deliver the water to the project site.

iii) Operational Viability/Risk Impacts

This category addresses key viability and risk factors associated with project operations.

The three key factors of importance are the Bidder's environmental management and compliance plan, the proposal's environmental impacts and the O&M plan. The environmental management and compliance criterion addresses the ability of the generation facilities supporting the PPA to anticipate and remain in compliance with existing and future environmental regulatory requirements and to reduce environmental impacts. Bidders should, to the extent practicable, explain and justify their choices of pollution control and water cooling technologies. PacifiCorp is interested in proposals that can demonstrate, through a credible plan, the ability to manage and reduce environmental costs and impacts. Options to meet the requirements of developing regulations for control of currently regulated air emissions and mercury, along with emerging issues such as greenhouse gas emissions and ways to mitigate future CO₂ impositions, should be included in the Bidder's strategy for meeting the necessary requirements.

An important criterion for evaluating proposals will be the project's environmental impacts. The proposal's overall plan to minimize air emissions will be an important aspect of this review. In addition, site impacts such as water usage, land use, waste disposal, etc. will be considered. Proposals should include a description of the Bidder's plan to address site-specific areas of environmental sensitivity. Bidders are encouraged to identify areas where incremental improvements in environmental performance and water use and efficiency can be made through more advanced pollution control and water cooling technologies, if applicable, and to provide projected cost analysis for such incremental improvements, and tradeoffs with other factors like fuel use and air emissions. If a Bidder is not able to address this issue fully in its initial bid submission, it should identify what additional information it will be prepared to provide in the event its bid moves from the initial shortlist to the final shortlist.

The Bidder is also required to provide an O&M plan for the proposal. The O&M plan should include any plans for the Bidder to execute a long-term contract with a reputable operations and maintenance provider, a description of the funding levels/mechanism and contractual arrangements, and a description of the previous experience of the Bidder in operating and maintaining similar facilities.

The initial shortlist will be established using the combined price and non-price results. The initial shortlist will include the top bids in the three categories, Base Load resource, Intermediate Load and Summer Peak resource. In addition, PacifiCorp may utilize the information provided by Bidders in their proposals associated with the non-price criteria listed above in the risk assessment of various resource alternatives.

The Final Shortlist will be comprised of Step 2 and Step 3.

2. Step 2—Capacity Expansion Model - Optimized Portfolio Development

Based on the initial shortlist, Global Energy Decision's Capacity Expansion Model (CEM®) will be used to develop optimized portfolios under various assumptions for

future emission expense levels and market prices. CEM® will develop a corresponding number of optimized portfolios—one for each combination of emission and wholesale market and natural gas price assumptions—drawing from resource options in the initial shortlist (described above) along with the Company’s Benchmark Resource(s). These assumptions will be conceptually consistent with the 2007 IRP high, medium, and low cases, but may reflect more recent data at the time the analysis is conducted. An optimal portfolio will be established for each combination of emission and wholesale market and natural gas price assumptions.

Each portfolio from the CEM® scenarios will be a candidate for the optimum combination of resources to be selected through the RFP process and will therefore be advanced to the stochastic/deterministic analysis step described below. Resources bid into the RFP that are not included in any of the portfolios resulting from this step will no longer be considered candidates for acquisition by the Company.

3. Step 3—Risk Analysis

In order to identify the resources in the highest performing (least cost, adjusted for risk) portfolios, stochastic and deterministic analyses will be performed on each optimized portfolio. Consistent with the IRP, the Company will use the Planning and Risk Model and the Capacity Expansion Model to assess the risks to each Resource Alternative. The Planning and Risk Model will model hydro conditions, thermal outages, gas prices, electricity prices and load on a stochastic basis. The Capacity Expansion Model will model CO₂, fuel prices (natural gas) and electricity prices on a scenario basis.

a) Stochastic Analysis

Global Energy Decision’s Planning and Risk (PaR®) model will be used in stochastic mode to develop expected PVRR and tail risk PVRR measures for the optimal portfolios developed from Step 2. PaR® is an hourly unit commitment and dispatch model that, in stochastic mode, generates many simulations based on variations in loads, wholesale gas prices, wholesale electric prices, hydro variations, and thermal unit performance. The model dispatches resources to meet load with given markets and transmission access to minimize variable cost PVRR using linear programming techniques. The resulting distribution of total PVRR (comprised of PaR®’s variable cost PVRR plus the fixed cost PVRR component estimated by the CEM®), typically over 100 draws of the variables, will be evaluated for the expected PVRR, tail risk PVRR, and PVRR volatility.

b) Deterministic Scenario Analysis

As an additional risk analysis step, the optimal portfolios will be subjected to a more in-depth deterministic dispatch model using CEM®, with each portfolio being assessed for each of the future scenarios described in Step 2 above. For example, Portfolio 1 will have been optimized for Scenario 1, but in this step Portfolio 1 will be reevaluated under scenarios 2 through *N* in order to assess the consequences of choosing a portfolio if other futures are realized. This step is intended to identify portfolios with especially poor

performance under certain future scenarios and used to inform the selection of final resource options.

c) Inputs used in CEM® and PaR®

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

Bidders should ensure that they provide the information necessary to undertake the evaluation in their proposal. 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 in order 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

4. Step 4 – Final Selections; Other Factors

The first three steps described above constitute the formal evaluation process and will lead to the compilation of the final shortlist of resources for further negotiation. After completing the formal evaluation process described above, but before making the final resource selections to be submitted for approval or acknowledgement, the Company will take into consideration, in consultation with the IEs, certain other factors that are not expressly or adequately factored into the formal evaluation process, but that are required by applicable law or Commission order to be considered. The Company may consider creative means, proposed by Bidders, to absorb and securitize any CO2 risk consistent with multi-state legal and regulatory requirements. The Company may also evaluate and include prudent costs associated with direct and or indirect debt consistent with the information outlined in Section 3(h)(5) and (6) when seeking approval, cost recovery or acknowledgement of the selected resource(s). In addition, the Company will consider the multi-state cost allocation process in evaluating all bids.

The Utah Energy Resource Procurement Act requires consideration of at least the following factors in determining whether a resource selected by the Company should be approved as in the public interest:

- whether it will most likely result in the acquisition, production, and delivery of electricity at the lowest reasonable cost to the retail customers of an affected electrical utility located in this state;
- long-term and short-term impacts;
- risk;
- reliability;
- financial impacts on the affected electrical utility; and
- other factors determined by the Commission to be relevant.

Oregon Order No. 06-446, Guideline 10(d), requires that the Oregon IE evaluate the unique risks and advantages associated with a Benchmark, including the regulatory treatment of costs or benefits related to actual construction cost and plant operation differing from what was projected for the RFP.

SECTION 7. AWARDING OF CONTRACTS

A. INVITATION

This RFP is merely an invitation to make proposals to the Company. No proposal in and of itself shall constitute a binding contract. The Company may, in its sole and absolute

discretion, perform any one or more of the following:

- Determine, in consultation with the IEs, which proposals are eligible for consideration as proposals in response to this RFP.
- Issue additional subsequent solicitations for information and conduct investigations with respect to the qualifications of each Bidder.
- Disqualify proposals contemplating resources that do not meet the definition of Base Load, Intermediate Load or Summer Peak resources in this RFP.
- Supplement, amend, or otherwise modify this RFP, or cancel this RFP with or without the substitution of another RFP.
- Negotiate and request Bidders to amend any proposals.
- Select and enter into agreements with the Bidders who, in the Company's sole judgment, are most responsive to the RFP and whose proposals best satisfy the interest of the Company, its customers, and state legal and regulatory requirements, 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 process on any terms and conditions.
- Withdraw any invitation to submit a response.

B. POST-BID NEGOTIATION

The Company will further negotiate all terms and conditions 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 will allow Bidders to negotiate final contract terms that are different from the Proforma Agreements.

C. CONFIDENTIALITY AGREEMENT

All parties will be required to sign Confidentiality Agreements if they qualify for the final shortlist (**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 qualify for the final shortlist (**Attachment 15**) prior to entering into negotiations with the Company.

FINAL DRAFT

4-25-08 Version

**All Source - Request for Proposal
PacifiCorp**

Issued **XX, 2008
Responses due **XX**, 2008**

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Form 1: Pricing Input Sheet

Form 2: Permitting and Construction Milestones

SECTION 1. INTRODUCTION

The purpose of this document is to prescribe the process by which PacifiCorp (the “Company”) will request and evaluate proposals from Bidders to fulfill a portion of the capacity and energy resource needs identified in the Company’s 2007 Integrated Resource Plan (“IRP”) as filed with and pending acknowledgement before the Oregon Commission.¹ The scope of this All Source Request for Proposals (“RFP”), subject to the limitations described herein, is focused on system-wide, east and west control area, energy and capacity² generation which is capable of delivering energy and capacity in or to the Company’s Network Transmission system³ (www.oasis.pacificorp.com). This RFP is seeking capacity and energy resources to serve PacifiCorp’s entire system. Bids from new or existing coal resources will only be considered by the Company if such proposals are consistent with multi-state legal and regulatory requirements regarding new and existing coal resources.

Bidders may propose any of seven (7) different Resource Alternative structures and three (3) exceptions in three (3) separate Bid Categories of resource requirements. The Bid Categories are separated into Base Load, Intermediate Load and Summer Peak resources as set forth below. Each Bid Category will be screened to determine the initial shortlist and the top bids will then be input into the Integrated Resource Plan models to determine the final shortlist.

Bid Category	Capacity Factor	Heat Rates (HHV ⁴)
1) Base Load	60%	⁵ 6,900-8,870
2) Intermediate Load	20-60%	8,870-11,500 ⁶
3) Summer Peak - Q3 purchases		July-September HE0700 through HE 2300 ⁷

All energy and capacity resources must provide unit contingent or firm resource capacity and associated energy incremental to the Company’s existing capacity and energy resources and available for dispatch or scheduling by June 1, 2012; June 1, 2013; June 1, 2014; June 1, 2015; and/or June 1, 2016 (the “Eligible Online Dates”).⁸ Bidders will

¹ The Public Service Commission of Utah did not acknowledge the 2007 IRP.
² All Source with the exception of intermittent generating resources which will be solicited through separate RFPs. [Intermittent generation is defined as generation that can not be scheduled or dispatched by PacifiCorp.](#)
³ Company’s Eastern Control Area (“PACE”) and/or the Company’s Western Control Area (“PACW”).
⁴ Higher Heating Values.
⁵ [Heat rates lower than 6,900 may participate in this Bid Category.](#)
⁶ [Heat rates which exceed 11,500 new and or existing Intermediate Load may participate in this Bid Category.](#)
⁷ Excluding NERC holidays.
⁸ The Company may allow on-line flexibility consistent with the resource need identified in the Capacity Load and Resource Balance, however, a resource must be online by June 1, 2012 or starting with June 1 of

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need to specify the online date for each resource proposed. In this RFP, the Company will propose Benchmark Resources in the Base Load and Intermediate Load Bid Category as further provided in **Attachment 1** of the RFP. The Company will use the applicable east/west markets as the benchmark for comparison of proposals received in the Bid Category of Summer Peak – Q3 purchases. The Company will submit a detailed evaluation for each Benchmark Resource(s), with supporting cost information, to the Oregon Commission and the IEs prior to the opening of proposals submitted by the Bidders. The IE and the Company will complete the initial evaluation of the Benchmark Resource(s) prior to opening the third party Bids. During the course of the RFP process, the Company, with input from the IEs, will determine if a Bidder update is appropriate, the Company will then also be entitled to update the assumptions in the Benchmark Resource(s). The IEs will review the reasonableness of the Benchmark Resource(s).

Table 1 sets forth the Company’s expected resource requirements for calendar years 2012 – 2016 based on its 2007 IRP:

TABLE 1

Calendar Year	2012	2013	2014	2015	2016
East					
East Existing Resources	7,105	7,105	7,105	7,101	7,080
East Obligation	8,190	8,333	8,490	8,621	8,961
East Reserves*	956	973	992	1,007	1,051
East Obligation + Reserves	9,146	9,306	9,482	9,628	10,012
East Position	(2,041)	(2,201)	(2,377)	(2,528)	(2,932)
East Reserve Margin	-13%	-14%	-16%	-17%	-21%
West					
West Existing Resources	3,506	3,558	3,519	3,519	3,518
West Obligation	3,498	3,509	3,520	3,429	3,360
West Reserves*	413	411	416	405	397
West Obligation + Reserves	3,911	3,920	3,936	3,834	3,757
West Position	(405)	(362)	(417)	(314)	(239)
West Reserve Margin	0%	2%	0%	3%	5%
System					
Total Resources	10,611	10,663	10,624	10,620	10,598
Obligation	11,688	11,842	12,010	12,050	12,321
Reserves*	1,369	1,384	1,408	1,412	1,447
Obligation + Reserves	13,057	13,226	13,417	13,462	13,768
System Position	(2,446)	(2,563)	(2,794)	(2,842)	(3,171)
Reserve Margin	-9%	-10%	-11%	-12%	-14%

* Reserves assume a target planning reserve margin of 12%, and include company non-owned reserves.

As described in more detail below, the Company has adopted prudent safeguards to assure that no bias occurs. The Company seeks proposals from all potential suppliers who can meet the requirements of this RFP. 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. The 2007 IRP⁹ assumed a 12% planning margin. The planned renewable targets, conservation and demand side

each year for each year within the Eligible Online Dates.

⁹ Pending acknowledgement in Oregon.

management¹⁰ set forth in the IRP are not included for purposes of calculating resource needs; however, the renewable targets, and demand side management, will be inputs into the Capacity Expansion Model (which is discussed in more detail in Section 6) based on IRP forecasted price.

The Company may opt to contract for more or less power, depending among other things, bids received in response to the ongoing 2012 RFP, purchases, quality of bids received in response to this RFP, updates to the Company’s forecasts, regional transmission availability and timing, procurement of shorter term resources or intermittent resources, and changes in the wholesale energy market conditions. In the event a resource(s) is selected from the 2012 RFP, the total resource need will be adjusted at such point in time.

In order to provide for a transparent and fair process, the RFP will be conducted under the oversight of independent evaluators (“IEs”). An IE hired by the Utah Public Service Commission and an IE retained by the Company on behalf of the Oregon Public Utility Commission will be involved in all aspects of receiving, evaluating, and ranking bids in response to this RFP, and in ensuring fairness throughout the RFP process. Potential bidders are invited and encouraged to contact either of the IEs with questions or concerns. More information concerning the role of the IEs is provided in **Attachment 4**. Contact information for the IEs is as follows:

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Utah Independent Evaluator: Merrimack Energy Group, Inc.
http://www.merrimackenergy.com/PacifiCorp2008RFP/index.asp
Oregon Independent Evaluators: Accion Group and Boston Pacific Company, Inc.
To ensure timely responses, bidders should address questions and concerns to the Oregon IEs using both of the following email addresses: Accion Group: advisors@acciongroup.com Boston Pacific: croach@bostonpacific.com

Upon conclusion of the RFP process, PacifiCorp will request the Utah Public Service Commission to approve the resources selected. The Company also has the option of seeking regulatory acknowledgement of the final shortlist consistent with Oregon Order No. 06-446. PacifiCorp will also seek rate recovery consistent with standard rate making practices in its six state jurisdictions.

This introductory Section 1 describes the type, timing and amount of resources sought for delivery by June 1, 2012 or starting with June 1 of each year for each year within the Eligible Online Dates. Section 2 addresses the Resource Alternatives, proposal characteristics and options. Section 3 covers logistics such as where and when proposals must be submitted, bid fees and minimum requirements, as well as important conditions

¹⁰A separate RFP will solicit demand side management resources. Conservation is included in the Company’s load forecast.

¹²The Company’s System Position is as set forth in Table 4.15 - Capacity Load and Resource Balance in the 2007 IRP. To the extent resource acquisitions are made outside of the 2008 RFP the total resource levels may be adjusted accordingly.

and procedures. Section 4 provides the required content and format for all Resource Alternatives. Section 5 outlines resource information including price and non-price information, integration, interconnection and transmission services, and use of PacifiCorp sites. Section 6 outlines the bid evaluation process. Section 7 outlines the awarding and rejecting of proposals. All of the required Appendices, Attachments and Forms for each of the Resource Alternatives are also provided.

SECTION 2. RESOURCE ALTERNATIVES AND PROPOSAL CHARACTERICS

A. RESOURCE ALTERNATIVES

The Company is seeking up to 2,000 MW of cost-effective resource(s) consisting of Base Load, Intermediate Load and Summer Peak resources to meet the Company’s System Position during calendar years 2012 to 2016.¹² (See **Attachment 1** for a description of the engineering specifications, fuel type, technology, efficiency, location, projected life, transmission requirements and operation and dispatch characteristics of each Company Benchmark Resource). The minimum eligible fixed term and capacity requirements for proposals are 100 MW or greater of dependable capacity and a minimum term of five (5) years, except as noted below (exceptions to the minimum term and capacity include: a PPA or TSA not backed by an asset, load curtailment, QF and Biomass or Geothermal proposals). Resource(s) bid(s) must provide unit contingent or firm capacity and associated energy incremental to the Company’s existing capacity and energy resources and available for dispatch or scheduling within the Eligible Online Dates.

The Company will consider bids that meet Base Load, Intermediate Load or Summer Peak¹³ resource requirements that take the form of one of the following Resource Alternatives: (1) Power Purchase Agreement; (2) Tolling Service Agreement; (3) Asset Purchase and Sale Agreement (PacifiCorp site and PacifiCorp’s specifications); (4) Asset Purchase and Sale Agreement (Bidder site); (5) purchase of an existing facility; (6) purchase of a portion of a facility jointly owned or operated by the Company; (7) restructuring of an existing Power Purchase Agreement or Exchange Agreement; or (8) Exceptions which include (a) Load Curtailment, (b) Qualifying Facilities or (c) Geothermal or Biomass. Descriptions of each of these Resource Alternatives are set out below.

CHART 1

Resource Alternatives	Term	Location	Requirements
1) Power	Fixed term specified	Bidders can bid on their	If the Bidder bids

¹³Base Load is defined as a resource with a heat rate between 6,900-8,870, however may be lower than 6,900; Intermediate Load is defined as a resource with a heat rate between 8,870-11,500, however may be greater than 11,500; Summer Peak is defined as third quarter calendar purchases for July through September HE0700 through HE2300 PPT, excluding NERC holidays.

Resource Alternatives	Term	Location	Requirements
Purchase Agreements	in the bid up to the life of the asset from a single resource located in or delivering to PACE or PACW under the PPA. Must be a minimum term of 5 years and a minimum of 100 MW. A PPA not backed by assets is limited to a <u>Maximum Term¹⁴</u> of 5 years, a minimum of 100 MW, and is not eligible to use a PacifiCorp site.	sites or on PacifiCorp sites; however, PacifiCorp is not required to operate the facilities, and it cannot impact PacifiCorp’s existing generation on the site.	on one of the PacifiCorp sites the Bidder must bid a minimum of 420 MW and 85% of the facility’s dependable generation with no less than 420 MW nominal generating capacity, a minimum of 20 years and a maximum of the life of the asset. Life of the asset will be evaluated consistent with IRP Tables C.27 and C.28. If a PacifiCorp site is used the Bidder must build to the Currant Creek specification or the Lake Side specification in Attachments 24 or 25 . Bidder must complete Appendices C-1, D and G .
2) Tolling Service Agreements	Same as #1	Same as #1	Same as #1
3) Asset Purchase and Sale Agreements	Life of the asset will be evaluated consistent with IRP	Currant Creek or Lake Side sites.	Bid to result in the development and construction of a

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¹⁴ Maximum Term of five years means a term of greater than one year but no more than five years.

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Resource Alternatives	Term	Location	Requirements
on PacifiCorp sites	Tables C.27 and C.28.		facility that complies with the specifications in the APSA and the specification for each site set forth in the Appendices. Contractual privity between PacifiCorp and the EPC contractor. The Bidder must build to the Currant Creek specification or the Lake Side specification in Attachments 24 or 25 . Bidder must complete Appendix C-2 .
4) Asset Purchase and Sales Agreement on Bidder's Site	Life of the 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 #5.	Bid pursuant to the APSA; PacifiCorp will own and operate the facility following commercial operation. Bidder must complete Appendices C-2 and G . Contractual privity between PacifiCorp and the EPC contractor.

Resource Alternatives	Term	Location	Requirements
5) 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 or PACW and integrated as a Network Resource.	Due diligence of facility that PacifiCorp deems appropriate (see Attachment 19). Bidder must complete Appendix C-3 . PacifiCorp would own and operate the facility.
6) Purchase of a portion of a facility jointly owned by and/or operated by PacifiCorp	Same as #5	Same as #5	Same as #5
7) Restructuring of Existing Power Purchase Agreement or Exchange Agreement and/or Buyback of an Existing Sales Agreement	Fixed term specified in the bid up to the life of the PPA or Exchange Agreement must be a minimum of 5 years and 100 MW.	Same as #5	Restructuring of the PPA or Exchange Agreement and/or buyback of an existing sales agreement must result in incremental capacity and energy.
Exceptions			
8 (a) Load Curtailment	Fixed term must be a minimum of 5 years and 25 MW.	Existing end use PacifiCorp customers with a load that can be physically curtailed and must be not less than 25 MW. The 25MW may be aggregated. The load must respond within 30 minutes prior to the hour and remain curtailed for	PacifiCorp will not accept proposals for financial curtailment nor will it accept proposals that result in PacifiCorp having a residual delivery obligation for the curtailment

Resource Alternatives	Term	Location	Requirements
		one continuous hour blocks.	of load via any other contract, law or regulation or order.
8 (b) Qualifying Facility	Fixed term must be a minimum of 5 years and 10 MW. A PPA not backed by assets is limited to a <u>Maximum Term</u> of 5 years and a minimum of 10 MW.	Same as #5	QFs are as defined under the regulations implementing PURPA. Bidder must complete Attachment 2 and Appendices C-1 and G.
8 (c) Geothermal or Biomass	Fixed term must be a minimum of 5 years and 10 MW. A PPA not backed by assets is limited to a <u>Maximum Term</u> of 5 years and a minimum of 10 MW.	Same as #5	Bidder must complete Appendices C-1, D, and G.

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1. Power Purchase Agreement

Power purchase bids must be for a fixed term at a stated price which may be indexed or vary in price by year from a single resource located in or into PACE or PACW and must be in the form of a Power Purchase Agreement (“PPA”). A PPA Proforma Agreement is 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. The fuel source type must be specified in the proposal. For purposes of this RFP, 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 PACE.

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In the event a Bidder proposes a PPA not backed by assets, the term accepted will be limited to a Maximum Term¹⁵ of five (5) years and the PPA will not be eligible for use of a PacifiCorp site.

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¹⁵ Maximum Term of five years means a term of greater than one year but no more than five years.

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In the event a Bidder proposes to locate a facility on a PacifiCorp site, the Bidder must propose a PPA for a 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 design plant life as contained in IRP Tables C. 27 and C.28. 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 apply to PacifiCorp sites because both of these sites are capable of second units, and PacifiCorp must ensure the value of these assets are used in the best interest of customers. If a bidder builds a project on either of the PacifiCorp sites, Currant Creek or Lake Side, the project must be built to meet the specifications provided **Attachments 24 or 25**, as applicable.

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, D, and G**.

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 H**. These negotiations will occur if and when the Bidder is selected from the final shortlist to enter into negotiations. **THIS RFP 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 for facilities located at a PacifiCorp site. The estimated cost and description of these points are contained in **Attachments 9 and 10**; 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 or an equivalent structure which will not increase the risk of default by multiple contractors to the Company and its customers. Any Contractor must be experienced with the type of facility being proposed and, in addition to any other credit provision described herein, this entity (or its credit support provider) must have a Credit Rating¹⁶ that is BBB-/Baa3 or greater from S&P/Moody's or, if not publicly

¹⁶ Credit Rating is defined in Section H.1.

rated, an equivalent Credit Rating as determined by PacifiCorp.

2. Tolling Service Agreement

Tolling Service Agreement bids must be for a fixed term at a stated price which may be indexed from a single resource which is located in or delivering to PACE or PACW, and must be in the form of a Tolling Service Agreement (“TSA”). The fuel source type must be specified in the proposal. A TSA Proforma Agreement is 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 design plant life as contained in IRP Tables C. 27 and C.28. 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, D and G**.

In the event a Bidder proposes a TSA not backed by assets, the term accepted will be limited to a maximum of five (5) years and the TSA will not be eligible for use of a PacifiCorp site.

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**. These negotiations will occur if and when the Bidder is selected from the final shortlist to enter into negotiations. **THIS RFP 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 for facilities located at a PacifiCorp site. The estimated cost and description of these points are contained in **Attachments 9 and 10**; 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, if applicable. Provided the TSA is (1) a financially

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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 may elect to be responsible for the fuel and transportation however, the Bidder must demonstrate that fuel and transportation are available.

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. If a bidder builds a project on either of the PacifiCorp sites, Currant Creek or Lake Side, the project must be built to meet the specifications provided in the Appendix.

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 EPC contract or an equivalent structure which will not increase the risk of default by multiple contractors to the Company and its customers. Any Contractor must be experienced with the type of facility being proposed and, in addition to any other credit provision described herein, this entity (or its credit support provider) 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.

3. Asset Purchase and Sale Agreement on PacifiCorp Site

Bids for construction on a PacifiCorp site must take the form of an Asset Purchase and Sale Agreement ("APSA") to which the Company and the entity building the project must be parties. The APSA Proforma Agreement is attached as **Attachment 6** and the Appendices which will include **Attachments 7, 8, 24 or 25** (as applicable) which have the PacifiCorp site specifications set forth therein. The fuel source type must be specified in the proposal. Any APSA proposal for development and construction of a facility on a PacifiCorp site (Lake Side or Currant Creek) must be bid in compliance with the specifications in the APSA. Pricing for the purchase and sale of the facility can be structured to include progress payments with defined milestones, 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**.

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The Bidder will be required to enter into an APSA, and a Construction Coordination Agreement (**Appendix H**), which is also 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. If a bidder builds a project on either of the PacifiCorp sites, Currant Creek or Lake Side, the project must be built to meet the specifications provided in **Attachments 24 or 25**.

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 negotiated under the APSA.

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 H**. These negotiations will occur if and when the Bidders selected from the final shortlist to enter into negotiations. **THIS RFP 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, which must be a party to the APSA. To the extent the Bidder uses a Contractor or a separate legal entity other than the Bidder itself, this entity must be a party to the APSA and must be experienced with the type of facility being proposed and, in addition to any other credit provision described herein, this entity (or its credit support provider) 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.

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 Owners' development costs. A complete listing of categories of Owner's Estimated Development Cost Assumptions

can be found in **Attachment 10**.

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

Bids for construction on a Bidder-owned site must be in the form of an APSA, to which the Company and the entity building the project must be parties. The APSA Proforma Agreement is attached as **Attachment 6**. The fuel source type must be specified in the proposal. Pursuant to the APSA, the Company will own and operate the facility following commercial operation. All Bidders in this category must complete the information requested in **Appendices C-2** and **G**. Bidders should also submit a form O&M Agreement based on the terms and conditions set forth in **Attachment 23**.

Pricing for the purchase and sale of the facility can be structured to include progress payments, with defined milestones, 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 #5 (Purchase of an Existing Facility). 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. The Company may require that the project be operated and maintained by Bidder for up to ten (10) years in order to ensure cost effectiveness, availability and reliability of the resources prior to the Company's acceptance of the resource. The parties agree to negotiate an O&M agreement after the bidder is selected from the final shortlist to enter into negotiations.

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, which must be a party to the APSA. To the extent the Bidder uses a Contractor or a separate legal entity other than the Bidder itself, this entity must be a party to the APSA and must be experienced with the type of facility being proposed and, in addition to any other credit provision described herein, this entity (or its credit support provider) 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.

The Company will own and the Bidder will operate the facility following commercial operation for up to ten (10) years. Any existing power supply obligations (if any) associated with the facility shall not be assigned to the Company unless the Company, in

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its sole discretion, accepts such assignment.

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 Owner’s development costs. A complete listing of categories of Owner’s Estimated Development Cost Assumptions can be found in **Attachments 9** and **10**.

5. 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 or PACW and commercially operable as of the bid response date, the Company will consider purchasing, owning, and operating the facility. The fuel source type must be specified in the proposal. 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-3** 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.

6. 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. The fuel source type must be specified in the proposal. 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

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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-3** 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.

7. 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 PACE or PACW. The fuel source type must be specified in the proposal and can not be sourced or tagged from a coal resource unless the proposal is consistent with multi-state legal and regulatory requirements regarding new and existing coal resources.

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 or PACW during the summer season (July through September) for delivery as provided in this RFP for a minimum term of five (5) years. The Bidder will be required to 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 if the Company selects 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

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of not less than 100 MW for delivery of a minimum of a five (5) 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 or PACW) and/or during another time period.

8. Resource Alternative Exceptions

The following resources qualify for one of the three exceptions set forth below:

a. Load Curtailment

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. The fuel source type must be specified in the proposal. The Company invites end-use customers to bid physical load curtailment under this RFP. 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, however load can be aggregated by a single supplier to equal a total of 25 MW or more; (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 for the curtailed load after exercising its curtailment rights hereunder pursuant to 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 reasonable contractual surety and credit assurances that such load curtailment will take place at times and in amounts required by this RFP. The Company will not accept proposals for financial curtailment of load. Bidders should start with the Power Purchase Agreement (**Attachment 3**) as the underlying agreement.

b. Qualifying Facility

Qualifying Facilities (“QFs”), as defined under the regulations implementing the Public Utility Regulatory Policies Act of 1978 (“PURPA”), with 10 MW or greater of capacity are eligible to participate in this RFP. Firm QFs with 10 MW or greater of capacity and a minimum term of five (5) years or longer will constitute a Resource Alternative exception. In the event a Bidder proposes a PPA not backed by assets, the maximum term accepted will be five (5) years. The fuel source type must be specified in the proposal. All Bidders in this category must complete the information requested in **Appendices C-1**, and **G**. Each QF Bidder must also submit the required information in **Attachment 2**¹⁷ in order to be evaluated under this RFP. QF Bidders are subject to the credit requirements contained in this RFP. Bidders should start with the Power Purchase Agreement (**Attachment 3**) as the underlying agreement.

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¹⁷ Schedule 38 in Utah and Oregon are included. Depending on location of the resource, a Bidder may also need to comply with the state specific QF tariff schedules which are available on PacifiCorp’s website at: <http://www.pacifiCorp.com/Navigation/Navigation4428.html>.

c. Geothermal or Biomass

If the Bidder proposes a Geothermal or Biomass resource, such proposal must provide for the delivery by the Bidder to the Company of dependable energy and capacity in an amount of not less than 10 MW for a minimum term of five (5) years as described in this RFP. However, in the event a Bidder proposes a PPA not backed by assets, the maximum term accepted will be five (5) years. The source of energy and capacity for the PPA should be a generation facility located on a Bidder-supplied site. The fuel source type must be specified in the proposal. 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, D, and G**. Bidders should start with the Power Purchase Agreement (**Attachment 3**) as the underlying agreement. Bidders are subject to the credit requirements contained in this RFP.

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B. PROPOSAL OPTIONS

PacifiCorp is interested in creative proposal options that add value to customers. As a result, PacifiCorp encourages bidders to offer several different alternatives under the same proposal. For each proposal, Bidders are allowed to submit a base proposal and up to two alternatives, including index options for the same bid fee. Bidders will also be allowed to offer up to three additional alternatives at a fee of \$1,000 each. Alternatives will be limited to different bid sizes, contract terms, water cooling technologies, in-service dates, and/or pricing structures. A Bidder may submit more than one proposal. If a Bidder submits the same proposal but with three different bid sizes, the proposal will be considered one proposal with two alternatives and the Bidder will receive three separate bid numbers for the proposal and pay one bid fee. The Company's objective in offering Bidders the opportunity to propose multiple alternatives is to allow the Company to optimize the benefits from the solicitation by combining proposals of different sizes, terms and in-service dates.

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C. FLEXIBILITY OF PROPOSALS

PacifiCorp is interested in proposals which offer PacifiCorp flexibility in terms of the commencement date of delivery in the contract and which provide PacifiCorp the ability to defer or accelerate the in-service date of the contract or buy-out the contract at its option. If Bidders provide proposals which would include an option to extend the proposal beyond the original term, Bidders are required to specifically identify such option and the required terms, conditions and price upon which the Company would exercise such option. If the Bidder is not offering to extend the term and no such option language is included in the proposal, the Company will not assume that the Resource Alternative extends beyond the term provided by the Bidder. Bidders are encouraged to be creative in their proposals within the scope of the RFP. To the extent Bidders want to propose in-service date deferral or acceleration options, Bidders should provide a complete description of their proposed deferral or acceleration option as an attachment to

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Form 2. Bidders should provide a schedule that offers a one year in-service date deferral option and a one-year acceleration option along with the strike price (in total dollars) for which PacifiCorp would compensate the Bidder for exercising the option at each milestone date identified in **Form 2**. The schedule should also include the milestone dates prior to the proposed in-service date at which PacifiCorp could decide to exercise the deferral or acceleration option. Bidders can also offer a price schedule associated with the option for PacifiCorp to buy-out the contract at different milestone dates prior to commercial operation. For the buyout option, Bidders should use **Form 2** as a component of their bids. Bidders can provide breakup fees for all the milestone dates listed in **Form 2**, or identify select milestones and submit breakup fees for those dates. The milestones may be modified by the Bidders to address the specific project and proposal. For each option, Bidders should identify the option proposed along with specific triggers (i.e., triggers associated with specific milestones) within the Bidder’s proposal. Concerning deferral, acceleration, and breakup options, Bidders must complete **Form 2** with suggested milestones and strike price. For each resource and alternative proposed, **Forms 1 and 2** should be completed, if applicable.

D. UNACCEPTABLE PROPOSAL CHARACTERISTICS

The Company will not accept intermittent resource proposals as part of this RFP. The Company will not accept bids from new or existing coal resources unless such proposals are consistent with multi-state legal and regulatory requirements regarding new and existing coal resources. 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.

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SECTION 3. LOGISTICS

A. SCHEDULE OF RFP ACTIONS

Chart 2 sets forth the anticipated schedule:

CHART 2

Event	Anticipated Date
RFP issued	Issued XX , 2008
RFP bid conference	Issued + 20 days
Intent to Bid Forms due	Issued + 30 days
<u>Benchmark Proposals due</u>	<u>Issued + 60 days</u>
Responses due	Issued + 75 days
Evaluation complete	Issued + 135 days
Oregon Commission acknowledgement of final shortlist ¹	Issued + 200 days

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Bidder negotiation	Issued + 240 days
PacifiCorp decision	Issued + 270 days
Utah Public Service Commission approval proceeding (180 days)	Issued + 450 days
Avoided cost filing ²	Issued + 500 days
¹ The Oregon Commission may acknowledge the final shortlist. <i>See</i> Oregon Order No. 06-446 Guideline 13.	
² Updated avoided costs filing by state will be made to the extent required by law or regulatory order.	

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: Oregon - 825 NE Multnomah – Room TBA
Utah - North Temple Office – Room TBA

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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 on the PacifiCorp website at www.pacificorp.com prior to the issuance of the final approved RFP. After the final approval of the RFP, Merrimack Energy Group, Inc. will be responsible to maintain and post all material on a website established by the IEs. The Company will be responsible to maintain and post all materials on the Company’s website at www.pacificorp.com. **Any questions on the RFP or related documents and all communications with the Oregon and Utah IEs should be directed as follows:**

Utah Independent Evaluator: Merrimack Energy Group, Inc.
http://www.merrimackenergy.com/PacifiCorp2008RFP/index.asp
Oregon Independent Evaluators: Accion Group and Boston Pacific Company, Inc.
To ensure timely responses, bidders should address questions and concerns to the Oregon IEs using both of the following email addresses: Accion Group: advisors@acciongroup.com Boston Pacific: croach@bostonpacific.com

C. INTENT TO BID FORMS

Bidders who intend to be considered as part of this RFP process **must** return the “Intent to Bid Form” (**Appendices A and B**) as set forth below.

Five (5) copies of the Intent to Bid Form must be sent to **both** of the following addresses by express, certified or registered mail, or hand delivery by 5:00 p.m. Pacific Prevailing

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Time on **[Insert Date]**:

Utah Independent Evaluator
Merrimack Energy Group, Inc.
c/o Utah Division of Public Utilities
Heber M Wells Bldg, 4th Floor
160 East 300 South
Box 146751
Salt Lake City, Utah 84114-6751

and

Oregon Independent Evaluator
Accion Group and Boston Pacific Company, Inc.
c/o Pacific Power Legal Department
Attention: Natalie L. Hocken
825 NE Multnomah, Suite 2000
Portland, Oregon 97232

D. SUBMISSION OF BIDS

Bidders are required to submit hard copies and electronic copies of proposal(s) as set forth below:

1. a signed original and five (5) hard copies of each bid and any required forms, and
2. two (2) electronic copies of the bid and any required forms (on two (2) separate compact discs) that are in PDF format.

All bids must be submitted and must be transmitted by express, certified or registered mail or hand delivered to both addresses:

Utah Independent Evaluator
Merrimack Energy Group, Inc.
c/o Utah Division of Public Utilities
Heber M Wells Bldg, 4th Floor
160 East 300 South
Box 146751
Salt Lake City, Utah 84114-6751

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and

Oregon Independent Evaluator

Accion Group and Boston Pacific Company Inc.
c/o Pacific Power Legal Department
Attention: Natalie L. Hocken
825 NE Multnomah, Suite 2000
Portland, Oregon 97232

Bids will be accepted until 5:00 p.m. Pacific Prevailing Time on **[Insert Date].** Any bids received after this time will be subject to return unopened to the Bidder following a decision based on consultation between the IEs and PacifiCorp.

E. RFP TEAM

An RFP Team will be established by the Company prior to the final approval of the RFP. The RFP Team shall consist of an Evaluation Team and an Intent to Bid Team. The composition of the teams and their primary roles and responsibilities are shown below in Chart 3.

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CHART 3

Work Group	Roles
Independent Evaluators (IEs)	The IEs will ensure a fair and reasonable process is used in the RFP. The IEs will provide oversight of the RFP process and will validate, audit and review all aspects of all proposals, providing oversight to the process and validation on the models, inputs, assumption(s), risk assessment, and generation specifications for the PacifiCorp sites. See Attachment 4 for Role of the IEs.
Evaluation Team: Origination and/or Third-Party Engineering Consultants as required	Overall coordinator of the process. Bid process management for all proposals and coordination with the IEs and all of the work groups. Evaluation of the non-price components of the analysis. Specifying, evaluating and confirming conformity with design specifications; conducting, as needed, technological and operational due diligence, generation expertise, environmental due diligence on all resources.
Evaluation Team: Structuring and Pricing and/or Third-Party Engineering Consultant as required.	Economic analysis and modeling including validation of the inputs to the risk assessment of the bid.
Evaluation Team: Environmental	Air, water and discharge, emission credits, site permits and facilities.
Evaluation Team: Credit	Credit screening, evaluation and monitoring throughout the process.
Evaluation Team: Legal	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.
Intent to Bid Team: Origination, Legal and Credit	Origination, Legal and Credit will work with the IEs to ensure that Appendices A and B are complete.

F. BID FEES

To help defray the cost of the Utah 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 #8 (load curtailment, QFs, and Biomass or Geothermal) shall submit a nonrefundable bid fee of \$1,000. A bid in each Resource Alternative category may consist of one base proposal in addition to two alternatives, which may include a different index option for the same bid fee. The alternatives may consist of a different bid size, contract term, pollution control technologies, water cooling technologies, in-service date and/or pricing structure for the same Resource Alternative. In addition, bidders will have the option of submitting up to three additional alternatives for a fee of \$1,000 per alternative. A proposal for a different Resource Alternative, at a different site or using a different technology will be considered a separate proposal and will be subject to a separate bid fee. The bid fee(s) must be submitted with the proposals to Merrimack Energy Group, Inc. The Bidder must attach to its proposal a certified check written in the required amount payable to the order of PacifiCorp.

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Bidders may submit multiple base bid proposals in response to this RFP. The Utah IE, in consultation with the Company shall confirm whether a Bidder’s submission constitutes one or more proposals, for purposes of assessing bid fees. Any questions regarding bid fees should be directed to Merrimack Energy Group, Inc.

G. EFFECTIVENESS OF BIDS

Each bid proposal must remain open for acceptance by the Company from the date of submittal through **[Insert Date]**, unless earlier released in writing by the Company or if the Bidder’s proposal does not make the final shortlist. Bidders have the option of either submitting a proposal(s) with a fixed capacity charge or capital cost (e.g. fixed for the term of the contract or escalated by a fixed amount) or index a portion of the capacity charge or capital cost to a variable index. Under the latter option, Bidders must provide a minimum of 60% of the capacity charge or the capital cost as a fixed price. However, Bidders may index up to 40% of the total capital cost or capacity charge to the following two indices. A maximum of up to 25% of the capital costs or capacity charges may be indexed to the Consumer Price Index (“CPI”) and a maximum of up to 15% of the capital costs or capacity charges may be indexed to the Producer Price Index (“PPI”) – Metals and Metal Products. The Bidders will be allowed to index up to 40% of the capital costs or capacity charges from the time of bid submission (or contract execution if agreed to by the Company and Bidder) until the earlier of the time the Bidder executes the EPC Agreement or the Bidder achieves project financing, provided that it is not longer than two years after the EPC Agreement has been executed. Indexing for capital costs or capacity charges is only available for new resources under the following Resource Alternatives: 3 and 4, and Resource Alternatives 1 and 2 (to the extent such alternatives are asset backed by new construction).

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In addition, Bidders are allowed to index the variable components to the CPI, or the

Gross Domestic Product (“GDP”). All final short-listed bids may be asked to provide their “best and final” prices.

If during the course of the RFP process, the Company, with input from the IEs, determines that a Bid update is appropriate, then all Bidders (including the Company) will be entitled to update their assumptions. The Company will be required to submit any Benchmarks two weeks prior to the due date for third-party Bids and on the same basis as third-party Bids and such Benchmarks will be evaluated using the same assumptions and evaluation tools as third-party Bids, however, the Company does not intend for the Benchmarks to be treated like third-party bids for purposes of subsequent ratemaking treatment (e.g. Benchmark Resources are different from other bids in that price and performance are not fixed because actual costs of the Benchmark are equally likely to be lower or higher than projected as part of the RFP proposal).

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H. PROCEDURAL ITEMS

1. Intent to Bid Form - Bidder’s Qualification, Capability and Credit

In order to participate in the RFP, each Bidder must complete and submit to the IEs the Intent to Bid Form which includes **Appendices A and B** for each Resource Alternative it intends to submit in its proposal by the date identified in Section 3. The Company will require each Bidder to demonstrate their Qualification Capability and Experience as required in **Appendix A**. In addition, twenty (20) business days after the Bidder is notified by the Company that the Bidder has been selected for the final shortlist the Bidder will be required to provide any necessary guaranty commitment letter from the entity providing guaranty credit assurances on behalf of the Bidder and/or necessary letter of credit commitment letter from the financial institution providing letter of credit assurances. The timing of when credit security must be posted is detailed in **Attachment 21**. The forms of commitment letters are in **Attachment 22**.

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Attachment 21 explains how the Credit Matrix in Appendix B will be used to determine the amount of credit assurances required. The use of the Credit Matrix requires a sequence of checks against the Credit Matrix. The Bidder must first check its Credit Rating in the Credit Matrix in order to determine the amount of total credit assurances required. If the amount of credit assurances required from the prior sentence is an amount other than \$0, the Bidder must next check the Credit Rating of its proposed credit support provider in the Credit Matrix. The difference in the amounts of credit assurances required using the Bidder’s Credit Rating and amount of credit assurances required using its proposed credit support provider’s Credit Rating is the maximum amount that the credit support provider will be required to commit to in its commitment letter. For any residual amount of credit assurances required, the Bidder must obtain a commitment letter from a second credit support provider with a higher Credit Rating than the first credit support provider, committing to provide credit assurances in the residual amount. Note that the higher Credit Rating of any second credit support provider will need to be high enough such that any ultimate residual amount will be \$0. An example of using the Credit Matrix in this sequence of checks is described in Attachment 21. It is important that Bidders

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realize that more than one commitment letter from the entity(ies) providing credit assurances on behalf of the Bidder may be required. If the Bidder's initial proposed credit support provider's Credit Rating is high enough such that the amount of credit assurance required is \$0, note that only a single commitment letter from that entity is needed, and the amount required will be the difference between what is required based on the Bidders Credit Rating and \$0.

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Appendices A and B are attached to the Intent to Bid Form and must be completed in order to submit a proposal. In **Appendix A**, the Bidder must provide information 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 experience, as determined by the Company's Evaluation Team. In **Appendix B** the Bidder must demonstrate the ability to post the credit assurances consistent with the Credit Matrix for each Resource Alternative being proposed.¹⁸ Each Bidder must provide the requested financial and credit information and indicate what its ability will be to post any necessary credit assurances, if applicable, and be prepared to provide the necessary guaranty and/or letter of credit commitment letter(s) if they are selected for the final short list. The forms of commitment letters are in **Attachment 22**.

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All Bidders must demonstrate their ability to meet the credit requirements and to provide any necessary credit assurances, including their plan for doing so (including the type of security proposed, sources of security and a description of its credit support provider) for the Resource Alternative they are proposing. Bidders should also provide a demonstration of their ability to finance their project based on past experience and a sound financial plan identifying the proposed sources for debt and equity. If the Bidder does not provide all the information required in **Appendices A and B** to the satisfaction of the Company the Bidder may be notified that the Bidder will not be eligible to submit a proposal. If the Bidder can demonstrate to the Company its ability to meet the qualifications in **Appendices A and B** then the Bidder will be permitted to submit proposal(s) in the RFP. In the event that the Bidder (or Bidder's credit support provider's) credit status changes at any time after submission of a bid into the RFP process, the Company reserves the right to request updated information to reevaluate the creditworthiness of the Bidder and/or the Bidder's credit support provider.

The Bidder will be required to demonstrate its ability to post credit assurances in the amounts outlined in the Credit Matrix in **Appendix B** or as otherwise adjusted based on the Bid Category proposed. A credit methodology paper explaining the rationale behind the Credit Matrix is provided in **Attachment 21**. A Bidder must be able to demonstrate its ability to post any necessary credit assurances in the form of a guaranty commitment letter from either a proposed guarantor and/or in the form of a letter of credit commitment letter from a financial institution that would be issuing a letter of credit. This commitment letter(s) are then to be posted twenty (20) days after the Bidder is selected

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¹⁸ The credit matrix was developed based on the Base Load Bid category; however, the matrix will form the basis for developing credit requirements for the other two Bid Categories.

for the final shortlist. Forms of credit commitment letters are provided in **Attachment 22**. The amount of any credit assurances to be provided will be determined based upon (a) the Credit Rating in the Credit Matrix of the Bidder and the entity(ies) providing credit assurances on behalf of the Bidder, if applicable, (b) the size of the project, (c) the Eligible Online Date, (d) the type of Resource Alternative bid, and (e) the Bid Category proposed. QF Bidders, and Biomass or Geothermal Bidders are subject to the credit requirements contained in this RFP.

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The Credit Rating is defined as 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 the Company through an internal process review and utilizing a proprietary credit scoring model developed in conjunction with a third party. All Bidders will receive a Credit Rating which will determine the amount of any credit assurances to be posted.

If a Bidder is an existing counterparty of the Company, the Company reserves the right to protect itself from counterparty credit concentration risk and may 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 acceptable to the Company and meet the requirements set forth in **Attachment 11**. The timing of when credit assurances must be posted is detailed in **Attachment 21**.

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2. **Submission of Proposals by Bidders**

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All bid proposals must be received no later than the date specified in Section 3. All bid proposals must contain the requirements and be in the format set forth in the RFP Proposal Form for the specific Resource Alternative as indicated in Section 4. The RFP Proposal Form identifies all of the required Attachments and Forms for each Resource Alternative the Bidder intends to submit. Any bid proposal that does not contain all of the required information by the due date specified in Section 3 will be subject to rejection as nonresponsive following review and agreement by the IEs and 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**. Each proposal must contain the following information:

- a) Each bid must include a statement by the Bidder that the Terms and Conditions of the applicable Proforma Agreements, selected as part of the Resource Alternatives submitted by Bidder, are acceptable to the Bidder **or** identify any significant exceptions

to the Proforma Agreements in the form of a redline agreement or through written comments which specifically identify the significant exceptions as part of the Bidder's proposal.

b) Proposals must clearly specify all pricing terms. Any and all index prices and/or price escalations must be fully explained consistent with Section 3.G above.

In addition, Bidders should describe any contract deferral and acceleration options proposed, as well as any contract buyout options proposed. Proposals with pricing that is subject to change prior to [Insert Date] must explain what triggers the change, what the change is tied to, and any information the Company will require to evaluate 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 (**Form 1**) 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, and a variety of other inputs, including specific published indices, if applicable.

c) All bid proposals must be for a capacity greater than 100 MW except for: (i) Qualifying Facility, Biomass or Geothermal which must have 10 MW or greater of installed capacity; and (ii) end-use customers or an aggregate of the Company's customers 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 Resource Alternatives, 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.

e) All bid proposals must indicate a present ability and commitment to abide by safety standards, no less stringent than PacifiCorp's standards, with respect to the operation, construction and maintenance of any physical resources, facilities, plant or equipment.

f) All bid proposals must provide evidence that the developer or the bidder has already obtained or will obtain the generation site (e.g. letter of intent) before signing a contract with the Company.

3. Minimum Eligibility Requirements for Bidders

Bidders may be disqualified for failure to comply with the RFP if any of the requirements are not met. To the extent proposals do not comply with these requirements they will be

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deemed ineligible and will not be considered for further evaluation. PacifiCorp, in consultation with the IEs, will return those proposals deemed ineligible together with the bid evaluation fee. Reasons for rejection of a Bidder or its bid include:

- a) Receipt of proposal and/or Intent to Bid Form after the applicable response deadline.
- b) Failure to meet the requirements and provide all of the information requested in Section 4 of the RFP, including provision of the content required for each Resource Alternative.
- c) Failure to permit disclosure of information contained in the proposal to PacifiCorp's agents, contractors or regulators.
- d) Any attempt to influence PacifiCorp or the IEs in the evaluation of the proposals, outside the solicitation process.
- e) Failure to disclose the real parties of interest in the proposal submitted.
- f) Bidder is in current material litigation or has threatened material litigation against PacifiCorp. "Material litigation" for purposes of this provision includes an amount in dispute in excess of five (5) million dollars under circumstances in which the Bidder has issued a demand letter to PacifiCorp, the Bidder and PacifiCorp are currently involved in dispute resolution, the Bidder and PacifiCorp have an unresolved dispute pending or the Bidder has noticed a pending legal action against PacifiCorp.
- g) Failure to include a certified check for the appropriate bid fee(s) payable to PacifiCorp.
- h) Failure to clearly specify all pricing terms in proposal.
- i) Failure to offer unit contingent or system firm capacity and energy, delivered into or in PACW or PACE, including appropriate contract term lengths and commercial operation dates.
- j) Presentation of an unacceptable level of development and technology risk.
- k) Failure to demonstrate that the Bidder's project development team has successfully completed the developmental and commissioning of at least one generation project with characteristics similar to the proposed project.
- l) Failure to demonstrate, to PacifiCorp's satisfaction that Bidder can meet the security requirements for each Resource Alternative being proposed consistent with the requirements in the appropriate Proforma Agreements for that resource.
- m) Failure to address satisfactorily both the price and non-price factors.

- n) Bidder's failure to include a statement in the proposal that the Bidder agrees to indemnify and hold harmless the Independent Evaluators for their actions associated with the RFP process.
- o) Bidder's failure or inability to abide by the applicable safety standards.
- p) Submission of an unacceptable contract structure.
- q) Bidder or project being bid is involved in bankruptcy proceedings.
- r) Submission of a PPA or TSA that is not backed by an asset for a term longer than five (5) years.

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 in whole or in part at any time. Without limiting the foregoing, the Company reserves the right to reject as non responsive any or all bid proposals received for failure to meet any requirement of this RFP outlined in Section 4. The Company also reserves the right to request that the IEs 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 regulations 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, rejection of any bid proposal, failure to enter into an agreement, or for any other reason relating to or arising out of this RFP. The bid fees submitted by any Bidder, once the bid is accepted, will not be refunded (unless otherwise determined by the Company in consultation with the IEs) in the event of any modification or withdrawal of this RFP, 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 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 this RFP, accounting and tax rules may require either: (i) a contract

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be accounted for by PacifiCorp as a Capital Lease or Operating Lease¹⁹ 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 Entity²⁰ (VIE) onto PacifiCorp's balance sheet. To the extent a Bidder's 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 after they are given an opportunity to provide an alternate structure that does not trigger a VIE, which will be subject to consultation with the IEs.

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 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 determine potential accounting impacts. Such information may include, but may not be limited to, data supporting the 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.

To the extent PacifiCorp rejects a proposal submitted in this RFP because it triggers VIE treatment, PacifiCorp shall provide documentation to the IEs justifying the basis for its decision.

¹⁹ "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.

²⁰ "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.

6. Cost Associated with Direct or Inferred Debt

PacifiCorp will not take into account potential costs to the Company associated with direct or inferred debt (described below) as part of its economic analysis in the initial or final shortlist evaluation. However, after completing the final shortlist and before the final resource selections are submitted for approval by the Utah Commission or acknowledgement by the Oregon Commission, the Company may take into consideration, in seeking approval, cost recovery or acknowledgement with respect to selected resources, any projected costs of direct or inferred debt. The Company will bear the burden to demonstrate to the satisfaction of its regulators the validity, magnitude and impacts of any such projected costs. At the request of the Utah or Oregon Commission, PacifiCorp will be required to obtain a written advisory opinion from a rating agency to substantiate the utility's analysis and final decision regarding direct or inferred debt.

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.

7. 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 such information shall not be available to any entity before, during or after this RFP 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.

Only those Company employees who are directly involved in this RFP 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 regulatory proceedings, subject to appropriate confidentiality provisions

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applicable to that particular proceeding. This means that parties to regulatory proceedings may request to view confidential information. If such a request occurs, 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.

8. 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 (10) 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 contracts for any of the Resource Alternatives listed above the Company will go through a preapproval process, consistent with the Utah Energy Resource Procurement Act²¹ and may seek acknowledgement of resources pursuant to Oregon Order No. 06-446.²²

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9. 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.

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SECTION 4. RFP PROPOSAL CONTENT

The following outlines the content and format requirements for all proposals by Resource Alternative when responding to this RFP. 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(s) for the number of

²¹ The Utah Energy Resource Procurement Act may be viewed at: <http://www.le.state.ut.us>.

²² Oregon Order No. 06-446 is located at: <http://edocs.puc.state.or.us>.

Resource Alternatives that are being offered.

Each Bidder must provide the following information: 1) All RFP Appendices, Form(s) and Attachments identified below as required for all proposals; and 2) the Appendices, Form(s) and Attachments identified under each of the Resource Alternatives identified below in Chart 4.

CHART 4

Proposal Type	Required Information
All Bidders are required to submit the following:	Intent to Bid Form: Appendix A and Appendix B Appendix D – Fuel Supply Form (may vary if Bidders offer fixed price) Appendix E – Officer Certificate 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 depending on the Resource Alternative

Proposal Type	Additional Required Information
1) Power Purchase Agreement:	Attachment 3 - Power Purchase Agreement Attachment 16 - Site Purchase Agreement for Lake Side (if applicable) Attachment 17 - Site Purchase Agreement for Currant Creek (if applicable) Attachment 24 – Specification for the APSA at the Lake Side Site (if applicable) Attachment 25 – Specification for the APSA at the Currant Creek Site (if applicable) Appendix C-1 - PPA and TSA Information Request Appendix G - Bidder Site Control Form Appendix H - Construction Coordination

Proposal Type	Additional Required Information
	Agreement (if applicable)
2) Tolling Service Agreement:	Attachment 5 – Tolling Service Agreement Attachment 16 - Site Purchase Agreement for Lake Side (if applicable) Attachment 17 - Site Purchase Agreement for Currant Creek (if applicable) Attachment 24 – Specification for the APSA at the Lake Side Site (if applicable) Attachment 25 – Specification for the APSA at the Currant Creek Site (if applicable) Appendix C-1 - PPA and TSA Information Request Appendix G - Bidder Site Control Form Appendix H - Construction Coordination Agreement (if applicable)
3) APSA Bids at PacifiCorp Sites:	Attachment 6 - Asset Purchase and Sale Agreement (APSA) with Appendices – Lake Side or Currant Creek specifications Attachment 16 or Attachment 17 – Site Purchase Agreement (if applicable) Attachment 24 – Specification for the APSA at the Lake Side Site (if applicable) Attachment 25 – Specification for the APSA at the Currant Creek Site (if applicable) Appendix C-2 - APSA Information Request
4) APSA Bids at Bidder Sites:	Attachment 6 - Asset Purchase and Sale Agreement (APSA) with Appendices Attachment 23 – O&M Term Sheet Appendix C-2 - APSA Information Request Appendix G - Bidder Site Control Form Bidder’s form of O&M Agreement
5) Sale of Existing Facilities Bids :	Attachment 19 – Due Diligence items for the Acquisition of an Existing Facility

Proposal Type	Additional Required Information
	Appendix C-3 – Existing Asset Purchase Information Request
6) Sale of Portion of Jointly Owned or Operated Bids:	Attachment 19 - Due Diligence Items for the Acquisition of an Existing Facility Appendix C-3 - Existing Asset Purchase Information Request
7) Restructuring Bids of an Existing Power Purchase Agreement or an Exchange Agreement and/or Buyback of an Existing Sales Agreement:	Any other form deemed to be required based on the restructuring
8) Exceptions: a) Load Curtailment:	Attachment 3 - Power Purchase Agreement
b) Qualifying Facilities:	Attachment 3 - Power Purchase Agreement Appendix C-1 - PPA Information Request Appendix G - Bidder Site Control Form Attachment 2 - QFs Bidder Information
c) Biomass or Geothermal:	Attachment 3 - Power Purchase Agreement Appendix C-1 - PPA Information Request Appendix G - Bidder Site Control Form

SECTION 5. RESOURCE INFORMATION

A. PRICE AND NON-PRICE INFORMATION

The Company intends to 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.

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 2007 IRP in Appendix A. 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.

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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 a PPA, a source must be identified which will determine the (CO₂) emissions. For bids with a specified facility, which would include an asset backed PPA, the potential CO₂-related expenses will be included in the Company's evaluation based on the asset identified by the Bidder as backing the resource. The CO₂-related expenses will be consistent with the reference case assumptions utilized in the 2007 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, the bid evaluation process will incorporate the assumption that Bidders will pass through to PacifiCorp any costs associated with meeting future air quality requirements relating to specified facilities.

B. PRICE INFORMATION

1. Fixed & Variable Cost for Capacity and Energy

a) Fixed Costs

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

- The Bidder - specified capacity cost payment (\$/kw-mo)
 - The capacity charge may include a combination of fixed and indexed pricing provided that the following minimum and maximum percentages and indices are submitted:
 - Minimum of 60% Fixed
 - Maximum of 25% Indexed to "Consumer Price Index"²³
 - Maximum of 15% Indexed to "Producer Price Index - Metals and Metal Products"
- The Bidder – capital cost purchase price (including Owner's cost) (\$/kw-mo) plus ongoing capital estimates for the term of the resource
 - Capital Cost may have a combination of fixed and indexed pricing for its capital costs provided that the following minimum and maximum percentages and indices are submitted:
 - Minimum of 60% Fixed
 - Maximum of 25% Indexed to "Consumer Price Index"

²³ If the Bidder proposes an alternate Index than what is provided in the RFP the proposed Index must be transparent and easily measurable (i.e. "publicly available"). PacifiCorp and the Bidder with input from the IEs will need to ensure that there is no disagreement as to how costs will be measured if a bid is successful.

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- Maximum of 15% Indexed to "Producer Price Index - Metals and Metal Products"
- The Bidder – specified fixed O&M payment (\$/kw-mo)
 - This value can be a fixed value or indexed to the Consumer Price Index, the Gross Domestic Product, or a bidder-supplier fixed rate.
- The Bidder – specified property tax, sales tax, and insurance payment, if not included in capacity cost or fixed O&M payment (\$/kw-mo)
- The Bidder – transport costs which may include: Fuel pipeline costs for the estimated costs of adequate firm natural gas capacity
- The Bidder – must include interconnection costs in their proposal and other costs (e.g., applicable transmission wheeling expense) necessary to deliver the energy to an interconnection point on PacifiCorp's system
- The Bidder – In the evaluation process, the Company will add the cost of integration. The Integration costs associated with the possible Points of Delivery in **Attachment 13** will be used, on a prorated basis, as a proxy cost in the initial shortlist. Bidders must identify the Point of Delivery in Section 4(C)(1). If the Bidder can not determine if the Point of Delivery corresponds to one of the Points of Delivery in **Attachment 13** then the Bidder must request clarification with the Utah IE who will seek the determination from PacifiCorp Transmission.
- Proposed fixed cost adjustment factor for availability.

b) Variable Costs

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

- The variable energy commodity price, which, depending on pricing structure, could take one of several forms. Energy commodity costs could (1) be based or indexed to a specified gas index, (2) could be established as the product of a fuel index value times the contractual heat rate, or (3) in certain structures, the variable energy commodity price will be fixed, or potentially fixed with an annual escalation. Escalators must be a fixed annual percentage, CPI, or GDP.
- Variable O&M (\$/MWh).
 - This value can be a fixed value or indexed to the Consumer Price Index, the Gross Domestic Product, or a bidder-supplier fixed rate.
- 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.²⁴

C. **NON-PRICE INFORMATION**

1. **Point(s) of Delivery**

This RFP is requesting up to 2,000 MW of cost-effective resources that are capable for delivery into or in the Company’s network transmission system²⁵ in PACE or PACW. All proposals will be contingent on the ability of PacifiCorp’s commercial and trading function to designate the proposed resource (new, existing, imported, etc.) as a Network Resource under the network service contract between PacifiCorp Transmission and PacifiCorp Commercial and Trading.

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

Eastern Control Area (PACE)

- Salt Lake Valley
- PacifiCorp Sites
 - Currant Creek
 - Lake Side
- Mona²⁶ 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
- Four Corners
- West of Naughton

Although the Company will consider resources delivered to the following areas these areas have been identified as having potential transmission constraint implications

²⁴ 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 $365 \times 90\% = 328$.

²⁵ 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.

²⁶ 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).

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and as such, will need to be evaluated accordingly:

- Wyoming, unless the resource(s) electrically reside south of the Naughton Monument 230kV line. If, resources in Wyoming are not electrically west of Naughton such resources may be useful in supporting the increased load and wind resources in Wyoming; however, such resources may be negatively affected by transmission constraints.
- Borah, Brady or Kinport unless such resources is interconnected to the Company's Southwest Idaho electrical system near Goshen area.

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PacifiCorp is willing to purchase capacity and associated energy that is sourced from the Desert Southwest (Nevada, California, Arizona, New Mexico); provided, the selling entity is able to purchase firm transmission from the resource to either Gonder or Nevada Utah Border or Crystal.

Western Control Area (PACW)

- Mid Columbia
- Paul 500kV
- California Oregon Border
- PACW System
 - Within the Western Control Area – The point of interconnection between the resource, or the electrical system to which the resource is connected, and PacifiCorp's transmission system.²⁷

²⁷ Willamette Valley

Alvey 500 kV	Fry 230 kV
Chiloquin 230 kV	Meridian 230 kV
Dixonville 230 kV	Reston 230 kV

Central Oregon – Deschutes Valley

Bend 69 kV	Ponderosa 230 kV
Pilot Butte 69/230 kV	Redmond 69 kV

Yakima Area – Mid Columbia

Midway 230 kV	Wanapum 230 kV
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Oregon Coast

Astoria to Tillamook 115 kV
Boyer (Lincoln City) 115 kV
Fairview (Coos Bay) 115/230 kV

Alvey 500 kV	Fry 230 kV
Chiloquin 230 kV	Meridian 230 kV
Dixonville 230 kV	Reston 230 kV

Central Oregon – Deschutes Valley

Bend 69 kV	Ponderosa 230 kV
Pilot Butte 69/230 kV	Redmond 69 kV

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- Scheduled to the point(s) of interconnection between PacifiCorp’s western control area and the Bonneville Power Administration or Portland General Electric control areas such that transfer limitations are not exceeded. If the source is located within the Bonneville control area, the Bidder must show they have control area service from the resource to the delivery point.

2. Proposals Requiring Third-Party Interconnection and Transmission Service

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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 west and east system, Bidders are responsible for any interconnection, electric losses, reserves, transmission and ancillary service arrangements required to deliver the proposed firm 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, provider of reserves, and must 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 bids relying on third-party transmission should be aware that the use of transmission that is interruptible within the hour in any segment of the schedule and tag from the source to the Point(s) of Delivery will require the Company to evaluate the need to carry 100% reserves against the import schedule.

Bidders who propose unit contingent arrangements or system portfolio bids that are interruptible within an operating hour will require the Company to evaluate the need to carry 100% reserves against the import schedule.

3. Standards of Conduct

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Each Bidder responding to this RFP must conduct its communications, implementation and operations in compliance with FERC’s Standards of Conduct for Transmission Providers, requiring the separation of its transmission and merchant functions. The third-party transmission service is NOT a transmission service agreement with the Company’s commercial and trading function; rather it is with PacifiCorp’s transmission function or

Yakima Area – Mid Columbia
Midway 230 kV

Wanapum 230 kV

Oregon Coast
Astoria to Tillamook 115 kV
Boyer (Lincoln City) 115 kV
Fairview (Coos Bay) 115/230 kV

other third-party transmission providers.

4. PacifiCorp Transmission Interconnection & Transmission Services

This RFP requires that all Bidders must enter into a separate Interconnection Agreement if their facilities are located within the PacifiCorp footprint in accordance with PacifiCorp's Open Access Transmission Tariff ("OATT"). Bidders must advise PacifiCorp Transmission if their service is being requested as part of this RFP. Bidders requiring interconnection service from PacifiCorp Transmission must request Network Resources Interconnection Service.

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 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 PacifiCorp's Transmission system. The Bidder will be responsible for applying to PacifiCorp 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 from all Bidders will be included in the bid evaluation. **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.oasis.pacificorp.com) for information related to a system interconnection request.

Once the Bidder is selected, 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 per PacifiCorp's OATT. Any such revenue credits shall be assigned to the Company.

5. PacifiCorp Transmission Integration Service

Bidders should not factor in the cost of integrating the proposed resources from bid-specified Points of Delivery to PacifiCorp's system. Such integration costs will be factored in for determination of the final shortlist. PacifiCorp has preliminarily identified the potential costs to integrate resources from the bid-specified Points of Delivery to the PacifiCorp system. These costs are reflected in **Attachment 13**. These costs do not include interconnection costs. The Points of Delivery and the costs identified in **Attachment 13** are proxy costs to integrate resources into the system which will be used in the evaluation of the initial shortlist to determine the cost to integrate resources at those specific Points of Delivery. The costs in **Attachment 13** will be updated prior to issuance of the RFP to the market.

In the event that a Bidder proposes a facility, PPA or TSA that is not at one of the locations identified in **Attachment 13**, the Bidder will seek clarification from the IEs, who will seek clarification from PacifiCorp Transmission as to the appropriate cost to use

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from **Attachment 13** for integration of the resources proposed to PacifiCorp’s system.

After the initial shortlist is determined, the Structuring and Pricing group will provide the results of the initial short list to the IRP group. Pursuant to a consulting agreement between the IRP Group and PacifiCorp Transmission, PacifiCorp Transmission will determine the actual costs associated with integrating the short-listed resources into PacifiCorp’s system. The IRP group will seek updated costs from PacifiCorp Transmission to integrate only the short-listed bidders. These integration costs will be used as inputs into the IRP model with the short-listed proposals in order to determine the final short list.

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 6** or **Appendix H**. These negotiations will occur if and when the Bidder is selected from the final shortlist to enter into negotiations. **THIS RFP 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 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 6. BID EVALUATION PROCESS OF THE PROPOSALS

The Evaluation Team and the IEs will adhere to the following bid evaluation process.

A. OVERVIEW OF THE EVALUATION PROCESS

The analysis for the RFP will be focused on finding the best combination of resource opportunities to meet customer requirements at the least cost, on a risk adjusted basis and in the public interest. The evaluation process will utilize a screening process to derive an initial shortlist of bids (described in Step 1 below) which will then be placed in a system wide production cost model to determine the final shortlist (described in Steps 2 and 3 below). The Company intends to utilize a “first price sealed bid format” in order to determine both the initial and final shortlist of proposals.

The selection of an initial shortlist of bids will be based on price and non-price factors. The Company will exchange [Term Sheets containing all](#) inputs with the Bidders in order to ensure that all inputs that are entered into the price evaluation are validated by the Bidder. The price factor will be derived, in the initial shortlist analysis, using the PacifiCorp Structuring and Pricing RFP Base Model. The RFP Base Model will be used

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to establish the initial shortlist up to two times²⁸ the quantity in each of the three separate categories ~~may be selected~~; a Base Load category, an Intermediate Load category and a Summer Peak category each on the projected net present value revenue requirement (net PVRR) per kilowatt month (Net PVRR/kW-mo). The non-price factors will evaluate the proposed resource characteristics, including development feasibility and risk, site control and permitting, and operational viability and risk impacts. The underlying criteria within each category are explained in more detail in Section 6.B.

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Bids which qualify for the initial shortlist from a screening basis will be run through a production cost model to establish a preferred portfolio and subsequently a final shortlist, which may include up to one and a half times²⁹ the requested quantity. After the final shortlist is determined, post-bid negotiations will take place. Under this format, contract payments will be 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. Bidders who make the initial shortlist may be offered the option to refresh or update their pricing at the discretion of PacifiCorp, in consultation with the IEs.

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In selecting the RFP bids for contract negotiations, an optimization model will be used to pick the least cost portfolios of resource options from the initial shortlist under different sets of forecast assumptions (prices, emission expenses, etc.). Additional deterministic and stochastic analyses will be performed to support portfolio risk analysis of each of the optimal portfolios determined by the optimization model.

In selecting resources to be submitted for approval or acknowledgement as part of the final shortlist, the Company will take into consideration, in consultation with the IEs, certain other factors not expressly included in the formal evaluation process, but required to be considered by applicable law or Commission order.

The evaluation process described below is consistent with that used in the Company’s IRP process and applicable laws and orders, and is expected to provide sufficient analytical basis from which to make resource choices. The evaluation will identify the resources most commonly included in the highest performing portfolios as the RFP “winners” that will then advance to contract negotiations. Portfolio performance is measured as the expected present value of revenue requirements (PVRR), adjusted for risk, and accounting for statutory public interest factors. The key stochastic performance measure used to assess each resource set will be the risk-adjusted PVRR which is calculated as the mean PVRR plus the expected value (EV) of the 95th percentile PVRR, where $EV = P(PVRR)_{95} \times 5\%$.³⁰ The Company will not ask for, or accept, updated pricing from Bidders during this evaluation period. It is the Company’s intent to negotiate

²⁸ Up to 2,000 MW *2 or 4,000 MW.

²⁹ Up to one and a half times the resource requested (2,000 MW *1.5 or 3,000 MW).

³⁰ This metric expresses a low-probability portfolio cost outcome as a risk premium applied to the expected (or mean) PVRR based on the 100 Monte Carlo simulations.

both price and non-price issues during the post-bid negotiations. Selection for the initial shortlist, final shortlist, and/or post-bid negotiation does not constitute a “winning bid proposal.” For the purpose of the RFP, 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’s Standards of Conduct, between the merchant and transmission functions of PacifiCorp (See **Attachment 20**). As a result, PacifiCorp will require the Bidder to be responsible for the negotiation, execution and cost of interconnecting a resource or a contract of firm capacity with associated energy in or in to PacifiCorp’s control area. The Bidder will be responsible for all incremental transmission expenses associated with delivery to PacifiCorp’s network transmission system (inclusive of any third-party system upgrade needed to deliver such energy to PACE or PACW). 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.

Transmission integration costs will be used on a prorated basis in the development of the initial shortlist in Step 1. In the system wide production cost models utilized in Step 2 and Step 3, the transmission costs and system benefits (i.e. additional economic transactions, etc.) will be evaluated. Figure 1 is an overview of the evaluation process

FIGURE 1

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. The IEs will have full access to the inputs (including the Company's forward price projections) and all models used in the evaluation process.

B. THE EVALUATION PROCESS

Bids submitted in this RFP will be evaluated in three steps:

- 1. Step 1—Price and Non-price screen will be used to determine a list which will be deemed an initial shortlist.**

The Company intends to evaluate each bid received in a consistent manner by separately evaluating the non-price characteristics of the resource and the price characteristics. Each component will be evaluated separately and recombined to determine the bundled price and non-price score. The price factor will be weighted up to 70%, while the non-price factor will be weighted up to 30%. No proposal will receive a total weighting in excess of 100%. The price and non-price evaluation will be added together and used to determine the initial shortlist. The initial shortlist will be made up of the highest scoring proposals in three separate categories, the Base Load resource, the Intermediate Load resource and the Summer Peak resource.

- a) Price Factor Evaluation (Up to 70%)

The Company will utilize the RFP Base Model to screen the proposals and to evaluate and determine the price ranking for the eligible bids received in the three categories, the Base Load resource, the Intermediate Load resource and the Summer Peak load resource.

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 fuel commodities. Treasury 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 (Transmission Integration costs will be used on a prorated basis)
- Emission 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
- Temperature – adjusted undegraded (new and clean) Heat rate Curve
- Capacity (MW) Degradation Schedule (Expected and/or Guaranteed)
- Heat Rate Degradation Schedule (Expected and/or Guaranteed)
- Turbine Type
- 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.

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Comparison Metric

The 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.³¹

Bid Cost relative to adjusted price curves	Price Factor Weighting
Less than or equal to 60% of adjusted price projections	70%
Greater than 60% of adjusted price projections but less than 140% of adjusted price curves	Linearly interpolated
Equal to or greater than 140% of the adjusted price projection	0%

b) Non-price Factors (up to 30%)

The primary purpose of the non-price analysis is to help gauge the relative development, construction and operational characteristics and associated risks of each proposal from a screening basis. A matrix will be established for each non-price factor and will be used to compare the bids with one another. Non-price factors will be weighted up to 30% (in combination with the price scores) in the determination of which proposals will be chosen for the initial shortlist. The non-price factor criteria are identified in Chart 5 below. Bids will be evaluated and scored in three discrete categories: (1) 100% of the percentage weight; (2) 50% of the percentage weight; or (3) 0% of the percentage weight. Bids will be evaluated based on their ability to demonstrate the proposal is thorough, comprehensive and provides limited risk to the buyer prior to the company performing due diligence on any given Bid. Bids which have a demonstrated track record or are mature proposals will be more highly evaluated. Chart 5 lists the key non-price criteria and the basis for weighting for each criterion.

CHART 5

Non-price	Non-price Weighting Factor
Development Feasibility/Risk <ul style="list-style-type: none"> ▪ Critical Path Schedule 0-5% ▪ Engineering Design and Technology 0-2.5% ▪ Fuel Supply and Transportation Strategy 0-2.5% 	Up to 10% Bids will be evaluated based on the quality of their proposal, their responsiveness to the information requested and their ability to demonstrate that the project can be reasonably developed within the appropriate timeframe to meet the proposed

³¹The 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. To the extent that all proposals are above 120% of adjusted price curves, they will be ranked by percentage.

Non-price	Non-price Weighting Factor
	in service date and with limited risk to the buyer. Bids which have achieved commercial operation will be awarded percentage weight consistent with the risk associated with each non-price category. For example, an existing project will be awarded 100% of the percentage weight associated with the Critical Path Schedule criteria.
Site Control and Permitting <ul style="list-style-type: none"> ▪ Permits Required 0-5% ▪ Access to Water Supply 0-2.5% ▪ Rights of Ways 0-2.5% 	Up to 10% Bids will be evaluated based on the quality of their proposal, their responsiveness to the information requested and demonstration of sufficient detail on the status of permitting, access to available water supply and site control. Bids which can demonstrate little or no risk associated with these criteria will be more highly evaluated.
Operational Viability/Risk Impacts <ul style="list-style-type: none"> ▪ Environmental Compliance/Strategy 0-5% ▪ Environmental Impact 0-2.5% ▪ O&M Plan 0-2.5% 	Up to 10% Bids will be evaluated based on the quality of their proposal, their responsiveness to the information requested and demonstration of sufficient detail regarding the quality of their environmental compliance plan and O&M plan as well as the environmental impact of each proposal consistent with the proposed technology.

i) Development Feasibility/Risk

This category is intended to assess the likelihood the project can be successfully developed as proposed based on a number of factors which influence project development feasibility and risk of development. Factors influencing the status of project development as well as the likelihood the project will be developed on schedule will be assessed. For this category, PacifiCorp will evaluate the Critical Path schedule provided by the Bidders, the engineering design and technology maturity for the project proposed, the status of fuel supply arrangements and the strategy of the Bidder for securing fuel for the project.

Bidders shall provide a detailed project schedule with critical path milestones for the project that includes activities from the period of selection as the winning bidder to the commercial operation date. PacifiCorp will review and evaluate the project schedule to

ensure there is a high likelihood the project can reach commercial operations as proposed. This review will include the risks of delays in securing the necessary environmental permits.

Bidders should also provide information about specific technology and equipment proposed for the project, including a description of the track record of the technology and equipment. The Bidder should provide a detailed description and specifications for the proposed equipment (including the turbine, steam generator, cooling equipment and environmental control equipment proposed). PacifiCorp reserves the right to conduct further due diligence on the equipment. PacifiCorp prefers proposals that demonstrate that the generation design and equipment proposed is technologically mature and the Bidder has included a reasonable plan to address how the project will conform to change in environmental requirements in the future

Bidders should provide a detailed strategy for securing and delivering fuel to the plant site. If the project is in the early stages of development, PacifiCorp requires a fuel supply and transportation plan that demonstrates that the fuel supply arrangements adequately conform to the type of project/technology proposed (*e.g.* gas-fired combined). PacifiCorp prefers proposals that can demonstrate a secure and reliable fuel supply or strategy which demonstrates the ability of the bidder to secure a reliable supply for the project.

ii) Site Control and Permits

Bidders must be able to 1) document they have obtained site control and necessary permits (maximum points in this category) or 2) demonstrate how site control and permits will be obtained. To meet the site control requirement, Bidders shall have identified a site and must provide a copy of documentation establishing that the seller has and/or will have control over the site for the entire term of the contract. Eligible documentation includes a demonstration of site ownership, an option to purchase the site, or a binding letter of intent from the landowners for the full term of the contract. The Bidder must be able to obtain site control prior to signing a contract with the Company.

For Bidders to demonstrate how they will obtain site control, they must submit documentation which supports the site control requirements. Bidders should also provide a list of all required permits that must be obtained. In addition, Bidders should identify any rights-of-ways that need to be acquired for the construction of supporting facilities (*i.e.* water pipelines, fuel lines, transmission lines, rail spurs, etc.) and provide a plan and schedule for securing the rights-of-ways.

Finally, PacifiCorp is particularly interested in the plan proposed by the Bidder for securing necessary water rights for the project, including the sources of water and status of any agreements in place to secure and deliver the water to the project site.

iii) Operational Viability/Risk Impacts

This category addresses key viability and risk factors associated with project operations.

The three key factors of importance are the Bidder's environmental management and compliance plan, the proposal's environmental impacts and the O&M plan. The environmental management and compliance criterion addresses the ability of the generation facilities supporting the PPA to anticipate and remain in compliance with existing and future environmental regulatory requirements and to reduce environmental impacts. Bidders should, to the extent practicable, explain and justify their choices of pollution control and water cooling technologies. PacifiCorp is interested in proposals that can demonstrate, through a credible plan, the ability to manage and reduce environmental costs and impacts. Options to meet the requirements of developing regulations for control of currently regulated air emissions and mercury, along with emerging issues such as greenhouse gas emissions and ways to mitigate future CO₂ impositions, should be included in the Bidder's strategy for meeting the necessary requirements.

An important criterion for evaluating proposals will be the project's environmental impacts. The proposal's overall plan to minimize air emissions will be an important aspect of this review. In addition, site impacts such as water usage, land use, waste disposal, etc. will be considered. Proposals should include a description of the Bidder's plan to address site-specific areas of environmental sensitivity. Bidders are encouraged to identify areas where incremental improvements in environmental performance and water use and efficiency can be made through more advanced pollution control and water cooling technologies, if applicable, and to provide projected cost analysis for such incremental improvements, and tradeoffs with other factors like fuel use and air emissions. If a Bidder is not able to address this issue fully in its initial bid submission, it should identify what additional information it will be prepared to provide in the event its bid moves from the initial shortlist to the final shortlist.

The Bidder is also required to provide an O&M plan for the proposal. The O&M plan should include any plans for the Bidder to execute a long-term contract with a reputable operations and maintenance provider, a description of the funding levels/mechanism and contractual arrangements, and a description of the previous experience of the Bidder in operating and maintaining similar facilities.

The initial shortlist will be established using the combined price and non-price results. The initial shortlist will include the top bids in the three categories, Base Load resource, Intermediate Load and Summer Peak resource. In addition, PacifiCorp may utilize the information provided by Bidders in their proposals associated with the non-price criteria listed above in the risk assessment of various resource alternatives.

The Final Shortlist will be comprised of Step 2 and Step 3.

**2. Step 2—Capacity Expansion Model - Optimized Portfolio*
Development**

Based on the initial shortlist, Global Energy Decision's Capacity Expansion Model (CEM®) will be used to develop optimized portfolios under various assumptions for

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future emission expense levels and market prices. CEM® will develop a corresponding number of optimized portfolios—one for each combination of emission and wholesale market and natural gas price assumptions—drawing from resource options in the initial shortlist (described above) along with the Company’s Benchmark Resource(s). These assumptions will be conceptually consistent with the 2007 IRP high, medium, and low cases, but may reflect more recent data at the time the analysis is conducted. An optimal portfolio will be established for each combination of emission and wholesale market and natural gas price assumptions.

Each portfolio from the CEM® scenarios will be a candidate for the optimum combination of resources to be selected through the RFP process and will therefore be advanced to the stochastic/deterministic analysis step described below. Resources bid into the RFP that are not included in any of the portfolios resulting from this step will no longer be considered candidates for acquisition by the Company.

3. Step 3—Risk Analysis

In order to identify the resources in the highest performing (least cost, adjusted for risk) portfolios, stochastic and deterministic analyses will be performed on each optimized portfolio. Consistent with the IRP, the Company will use the Planning and Risk Model and the Capacity Expansion Model to assess the risks to each Resource Alternative. The Planning and Risk Model will model hydro conditions, thermal outages, gas prices, electricity prices and load on a stochastic basis. The Capacity Expansion Model will model CO₂, fuel prices (natural gas) and electricity prices on a scenario basis.

c) Stochastic Analysis

Global Energy Decision’s Planning and Risk (PaR®) model will be used in stochastic mode to develop expected PVRR and tail risk PVRR measures for the optimal portfolios developed from Step 2. PaR® is an hourly unit commitment and dispatch model that, in stochastic mode, generates many simulations based on variations in loads, wholesale gas prices, wholesale electric prices, hydro variations, and thermal unit performance. The model dispatches resources to meet load with given markets and transmission access to minimize variable cost PVRR using linear programming techniques. The resulting distribution of total PVRR (comprised of PaR®’s variable cost PVRR plus the fixed cost PVRR component estimated by the CEM®), typically over 100 draws of the variables, will be evaluated for the expected PVRR, tail risk PVRR, and PVRR volatility.

d) Deterministic Scenario Analysis

As an additional risk analysis step, the optimal portfolios will be subjected to a more in-depth deterministic dispatch model using CEM®, with each portfolio being assessed for each of the future scenarios described in Step 2 above. For example, Portfolio 1 will have been optimized for Scenario 1, but in this step Portfolio 1 will be reevaluated under scenarios 2 through *N* in order to assess the consequences of choosing a portfolio if other futures are realized. This step is intended to identify portfolios with especially poor

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performance under certain future scenarios and used to inform the selection of final resource options.

e) Inputs used in CEM® and PaR®

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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

Bidders should ensure that they provide the information necessary to undertake the evaluation in their proposal. 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 in order 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

4. Step 4 – Final Selections; Other Factors

The first three steps described above constitute the formal evaluation process and will lead to the compilation of the final shortlist of resources for further negotiation. After completing the formal evaluation process described above, but before making the final resource selections to be submitted for approval or acknowledgement, the Company will take into consideration, in consultation with the IEs, certain other factors that are not expressly or adequately factored into the formal evaluation process, but that are required by applicable law or Commission order to be considered. The Company may consider creative means, proposed by Bidders, to absorb and securitize any CO2 risk consistent with multi-state legal and regulatory requirements. The Company may also evaluate and include prudent costs associated with direct and or indirect debt consistent with the information outlined in Section 3(h)(5) and (6) when seeking approval, cost recovery or acknowledgement of the selected resource(s). In addition, the Company will consider the multi-state cost allocation process in evaluating all bids.

The Utah Energy Resource Procurement Act requires consideration of at least the following factors in determining whether a resource selected by the Company should be approved as in the public interest:

- whether it will most likely result in the acquisition, production, and delivery of electricity at the lowest reasonable cost to the retail customers of an affected electrical utility located in this state;
- long-term and short-term impacts;
- risk;
- reliability;
- financial impacts on the affected electrical utility; and
- other factors determined by the Commission to be relevant.

Oregon Order No. 06-446, Guideline 10(d), requires that the Oregon IE evaluate the unique risks and advantages associated with a Benchmark, including the regulatory treatment of costs or benefits related to actual construction cost and plant operation differing from what was projected for the RFP.

SECTION 7. AWARDING OF CONTRACTS

A. INVITATION

This RFP is merely an invitation to make proposals to the Company. No proposal in and of itself shall constitute a binding contract. The Company may, in its sole and absolute

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<#>Resource cost;¶
<#>Market-volatility risks;¶
<#>Demand side resource uncertainties;¶
<#>Resource dispatchability;¶
<#>Resource effect on system operation;¶
<#>Credit and financial risks to utility;¶
<#>Risks imposed on customers;¶
<#>Public policies regarding resource preference adopted by Washington state or the federal government;¶
<#>Environmental effects including CO2;¶
<#>Differences in relative amounts of risk inherent among technologies, fuel sources, financing arrangements, and contract provisions; and¶
<#>Complements power acquisition goals identified in the IRP.¶

discretion, perform any one or more of the following:

- Determine, in consultation with the IEs, which proposals are eligible for consideration as proposals in response to this RFP.
- Issue additional subsequent solicitations for information and conduct investigations with respect to the qualifications of each Bidder.
- Disqualify proposals contemplating resources that do not meet the definition of Base Load, Intermediate Load or Summer Peak resources in this RFP.
- Supplement, amend, or otherwise modify this RFP, or cancel this RFP with or without the substitution of another RFP.
- Negotiate and request Bidders to amend any proposals.
- Select and enter into agreements with the Bidders who, in the Company's sole judgment, are most responsive to the RFP and whose proposals best satisfy the interest of the Company, its customers, and state legal and regulatory requirements, 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 process on any terms and conditions.
- Withdraw any invitation to submit a response.

B. POST-BID NEGOTIATION

The Company will further negotiate all terms and conditions 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 will allow Bidders to negotiate final contract terms that are different from the Proforma Agreements.

C. CONFIDENTIALITY AGREEMENT

All parties will be required to sign Confidentiality Agreements if they qualify for the final shortlist (**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 qualify for the final shortlist (**Attachment 15**) prior to entering into negotiations with the Company.

4-25-08 Version

**ATTACHMENT 3 TO PACIFICORP'S
2008 ALL SOURCE REQUEST FOR
PROPOSALS**

[Issue Date]

Responses due *[Date]*

**PACIFICORP 2008 ALL SOURCE RFP
POWER PURCHASE AGREEMENT**

dated as of [_____], 2008,

BETWEEN

**[Bidder # [?]],
as Seller,**

AND

**PACIFICORP,
as Buyer**

[_____ **Project]**

[_____, *[State]*]

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Exhibit S	Credit Matrix [<i>Note to bidders: Credit Matrix attached as Appendix to 2008 All Source RFP</i>]
<u>Exhibit T</u>	<u>Form of Lender Consent</u>

THIS WORKING DRAFT DOES NOT CONSTITUTE A BINDING OFFER, SHALL NOT FORM THE BASIS FOR AN AGREEMENT BY ESTOPPEL OR OTHERWISE, AND IS CONDITIONED UPON SELECTION OF THE BIDDER, EXECUTION, AND EACH PARTY'S RECEIPT OF ALL REQUIRED MANAGEMENT AND BOARD APPROVALS IN THEIR SOLE AND ABSOLUTE DISCRETION (INCLUDING FINAL CREDIT AND LEGAL APPROVALS). ANY ACTIONS TAKEN BY A PARTY IN RELIANCE ON THE TERMS SET FORTH IN THIS WORKING DRAFT OR ON STATEMENTS MADE DURING NEGOTIATIONS RELATING TO THIS WORKING DRAFT SHALL BE AT THAT PARTY'S OWN RISK. UNTIL THIS WORKING DRAFT IS NEGOTIATED, APPROVED BY ALL APPROPRIATE PARTIES AND EXECUTED BY EACH PARTY'S AUTHORIZED SIGNATORY, NO PARTY SHALL HAVE ANY LEGAL OBLIGATIONS, EXPRESSED OR IMPLIED, OR ARISING IN ANY OTHER MANNER UNDER THIS WORKING DRAFT OR IN THE COURSE OF NEGOTIATIONS. ANY ASSERTION TO THE CONTRARY IN ANY PROCEEDING OR ACTION REGARDING THIS WORKING DRAFT SHALL RENDER THIS WORKING DRAFT NULL AND VOID IN ITS ENTIRETY. DURING DISCUSSIONS AND NEGOTIATIONS ANY PARTY MAY CHANGE ITS POSITION ON ANY MATTER, WHETHER OR NOT SET FORTH IN OR BASED UPON THIS WORKING DRAFT, ANY OTHER DOCUMENT OR ANY COURSE OF DEALING, AT ANY TIME OR FOR ANY REASON.

POWER PURCHASE AGREEMENT

THIS POWER PURCHASE AGREEMENT dated as of [_____], 2008 (this "Agreement"), is made and entered into between [_____], a [*describe entity*] ("Seller"), and PacifiCorp, an Oregon corporation, acting in its merchant function capacity ("Buyer"). Seller and Buyer are referred to collectively as the "Parties" and individually as a "Party."

RECITALS

A. Seller intends to develop, construct, own, operate and maintain [Insert Resource] [*consisting of [?] insert further description*] for the generation of electric energy located in [*township/range*], [_____] County, [*State*], whose initial Facility Capacity shall be [525] MW (as more fully described in **Exhibit A**, the "Facility").

B. Seller responded to a Request for Proposals – PacifiCorp 2008 All Source RFP which was issued by Buyer in _____ 2008. Buyer's objective in issuing the RFP was to fulfill, through a competitive bid process, a portion of its supply-side resource need as contemplated in Buyer's 2007 Integrated Resource Plan.

C. Buyer's selection of Seller was based upon a competitive bid and was, in part, based upon Seller's representations and warranties, Seller's schedule achieving the Guaranteed Commercial Operation Date (initially capitalized terms not defined in these Recitals are defined in Section 1 below), and the guaranteed performance of the Facility, all as set forth herein. Such matters were a material inducement for the selection of Seller, and Seller's failure to perform in accordance with the terms and conditions or Seller's failure to meet its representations and warranties and schedules for delivery of Net Energy shall cause material damage to Buyer.

D. Seller will make available and sell to Buyer, and Buyer will receive and purchase from Seller, Contract Capacity and Net Energy associated with such Contract Capacity pursuant to the terms and conditions of this Agreement. Seller acknowledges that Buyer will include such Contract Capacity in Buyer's resource planning.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth below, the Parties agree as follows:

SECTION 1

DEFINITIONS; RULES OF INTERPRETATION

1.1 **Defined Terms.** Unless otherwise required by the context in which any term appears, defined terms used in this Agreement (as indicated by initial capitalization, except as otherwise provided in this Section 1.1) shall have the following meanings:

“AAA” has the meaning set forth in Section 15.2.

“Affiliate” means, with respect to any entity, each entity that directly or indirectly, controls or is controlled by or is under common control with such designated entity. For purposes of this definition, “control” (including, with correlative meanings, the terms “controlled by” and “under common control with”), as used with respect to any entity, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, whether through the ownership of voting securities or by contract or otherwise.

“Alternate Representative” has the meaning set forth in Section 6.4.2.

“Ambient Facility Capacity” means the Contract Capacity determined from the correction algorithms set forth in **Exhibit M**, based upon the Facility Capacity and the ambient conditions in effect in each hour.

“Ancillary Services” means those services and energy from time to time now or hereafter available that are necessary to support the Contract Capacity and transmission of energy from resources to loads while maintaining reliable operation of the System in accordance with Prudent Electrical Practices. Such services and energy include regulation reserve, spinning reserve, non-spinning reserve, voltage support, black start Capacity, and reactive power.

“As-built Supplement” shall be a supplement to **Exhibit A** that describes the Facility as actually built and shall include all such information as may reasonably be requested by Buyer.

“Authorized Representative” has the meaning set forth in Section 6.4.2

“Availability Notice” has the meaning set forth in Section 6.5.1.1.

“**Baseload Capacity**” means the Capacity of the Facility achieved when operating at the Reference Conditions with all items of Major Equipment operating at full load, but without duct firing.

“**Business Day**” means any day on which banks in Portland, Oregon are not authorized or required by Requirements of Law to be closed, beginning at 6:00 a.m. and ending at 5:00 p.m. local time in Oregon.

“**Btu’s**” means British Thermal Units.

“**Buyer**” has the meaning set forth in the Preamble.

“**CAF_h**” has the meaning set forth in Section 5.1.2.

“**CAF_m**” has the meaning set forth in Section 5.1.2.

“**Capacity**” means the output potential a machine or system can produce under specified conditions as generally expressed in kW or MW.

“**Capacity Payment**” means the Monthly Capacity Payments and the Minimum Monthly Capacity Payments payable in accordance with Section 5.1.

“**Capacity Payment Rate**” means, as of the Commercial Operation Date, \$[?]/kW/month.

“**Capacity Payment Shortfall**” has the meaning set forth in Section 5.1.4.

“**Capacity Rights**” means any current or future defined characteristic, certificate, tag, credit, ancillary service attribute, or accounting construct, including any accounting construct counted towards any current or future resource adequacy or reserve requirements, associated with the Capacity of the Facility or the Facility’s capability and ability to produce energy, but excluding any of the foregoing attributable to any expansion of the Facility occurring after the Commercial Operation Date, unless the output associated therewith is purchased by Buyer.

“**Carry-Over Letter of Credit**” has the meaning set forth in Section 5.1.4.

“**Cash Escrow**” means an escrow account established by Buyer in a commercial bank or trust company organized under the laws of the United States of America or a political subdivision thereof, whose long-term senior unsecured debt is rated at least “A” by S&P or “A2” by Moody’s. Cash deposited to the escrow account shall earn interest at the rate applicable to money market deposits at the banking institution from time to time, and the interest shall be retained in the escrow account as additional security for Seller’s performance under this Agreement.

“**CC**” has the meaning set forth in Section 5.1.2.

“**Collateral**” has the meaning set forth in Section 7.5

“**Combustion Turbine**” or “**CT**” means any one of the combustion turbines comprising the Facility.

“**Commercial Operation Date**” means the date on which the Facility is fully operational, reliable and each condition set forth in Section 2.2.6 is continuously satisfied.

“**Contract Capacity**” means [525] MW of Capacity from the Facility, comprised of [?] MW of Baseload Capacity and [?] MW of Peakload Capacity[if applicable].

“**Contract Year**” means a twelve (12) month period commencing at 00:00 hours on January 1 and ending on 24:00 hours on December 31; *provided, however*, that the first Contract Year shall commence on the Commercial Operation Date and end on the next succeeding December 31, and the last Contract Year shall end on the last Day of the Term.

“**CPR**” has the meaning set forth in Section 5.1.2.

“**CPS**” has the meaning set forth in Section 5.1.2.

“**Credit Matrix**” means the credit matrix attached hereto as **Exhibit S**.

“**Credit Rating**” means, as of any date, the then applicable senior, unsecured, long-term debt or corporate credit rating of a Person published by either Moody’s or S&P.

“**Credit Support**” means, prior to the Commercial Operation Date, the amounts, if any, and subject to Section 7.1, shown on the Credit Matrix.

Deleted: means, prior to the Commercial Operation Date, the amount, subject to Section 7.1, shown as the Project Development Security on the Credit Matrix and, on and after the Commercial Operation Date, the amount (if any) shown on the Credit Matrix as the Default Security

“**Credit Support Security**” means a guaranty, Letter of Credit or Cash Escrow provided pursuant to Section 7.1.

“**CT Start**” means the process of rotating any of the Facility’s Combustion Turbine rotors by means of such Combustion Turbine’s starting motor and subsequently introducing and igniting Fuel in the Combustion Turbine’s combustor and increasing the rotating speed of the unit’s rotor sufficiently that the starting motor can be disengaged, also referred to herein as the Start-Up of a Combustion Turbine. [If Applicable]

“**Daily Delay Damages**” for each Day shall be the positive number (and if not a positive number, zero) equal to the sum for all hours of the Day of the product for each hour of the Day of (1) the Dow JonesTM SP15 Electricity Price Index for such Day, expressed in \$/MWh, *multiplied by* (2) the applicable hourly scalar set forth in **Exhibit D** for the applicable hour in the daily (i) firm on-peak, (ii) firm off-peak or (iii) 24-hour firm (on Sundays and NERC holidays) Dow JonesTM SP15 Electricity Price Index (each such hour, the “**Applicable Hour**”) during such Day, *multiplied by* (3) the loss factor of 1.112, *plus* (4) the basis of \$13/MWh for each Applicable Hour or portion thereof during such Day, *minus* (5) one-twenty-fourth of the Capacity Payments and Energy Payments that would have been made with respect to such Day, if no Capacity Payments or Energy Payments have been paid with respect to such Day. If the Dow JonesTM SP15 Electricity Price Index ceases to be published during the Term, Buyer shall select as a replacement electricity price index or component, an index acceptable to Buyer in its

discretion that, after any necessary adjustments, provides the most reasonable substitute quotation of the daily price of firm on-peak, firm off-peak or 24-hour firm energy at South of Path 15 for the applicable periods.

“**Day**” means the 24-hour period beginning at midnight Pacific Prevailing Time on a day and ending at midnight Pacific Prevailing Time on the next succeeding day.

“**Dispatch,**” “**Dispatched,**” and “**Dispatching**” means the scheduling and control by the Buyer of Net Energy, through submittal of schedules pursuant to the Dispatch Procedures and other provisions of this Agreement.

“**Dispatch Procedures**” means the procedures under which Buyer is entitled to Dispatch the Facility, as set forth in **Exhibit O**.

“**Dollar**” or “**\$**” means the lawful currency of the United States of America.

“**Effective Date**” has the meaning set forth in Section 2.1.

“**Electrical Interconnection Facilities**” means all the facilities installed by Seller for the purpose of interconnecting the Facility to the Electricity Delivery Point, including electrical transmission lines, upgrades, transformers and associated equipment, substations, relay and switching equipment, and safety equipment, as set forth in **Exhibit B**.

“**Electricity Delivery Point**” means the physical point(s) for Seller’s delivery, and Buyer’s receipt, of Net Energy at which the Facility is connected with the Transmission Provider’s transmission system, as specified in the Interconnection Agreement and in **Exhibit B**. *[Note to Bidders: If energy is to be delivered to a transmission provider other than the Transmission Provider and wheeled to the Electricity Delivery Point, the Electricity Delivery Point will be at a point of interconnection with the Transmission Provider’s transmission system where the resource can be integrated as a Network Resource.]*

“**Electric Metering Equipment**” has the meaning set forth in Section 8.1.

“**Energy Payment**” means the payment to be made by Buyer to Seller pursuant to Section 5.3 and as specified in **Exhibit F**.

“**Environmental Law**” means any federal, state or local law including statutes, regulations, rulings, orders, administrative interpretations and other governmental restrictions and requirements having the force and effect of law relating to (i) the discharge or disposal of any substance into the air, soil or water, including pollutants, water pollutants or process waste water, (ii) storage, emissions transportation or disposal of any Regulated Material, (iii) the environment or hazardous substances, all as amended from time to time, (iv) land use requirements pertaining to Regulated Materials, including laws requiring environmental impact studies or other similar evaluations, and (v) environmental issues pertaining to the development, construction, operation or maintenance of the Facility.

“**Event of Default**” has the meaning set forth in Section 10.1.

“**EWG**” means an “exempt wholesale generator,” as defined under the Public Utility Holding Company Act of 1935, as amended from time to time.

“**Example**” means an example set forth in **Exhibit G**. Each Example is for purposes of illustration only and is not intended to constitute a representation, warranty or covenant concerning the matters assumed for purposes of each Example. If there is a conflict between an Example and the text of this Agreement, the text shall control.

“**Excused Outage**” has the meaning set forth in Section 5.1.2.

“**Facility**” shall have the meaning given to that term in **Recital A**.

“**Facility Capacity**” means the maximum Capacity of the Facility, expressed in MW, when operated consistent with the manufacturer’s recommended power factor and operating parameters, as set forth in **Exhibit A**.

“**FERC**” means the Federal Energy Regulatory Commission.

“**FIN 46**” has the meaning set forth in Section 6.13.

“**Force Majeure**” has the meaning set forth in Section 13.1.

“**Forced Outage**” means NERC Event Types U1, U2 and U3, as set forth in **Exhibit H**.

“**Fuel**” means natural gas.

“**Governmental Authority**” means any supranational, federal, state or other political subdivision thereof, having jurisdiction over Seller, Buyer or this Agreement, including any municipality, township and county, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any corporation or other entity owned or controlled by any of the foregoing.

“**Guaranteed Commercial Operation Date**” means *[Bidder to insert]*.

“**Guaranteed Heat Rate**” has the meaning assigned to such term in **Exhibit Q**.

“**Guaranteed Ramp Rate**” has the meaning set forth in **Exhibit Q**.

“**Guaranteed Start-Up Time**” has the meaning set forth in **Exhibit Q**.

“**Heat Rate**” means the number of Btu’s used to produce one MW of energy measured at the Electricity Delivery Point.

“**Interconnection Agreement**” means the agreement to be entered into separately between Seller and Transmission Provider providing for the construction and operation of the Electrical Interconnection Facilities.

“Lender” means any individual or entity or successor in interest thereof lending money or extending credit (including any financing lease or credit derivative arrangement) to Seller (i) for the construction, term or permanent financing or refinancing of the Facility; (ii) for working capital or other ordinary business requirements for the Facility (including for the maintenance, repair, replacement or improvement of the Facility); (iii) for any development financing, bridge financing, credit support, credit enhancement or interest rate protection in connection with the Facility; or (iv) for the purchase of the Facility and related rights from Seller. As used herein, “Lender” includes a Tax Investor (as defined in the Lender Consent).

“Lender Consent” means a Consent to Collateral Assignment in favor of one or more Lenders and in substantially the form of **Exhibit T**.

“Letter of Credit” means an irrevocable standby letter of credit in form and substance acceptable to Buyer in its discretion, naming Buyer as the party entitled to demand payment and present draw requests thereunder, which letter 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 of:

- (a) “A2” or higher from Moody’s; or
- (b) “A” or higher from S&P;

(2) on the terms provided in the letter of credit, permits Buyer 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 Buyer to draw upon a U.S. branch;

(4) permits Buyer 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 Buyer to draw the entire amount available thereunder if such letter of credit is not increased, replaced or replenished as and when provided in Section 7;

(6) is transferable by Buyer to any party to which Buyer may assign this Agreement under Section 17.7; and

(7) shall remain in effect for at least ninety (90) days after the end of the Term.

“Licensed Professional Engineer” means a person acceptable to Buyer in its reasonable judgment who (i) is licensed to practice engineering in the state in which the Facility is located, (ii) has training and experience in the engineering discipline(s) relevant to the matters with respect to which such person is called upon to provide a certification, evaluation or opinion,

(iii) has no economic relationship, association, or nexus with Seller, (iv) is not a representative of a consulting engineer, contractor, designer or other individual involved in the development of the Facility, or of a manufacturer or supplier of any equipment installed in the Facility, (v) is engaged by Seller on terms reasonably acceptable to Buyer, (vi) has its fees paid for by Seller, and (vii) is licensed in an appropriate engineering discipline for the required certification being made. The engagement and payment of a Licensed Professional Engineer solely to provide the certifications, evaluations and opinions required by this Agreement shall not constitute a prohibited economic relationship, association or nexus with Seller, so long as such engineer has no other economic relationship, association or nexus with Seller.

“**MAAF**” has the meaning set forth in Section 5.1.2.

“**Maintenance Outage**” means NERC Event Type MO, as set forth in **Exhibit H**.

“**Major Equipment**” has the meaning set forth in **Exhibit I**.

“**Major Maintenance Cycle**” means, with respect to each item of Major Equipment, the period of time specified therefor in **Exhibit I**.

“**Mediation Notice**” has the meaning set forth in Section 15.2.1.

“**Minimum Monthly Capacity Payment**” has the meaning set forth in Section 5.1.3.

“**Monthly Capacity Payment**” has the meaning set forth in Section 5.1.2.

“**Moody’s**” shall mean Moody’s Investor Services, Inc.

“**MW**” means megawatt.

“**MWh**” means megawatt hour.

“**NERC**” means the North American Electric Reliability Council.

“**Net Energy**” means, for any period, the energy output of the Facility delivered to Buyer at the Electricity Delivery Point pursuant to Buyer’s Dispatch of the Facility of a quantity in MWh not to exceed that associated with Contract Capacity, as measured pursuant to Section 8, less station use and less transformation and transmission losses to the Electricity Delivery Point.

“**Network Resource**” means a generation resource which has been fully integrated into the System.

“**Notifying Party**” has the meaning set forth in Section 8.2.

“**Operating Procedures**” are set out in **Exhibit K**.

“**Pacific Prevailing Time**” means Pacific Standard Time or Pacific Daylight Time, as applicable on the Day in question.

“**Party**” has the meaning set forth in the Preamble.

“**Peakload Capacity**” means incremental Capacity, in excess of the Baseload Capacity, which is generated by the Facility utilizing duct firing. [if applicable]

“**Permits**” means all permits, licenses, approvals, certificates, entitlements and other authorizations issued by Governmental Authorities required for the development, construction, ownership, operation and maintenance of the Facility, and all amendments, modifications, supplements, general conditions and addenda thereto.

“**Person**” means any individual, entity, corporation, general or limited partnership, limited liability company, joint venture, estate, trust, association or other entity or governmental authority.

“**Planned Outage**” means NERC Event Type PO, as set forth on **Exhibit H**.

“**Pledge Interest**” has the meaning set forth in Section 7.2.2.

“**Potential Event of Default**” means an event which, but for the passing of time or the giving of notice or both, would constitute an Event of Default.

“**Premises**” means the real property on which the Facility is or will be located, as more fully described on **Exhibit A**.

“**Prime Rate**” means the rate per annum equal to the publicly announced prime rate or reference rate for commercial loans to large businesses in effect from time to time quoted by Citibank, N.A. If a Citibank, N.A. prime rate is not available, the applicable Prime Rate shall be the announced prime rate or reference rate for commercial loans in effect from time to time quoted by a bank with \$10 billion or more in assets in New York City, N.Y., selected by the Party to whom interest based on the prime rate is being paid.

“**Protective Apparatus**” means such equipment and apparatus, including protective relays, circuit breakers and the like, necessary or appropriate to isolate the Facility from the System consistent with Prudent Electrical Practices.

“**Prudent Electrical Practices**” means any of the practices, methods and acts engaged in or approved by a significant portion of the electrical utility industry or any of the practices, methods or acts for gas fired, combined cycle electric generation facilities, which, in the exercise of reasonable judgment in the light of the facts known at the time a decision is made, would have been expected to accomplish the desired result in a cost efficient manner consistent with good business practices, reliability criteria, safety considerations and expediency. Prudent Electrical Practices is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to be a spectrum of possible practices, methods or acts.

“**Reference Conditions**” means the following conditions: standard ambient air pressure at the Premises of [?]; ambient temperature, dry bulb, of [?] degrees Fahrenheit; and relative humidity of [?] percent ([?]%).

“**Regulated Materials**” means any substance, material, or waste which is now or hereafter becomes listed, defined, or regulated in any manner by any United States federal, state or local law and includes any oil, petroleum, petroleum products and polychlorinated biphenyls.

“**Remaining Capacity**” means all the Capacity of the Facility in excess of the Contract Capacity.

“**Replacement Price**” means the price at which Buyer, acting in a commercially reasonable manner, purchases for delivery at the Electricity Delivery Point a replacement for any energy that Seller is required to deliver under this Agreement, plus (i) costs reasonably incurred by Buyer in purchasing such replacement energy, and (ii) additional transmission charges, if any, reasonably incurred by Buyer in causing replacement energy to be delivered to the Electricity Delivery Point. If Buyer elects not to make such a purchase, the Replacement Price shall be the market price at the Electricity Delivery Point for such energy not delivered, plus any additional cost or expense incurred as a result of Seller’s failure to deliver, as determined by Buyer in a commercially reasonable manner (but not including any penalties, ratcheted demand or similar charges).

“**Reporting Month**” has the meaning set forth in Section 6.9.1.

“**Requested Net Energy**” means, for any period, the Net Energy of the Facility that has been scheduled by Buyer for delivery in accordance with the Dispatch Procedures and other terms of this Agreement.

“**Required Facility Documents**” means all Permits and agreements now or hereafter necessary for the development, construction, ownership, operation and maintenance of the Facility including the documents (i) to which Seller and Buyer are a party evidencing the Security Interests and (ii) those set forth in **Exhibit C**.

“**Requirements of Law**” means collectively, as to Seller and [*if Seller is not the ultimate parent, any ultimate parent entity*], Seller’s organizational or governing documents and any federal, state, county or municipal, law, treaty, ordinance, franchise, rule, regulation, order, writ, judgment, injunction, decree, award or determination of any arbitrator, or a court or other Governmental Authority, in each case, now or hereafter applicable to or binding upon this Agreement, the Facility, Seller or [*if Seller is not the ultimate parent, any parent entity*] to which any of their respective properties are subject (including those pertaining to electrical, building, zoning, environmental and occupational health and safety).

“**RTO**” means any person, other than Transmission Provider, that becomes responsible as system operator for, or directs the operation of, the System.

“**S&P**” shall mean Standard & Poor’s Rating Group (a division of McGraw-Hill, Inc.).

“**Schedule**” or “**Scheduled**” means the acts of Buyer and Seller pursuant to Section 6.5 setting forth a schedule requesting and accepting the delivery of energy by Seller to Buyer on and after the Commercial Operation Date.

“**Scheduling Constraints**” means the limitations of the Facility’s Capacity arising as a result of the need to observe the physical ramp rates of the Major Equipment and maintain minimum run times, minimum down times, minimum dispatch levels of Net Energy and Capacity per CT, and maximum levels of Net Energy and Capacity, to be generated by any item of Major Equipment, in compliance with the warranty requirements relating to each item of Major Equipment, the operating and maintenance standards recommended by the Facility’s equipment suppliers, and Prudent Electrical Practice, as set forth on **Exhibit P**.

“**Scheduling Fees**” means fees assessed by any person to schedule the delivery of the energy.

“**Security Interests**” has the meaning set forth in Section 7.2.1.

“**Seller**” has the meaning set forth in the Preamble.

“**Senior Lenders**” means the Lenders providing construction financing for the Facility, or any term or permanent take-out financing of such construction financing.

“**Simple Cycle**” means operation of a Combustion Turbine without capturing the waste heat from the Combustion Turbine in the associated heat recovery steam generator and, therefore, without producing additional Net Energy from the steam turbine utilizing steam produced by such heat recovery steam generator. When one or more CTs are operated in Simple Cycle mode, the Facility will produce less Capacity and less Net Energy, while consuming Fuel at a higher heat rate, than when the Facility is operated in combined cycle mode to produce Baseload Capacity. The ramp rates applicable to each CT, as set forth in **Exhibit Q**, are faster in Simple Cycle mode than in combined cycle mode.

“**Solvency**” or “**Solvent**” has the meaning set forth in Section 3.2.12.

“**Standard Heat Rate**” means the actual Heat Rate of the Facility at varying levels of the Net Energy and varying ambient conditions.

“**Start-Up**” means a firing of one or more of the items constituting Major Equipment when such item or items of Major Equipment is not being operated, including any firing required to perform a CT Start. The period of a Start-Up of any item of Major Equipment begins at the commencement of such firing and ends when such item of Major Equipment obtains and produces on a continuous basis the desired quantity of Net Energy.

“**Start-Up Testing**” means the tests set in **Exhibit E**.

“**System**” means the electric transmission sub-station and distribution facilities owned, operated or maintained by Transmission Provider, which shall include, after construction and installation of the Facility, the circuit reinforcements, extensions, and associated terminal facility reinforcements or additions required to complete the Facility, all as set forth in the Interconnection Agreement.

“**Tariff**” means Buyer’s FERC Electric Tariff Fourth Revised Volume No. 11 Pro Forma Open Access Transmission Tariff, as revised from time to time.

“**Term**” has the meaning set forth in Section 2.1.

“**Transmission Provider**” means [*PacifiCorp, an Oregon corporation, acting in its transmission function capacity.*] [*Note to Bidders: If the Facility is interconnected to another system, identify the appropriate Transmission Provider.*] Seller acknowledges that Buyer, as Buyer under this Agreement, has no responsibility for or control over such Transmission Provider.

“**Unexcused Outage**” has the meaning set forth in Section 5.1.2.

“**Unplanned Outage**” means NERC Event Type U, as set forth on **Exhibit H**.

1.2 Rules of Interpretation.

1.2.1 General. Unless otherwise required by the context in which any term appears, (a) the singular shall include the plural and vice versa; (b) references to “Articles,” “Sections,” “Schedules,” “Annexes,” “Appendices” or “Exhibits” (if any) shall be to articles, sections, schedules, annexes, appendices or exhibits of this Agreement; (c) all references to a particular entity or an electricity market price index shall include a reference to such entity’s or index’s successors and (if applicable) permitted assigns; (d) the words “herein,” “hereof” and “hereunder” shall refer to this Agreement as a whole and not to any particular section or subsection hereof; (e) all accounting terms not specifically defined in this Agreement shall be construed in accordance with generally accepted accounting principles in the United States of America, consistently applied; (f) references to this Agreement shall be deemed to include a reference to all appendices, annexes, schedules and exhibits hereto, as the same may be amended, modified, supplemented or replaced from time to time; (g) the masculine shall include the feminine and neuter and vice versa; (h) the word “including” shall be construed in its broadest sense to mean “without limitation” or “but not limited to” and (i) the word “or” is not necessarily exclusive.

1.2.2 Terms Not to Be Construed for or Against Either Party. Each term of this Agreement shall be construed simply according to its fair meaning and not strictly for or against either Party. The Parties have jointly prepared this Agreement, and no term of this Agreement shall be construed against a Party on the ground that the Party is the author of that provision.

1.2.3 Headings. The headings used for the sections of this Agreement are for convenience and reference purposes only and shall in no way affect the meaning or interpretation of the provisions of this Agreement.

1.2.4 Interpretation with Interconnection Agreement. Each Party conducts its operations in a manner intended to comply with FERC Order No. 2004, Standards of Conduct for Transmission Providers, requiring the separation of its transmission and merchant functions. Moreover, the Parties acknowledge that Transmission Provider’s transmission function offers transmission service on its System in a manner intended to comply with FERC policies and

requirements relating to the provision of open-access transmission service. The Parties recognize that Seller will enter into the separate Interconnection Agreement.

1.2.4.1 The Parties acknowledge and agree that the Interconnection Agreement shall be a separate and free standing contract and that the terms of this Agreement are not binding upon Transmission Provider.

1.2.4.2 Notwithstanding any other provision in this Agreement, nothing in the Interconnection Agreement shall alter or modify the Parties' rights, duties, and obligations under this Agreement. This Agreement shall not be construed to create any rights between Seller and Transmission Provider.

1.2.4.3 Seller expressly recognizes that, for purposes of this Agreement, Transmission Provider shall be deemed to be a separate entity and separate contracting party whether or not the Interconnection Agreement is entered into with Transmission Provider or an Affiliate thereof.

SECTION 2

TERM; COMMENCEMENT OF OPERATION

2.1 **Term.** This Agreement shall become effective when it is signed and delivered by both Parties (the "**Effective Date**") and, unless earlier terminated as provided in this Agreement, shall remain in effect until the [?] anniversary of the Commercial Operation Date (the "**Term**").

2.2 **Milestones.** Time is of the essence of this Agreement, and Seller's ability to meet certain milestones before the Commercial Operation Date and to achieve the Commercial Operation Date by the Guaranteed Commercial Operation Date is critically important. Therefore, Seller shall achieve the following milestones unless waived or extended by Buyer in its sole and absolute discretion: *[Note to bidders: portions of this Section 2.2 may not be applicable to a non-facility dependent contract]*

2.2.1 By **[date]**, Seller shall demonstrate to Buyer's reasonable satisfaction that Seller has made all arrangements and obtained all means for transporting Fuel in quantities sufficient to operate the Facility at the Facility Capacity for the Term;

2.2.2 By **[date]**, Seller shall obtain and provide to Buyer copies of all Required Facility Documents necessary for construction of the Facility;

2.2.3 By **[date]**, Seller shall provide to Buyer evidence acceptable to Buyer that Seller has obtained construction financing for the Facility (or alternatively permanent financing subject only to construction of the Facility and Seller's execution of the lender's loan documents);

2.2.4 By **[date]**, Seller shall provide Buyer with an As-built Supplement acceptable to Buyer;

2.2.5 By [date], Seller shall begin deliveries of Net Energy for purposes of initiating Start-Up Testing; and

2.2.6 By the Guaranteed Commercial Operation Date, the Commercial Operation Date shall have occurred. This shall require that all of the following conditions shall have been satisfied or waived by Buyer in its sole and absolute discretion:

(1) Buyer shall have received a certificate addressed to Buyer from a Licensed Professional Engineer certifying that the Facility is able to generate energy reliably in amounts required by this Agreement and in accordance with all other terms and conditions of this Agreement;

(2) Start-Up Testing of the Facility shall have been completed;

(3) After Buyer has received notice of the completion of Start-Up Testing, Buyer shall have endorsed a certificate addressed to Buyer from a Licensed Professional Engineer certifying that the Facility has operated for testing purposes under this Agreement uninterrupted for a period of ten (10) consecutive days at a rate of at least the Facility Capacity based upon any sixty (60) minute period for the entire testing period. Seller must provide five (5) Business Days' written notice to Buyer before the start of the Start-Up Testing period. If the operation of the Facility is interrupted during this initial testing period or any subsequent testing period, the Facility shall start a new consecutive ten (10) day testing period and Seller shall provide Buyer forty-eight (48) hour written notice before the start of such testing period;

(4) Buyer shall have received a certificate addressed to Buyer from a Licensed Professional Engineer certifying that, in accordance with the Interconnection Agreement, all required Electrical Interconnection Facilities have been constructed, all required interconnection tests have been completed, the Facility is physically interconnected with the System and the Facility Capacity is a Network Resource;

(5) Buyer shall have received a certificate addressed to Buyer from a Licensed Professional Engineer certifying that Seller has obtained all Required Facility Documents for the construction and operation of the Facility and, if requested by Buyer in writing, Seller shall have provided copies of any or all such requested Required Facility Documents, together with (i) the certificates of insurance coverage or insurance policies required by Section 12.1, and (ii) copies of all Required Facility Documents which Seller is responsible to obtain or are required for the construction and operation of the Facility;

(6) Buyer shall have issued a written certificate to Seller certifying that Buyer has received all Facility drawings, plans, specifications, policies, and other documents required by this Agreement;

(7) Buyer shall have received a certificate addressed to Buyer from Seller's primary construction contractor certifying that the Facility has been turned over to Seller for permanent operation and maintenance and that the primary construction contractor

owes no further construction-related obligations to Seller (other than punch list items); and

(8) Buyer shall have received a certificate addressed to Buyer from an office of Seller and acceptable to Buyer certifying that no Event of Default by Seller or Potential Event of Default by Seller exists under this Agreement.

2.3 Daily Delay Damages. Seller shall cause the Commercial Operation Date to occur on or before the Guaranteed Commercial Operation Date but no earlier than [*? months*] prior to the Guaranteed Commercial Operation Date. If the Commercial Operation Date does not occur on or before the Guaranteed Commercial Operation Date, to compensate Buyer for the failure to provide energy and Capacity from the Facility, Seller shall pay Buyer delay damages equal to the Daily Delay Damages times Contract Capacity for each Day or portion of a Day until that Day that the Commercial Operation Date occurs from and after the Guaranteed Commercial Operation Date. Each Party agrees and acknowledges that (a) the damages that Buyer would incur for the failure to provide energy from the Facility due to delay in achieving the Commercial Operation Date on or before the Guaranteed Commercial Operation Date would be difficult or impossible to predict with certainty, and (b) the Daily Delay Damages mechanism is an appropriate approximation of such damages. This Section 2.3 shall not limit the amount of damages payable to Buyer if this Agreement is terminated as a result of Seller's failure to achieve the Commercial Operation Date by the Guaranteed Commercial Operation Date and any such damages shall be determined in accordance with Section 10.7. In addition, this Section 2.3 shall not limit the damages payable to Buyer for matters resulting from delay in achieving the Commercial Operation Date other than the failure to provide energy from the Facility.

2.4 Damages Invoicing. By the tenth (10th) day following the end of the calendar month of the Guaranteed Commercial Operation Date, and continuing on the tenth (10th) day following the end of any calendar month during which Daily Delay Damages are incurred, Buyer shall deliver to Seller a proper invoice showing Buyer's computation of such damages and any amount due Buyer in respect thereof for the preceding calendar month. No later than ten (10) days after receiving such an invoice, Seller shall pay to Buyer, by wire transfer of immediately available funds to an account specified in writing by Buyer or by any other means agreed to by the Parties in writing from time to time, the amount set forth as due in such invoice.

2.5 Buyer's Right to Monitor. During the design, procurement, construction, installation, start up and testing of the Facility, Seller shall permit Buyer and its advisors and consultants to:

(a) Review and discuss with Seller and its advisors and consultants monthly status reports on the progress of the development, design, construction and installation of the Facility. Between the date on which this Agreement is executed and thirty (30) days following the Commercial Operation Date, Seller shall, on or before the tenth (10th) day of each calendar month, provide Buyer with a brief monthly status report for the preceding month.

(b) Monitor the development, design, engineering, procurement, construction and installation of the Facility and the performance of the contractor(s) constructing the Facility.

(c) Review and monitor the contractors' performance and achievement of (i) all initial performance tests and other tests required under the Facility construction contracts that must be performed in order to achieve the Commercial Operation Date and (ii) all tests contemplated by the warranty agreement(s) between the Seller and manufacturer of the Facility's CTs and any other Major Equipment. Buyer reserves the right to require additional performance tests of the Facility's CTs in the event that Seller elects not to have such CTs or other Major Equipment covered by warranty agreements acceptable to Buyer. Seller shall provide Buyer with at least five (5) Business Days' prior notice of each such test.

(d) Witness initial performance tests and other tests and review the results thereof.

(e) Perform such examinations, inspections, and quality surveillance as, in Buyer's reasonable judgment, are appropriate and advisable to determine that all Major Equipment comprising the Facility has been properly commissioned and that the Facility has achieved the Commercial Operation Date.

The Parties acknowledge and agree that Buyer is under no obligation to perform any of the monitoring rights under this Section 2.5. Any information or knowledge obtained by Buyer in the exercise of its rights under this Section 2.5 shall not prevent Buyer from subsequently asserting that Seller failed to perform its obligations under this Agreement or failed to satisfy any of its conditions in Section 2, nor shall the exercise by Buyer of such rights be used as evidence that Seller performed its obligations under this Agreement or satisfied its conditions in Section 2 or that Buyer gave any consent to Seller's action in meeting its obligations under Section 2. Buyer's right to indemnification, payments for damages or other remedy in this Agreement will not be affected by any investigation conducted with respect to, or any knowledge acquired (or capable of being acquired) at any time, whether before or after the execution and delivery of this Agreement or the Commercial Operation Date, including with respect to the accuracy or inaccuracy of any representation or warranty, or compliance with any covenant or obligation hereunder. Buyer shall maintain one or more designated representatives for purposes of the monitoring activities contemplated in this Section 2.5, which representatives shall have authority to act for Buyer in all technical matters under this Section 2.5. However, Buyer's representatives, in their capacity as representatives, shall not have the authority to amend or modify any provision of this Agreement. Buyer's initial representatives for purposes of this Section 2.5 and their contact information are listed in **Exhibit N**. Buyer may, by written notice to Seller, change its representatives or the contact information for such representatives.

SECTION 3

REPRESENTATIONS AND WARRANTIES

3.1 Buyer's Representations and Warranties. Buyer represents, covenants, and warrants to Seller that:

3.1.1 Organization. Buyer is duly organized and validly existing under the laws of the State of Oregon.

3.1.2 Authority. Buyer has the requisite corporate power and authority to enter into this Agreement and to perform according to the terms of this Agreement.

3.1.3 Corporate Actions. Buyer has taken all corporate actions required to be taken by it to authorize the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby.

3.1.4 No Contravention. The execution and delivery of this Agreement does not contravene any provision of, or constitute a default under, any indenture, mortgage, or other material agreement binding on Buyer or any valid order of any court, or any regulatory agency or other body having authority to which Buyer is subject.

3.1.5 Valid and Enforceable Agreement. This Agreement is a valid and legally binding obligation of Buyer, enforceable against Buyer in accordance with its terms (except as the enforceability of this Agreement may be limited by bankruptcy, insolvency, bank moratorium or similar laws affecting creditors' rights generally and laws restricting the availability of equitable remedies and except as the enforceability of this Agreement may be subject to general principles of equity, whether or not such enforceability is considered in a proceeding at equity or in law).

3.2 Seller's Representations and Warranties. Seller represents, covenants, and warrants to Buyer that:

3.2.1 Organization. Seller is a [*insert legal entity*] duly [*organized*] and validly existing under the laws of [_____].

3.2.2 Authority. Seller (i) has the requisite power and authority to enter into this Agreement and to perform, including all required regulatory authority to make wholesale sales from the Facility; (ii) has the power and authority to own and operate its businesses and properties, to own or lease the property it occupies and to conduct the business in which it currently engaged; and is duly qualified as [_____] in Utah; and (iii) is in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification.

3.2.3 Actions. Seller has taken all [*insert appropriate legal entity*] actions required to authorize the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby.

3.2.4 No Contravention. The execution, delivery, performance and observance by Seller of its obligations under this Agreement do not and will not:

3.2.4.1 contravene, conflict with or violate any provision of any material Requirements of Law presently in effect having applicability to either Seller or [*if Seller is not the ultimate parent, Seller's ultimate parent*];

3.2.4.2 require the consent or approval of or material filing or registration with any Governmental Authority or other person other than such consents and

approvals which are (i) set forth in **Exhibit C** or (ii) required in connection with the construction and/or operation of the Facility and expected to be obtained in due course;

3.2.4.3 result in a breach of or constitute a default under any provision of any security issued by [*ultimate parent of Seller*] or any of its Affiliates or any material agreement, instrument or undertaking to which either [*ultimate parent of Seller*] or any of its Affiliates is a party or by which [*ultimate parent of Seller*]'s or any of its Affiliates' property is bound; or

3.2.4.4 require Seller to be licensed under the Utah Construction Trades Licensing Act.

3.2.5 Valid and Enforceable Agreement. This Agreement is a valid and legally binding obligation of Seller, enforceable against Seller in accordance with its terms (except as the enforceability of this Agreement may be limited by bankruptcy, insolvency, bank moratorium or similar laws affecting creditors' rights generally and laws restricting the availability of equitable remedies and except as the enforceability of this Agreement may be subject to general principles of equity, whether or not such enforceability is considered in a proceeding at equity or in law).

3.2.6 Litigation. No litigation, arbitration, investigation or other proceeding is pending or, to the best of Seller's knowledge, threatened against either Seller, its parent(s), or any Affiliate with respect to this Agreement and the transactions contemplated hereby and thereby.

3.2.7 Accuracy of Information. To the knowledge of Seller, no exhibit, contract, report or document furnished by Seller to Buyer in connection with this Agreement, or the negotiation or execution of this Agreement contains any material misstatement of fact or omits to state a material fact or any fact necessary to make the statements contained therein not misleading.

3.2.8 Required Facility Documents. All Required Facility Documents are set forth in **Exhibit C** attached hereto. To Seller's knowledge, no unusual or burdensome conditions are expected by Seller to be placed upon, or created by, any of the Required Facility Documents. The anticipated use of the Facility complies with all applicable restrictive covenants affecting the Premises and all Requirements of Law. The representation made in this Section 3.2.8 shall be deemed to be given throughout the entire Term.

3.2.9 Taxes. Seller has filed or caused to be filed all tax returns which were required to be filed and has paid all taxes shown to be due and payable on said returns or on any assessments made against it or any of its property including the Premises, and all other taxes, fees or other charges imposed on it or any of its property by any Governmental Authority, and no tax liens have been filed and no claims are being asserted with respect to any such taxes, fees or other charges, except where such taxes, fees or other charges are being contested in good faith by Seller through appropriate proceedings with adequate reserves set aside in the event of an adverse determination.

3.2.10 Seller's Intent. Seller intends:

3.2.10.1 To construct and operate the Facility in accordance with Prudent Electrical Practices, and in accordance with, and subject to the terms of this Agreement;

3.2.10.2 To supply the Contract Capacity and Net Energy of the Facility throughout the Term of this Agreement in accordance with the provisions of this Agreement; and

3.2.10.3 *[if Seller will be a single purpose vehicle, that its sole business shall be the ownership and operation of the Facility.]*

3.2.11 No Collusion. Neither Seller nor any of its representatives has entered into any form of collusive arrangement with any person or entity which directly or indirectly has to any extent lessened competition between Seller and any other person or entity for the supply of Capacity and energy sought by Buyer.

3.2.12 Solvency. Seller, its parent(s) and their Affiliates are Solvent. As used herein, "**Solvent**" and "**Solvency**" means with respect to any person or entity on any date of determination, that on such date (a) the book value of the property of such person or entity is greater than the total amount of book liabilities, including contingent liabilities that are probable and estimable, of such person or entity, (b) such person or entity is able to pay its debts as they become absolute and matured, taking into account the possibility of refinancing such obligations and selling assets, (c) such person or entity does not intend to, and does not believe that it will, incur debts or liabilities beyond such person's or entity's ability to pay such debts and liabilities as they mature taking into account the possibility of refinancing such obligations and selling assets and (d) such person or entity is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such person's or entity's property would constitute an unreasonably small capital. The amount of contingent liabilities at any time shall be computed as the amount that are probable and estimable in the light of all the facts and circumstances existing at such time, and that can reasonably be expected to become an actual or matured liability.

3.3 Notice. If at any time during the Term, any Party obtains actual knowledge of any event or information which would have caused any of the representations and warranties made by it in this Section 3 to have been materially untrue or misleading when made, such Party shall provide the other Party with notice in accordance with Section 17.12 of the event or information, the representations and warranties affected, and the action, if any, which such Party intends to take to make the representations and warranties true and correct. The notice required pursuant to this Section 3 shall be given as soon as practicable after the occurrence of each such event.

SECTION 4

SALE AND PURCHASE OBLIGATIONS

4.1 Sale and Purchase of Contract Capacity, Capacity Rights, Net Energy and Ancillary Services.

4.1.1 Subject to the terms and conditions of this Agreement, on and after the Commercial Operation Date and for the balance of the Term, Seller shall make available to Buyer from the Facility the Contract Capacity and the Capacity Rights, and all Net Energy and Ancillary Services associated with such Contract Capacity that is Scheduled by Buyer for delivery in accordance with the Dispatch Procedures and Section 6.5.2.

4.1.2 Subject to Section 5.1, Buyer shall purchase the Contract Capacity of the Facility and pay a monthly Capacity Payment to Seller.

4.1.3 Seller shall provide Ancillary Services and Capacity Rights to Buyer without additional charge or expense.

4.1.4 Buyer shall be under no obligation to purchase any Capacity under this Agreement other than Contract Capacity.

4.1.5 Buyer shall pay the amounts specified in Section 5, and Seller shall then provide to Buyer without additional charge or expense all Net Energy and Ancillary Services that have been Scheduled by Buyer.

4.1.6 Seller shall provide to Buyer from the Facility the Contract Capacity, and associated quantities of Net Energy or Ancillary Services as Scheduled by Buyer in accordance with this Agreement. Subject to Section 4.3, the Contract Capacity, and the Net Energy and Ancillary Services associated with such Contract Capacity, shall be made available exclusively to Buyer and Seller shall be free to sell the Remaining Capacity of the Facility, and the Net Energy and Ancillary Services associated with such Remaining Capacity, to any third party. Seller shall have absolute discretion over the operation of the Facility to generate the quantities of Capacity, Net Energy and Ancillary Services to be delivered to Buyer in compliance with the provisions of this Agreement. In addition, Seller shall have absolute discretion over the use of the Remaining Capacity in sales to any third party(s).

4.2 Deliveries; Title and Risk of Loss. All Net Energy and Ancillary Services that have been, at Buyer's option, Scheduled by Buyer shall be delivered by Seller to Buyer at the Electricity Delivery Point. Seller shall be deemed to be in exclusive control of, and responsible for any damage or personal injury caused by, Net Energy or Ancillary Services delivered hereunder up to the Electricity Delivery Point; and Buyer shall be deemed to be in exclusive control of, and responsible for any damages or injury caused by, such Net Energy or Ancillary Services from the Electricity Delivery Point. Seller warrants and agrees that it will transfer and deliver Contract Capacity, Capacity Rights, Ancillary Services and Net Energy to Buyer free and clear of all liens or other encumbrances and rights of third parties. Title to and risk of loss of all

Net Energy or Ancillary Services shall transfer from Seller to Buyer upon delivery to Buyer at the Electricity Delivery Point.

4.3 Dispatching Deliveries from the Contract Capacity versus the Remaining Capacity.

4.3.1 Seller shall exclusively make available to Buyer the Contract Capacity of the Facility, and Seller shall deliver to Buyer, and Buyer shall receive, the quantities of Net Energy and Ancillary Services that were Scheduled by Buyer from such Contract Capacity in accordance with this Agreement. Subject to Section 4.3.1, Seller retains absolute discretion as to which items of the Major Equipment of the Facility are operated to generate and deliver (i) the quantities of Net Energy and Ancillary Services to be delivered to Buyer from the Contract Capacity and (ii) the quantities of Net Energy and Ancillary Services to be delivered to any third party purchaser from the Remaining Capacity.

4.3.2 During any Excused Outage or Unexcused Outage of the Facility, as defined in Section 5.1.2, which causes a partial outage of the Facility, but not a complete shutdown of the Facility, Buyer's right to the Contract Capacity shall not be affected by any reduction in the Facility Capacity, and to the extent there is a reduction of Facility Capacity, Seller shall make available to Buyer all of such reduced Facility Capacity up to the Contract Capacity. Subject to the foregoing, Seller shall, at all times, have the right to make available for sale to any third party purchasing any of the Remaining Capacity no more than the actual available Capacity of the Facility less the Contract Capacity.

4.3.3 At any time that the Contract Capacity is available, Buyer may elect to Schedule any of the quantities of Net Energy, and equivalent quantities of Ancillary Services, specified in the range of dispatchable quantities of Net Energy on **Exhibit P**.

4.4 Curtailment Due to Failure to Comply with Interconnection Agreement. Buyer shall not be obligated to purchase Contract Capacity or receive or pay for Net Energy to the extent generation or transmission curtailment is required as a result of Seller's non-compliance with the Interconnection Agreement. Nothing in this Section 4.4 shall relieve Seller of its duty to comply with the Interconnection Agreement and Net Energy curtailed as provided under this Section 4.4 shall not be deemed to be an Excused Outage, or credited toward the achievement of Net Energy, as the case may be.

4.5 Sale of Test Energy. During the period between the Effective Date and the Commercial Operation Date, Seller shall sell and make available to Buyer, and Buyer shall purchase and accept, all energy produced by the Facility during such period (the "**Test Energy**") as if it were Net Energy.

SECTION 5

PAYMENTS; COSTS

5.1 Capacity Payments. Commencing on the last day of the month in which the Commercial Operation Date occurs, Buyer shall, subject to Section 5.1.4, pay to Seller in arrears

a Capacity Payment equal to the greater of (i) the Monthly Capacity Payment as determined in Section 5.1.2, or (ii) the Minimum Monthly Capacity Payment as determined in Section 5.1.3.

5.1.1 All Capacity Payments shall be billed on a calendar month basis. In the event that Commercial Operation Date does not occur at the start of a calendar month, the first month's Capacity Payment shall be prorated to reflect the actual number of days of Commercial Operation in such month.

5.1.2 Monthly Capacity Payment. The "**Monthly Capacity Payment**" shall be computed based upon the following formula:

Monthly Capacity Payment = $(CC \times 1000 \times CPR \times MAAF) - CPS$, where:

CC = the Contract Capacity;

CPR = Capacity Payment Rate;

CPS = Capacity Payment Shortfall, if any from any prior month; and

MAAF = Availability Adjustment Factor for that month, computed as follows:

a. If $CAF_m = [\text{Bidder to insert \%}]$, $MAAF = 1$

b. If $CAF_m < [\text{Bidder to insert \%}]$, $MAAF = 1 - 2 \times ([\text{Bidder to insert}] - CAF_m)$

Provided, however, MAAF cannot be less than zero (0).

CAF_m = Average Capacity Availability Factor for a month shall equal the sum of the hourly Capacity Availability Factors (" CAF_h ") determined for each hour of such month, divided by the total number of hours in such month; and

$CAF_h = (AD + DD) / AFCE$

Provided, however, CAF_h cannot be more than one (1).

where:

"**AD**" (Actual Deliveries) means, for any hour, the actual quantity of energy generated by the Facility and delivered by Seller to Buyer at the Electricity Delivery Point;

"**DD**" (Deemed Deliveries) means, for any hour, (i) a quantity of energy equal to the amount of energy that could have been generated by that portion of the Ambient Facility Capacity that was set forth in the Availability Notice (a) that was not dispatched by Buyer in such hour, (b) that was not generated and delivered due to a Potential Event of Default or an Event of Default by Buyer, or (c) that was not

operated to generate and deliver Net Energy or Ancillary Services to Buyer due to any failure by Buyer; (ii) any amount of energy that was not available from the Facility for dispatch and receipt by Buyer, during the relevant hour, due to any outage or derating that meets the requirements for Scheduled Maintenance established in **Exhibit I**; and (iii) any amount of energy that was not available from the Facility for Dispatch and receipt by Buyer, during the relevant hour, due to any Force Majeure event. The unavailability of Capacity for any of the reasons set forth in clauses (i)(c), (ii) or (iii) shall be considered an “**Excused Outage**.” To the extent that the Capacity of the Facility, up to the Contract Capacity, is unavailable to Buyer for any reason other than an Excused Outage shall be considered an “**Unexcused Outage**.”

“**AFCE**” (Ambient Facility Capacity Energy) means the quantity of energy that could be produced from the Ambient Facility Capacity during such hour.

5.1.3 Minimum Monthly Capacity Payment. During any month, the “**Minimum Monthly Capacity Payment**” shall equal the amount determined by the following formula:

Minimum Monthly Capacity Payment = $CC \times 1000 \times CPR \times [?]\%$, where:

CC = the Contract Capacity;

CPR = Capacity Payment Rate; and

% = [?].

5.1.4 Carry-Over Provisions. With respect to any month in which the calculated Monthly Capacity Payment is less than the Minimum Monthly Capacity Payment, the difference between the two payment amounts shall be set forth in a separate account (the amount in such account is referred to herein as the “**Capacity Payment Shortfall**”). The Capacity Payment Shortfall shall be increased by interest at the Prime Rate divided by 365 on the maximum amount of the Capacity Payment Shortfall on that day and shall be recovered by Buyer as a credit against the otherwise applicable Monthly Capacity Payment owed to Seller in any following month and by drawing on the Carry-Over-Letter of Credit as provided below. That portion of any Capacity Payment Shortfall which is not recovered in any month shall be carried over to each subsequent month thereafter until recovered by Buyer in full from Seller. If the Capacity Payment Shortfall exceeds \$[?], then Seller shall provide a Letter of Credit for the benefit of Buyer, in form reasonably acceptable to Buyer, with a face amount equal to the full amount of the Capacity Payment Shortfall amounts (“**Carry-Over Letter of Credit**”). The amount of such Carry-Over Letter of Credit shall be adjusted thereafter, at the end of each month, to equal the then-outstanding Capacity Payment Shortfall. At the end of each Contract Year, Buyer shall be entitled to draw down against the Carry-Over Letter of Credit for the amount the Capacity Payment Shortfall that has not been recovered as of that date.

5.2 Energy Payment. Commencing on the last day of the month in which the Commercial Operation Date occurs, Buyer shall pay to Seller in arrears an Energy Payment as set forth in **Exhibit F** for Net Energy.

5.3 Test Energy. For the period between the Effective Date and the Commercial Operation Date, Seller shall sell and deliver Net Energy to Buyer at the Electricity Delivery Point as Test Energy. Buyer shall pay Seller for Test Energy delivered at the Electricity Delivery Point, an amount per MWh equal to eighty-five percent (Bidder to insert %) of the settled price for the applicable hour in the daily (i) firm on-peak, (ii) firm-off peak or (iii) 24-hour firm (on Sundays and NERC holidays) Dow JonesTM SP15 Electricity Price Index; *provided, however*, that the amount to be paid by Buyer for such Test Energy shall in no event exceed seventy-five percent (75%) of the price per MWh specified on **Exhibit M** for the first Contract Year. If the Dow JonesTM SP15 Electricity Price Index ceases to be published during the Term, Buyer shall select as a replacement electricity price index or component, an index acceptable to Buyer in its discretion that, after any necessary adjustments, provides the most reasonable substitute quotation of the daily price of firm on-peak, firm off-peak or 24-hour firm energy at South of Path 15 for the applicable periods.

5.4 Costs and Charges. Seller shall be responsible for all costs or charges imposed in connection with the delivery of Net Energy at the Electricity Delivery Point, including transmission costs and charges. Without limiting the generality of the foregoing, except to the extent otherwise provided in the Interconnection Agreement, Seller shall bear all costs associated with the modifications to Transmission Provider's interconnection facilities or electric system (including system upgrades) caused by or related to (a) the interconnection of the Facility with Transmission Provider's system, (b) any increase in Capacity of the Facility, and (c) any increase of delivery of energy from the Facility.

5.5 Station Service. Seller shall be responsible for arranging and obtaining, at its sole risk and expense, any station service required by the Facility that is not provided by the Facility itself.

SECTION 6

OPERATION AND CONTROL

6.1 As-Built Supplement. Upon completion of construction of the Facility, Seller shall provide Buyer the As-built Supplement. The As-built Supplement shall be deemed effective and shall be added to **Exhibit A** of this Agreement when it has been reviewed and approved by Buyer. Buyer shall not unreasonably withhold, condition or delay its approval of the As-built Supplement.

6.2 Measurement and Quality of Net Energy. All Net Energy shall be measured at the Electricity Delivery Point and shall meet all requirements in the Interconnection Agreement and the specifications set forth in **Exhibit P**. Seller shall instruct the Transmission Provider in writing that Buyer is entitled to receive, directly from Transmission Provider, any and all data associated with the Facility and/or the production of Net Energy that the Transmission Provider has in its possession.

6.3 Standard of Facility Operation.

6.3.1 General.

6.3.1.1 At Seller's sole cost and expense, Seller shall operate, maintain and repair the Facility and the Electrical Interconnection Facilities in accordance with (i) the standards, criteria and formal guidelines of FERC, NERC, any RTO, and any successors to the functions thereof; (ii) the Required Facility Documents; (iii) the Interconnection Agreement; (iv) all Requirements of Law; (v) the requirements of this Agreement; and (vi) Prudent Electrical Practice. During the Term, Seller shall be the sole owner of the Electrical Interconnection Facilities. Seller shall defend, indemnify and hold Buyer harmless from and against any requirements to comply with FERC Open Access requirements respecting the Electrical Interconnection Facilities caused by Seller's act or omission. Seller acknowledges that it shall have no claims under this Agreement against Buyer, acting in its merchant function capacity, with respect to any requirements imposed by or damages caused by Buyer, acting in its transmission function capacity, in connection with the Interconnection Agreement or otherwise.

6.3.1.2 Without limiting the generality of Section 6.3.1.1, Seller shall:

6.3.1.2.1 At all times, employ qualified and trained personnel for managing, operating and maintaining the Facility and for coordinating such managing, operating and maintenance with Buyer. Seller shall ensure that prior to or on the first Day Seller delivers energy to the Electricity Delivery Point such qualified and trained personnel are available to Buyer at all times, twenty-four (24) hours per Day during the Term.

6.3.1.2.2 Operate and maintain the Facility with due regard for the safety, security and reliability of the System and Buyer's customers and in compliance with the general specifications contained in **Exhibit I**.

6.3.1.2.3 Comply with operating and maintenance standards recommended by the Facility's equipment suppliers.

6.3.1.2.4 Coordinate the Facility's relaying and protection to conform with Prudent Electrical Practice.

6.3.1.2.5 Furnish and install, at Seller's sole expense, a manually operable disconnecting device that can be locked by Buyer in the open position and visually checked to be in the open position, so as to be able to electrically isolate the Facility from the System. This device(s) shall be installed at a location at or near the Electricity Delivery Point.

6.3.1.2.6 Have the Facility's protective relays calibrated and operationally checked, at least annually by a person qualified to perform such service and provide Buyer with a written confirmation of the calibration.

6.3.1.2.7 Operate the Facility in such a manner so as not to have an adverse effect on Buyer's voltage level or voltage waveform.

6.3.1.2.8 Operate the Facility in a manner and consistent with the Operating Procedures so as to permit Buyer to dispatch individual items of Major Equipment required to generate energy Scheduled by Buyer.

6.3.2 Interconnection. Pursuant to the Interconnection Agreement, Seller shall be responsible for the costs and expenses associated with interconnection of the Facility at its Facility Capacity at the Electricity Delivery Point, including the costs of any System upgrades beyond the Electricity Delivery Point necessary to interconnect the Facility with System and to allow the delivery of energy to the Electricity Delivery Point.

6.3.3 Coordination with System. Pursuant to the Interconnection Agreement, Seller shall be responsible for the coordination and synchronization of the Facility's equipment with the System, and shall be solely responsible for (and shall defend and hold Buyer harmless against) any damage that may occur as a direct result of Seller's improper coordination or synchronization of such equipment with the System.

6.4 Operating Procedures and Compliance.

6.4.1 Without limiting the generality of Section 6.2, during the Term, the Parties shall observe the Operating Procedures.

6.4.2 In the Operating Procedures, each Party has designated an authorized representative (an "**Authorized Representative**") and an alternate representative (an "**Alternate Representative**") to act in the Authorized Representative's absence. A Party's appointment of an Authorized Representative and Alternate Representative shall remain in full force and effect until the Party delivers written notice of substitution to the other Party. The Authorized Representatives and Alternate Representatives shall be managers well-experienced with regard to matters relating to the implementation of the Parties' rights and obligations under this Agreement.

6.4.3 Operational Compliance.

6.4.3.1 Required Facility Documents. Seller shall maintain in full force and effect and available for inspection by Buyer during the Term all Required Facility Documents now or hereafter required.

6.4.3.2 Hazardous Substances. Seller shall operate the Facility in compliance with all Environmental Laws and permits, licenses, rules or orders promulgated, issued or otherwise required by a Governmental Authority having jurisdiction or enforcement power over any Environmental Law and Seller. Seller shall immediately notify Buyer if Seller or any Affiliate of Seller receives or obtains any actual knowledge of or actual notice of any past, present or future actions or plans which may interfere with or prevent compliance or continued compliance with Environmental Laws, affect the construction or operation of the Facility, or may give rise to any material liability under any Environmental Laws or to any common law or legal

liability or otherwise form the basis of any claim, action, demand, suit, proceeding, hearing, study or investigation under Environmental Laws.

6.4.4 Taxes. Seller shall pay when due or reimburse Buyer for all existing and any new sales, use, excise, ad valorem, and any other similar taxes, imposed or levied by any Governmental Authority on the sale of Net Energy to Buyer under this Agreement regardless of whether such taxes are payable by Buyer or Seller under Requirements of Law.

6.4.5 Fines and Penalties.

6.4.5.1 Seller shall pay when due, and in no event later than thirty (30) days of assessment, all fines, penalties, or legal costs incurred by Seller or for which Seller is legally responsible for noncompliance by Seller, its agents, employees, contractors or subcontractors, with any provision of this Agreement, any agreement, commitment, obligation or liability incurred in connection with this Agreement or the Facility or any Requirements of Law, except where such fines, penalties or legal costs are being contested in good faith by Seller, its agents or contractors through appropriate proceedings with (i) adequate reserves set aside, or (ii) if requested by Buyer, the posting of adequate security, in the event of an adverse determination.

6.4.5.2 Subject to Section 6.4.4, if fines, penalties, or legal costs are assessed against Buyer by any Governmental Authority due to noncompliance by Seller with any Requirements of Law, or if the performance of Seller is delayed or stopped by order of any Governmental Authority due to Seller's noncompliance with any Requirements of Law, Seller shall indemnify and hold harmless Buyer against any and all losses, liabilities, damages, and claims suffered or incurred by Buyer.

6.4.5.3 Seller shall reimburse Buyer for all fees, damages, or penalties imposed by any Governmental Authority, other person or to other utilities for violations to the extent caused by a Potential Event of Default or an Event of Default by Seller or a failure of performance by Seller under this Agreement.

6.5 Scheduling Procedures. [*Note to bidders: portions of this Section 6.5 may not be applicable to a non-facility dependent contract*]

6.5.1 Availability Notices and Updates.

6.5.1.1 By 5:00 A.M. Pacific Prevailing Time on the Business Day immediately preceding the next three (3) Days on which energy is to be delivered by Seller to Buyer, Seller shall provide Buyer with an hourly forecast of the Capacity of the Facility expected to be available to Buyer, up to the Contract Capacity, and for each hour of the next three (3) Days (as set forth in the form of **Exhibit L**, an "**Availability Notice**"); *provided, however*, that an Availability Notice provided on a Day before any non-Business Day shall include forecasts for each Day to and including the next Business Day. Delivery of an Availability Notice by Seller to Buyer with respect to any item of Major Equipment declared Available shall be deemed a declaration that all Ancillary Services capable of being provided from such Major Equipment are available for the Days for which such Availability Notice shall be effective. Seller shall

promptly update Availability Notices any time information becomes available indicating a change in the forecast of generation of energy from the then current forecast; and in any event within 15 minutes of each time it becomes aware of a change (favorable or unfavorable) in the availability, or projected availability, of the Facility or electric transmission capacity, *provided* that such changes to the daily Availability Notices may be delivered by telephone within the fifteen (15) minute initial period and then later confirmed in writing within the hour. To the extent commercially reasonable, the parties shall cooperate to implement and use automatic forecast updates.

6.5.1.2 Availability Notices shall specify any known limitations on the availability of electric transmission capacity made known to Seller that may affect the ability of the Facility to generate and deliver Scheduled Energy to the Electricity Delivery Point. Seller will also provide Buyer with a monthly Availability Notice six Business Days before the commencement of each such month, and a weekly Availability Notice on each Friday for the next week. Availability Notices identifying reductions in availability will include a short description of the nature of the problem, steps taken or being taken to resolve it and Seller's estimate of the time by which a reduction in availability will be resolved. Availability Notices identifying projected restorations of Capacity availability will specify the time and extent that such restoration is projected to occur, and Seller will issue a further notice after restoration of availability is complete. Without limiting the foregoing, Seller will inform Buyer of any major limitations, restrictions, deratings or outages known to Seller affecting the ability to generate Facility Capacity for the following Day and will promptly update Seller's notice to the extent of any material changes in this information.

6.5.1.3 Availability Notices will be used by and relied upon by Buyer to establish and adjust electric transmission schedules. If Seller has provided notice to Buyer of a reduction in availability affecting transmission schedules, then prior to increasing Facility generation for delivery to Buyer as a result of restored availability, Seller will provide Buyer timely notice so as to enable Buyer sufficient time to reestablish its transmission schedules. The failure by Seller to provide revised Availability Notices is not a breach of this Agreement, but rather places Seller at risk for electric imbalance penalties or charges incurred by Buyer due to its lack of notice; *provided, however*, the failure to provide such notices more than [?] times a Contract Year shall constitute the failure to perform a material obligation hereunder that is not capable of being cured.

6.5.2 Dispatch Notice.

6.5.2.1 No later than 5:00 P.M. Pacific Prevailing Time on each Business Day, Buyer shall deliver to Seller a statement (which may be communicated by fax, e-mail or other electronic medium or a recorded telephone line) setting forth the estimated quantity of Net Energy to be Scheduled during each hour of the immediately following Day(s) at the Electricity Delivery Point. These estimates shall not be binding upon Buyer and Buyer may subsequently revise its estimates. The foregoing estimates by Buyer shall not be construed to permit Seller to limit the availability of the Facility such that Buyer is restricted from Dispatching Contract Capacity unless the Facility Capacity is physically unavailable due to

Force Majeure, Planned Outage or Unplanned Outage, as the case may be. Buyer's written statement may request the delivery of energy to be Scheduled during any or all hours of any Day.

6.5.2.2 Each Dispatch Notice submitted by Buyer shall specify (i) the quantities of Net Energy or Ancillary Services being Scheduled from the Baseload Capacity component of the Contract Capacity, (ii) the quantities, if any, of Net Energy or Ancillary Services being Scheduled from the Peakload Capacity component of the Contract Capacity, and (iii) the quantities, if any, of Net Energy or Ancillary Services being Scheduled from the Facility in Simple Cycle mode. In order to be included on any Dispatch Notice, each quantity of Net Energy, and each equivalent quantity of Ancillary Services, being Scheduled by Buyer from the Baseload Capacity component of the Contract Capacity, or from the Peakload Capacity component of the Contract Capacity, or in Simple Cycle mode, must be shown as a dispatchable quantity on **Exhibit O**. Any amount not shown on **Exhibit O**, but which falls between listed numbers on **Exhibit O** and is explicitly within the range of allowed dispatch, shall be interpolated from the numbers immediately above and below that amount which are listed on **Exhibit O**, including applicable heat rates. An example of a hypothetical Dispatch Notice is attached hereto as **Exhibit R**.

6.5.2.3 Seller shall be obligated to accept a request for Net Energy that has been provided to Seller in accordance with the requirements of Sections 6.5.2.1 and 6.5.2.2 except to the extent (i) such request exceeds the Contract Capacity or the Scheduling Constraints or (ii) Seller declares that the Facility is not available as a result of a previously declared Planned Outage, a Forced Outage, or an event of Force Majeure. Seller shall promptly notify Buyer if Seller determines that it will not accept a Schedule submitted by Buyer for any of the foregoing reasons.

6.5.2.4 Buyer shall pay or reimburse Seller for all Scheduling Fees charged by any third parties, if any, associated with the Scheduling of Net Energy or Ancillary Services generated by the Facility for delivery to Buyer hereunder or, if applicable, any fees charged by an independent third party for providing Ancillary Services required to deliver Net Energy or Ancillary Services generated by the Facility to Buyer.

6.5.2.5 From time to time during the Term, Buyer may designate a third party to Schedule quantities of Net Energy on behalf of Buyer in accordance with any Requirements of Law. Buyer may also wish to change the designated entity acting in such capacity from time to time. Accordingly, upon request of Buyer, Seller shall make such arrangements in accordance with the Requirements of Law at Buyer's cost as may be reasonably necessary to facilitate the re-designation of the Person who may Schedule quantities of Net Energy on Buyer's behalf.

6.5.2.6 As shown in the Scheduling Constraints set forth for the Facility in **Exhibit P**, the ramp rates applicable to the various items of Major Equipment comprising the Facility are faster for the Facility operating in Simple Cycle mode than in combined cycle mode. To the extent that Buyer elects to Schedule the delivery of Net Energy, and any equivalent quantity of Ancillary Services, from the Facility in Simple Cycle mode the Scheduling Constraints applicable to Simple Cycle mode shall be applicable to such Scheduling

by Buyer. For any Scheduling by Buyer of Net Energy or Ancillary Services from the Baseload Capacity component or the Peakload Capacity component of the Contract Capacity, the Scheduling Constraints applicable to combined cycle mode shall be applicable to such Scheduling by Buyer.

6.5.2.7 Buyer may Dispatch energy and Ancillary Services on a real time basis, subject to the Operating Procedures. Seller shall be obligated to accept a request for a change to the applicable schedule for energy and Ancillary Services.

6.6 Outages.

6.6.1 Planned Outages. No Planned Outage may be scheduled to occur during any portion of the time period commencing on May 15 and concluding on September 15.

6.6.2 Maintenance Outages. If Seller reasonably determines that it is necessary to schedule a Maintenance Outage, Seller shall notify Buyer of the proposed Maintenance Outage at least five (5) days before the outage begins (or such shorter period to which Buyer may reasonably consent in light of then existing conditions). Upon such notice, the Parties shall plan the Maintenance Outage to mutually accommodate the reasonable requirements of Seller and the service obligations of Buyer; *provided, however*, that, unless Buyer otherwise consents, such consent not to be unreasonably withheld, no Maintenance Outage may be scheduled between the hour ending 0700 through the hour ending 2200, Monday through Saturday, during the time period commencing on May 15 and concluding on September 15. Notice of a proposed Maintenance Outage shall include the expected start date and time of the outage, the amount of Capacity of the Facility that will not be available, and the expected completion date and time of the outage. Seller shall give Buyer notice of the Maintenance Outage as soon as Seller determines that the Maintenance Outage is necessary. Buyer shall promptly respond to such notice and may request reasonable modifications in the schedule for the outage. Seller shall use all reasonable efforts to comply with any request to modify the schedule for a Maintenance Outage. Seller shall notify Buyer of any subsequent changes in Capacity available to Buyer or any changes in the Maintenance Outage completion date and time. As soon as practicable, any notifications given orally shall be confirmed in writing. Seller shall take all reasonable measures and exercise its best efforts in accordance with Prudent Electrical Practices to minimize the frequency and duration of Maintenance Outages.

6.6.3 Forced Outages. Seller shall promptly provide to Buyer an oral report of any Forced Outage of the Facility. This report shall include the amount of the Capacity of the Facility that will not be available because of the Forced Outage and the expected return date of such Capacity. Seller shall promptly update the report as necessary to advise Buyer of changed circumstances. As soon as practicable, if the Forced Outage resulted in more than five percent (5%) of the Facility Capacity being unavailable, the oral report shall be confirmed in writing. Seller shall take all reasonable measures and exercise its best efforts in accordance with Prudent Electrical Practices to avoid Forced Outages and to minimize their duration.

6.6.4 Notice of Deratings and Outages. Without limiting the foregoing, Seller will inform Buyer of any major limitations, restrictions, deratings or outages known to Seller affecting the Facility for the following day and will promptly update Seller's notice to the extent

of any material changes in this information, with “major” defined as affecting more than five percent (5%) of the Facility Capacity.

6.7 Schedule Coordination. If, as a result of this Agreement, Buyer is deemed by an RTO to be financially responsible for Seller’s performance under the Interconnection Agreement, due to Seller’s lack of a “scheduling coordinator” or other RTO recognized standing or otherwise, then (a) Seller shall use commercially reasonable and diligent efforts to acquire such RTO recognized standing such that Buyer is no longer responsible for Seller’s performance under the Interconnection Agreement, and (b) Seller shall defend, indemnify and hold Buyer harmless against any liability arising due to Seller’s performance or failure to perform under the Interconnection Agreement.

6.8 Electronic Communications.

6.8.1 Telemetry. Seller shall provide telemetry equipment and facilities capable of transmitting the following information concerning the Facility pursuant to the Interconnection Agreement and to Buyer on a real-time basis and will operate such equipment when requested by Buyer to indicate:

- 6.8.1.1 instantaneous MW output at the Electricity Delivery Point;
- 6.8.1.2 Net Energy; and
- 6.8.1.3 Facility Capacity.

Seller shall also transmit to Buyer any other data from the Facility that Seller receives on a real time basis. Seller shall provide such real time data to Buyer on the same basis as the basis on which Seller receives the data (e.g., if Seller receives the data in four second intervals, Buyer shall also receive the data in four second intervals).

6.8.2 Dedicated Communication Circuit. Seller shall install a dedicated direct communication circuit (which may be by common carrier telephone) between Buyer and the control center in the Facility’s control room or such other communication equipment as the Parties may agree.

6.9 Reports and Records.

6.9.1 Monthly Reports. Within thirty (30) days after the end of each calendar month during the Term (each, a “**Reporting Month**”), Seller shall provide to Buyer a report in electronic format, which report shall include (a) summaries of the Facility’s output data for the Reporting Month in intervals not to exceed one hour (or such shorter period as is reasonably possible with commercially available technology), including information from the Facility’s Computer Monitoring System; (b) summaries of any other significant events related to the construction or operation of the Facility for the Reporting Month; and (c) any supporting information that Buyer may from time to time reasonably request (including historical data for the Facility).

6.9.2 Electronic Fault Log. Seller shall maintain an electronic fault log of operations of the Facility during each hour of the Term beginning as of the Commercial Operation Date. Seller shall provide Buyer with a copy of the electronic fault log within thirty (30) days after the end of the calendar month to which the fault log applies.

6.9.3 Other Information to Be Provided to Buyer. Seller shall provide to Buyer the following information concerning the Facility:

6.9.3.1 Upon the request of Buyer, the manufacturers' guidelines and recommendations for maintenance of the Facility equipment;

6.9.3.2 A detailed report summarizing the results of maintenance performed during each Planned Outage and any Forced Outage, and upon request of Buyer any of the technical data obtained in connection with such maintenance; and

6.9.3.3 A detailed report describing the facts, circumstances and events that caused and arose out of, or related to, any Forced Outage, failed Start-Up or other item of Major Equipment being taken off-line or tripping for any reason other than in connection with a Planned Outage.

6.9.4 Information to Any Governmental Authority. Seller shall, promptly upon written request from Buyer, provide Buyer with all data which is collected by Seller related to the Facility reasonably required for reports to and information requests from any Governmental Authority. Along with said information, Seller shall provide to Buyer copies of all submittals to any Governmental Authority directed by Buyer and related to the operation of the Facility with a certificate that the contents of the submittals are true and accurate to the best of Seller's knowledge. Seller shall use best efforts to provide this information to Buyer soon enough so that Buyer has time to review such information and meet any submission deadlines imposed by the requesting organization or entity. After the sending or filing any statement, application, and report or any document with any Governmental Authority relating to operation and maintenance of the Facility, Seller shall promptly provide to Buyer with a copy of the same.

6.9.5 Information to Any Intervenor. Seller shall, promptly upon written request from Buyer, provide Buyer with data reasonably required for information requests from any state or federal agency intervenor or any other party achieving intervenor status in any Buyer rate proceeding or other proceeding before any Governmental Authority. Seller shall use best efforts to provide this information to Buyer soon enough so that Buyer has time to review such information and meet any submission deadlines imposed by the requesting organization or entity.

6.9.6 Environmental Information. Seller shall, promptly upon written request from Buyer, provide Buyer with all data reasonably requested by Buyer relating to environmental information under the Required Facility Documents.

6.9.7 Information Relating to Facility Performance. Seller shall provide Buyer monthly operational reports in a form and substance acceptable to Buyer and Seller shall, promptly upon written request from Buyer, provide Buyer with all operational data requested by Buyer with respect to the performance of the Facility and delivery of energy therefrom.

6.9.8 Audited Financial Statements. Seller shall provide Buyer within ninety (90) days after the end of each calendar year, its audited financial statements together with the audited financial statements of any guarantor providing Credit Support, in each case prepared in accordance with generally accepted accounting principles by an accounting firm of nationally recognized standing in the electric power industry reasonably acceptable to Buyer.

6.9.9 Notice of Default. Seller shall promptly notify Buyer of receipt of written notice or actual knowledge of the occurrence of any event of default under any material agreement to which Seller is a party and of any other development, financial or otherwise, which would have a material adverse effect on Seller, the Facility or Seller's ability to develop, construct, operate, maintain or own the Facility as provided in this Agreement.

6.9.10 Notice of Litigation. Following its receipt of written notice or actual knowledge of the commencement of any action, suit, and proceeding before any court or Governmental Authority which would, if adversely determined, adversely affect Seller, the Premises or the Facility, Seller shall promptly give notice to Buyer of the same.

6.9.11 Additional Information. Seller shall provide to Buyer such other information respecting the condition or operations of Seller and the Facility as Buyer may, from time to time, reasonably request.

6.10 Access Rights. Upon reasonable prior notice and subject to the safety rules and regulations of Seller, Seller shall provide Buyer and its authorized agents, employees and inspectors with reasonable access to the Facility: (a) for the purpose of reading or testing metering equipment, (b) as necessary to witness any required Capacity tests necessary to determine the amount of Capacity associated with the Facility, (c) in connection with the operation and maintenance of the Electrical Interconnection Facilities for the Facility, (d) to provide tours of the Facility to customers and other guests of Buyer (not more than twelve (12) times per year), (e) for purposes of implementing Section 9.5, and (f) for other reasonable purposes at the reasonable request of Buyer.

6.11 EWG. Seller shall provide Buyer with copies of Seller's applications to FERC for EWG status and for authority to sell energy under this Agreement within ten (10) days of filing such application(s). During the Term, Seller shall either (i) maintain its EWG status and its authority to sell power under this Agreement or (ii) otherwise cause Seller to be exempt from federal and state regulations as an electric utility.

6.12 Facility Images. Buyer shall be free to use any and all images from or of the Facility for promotional purposes. Upon Buyer's request and at Buyer's expense, Seller shall install equipment as Buyer may request, including without limitation video and or web-based imaging equipment. Buyer shall use its discretion with respect to how images from or of the Facility are presented by Buyer, including without limitation associating images of the Facility with Buyer's corporate logo but not the corporate logo of Seller.

6.13 Financial and Accounting Information. If Buyer or one of its Affiliates determines that, under the Financial Accounting Standards Board's revised Interpretation No. 46, Consolidation of Variable Interest Entities ("**FIN 46**"), it may hold a variable interest in Seller,

but it lacks the information necessary to make a definitive conclusion, Seller hereby agrees to provide sufficient financial and ownership information so that Buyer or its Affiliate may confirm whether a variable interest does exist under FIN 46. If Buyer or one of its affiliates determines that, under FIN 46, it holds a variable interest in Seller, Seller hereby agrees to provide sufficient financial and other information to Buyer or its Affiliate so that Buyer may properly consolidate the entity in which it holds the variable interest and/or present the disclosures required by FIN 46.

SECTION 7

SECURITY AND CREDIT SUPPORT

7.1 Credit Support. At any time during the Term, Seller may have to post Credit Support Security in the amounts outlined on the Credit Matrix based upon its' Credit Rating or that of the entity providing credit assurances as Credit Support Security on behalf of the Seller, and the size of the project. If Seller has a published Credit Rating from each of S&P and Moody's, the lower rating will be used to determine the level of Credit Support in the Credit Matrix. If Seller, or the entity providing credit assurances as Credit Support Security on behalf of the Seller, has no published Credit Rating, an equivalent Credit Rating will be determined by Buyer through the application of Buyer's proprietary credit scoring model developed in conjunction with a third party, and the amount of Credit Support for Seller (as shown on the Credit Matrix) will be based upon this equivalent Credit Rating. If the required Credit Support is greater than zero dollars (\$0.00), upon the request of Buyer, Seller shall provide the Credit Support in the form of: (x) a guaranty, in form and substance acceptable to Buyer in its sole discretion from a Person acceptable to Buyer in its sole discretion, (y) a Letter of Credit, or (z) a Cash Escrow. [IE has requested language to the effect of: Buyer shall be required to post Credit Support Security in the amount of __% of the Credit Support if the same is required at any time before the milestone set forth in Section 2.2.3 has been met; and after such milestone has been met, Buyer shall be required to post Credit Support Security in the amount of 100% of the required Credit Support.]

Deleted: If at any time during the Term, Seller maintains a Credit Rating of (1) "Aa2" or higher by Moody's and (2) "AA" or higher by S&P, then Seller will not be required to post any Credit Support Security. If Seller does not meet the Credit Rating requirements of (1) and (2) in the preceding sentence, it may have to post Credit Support Security in the amounts outlined on the Credit Matrix based upon its' Credit Rating or that of the entity providing a guaranty as Credit Support Security on behalf of the Seller, and the size of the project. If Seller has a published Credit Rating from each of S&P and Moody's, the lower rating will be used to determine the level of Credit Support in the Credit Matrix. If Seller, or the entity providing a guaranty as Credit Support Security on behalf of the Seller, has no published Credit Rating, an equivalent Credit Rating will be determined by Buyer through the application of Buyer's proprietary credit scoring model developed in conjunction with S&P, and the amount of Credit Support for Seller (as shown on the Credit Matrix) will be based upon this equivalent Credit Rating. If the required Credit Support is greater than zero dollars (\$0.00), upon the request of Buyer, Seller shall within five (5) Business Days provide one of the following in the amount of the Credit Support: (x) a guaranty, in form and substance acceptable to Buyer in its sole discretion from a Person acceptable to Buyer in its sole discretion, (y) a Letter of Credit, or (z) a Cash Escrow.

7.2 Subordinated Security Interests.

7.2.1 Security Interests. Concurrently with the execution of this Agreement and simultaneously with the acquisition by Seller after the Effective Date of any real property in connection with the Facility (including land and water or rights thereto), Seller shall execute, file and record such agreements, documents, instruments, deeds of trust and other writings as Buyer may request, all in form and substance satisfactory to Buyer, to give Buyer a perfected security interest in and lien on the Facility, the Premises and all other assets necessary or in Buyer's opinion desirable for the development, construction, ownership, operation or maintenance of the Facility as security for Seller's performance and any amounts owed by Seller to Buyer pursuant to this Agreement (collectively the "**Security Interests**"). The Security Interests shall be subordinate in right of payment, priority and remedies only to the interests of the financiers for the Facility contemplated by Section 2.2.3 and approved by Buyer.

7.2.2 Pledge of Ownership Interests. [Note to bidders: This section is applicable only if Seller is a special purpose entity.] Concurrently with the execution of this

Agreement, Seller's equity holders shall execute and file such agreements, documents, instruments, and other writings as Buyer may request, all in form and substance satisfactory to Buyer, to give Buyer a perfected security interest in and lien on all ownership interests in Seller as security for Seller's performance and any amounts owed by Seller to Buyer pursuant to this Agreement (the "**Pledge Interest**"). The Pledge Interest shall be subordinate in right of payment, priority and remedies only to the interests of the financiers for the Facility contemplated by Section 2.2.3 and approved by Buyer.

7.2.3 Maintenance of Security Interests. Seller shall execute and file and record (or cause to be executed and filed and recorded) such Uniform Commercial Code financing statements and deeds of trust and shall take such further action and execute such further instruments and other writings as shall be required by Buyer to confirm and continue the validity, priority, and perfection of the Security Interests [and the Pledge Interest]. The granting of the Security Interests [and the Pledge Interest] shall not be to the exclusion of, nor be construed to limit the amount of any further claims, causes of action or other rights accruing to Buyer by reason of any breach or default by Seller under this Agreement or the termination of this Agreement prior to the expiration of the Term.

7.2.4 Transfer of Required Facility Documents. The Security Interests shall provide that if Buyer acts to obtain title to the Facility pursuant to the interests provided by Seller pursuant to Section 7.2.1, Seller shall take all steps necessary to transfer all Required Facility Documents necessary to operate the Facility to Buyer, and shall diligently prosecute and cooperate in such transfers.

7.3 Quarterly Financial Statements. If requested by Buyer, Seller shall within thirty (30) days provide Buyer with copies of its most recent quarterly financial statements, together with the audited financial statements of any guarantor providing Credit Support, in each case prepared in accordance with generally accepted accounting principles.

7.4 Security is Not a Limit on Seller's Liability. The Credit Support and Security Interests contemplated by this Section 7: (a) constitutes security for, but is not a limitation of, Seller's obligations under this Agreement, and (b) shall not be Buyer's exclusive remedy for Seller's failure to perform in accordance with this Agreement. To the extent that Buyer draws on the Credit Support, Seller shall within five (5) Business Days reinstate the security to the full amount required by this Section 7.

7.5 Escrow Account. With respect to any Cash Escrow established pursuant to this Section 7 as Credit Support, Seller hereby grants Buyer a security interest in the escrow account and all moneys and other amounts in the account to secure payment and performance of Seller's obligations under this Agreement. Buyer shall have, and Seller agrees to take all further action required or reasonably requested by Buyer to ensure that Buyer has, all rights of a secured party under Article 9 of the Uniform Commercial Code and applicable law with respect to the escrow account and all moneys and other amounts in the escrow account. The escrow agreement shall be in form and substance acceptable to Buyer in its discretion and shall contain the following language: "Escrow Agent acknowledges that Seller has granted Buyer a security interest in the amounts held by Escrow Agent in the [*describe escrow accounts and all moneys and other amounts in the account*] (collectively, the "**Collateral**"). Escrow Agent acknowledges that it

(a) has received and holds possession of the Collateral for the benefit of Buyer and not as the agent of or on behalf of Seller and (b) shall continue to hold possession of the Collateral for Buyer's benefit until Escrow Agent receives notice in an authenticated record from Buyer that Buyer's security interest in the Collateral has been terminated. Escrow Agent acknowledges that it has no rights in and to the Collateral other than its right to receive payment of its fees and expenses pursuant to the Escrow Agreement."

SECTION 8

METERING

8.1 Net Energy. Meter equipment shall be installed, owned, operated, maintained and tested in accordance with the terms of the Interconnection Agreement and shall automatically account for line losses between such meter equipment and the Electricity Delivery Point (collectively, the "**Electric Metering Equipment**"). The Electric Metering Equipment shall be capable of metering Net Energy delivered at the Electricity Delivery Point on a continuous real time basis.

8.1.1 Seller Electric Metering. Seller shall be responsible for the maintenance, testing and calibration of the Electric Metering Equipment and the maintenance and testing of the electrical facilities and Protective Apparatus, including any transmission equipment and related facilities, necessary to interconnect the Facility at the Electricity Delivery Point. Such installation shall be completed, and the delivery of such data shall be commenced, as promptly as possible but in no event later than one month prior to the commencement of Net Energy deliveries. Seller shall bear all costs and expenses of installing, maintaining and testing all Electric Metering Equipment.

8.1.2 Check Meters. Buyer may at its option and expense install and operate one or more check meters to check Seller's meters. Such check meters shall be for check purposes and shall not be used in the measurement of Net Energy or Ancillary Services for the purposes of this Agreement. The check meters shall be subject at all reasonable times to inspection and examination by the Seller or its designee. The installation and operation thereof shall, however, be done entirely by Buyer at no cost or expense to Seller. The Seller shall grant to Buyer, at no cost or expense, the right to install such check meters at the Electricity Delivery Point and the right to access such check meters at reasonable times as requested by Buyer if such check meters are located on the Premises.

8.1.3 Change in Measurement Method. If, at any time during the Term a new method or technique is developed with respect to electricity measurement, or the determination of the factors used in electricity measurement, such new method or technique may be substituted for the method set forth in this Section 8.1 when in the opinion of the Parties, employing such new method or technique is advisable, and they so agree in writing.

8.1.4 Industry Standards. All Electric Metering Equipment, whether owned by the Seller or by a third party, shall be operated, maintained and tested by and/or on behalf of the Seller in accordance with Prudent Electrical Practices.

8.1.5 Access. Each Party shall have the right to receive reasonable advance notice with respect to, and to be present at the time of, any installing, cleaning, changing, repairing, inspecting, testing, calibrating or adjusting of Electric Metering Equipment. The records from such Electric Metering Equipment shall be the property of the Seller, but upon reasonable advance notice, the Seller shall make available to Buyer all data, records and charts relating to the Electric Metering Equipment, together with calculations therefrom, for inspection and verification.

8.1.6 Installations. Any installations of Electric Metering Equipment required pursuant to this Agreement shall be scheduled by the Seller; provided, however, that no installation which shall or could affect deliveries of Net Energy shall be made without the prior written consent of Buyer, which shall not be unreasonably withheld. Any installations of check meters by Buyer shall be scheduled by Buyer; provided, however that the installation shall not unreasonably interfere with the operation and maintenance of the Facility by the Seller.

8.1.7 Estimates. During the period after the Effective Date and prior to the installation and commencement of operation of the meters contemplated by this Section 8.1.8, the Net Energy generated and delivered shall be estimated in good faith by the Seller and the Parties shall prepare and submit invoices on the basis of such estimates. Any such invoice shall be adjusted retroactively based on the performance of the Facility during the three month period immediately following the installation of such meters.

8.1.8 Inspection. Seller, at its sole cost and expense, shall inspect and calibrate, or cause to be inspected and calibrated, all Electric Metering Equipment periodically, but not less frequently than annually. When any test, in the case of Electric Metering Equipment, shall show a measurement error of more than one-quarter percent (1/4%), correction shall be made for the period during which the measurement instruments were in error, first, by using the registration of Buyer's check meter, if installed and registering accurately; if no check meter is installed and registering accurately, or if the period cannot be ascertained, correction shall be made for one-half (1/2) of the period elapsed since the last date of test; and the measuring instrument shall be adjusted immediately to measure accurately.

8.2 Records. The Parties shall, for five (5) years or such longer period as may be required by the applicable Governmental Authority, each keep and maintain accurate and detailed records relating to the Facility's hourly deliveries of Net Energy. Such records shall be made available for inspection by either Party or any Governmental Authority having jurisdiction with respect thereto during normal business hours upon reasonable notice. If either Party (the "**Notifying Party**") shall propose to discard any records theretofore required to be retained by this Section 8.2, it shall give notice to the other Party thereof and the other Party may within thirty (30) days elect to take possession of such records by notice to the Notifying Party, and in such case the Notifying Party shall promptly, and in any event, no later than five (5) days following receipt of such notice, deliver such records to the other Party at its expense. If the Party receiving a Notice pursuant to this Section 8.2 shall not respond within such thirty (30) days, the Notifying Party may discard such records without any further obligation hereunder. Upon written request by Buyer, Seller promptly shall request that the Transmission Provider provide in writing any and all meter or other data associated with the Facility and Net

Energy directly to Buyer. Notwithstanding any other provision of this Agreement, Buyer shall have the right to provide such meter data to any RTO or generation tracking service.

8.3 Adjustment to Loss Factors. If Buyer or Seller has a reasonable basis for concluding that the Electric Metering Equipment is not accurately measuring losses between the Electric Metering Equipment and the Electricity Delivery Point, it may propose an adjustment to the Electric Metering Equipment by notice to the other Party. Such an adjustment shall be prospective only. The notice will include information explaining in reasonable detail why the loss factor appears to be incorrect. The other Party shall have thirty (30) days in which to approve or disapprove of the proposed adjustment, which approval may not be unreasonably withheld, conditioned or delayed. A proposed loss factor adjustment that is not disapproved by notice to Seller given within the thirty (30) day period shall be deemed approved. The Parties shall cooperate in causing PacifiCorp Transmission to make an appropriate adjustment to the Electric Metering Equipment pursuant to the Interconnection Agreement.

SECTION 9

BILLINGS, COMPUTATIONS AND PAYMENTS

9.1 Monthly Invoices. On or before the tenth (10th) day following the end of each month, Seller shall deliver to Buyer a proper invoice showing Seller's computation of the Energy Payment, MAAF and the Capacity Payment for such month. If such invoice is delivered by Seller to Buyer, Buyer shall send to Seller payment for Seller's deliveries in respect thereof on or before the thirtieth (30th) day following the end of each month.

9.2 Offsets. Buyer may offset any payment due under this Agreement against amounts owing from Seller to Buyer pursuant to this Agreement, any other agreement between the Parties or otherwise.

9.3 Interest on Late Payments. Any amounts that are not paid when due under this Agreement shall bear interest at the Prime Rate plus two hundred (200) basis points from the date due until paid; provided, however, that this interest rate shall at no time exceed the maximum rate allowed by applicable law.

9.4 Disputed Amounts. If either Party, in good faith, disputes any amount due pursuant to an invoice rendered or written demand made under this Agreement, such Party shall notify the other Party of the specific basis for the dispute and, if the invoice shows an amount due, shall pay that portion of the statement that is undisputed, on or before the due date. Any such notice shall be provided within two (2) years of the date of the invoice in which the error first occurred. If any amount disputed by such Party is determined to be due the other Party, or if the Parties resolve the payment dispute, the amount due shall be paid within five (5) days of such determination or resolution, along with interest accrued at the rate determined under Section 9.3 from the date due until the date paid.

9.5 Audit Rights. Buyer, through its authorized representatives, shall have the right, at its sole expense and during normal business hours, to examine and copy the records of Seller to the extent reasonably necessary to verify the accuracy of any statement, charge or

computation made hereunder or to verify the Seller's performance of its obligations hereunder. Upon request, Seller shall provide to Buyer statements evidencing the quantities of energy delivered at the Electricity Delivery Point. If any statement is found to be inaccurate, a corrected statement shall be issued and any amount due thereunder will be promptly paid and shall bear interest calculated at the rate determined under Section 9.3 from the date of the overpayment or underpayment to the date of receipt of the reconciling payment. Notwithstanding the above, no adjustment shall be made with respect to any statement or payment hereunder unless Buyer questions the accuracy of such payment or statement within two (2) years after the date of such statement or payment.

SECTION 10

DEFAULTS AND REMEDIES

10.1 Defaults. The following events are defaults (each, an "**Event of Default**") under this Agreement:

10.1.1 Events of Default by Either Party.

10.1.1.1 A Party's failure to make a payment when due under this Agreement if the failure is not cured within ten (10) days after the non-defaulting Party gives the defaulting Party a notice of the default, except as provided in Section 9.4.

10.1.1.2 A Party (a) makes an assignment for the benefit of its creditors; (b) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy or similar law for the protection of creditors, or has such a petition filed against it and such petition is not withdrawn or dismissed within sixty (60) days after such filing; (c) becomes insolvent; or (d) is unable to pay its debts when due.

10.1.1.3 A Party's breach of a representation or warranty made by that Party in this Agreement if the breach is not cured within thirty (30) days after the non-defaulting Party gives the defaulting Party a notice of the default.

10.1.1.4 A Party otherwise fails to perform any material obligation imposed upon that Party by this Agreement if the failure is not cured within thirty (30) days after the non-defaulting Party gives the defaulting Party notice of the default; provided, however, that, upon written notice from the defaulting Party, this thirty (30) day period shall be extended by an additional sixty (60) days if (a) the failure cannot reasonably be cured within the thirty (30) day period despite diligent efforts, (b) the default is capable of being cured within the additional sixty (60) day period, and (c) the defaulting Party commences the cure within the original thirty (30) day period and is at all times thereafter diligently and continuously proceeding to cure the failure.

10.1.2 Events of Default by Seller.

10.1.2.1 Seller's failure to post or increase the Carry-Over Letter of Credit within ten (10) Business Days after the end of each month as may be required under Section 5.1.4.

10.1.2.2 Seller's failure to cause the Facility to achieve (a) an average of the applicable CAF_ms of at least [?%] in any three (3) consecutive quarters in a Contract Year or (b) achieve an average of the applicable CAF_ms of at least [?%] in three (3) out of any five (5) consecutive Contract Years. [bidder to edit and provide parameters]

10.1.2.3 Seller's failure to post and maintain Credit Support as required by Section 7 if the failure is not cured within five (5) days after Buyer gives Seller a notice of the default.

10.1.2.4 Seller's failure to achieve a milestone by the date set forth for the achievement of that milestone in Section 2.2 (other than the failure to achieve the Commercial Operation Date by the Guaranteed Commercial Operation Date) if the failure is not cured within thirty (30) days after Buyer gives Seller a notice of the default.

10.1.2.5 Seller's failure to cause the Facility to achieve the Commercial Operation Date on or before [___] days following the Guaranteed Commercial Operation Date. *[note to bidders: insert number of days; this will be a material component of the evaluation of your bid; the nature of the resource will be considered. The lowest feasible numeral is encouraged.]*

10.1.2.6 Seller's failure to cure any default under any Required Facility Documents (including the Interconnection Agreement) within the time allowed for a cure under such agreement or instrument.

10.1.2.7 Seller's sale of energy from the Facility to a Party other than Buyer in breach of this Agreement if Seller does not permanently cease such sale and compensate Buyer for the damages arising from the breach within ten (10) days after Buyer gives Seller a notice of default.

10.1.2.8 The Facility is unavailable to provide energy for ninety (90) consecutive days or one hundred twenty (120) non-consecutive days in any three hundred sixty-five (365) day period commencing on the Commercial Operation Date and prior to end of the Term.

10.2 Termination and Remedies.

10.2.1 Upon the occurrence of, and during the continuation of, an Event of Default, the non-defaulting Party shall be entitled to all remedies available at law or in equity, and may terminate this Agreement by notice to the other Party designating the date of termination and delivered to the defaulting Party no less than ten (10) days before such termination date. Further, during the continuation of an Event of Default by Seller, and until it

has recovered all damages incurred on account of such Event of Default by Seller, without exercising its termination right, Buyer may offset its damages against any payment due Seller.

10.2.2 In the event of a termination of this Agreement:

10.2.2.1 The Parties' respective obligations under this Agreement shall terminate (other than those obligations which expressly are to be performed after termination).

10.2.2.2 Each Party shall pay to the other all amounts due the other under this Agreement for all periods prior to termination subject to offset by the non-defaulting Party against damages incurred by such Party.

10.2.2.3 The amounts due pursuant to Section 10.2.2.2 shall be paid within thirty (30) days of the billing date for such charges plus interest thereon at the Prime Rate from the date of termination until the date paid.

10.2.2.4 The provisions of Sections 6.4.4, 6.9.4, 6.9.5, 8.2, 9.3, 9.4, 9.5, 10.7, 10.9, 11 and 14 shall survive the termination of this Agreement.

10.3 Specific Performance. Buyer shall be entitled to seek and obtain a decree compelling specific performance or granting injunctive relief with respect to, and shall be entitled, without the necessity of filing any bond, to enjoin any actual or threatened breach of any material obligation of Seller under this Agreement. Seller agrees that in view of the nature of the bid procedure that caused Seller to be selected, and the importance of the Facility and the Buyer's requirement for Capacity and energy, specific performance (including temporary and preliminary relief) and injunctive and other equitable relief, including access to all records of Seller, are proper in the event of any actual or threatened breach of any material obligation by Seller under this Agreement, and that any liability limits contained in this Agreement shall not operate to limit the exercise of Buyer's remedies in equity to cause Seller to perform its obligations under this Agreement. In any action for specific performance or injunctive relief or other equitable relief, all expenses incurred by the prevailing party in such proceeding, including reasonable counsel fees, shall be awarded to the prevailing party in such proceeding. Seller agrees that it will not assert as a defense to Buyer's action for specific performance of, or injunctive relief or other equitable relief relating to, Seller's obligations hereunder that the amounts payable or paid by Seller in respect of liquidated damages or actual damage constitute an adequate remedy for the breach of such obligation, and Seller hereby conclusively waives such defense.

10.4 Failure to Meet Availability. If an Event of Default by Seller described in Section 10.1.2.2 shall occur, Buyer shall have the right to enter the Facility and do all such things as Buyer may consider necessary or desirable to remedy such situation or to improve the availability of the Contract Capacity, including making any repairs to the Major Equipment or the Facility. Seller shall reimburse Buyer for and shall indemnify and hold harmless Buyer from and against all losses, costs, charges and expenses incurred by Buyer in connection with exercise of its rights under this Section 10.4 other than due to the gross negligence or willful misconduct of Buyer. In connection with the exercise of the rights under this Section 10.4, Buyer shall have

the right to recoup and set off all such losses, costs, charges and expenses against amounts otherwise owed by Buyer under this Agreement.

10.5 License to Operate Facility. During the occurrence and continuance of an Event of Default by Seller, Seller hereby irrevocably grants to Buyer the right, license, and authority to enter the Premises, operate the Facility, and to perform Seller's obligations under this Agreement for the Term of this Agreement. Notwithstanding the license granted to Buyer in this Section 10.5, so long as no Event of Default by Seller which would entitle Buyer to terminate this Agreement has occurred and is continuing, Buyer agrees that Seller may operate the Facility and provide the energy and Capacity in accordance with its obligations under this Agreement. Upon the occurrence of an Event of Default and the expiration of all applicable opportunities to cure, Buyer may, but shall not be obligated to, exercise its rights as licensee under this Section 10.5 in lieu of termination. Buyer's right to operate the Facility pursuant to the license granted in this Section 10.5 shall be effective for a period not to exceed 365 days from the date Buyer first exercises its license rights. During any period in which Buyer is operating the Facility pursuant to the license granted in this Section 10.5, Seller shall, upon request from Buyer, reimburse Buyer for all reasonable costs and expenses incurred by Buyer to operate and maintain the Facility. In connection with the exercise of the rights under this Section 10.5, Buyer shall have the right to recoup and set off all such losses, costs, charges and expenses against amounts otherwise owed by Buyer under this Agreement.

10.6 Termination of Duty to Buy. If this Agreement is terminated because of Seller's default, Seller may not require Buyer to purchase energy from the Facility before the date on which the Term would have ended had this Agreement remained in effect. Seller hereby waives its rights to require Buyer to do so.

10.7 Net Replacement Power Costs. If this Agreement is terminated because of Seller's default, Seller shall pay Buyer the positive difference, if any, obtained by subtracting (a) the result of (1) the energy, stated in MWh, that Seller was obligated to provide to Buyer during the remainder of the Term, multiplied by (2) the price per MWh (i) specified in **Exhibit F** for the remaining Contract Years subtracted from (ii) the market price of such energy as determined in good faith by Buyer, from (b) the Replacement Price for any energy that Seller was obligated to provide during the remainder of the Term. Amounts owed by Seller pursuant to this Section 10.7 shall be due within five (5) Business Days after Buyer gives Seller notice of the amount due.

10.8 Credit Support Security. Buyer may apply the Credit Support Security at any time to reduce amounts due from Seller to Buyer under this Agreement which are not paid when due.

Deleted: Default Security. Buyer may apply the Credit Support Security at any time to reduce amounts due from Seller to Buyer under this Agreement which are not paid when due.

10.9 Cumulative Remedies. The rights and remedies provided to Buyer under this Agreement are cumulative and not exclusive of any rights or remedies which Buyer would otherwise have.

SECTION 11

INDEMNIFICATION AND LIABILITY

11.1 Indemnities.

11.1.1 Indemnity by Seller. Seller hereby releases, indemnifies and holds harmless Buyer, its directors, officers, agents, and representatives against and from any and all losses, claims, actions or suits, including costs and attorney's fees, resulting from, or arising out of or in any way connected with (a) the energy delivered by Seller under this Agreement to and at the Electricity Delivery Point, (b) any facilities on Seller's side of the Electricity Delivery Point, (c) Seller's operation and/or maintenance of the Facility, or (d) arising from Seller's performance under this Agreement, including any loss, claim, action or suit, for or on account of injury, bodily or otherwise, to, or death of, persons, or for damage to, or destruction or economic loss of property belonging to Buyer, Seller or others, excepting only such loss, claim, action or suit as may be caused solely by the fault or gross negligence of Buyer, its directors, officers, employees, agents or representatives.

11.1.2 Indemnity by Buyer. Buyer hereby releases, indemnifies and holds harmless Seller, its directors, officers, agents, and representatives against and from any and all losses, claims, actions or suits, including costs and attorney's fees, resulting from, or arising out of or in any way connected with the energy delivered by Seller under this Agreement after the Electricity Delivery Point, including any loss, claim, action or suit, for or on account of injury, bodily or otherwise, to, or death of, persons, or for damage to, or destruction or economic loss of property, excepting only such loss, claim, action or suit as may be caused solely by the fault or gross negligence of Seller, its directors, officers, employees, agents or representatives.

11.2 No Dedication. Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to, or any liability to any person not a Party to this Agreement. No undertaking by one Party to the other under any provision of this Agreement shall constitute the dedication of that Party's system or any portion thereof to the other Party or to the public, nor affect the status of Buyer as an independent public utility corporation or Seller as an independent individual or entity.

11.3 Consequential Damages. Neither Party shall be liable to to the other Party 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.

SECTION 12

INSURANCE

12.1 Required Policies and Coverages. Without limiting any liabilities or any other obligations of Seller under this Agreement, Seller shall secure and continuously carry with an insurance company or companies rated not lower than "A" by the A.M. Best Company the insurance coverage specified on **Exhibit J** during the periods specified on **Exhibit J**.

12.2 Certificates and Certified Copies of Policies. Seller shall provide Buyer with a certified “true and correct” copy of the insurance policies, provisions and endorsements contemplated by **Exhibit J** within ten (10) days after the date by which such policies are required to be obtained (as set forth in **Exhibit J**). If any coverage is written on a “claims-made” basis, the certification accompanying the policy shall conspicuously state that the policy is “claims made.”

SECTION 13

FORCE MAJEURE

13.1 Definition of Force Majeure. As used in this Agreement, “**Force Majeure**” or “**an event of Force Majeure**” means an event (a) is not reasonably anticipated as of the date of this Agreement, (b) is not within the reasonable control of the Party affected by the event, (c) is not the result of such Party’s negligence or failure to act, and (d) could not be overcome by the affected Party’s use of due diligence in the circumstances. Force Majeure includes, but is not restricted to, events of the following types (but only to the extent that such an event, in consideration of the circumstances, satisfies the tests set forth in the preceding sentence): acts of God; fire; explosion; civil disturbance; sabotage; action or restraint by court order or public or government authority (as long as the affected Party has not applied for or assisted in the application for, and has opposed to the extent reasonable, such court or government action). Notwithstanding the foregoing, none of the following constitute Force Majeure: (i) Seller’s ability to sell, or Buyer’s ability to purchase energy at a more advantageous price than is provided under this Agreement; (ii) the cost or availability of Fuel; (iii) economic hardship including lack of money; (iv) the imposition upon Seller of costs or taxes allocated to Seller under Sections 5 or 6; (v) delay or failure by Seller to obtain any Required Facility Document, other than Permits which Seller is diligently and timely taking all reasonable steps to obtain; (vi) strikes or labor disturbances occurring at the Facility, the Premises or any of Buyer’s or Seller’s facilities; (vii) changes in, or costs of compliance with, Environmental Laws enacted after the date of this Agreement; and (viii) the failure of the Transmission Provider, whether or not Transmission Provider is PacifiCorp acting in its regulated transmission function capacity, for any reason to transmit Contract Capacity or energy.

13.2 Suspension of Performance. If either Party is rendered wholly or in part unable to perform its obligations under this Agreement because of an event of Force Majeure, both Parties shall be excused from the performance affected by the event of Force Majeure, provided that:

13.2.1 the Party affected by the Force Majeure, shall, within two (2) weeks after the occurrence of the event of Force Majeure, give the other Party written notice describing the particulars of the event; and

13.2.2 the suspension of performance shall be of no greater scope and of no longer duration than is required by the Force Majeure; and

13.2.3 the affected Party shall use diligent efforts to remedy its inability to perform.

13.3 Force Majeure Does Not Affect Other Obligations. No obligations of either Party that arose before the Force Majeure causing the suspension of performance or that arise after the cessation of the Force Majeure shall be excused by the Force Majeure.

13.4 Right to Terminate. If a Force Majeure event prevents a Party from substantially performing its obligations under this Agreement for a period exceeding one hundred eighty (180) days, then Buyer may terminate this Agreement by giving ten (10) days' prior notice to Seller. Upon such termination, neither Party will have any liability to the other with respect to the period following the effective date of such termination; *provided, however*, that this Agreement will remain in effect to the extent necessary to facilitate the settlement of all liabilities and obligations arising under this Agreement before the effective date of such termination.

SECTION 14

CONFIDENTIALITY

14.1 Confidential Business Information. The Parties' proposals and negotiations prior to the date hereof concerning this Agreement, the terms of this Agreement, and the actual charges billed to Buyer under this Agreement, constitute the "Confidential Business Information" of both Parties. Seller and Buyer each agree to hold such Confidential Business Information wholly confidential.

14.2 Duty to Maintain Confidentiality. Confidential Business Information may only be used by the Parties for purposes related to the approval, administration or enforcement of this Agreement and for no other purpose. Each Party agrees not to disclose Confidential Business Information to any other person (other than its affiliates, counsel, consultants, lenders, prospective lenders, buyers, prospective buyers, contractors constructing or providing services to the Facility, employees, officers and directors who agree to be bound by the provisions of this Section), without the prior written consent of the other Party, provided that either Party may disclose Confidential Business Information, if such disclosure is required by law, required in order for Buyer to receive regulatory recovery of expenses related to the Agreement or pursuant to an order of a court or regulatory agency or in order to enforce this Agreement or to seek approval of this Agreement. In the event a Party is required by law or by a court or regulatory agency to disclose Confidential Business Information, such Party shall to the extent possible notify the other Party at least three (3) Business Days in advance of such disclosure.

14.3 Irreparable Injury; Remedies. Each Party agrees that violation of the terms of this Section 14 constitutes irreparable harm to the other, and that the harmed Party may seek any and all remedies available to it at law or in equity, including injunctive relief.

14.4 News Releases and Publicity. Before issuing any news release or promotional material regarding the Facility, Seller shall contact Buyer for language that credits Buyer as purchasing the Net Energy and shall use such language in such news releases and promotional material.

SECTION 15

DISAGREEMENTS

15.1 Negotiations. The Parties shall attempt in good faith to resolve all disputes arising out of or related to or in connection with this Agreement promptly by negotiation, as follows. Any Party may give the other Party written notice of any dispute not resolved in the normal course of business. Executives of both Parties at levels one level above the personnel who have previously been involved in the dispute shall meet at a mutually acceptable time and place within ten (10) days after delivery of such notice, and thereafter as often as they reasonably deem necessary, to exchange relevant information and to attempt to resolve the dispute. If the matter has not been resolved within thirty (30) days from the referral of the dispute to senior executives, or if no meeting of such senior executives has taken place within fifteen (15) days after such referral, either Party may initiate litigation as provided hereinafter if neither Party has requested that the dispute be mediated in accordance with Section 15.2 below. All negotiations pursuant to this clause are confidential.

15.2 Mediation. If the dispute is not resolved within thirty (30) days from the referral of the dispute to senior executives, or if no meeting of senior executives has taken place within fifteen (15) days after such referral, either Party may request that the matter be submitted to nonbinding mediation. If the other Party agrees, the mediation will be conducted in accordance with the Construction Industry Arbitration Rules and Mediation Procedures (Including Procedures for Large, Complex Construction Disputes) of the American Arbitration Association (the “AAA”), as amended and effective on July 1, 2003 (the “**Mediation Procedures**”), notwithstanding any Dollar amounts or Dollar limitations contained therein.

15.2.1 The Party requesting the mediation, may commence the mediation process with AAA by notifying AAA and the other Party in writing (“**Mediation Notice**”) of such Party’s desire that the dispute be resolved through mediation, including therewith a copy of the Dispute Notice and the response thereto, if any, and a copy of the other Party’s written agreement to such mediation.

15.2.2 The mediation shall be conducted through, by and at the office of AAA located in Salt Lake City, Utah.

15.2.3 The mediation shall be conducted by a single mediator. The Parties may select any mutually acceptable member from the panel of retired judges at AAA as a mediator. If the parties cannot agree on a mediator within five (5) days after the date of the Mediation Notice, then the AAA’s Arbitration Administrator shall send a list and resumes of three (3) available mediators to the parties, each of whom shall strike one name, and the remaining person shall be appointed as the mediator. If more than one name remains, either because one or both parties have failed to respond to the AAA’s Arbitration Administrator within five (5) days of receiving the list or because one or both parties have failed to strike a name from the list or because both parties strike the same name, the AAA’s Arbitration Administrator will choose the mediator from the remaining names. If the designated mediator shall die, become incapable or, unwilling to, or unable to serve or proceed with the mediation, a substitute mediator shall be appointed in accordance with the selection procedure described above in this Section 15.2.3, and

such substitute mediator shall have all such powers as if he or she has been originally appointed herein.

15.2.4 The mediation shall consist of one or more informal, nonbinding meetings between the Parties and the mediator, jointly and in separate caucuses, out of which the mediator will seek to guide the Parties to a resolution of the dispute. The mediation process shall continue until the resolution of the dispute, or the termination of the mediation process pursuant to Section 15.2.7.

15.2.5 The mediator's fees and expenses, shall be borne equally by the Parties. Each Party shall bear its own expenses incurred in connection with such mediation; provided, however, that if any dispute hereunder is not fully resolved as a result of such mediation, the prevailing party shall be awarded its reasonable attorney fees in any subsequent dispute resolution proceedings.

15.2.6 All verbal and written communications between the parties and issued or prepared in connection with this Section 15.2 shall be deemed prepared and communicated in furtherance, and in the context, of dispute settlement, and shall be exempt from discovery and production, and shall not be admissible in evidence (whether as admission or otherwise) in any arbitration or other proceedings for the resolution of the dispute.

15.2.7 The initial mediation meeting between the Parties and the mediator shall be held within twenty (20) days after the Mediation Notice. Either Party may terminate the mediation process upon the earlier to occur of (A) the failure of the initial mediation meeting to occur within twenty (20) days after the date of the Mediation Notice, (B) the passage of thirty (30) days from the date of the Mediation Notice without the dispute having been resolved, or (C) such time as the mediator makes a finding that there is no possibility of resolution through mediation. The mediation shall follow and be governed by the laws of the State of Oregon.

15.2.8 All deadlines specified in this Section 15.2 may be extended by mutual agreement.

15.3 Choice of Forum. Each Party irrevocably consents and agrees that any legal action or proceeding arising out of this Agreement or the actions of the Parties leading up to the Agreement shall be brought exclusively in the United States District Court for the District of Oregon, Portland Division. By execution and delivery of this Agreement, each Party (a) accepts the exclusive jurisdiction of such court and waives any objection that it may now or hereafter have to the exercise of personal jurisdiction by such court over each Party, (b) irrevocably agrees to be bound by any final judgment (after any and all appeals) of any such court arising out of such documents or actions, (c) irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceedings arising out of such documents brought in such court (including any claim that any such suit, action or proceeding has been brought in an inconvenient forum), (d) agrees that service of process in any such action may be effected by mailing a copy thereof by registered or certified mail, postage prepaid, to such Party at its address as set forth in this Agreement, and (e) agrees that nothing in this Agreement shall affect the right to effect service of process in any other manner permitted by law.

15.4 Settlement Discussions. The Parties agree that no statements of position or offers of settlement made in the course of the dispute process described in this Section will be offered into evidence for any purpose in any litigation or arbitration between the Parties, nor will any such statements or offers of settlement be used in any manner against either Party in any such litigation or arbitration. Further, no such statements or offers of settlement shall constitute an admission or waiver of rights by either Party in connection with any such litigation or arbitration. At the request of either Party, any such statements and offers of settlement, and all copies thereof, shall be promptly returned to the Party providing the same.

15.5 Waiver of Jury Trial. EACH PARTY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND IRREVOCABLY WAIVES THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON THIS AGREEMENT, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT AND ANY AGREEMENT EXECUTED OR CONTEMPLATED TO BE EXECUTED IN CONJUNCTION WITH THIS AGREEMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY TO THIS AGREEMENT. THIS PROVISION IS A MATERIAL INDUCEMENT TO EACH OF THE PARTIES FOR ENTERING INTO THIS AGREEMENT. EACH PARTY HEREBY WAIVES ANY RIGHT TO CONSOLIDATE ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT AND ANY OTHER AGREEMENT EXECUTED OR CONTEMPLATED TO BE EXECUTED IN CONJUNCTION WITH THIS AGREEMENT, OR ANY MATTER ARISING HEREUNDER OR THEREUNDER IN WHICH A JURY TRIAL HAS NOT OR CANNOT BE WAIVED.

15.6 Equitable Remedies. In any action for specific performance or injunctive relief or other equitable relief, all expenses incurred by the prevailing party in such proceeding, including reasonable counsel fees, shall be awarded to the prevailing party in such proceeding. Seller agrees that it will not assert as a defense to Buyer's action for specific performance of, or injunctive or other equitable relief relating to, Seller's obligations hereunder that the amounts payable or paid by Seller in respect of liquidated damages constitute an adequate remedy for the breach of such obligation, and Seller hereby conclusively waives such defense. Seller shall at all times during the Term, own, lease, control, hold in its own name or be signatory to all Required Facility Documents (as the case may be) relating to the Facility to the extent necessary to prevent a material adverse effect on Buyer's right to specific performance or injunctive relief.

SECTION 16

GUARANTEED PERFORMANCE PARAMETERS

16.1 Guaranteed Heat Rate. Seller shall operate and maintain the Facility so as to achieve the Guaranteed Heat Rate in accordance with the provisions of **Exhibit Q**.

16.2 Guaranteed Start-Up Time. Seller shall operate and maintain the Facility so as to achieve the Guaranteed Start-Up Time in accordance with the provisions of **Exhibit Q**.

16.3 Guaranteed Ramp Rate. Seller shall operate and maintain the Facility so as to achieve the Guaranteed Ramp Rate in accordance with the provisions of **Exhibit Q**.

SECTION 17

MISCELLANEOUS

17.1 Several Obligations. Nothing contained in this Agreement shall be construed to create an association, trust, partnership or joint venture or to impose a trust, partnership or fiduciary duty, obligation or liability on or between the Parties. If Seller includes two or more parties, each such party shall be jointly and severally liable for Seller's obligations under this Agreement.

17.2 Choice of Law. This Agreement shall be interpreted and enforced in accordance with the laws of the state of Oregon, excluding any choice of law rules that may direct the application of the laws of another jurisdiction.

17.3 Partial Invalidity. The Parties do not intend to violate any Requirements of Law governing the subject matter of this Agreement. If any of the terms of this Agreement are finally held or determined to be invalid, illegal or void as being contrary to any Requirements of Law or public policy, all other terms of the Agreement shall remain in effect. The Parties shall use best efforts to amend this Agreement to reform or replace any terms determined to be invalid, illegal or void, such that the amended terms (a) comply with and are enforceable under Requirements of Law, (b) give effect to the intent of the Parties in entering into this Agreement, and (c) preserve the balance of the equities contemplated by this Agreement in all material respects.

17.4 Waiver. No waiver of any provision of this Agreement shall be effective unless the waiver is set forth in a writing that (a) expressly identifies the provision being waived, and (b) is signed by the Party waiving the provision. A Party's waiver of one or more failures by the other Party in the performance of any of the provisions of this Agreement shall not be construed as a waiver of any other failure or failures, whether of a like kind or different nature.

17.5 Governmental Jurisdiction and Authorizations. This Agreement is subject to the jurisdiction of those Governmental Authorities having control over either Party or this Agreement. Buyer's duty to comply with this Agreement is conditioned on Seller's submission to Buyer before the Commercial Operation Date and maintaining thereafter copies of all Required Facility Documents.

17.6 Restriction on Assignments. Except as expressly provided in Section 17.7, neither Party shall assign this Agreement or any of its rights or obligations under this Agreement without the prior written consent of the other Party.

17.7 Permitted Assignments. The Buyer may assign its rights, delegate its duties or otherwise transfer its interests hereunder, in whole or in part to another entity having a long-term credit rating assigned thereto by a "nationally recognized statistical rating organization" (as that term is used in Rule 15c3-1(c)(2)(vi)(F) under the Securities Exchange Act of 1934) that equals or exceeds the Buyer's long term credit rating as of the date of such assignment.

17.8 Entire Agreement. This Agreement (including all attached Exhibits, which are incorporated by this reference) supersedes all prior agreements, proposals, representations,

negotiations, discussions or letters, whether oral or in writing, regarding the subject matter of this Agreement. No modification of this Agreement shall be effective unless it is in writing and signed by both Parties.

17.9 Amendments. This Agreement shall not be altered or amended except by an instrument in writing specifically identifying the provisions to be amended and executed by authorized representatives of both parties.

17.10 No Third Party Beneficiaries. Notwithstanding anything to the contrary herein, this Agreement does not confer any rights upon any person other than the parties and their respective successors and permitted assigns. There are no third party beneficiaries of this Agreement.

17.11 Agents and Subcontractors. This Agreement may be performed by Buyer through the use of agents and subcontractors (but such use shall not relieve Buyer of any obligation hereunder).

17.12 Notices. All notices, requests, statements or payments shall be (a) made to the addresses set forth below, (b) in writing, and (c) delivered by letter, facsimile or other documentary form. Notice by facsimile or hand delivery shall be deemed to have been received by the close of the Business Day during which the notice is received or hand delivered. Notice by overnight mail or courier shall be deemed to have been received upon delivery as evidenced by the delivery receipt.

To Seller: _____

with a copy to: _____

To Buyer: PacifiCorp
825 NE Multnomah, Suite 2000
Portland, Oregon 97232-2315
Attn: Sr. Vice President, Commercial & Trading

with copies to: PacifiCorp
825 NE Multnomah, Suite 600
Portland, Oregon 97232-2315
Attn: Director of Contract Administration, Commercial & Trading

The Parties may change any of the persons to whom such notices are addressed, or their addresses, by providing written notices thereof in accordance with this Section.

17.13 Mobile-Sierra. The rates for service specified in this Agreement shall remain in effect until expiration of the Term, and shall not be subject to change for any reason, including regulatory review, absent agreement of the parties. Neither Party shall petition FERC pursuant to the provisions of sections 205 or 206 of the Federal Power Act (16 U.S.C. § 792 et seq.) to amend such prices or terms, or support a petition by any other person seeking to amend such prices or terms, absent the agreement in writing of the other Party. Further, absent the agreement in writing by both Parties, the standard of review for changes to this Agreement proposed by a Party, a non-party or the FERC acting *sua sponte* shall be the “public interest” standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956). To the extent that the FERC adopts specific language that parties must incorporate into agreements in order to bind FERC, third parties and themselves to a public interest standard of review, the Parties hereby incorporate such language herein by reference.

17.14 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which is an original and all of which taken together constitute one and the same instrument.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed in their respective names as of the date first above written.

[SELLER],
as Seller

By: _____

Name: _____

Title: _____

PACIFICORP,
as Buyer

By: _____

Name: _____

Title:

EXHIBIT T

FORM OF LENDER CONSENT

This CONSENT AND AGREEMENT (this "Consent"), dated as of _____, 200__, is entered into by and among PacifiCorp, an Oregon corporation, acting in its merchant function capacity (together with its permitted successors and assigns, "PacifiCorp"), _____, in its capacity as [Administrative Agent] for the Lenders referred to below (together with its successors, designees and assigns in such capacity, "Administrative Agent"), and _____, a _____ formed and existing under the laws of the State of _____ (together with its permitted successors and assigns, "Borrower"). Unless otherwise defined, all capitalized terms have the meaning given in the Contract (as hereinafter defined).

RECITALS

A. Borrower intends to develop, construct, install, test, own, operate and use an approximately ___ MW electric generating facility located _____, known as the _____ Generation Project (the "Project").

B. In order to partially finance the development, construction, installation, testing, operation and use of the Project, Borrower has entered into that certain [Financing Agreement,] dated as of _____ (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Financing Agreement"), among Borrower, the financial institutions from time to time parties thereto (collectively, the "Lenders"), and Administrative Agent for the Lenders, pursuant to which, among other things, Lenders have extended commitments to make loans and other financial accommodations to, and for the benefit of, Borrower.

C. Borrower anticipates that, prior to the completion of construction of the Project; it will seek an additional investor (the "Tax Investor") to make an investment in Borrower to provide additional funds to finance the operation and use of the Project. [if applicable]

D. PacifiCorp and Borrower have entered into that certain Power Purchase Agreement, dated as of _____ (collectively with all documents entered into in connection therewith that are listed on [Schedule A] attached hereto and incorporated herein by reference, as all are amended, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms thereof and hereof, the "Contract").

E. Pursuant to a security agreement executed by Borrower and Administrative Agent for the Lenders (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Security Agreement"), Borrower has agreed, among other things, to assign, as collateral security for its obligations under the Financing Agreement and related documents (collectively, the "Financing Documents"), all of its right, title and interest in, to and under the Contract to Administrative Agent for the benefit of itself, the Lenders and each other entity or person providing collateral security under the Financing Documents.

AGREEMENT

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound, the parties hereto hereby agree as follows:

SECTION 1. CONSENT TO ASSIGNMENT. PacifiCorp acknowledges the assignment referred to in Recital E above, consents to an assignment of the Contract pursuant thereto, and agrees with Administrative Agent as follows:

(A) Administrative Agent shall be entitled (but not obligated) to exercise all rights and to cure any defaults of Borrower under the Contract, subject to applicable notice and cure periods provided in the Contract. Upon receipt of notice from Administrative Agent, PacifiCorp agrees to accept such exercise and cure by Administrative Agent if timely made by Administrative Agent under the Contract and this Consent. Upon receipt of Administrative Agent's written instructions, PacifiCorp agrees to make directly to Administrative Agent all payments to be made by PacifiCorp to Borrower under the Contract from and after PacifiCorp's receipt of such instructions, and Borrower consents to any such action.

(B) PacifiCorp will not, without the prior written consent of Administrative Agent (such consent not to be unreasonably withheld), (i) cancel or terminate the Contract, or consent to or accept any cancellation, termination or suspension thereof by Borrower, except as provided in the Contract and in accordance with subparagraph 1(C) hereof, (ii) sell, assign or otherwise dispose (by operation of law or otherwise) of any part of its interest in the Contract, except as provided in the Contract, or (iii) amend or modify the Contract in any manner materially adverse to the interest of the Lenders in the Contract as collateral security under the Security Agreement.

(C) PacifiCorp agrees to deliver duplicates or copies of all notices of default delivered by PacifiCorp under or pursuant to the Contract to Administrative Agent in accordance with the notice provisions of this Consent. PacifiCorp may deliver any such notices concurrently with delivery of the notice to Borrower under the Contract. Administrative Agent shall have: (a) the same period of time to cure the breach or default that Borrower is entitled to under the Contract if such default is the failure to pay amounts to PacifiCorp which are due and payable by Borrower under the Contract, except that if PacifiCorp does not deliver the default notice to Administrative Agent concurrently with delivery of the notice to Borrower under the Contract, then as to Administrative Agent, the applicable cure period under the Contract shall begin on the date on which the notice is given to Administrative Agent, or (b) ninety (90) days from the date notice of default or breach is delivered to Administrative Agent to cure such default if such breach or default cannot be cured by the payment of money to PacifiCorp, so long as Administrative Agent continues to perform any monetary obligations under the Contract, Section 11.1.2(c) of the Contract is not being breached, and all other obligations under the Contract are performed by Borrower or Administrative Agent or its designee(s) or assignee(s). If possession of the Project is necessary to cure such breach or default, and Administrative Agent or its designee(s) or assignee(s) declare Borrower in default and commence foreclosure proceedings, Administrative Agent or its designee(s) or assignee(s) will be allowed a reasonable period to complete such proceedings. PacifiCorp consents to the transfer of Borrower's interest

under the Contract to the Lenders or Administrative Agent or their designee(s) or assignee(s) or any of them or a purchaser or grantee at a foreclosure sale by judicial or nonjudicial foreclosure and sale or by a conveyance by Borrower in lieu of foreclosure and agrees that upon such foreclosure, sale or conveyance, PacifiCorp shall recognize the Lenders or Administrative Agent or their designee(s) or assignee(s) or any of them or other purchaser or grantee as the applicable party under the Contract (provided that such Lenders or Administrative Agent or their designee(s) or assignee(s) or purchaser or grantee assume the obligations of Borrower under the Contract, including, without limitation, satisfaction and compliance with all requirements of Sections 8.1 and 8.2 of the Contract, and provided further that PacifiCorp's subordinated lien rights with respect to the Project are preserved in the event of any transfer of Borrower's interest under the Contract).

(D) Notwithstanding subparagraph 1(C) above, in the event that the Contract is rejected by a trustee or debtor-in-possession in any bankruptcy or insolvency proceeding, or if the Contract is terminated for any reason other than a default which could have been but was not cured by Administrative Agent or its designee(s) or assignee(s) as provided in subparagraph 1(C) above, and if, within forty-five (45) days after such rejection or termination, the Lenders or their successors or assigns shall so request, to the extent permitted by applicable law, PacifiCorp and the Lenders or Administrative Agent or their designee(s) or assignee(s) will enter into a new contract. Such new contract shall be on the same terms and conditions as the original Contract for the remaining term of the original Contract before giving effect to such termination, and shall require the Lenders or Administrative Agent or their designee(s) or assignee(s) to cure any payment defaults then existing under the original Contract.

(E) In the event Administrative Agent, the Lenders or their designee(s) or assignee(s) elect to perform Borrower's obligations under the Contract as provided in subparagraph 1(C) above or enter into a new contract as provided in subparagraph 1(D) above, the recourse of PacifiCorp against Administrative Agent, Lenders or their designee(s) and assignee(s) shall be limited to such parties' interests in the Project, the credit support required under Section 7 of the Contract, and recourse against the assets of any party or entity that assumes the Contract or that enters into such new contract.

(F) In the event Administrative Agent, the Lenders or their designee(s) or assignee(s) succeed to Borrower's interest under the Contract, Administrative Agent, the Lenders or their designee(s) or assignee(s) shall cure any then-existing payment and performance defaults under the Contract, except any performance defaults of Borrower itself which by their nature are not susceptible of being cured. Administrative Agent, the Lenders and their designee(s) or assignee(s) shall have the right to assign all or a pro rata interest in the Contract or the new contract entered into pursuant to subparagraph 1(d) above to a person or entity to whom Borrower's interest in the Project is transferred, provided such transferee assumes the obligations of Borrower under the Contract. Upon such assignment, Administrative Agent and the Lenders and their designee(s) or assignee(s) (including their agents and employees, but excluding Seller) shall be released from any further liability thereunder accruing from and after the date of such assignment, to the extent of the interest assigned.

SECTION 2. REPRESENTATIONS AND WARRANTIES [PacifiCorp shall have the right to qualify the factual information contained in this Section to ensure that such representation is a true statement as of the date of this Consent]

PacifiCorp, acting in its merchant function capacity (and therefore specifically excluding the knowledge of PacifiCorp, acting in its transmission function capacity (“PacifiCorp Transmission”), as to any of the matters stated below, and without imputation to PacifiCorp of any knowledge whatsoever relating to the PacifiCorp Transmission, whether as a result of information publicly posted to the open access same-time information system or otherwise), hereby represents and warrants that as of the date of this Consent:

(A) It (i) is a corporation duly formed and validly existing under the laws of the state of its organization, (ii) is duly qualified, authorized to do business and in good standing in every jurisdiction necessary to perform its obligations under this Consent, and (iii) has all requisite corporate power and authority to enter into and to perform its obligations hereunder and under the Contract, and to carry out the terms hereof and thereof and the transactions contemplated hereby and thereby;

(B) the execution, delivery and performance of this Consent and the Contract have been duly authorized by all necessary corporate action on its part and do not require any approvals, material filings with, or consents of any entity or person which have not previously been obtained or made;

(C) each of this Consent and the Contract is in full force and effect;

(D) each of this Consent and the Contract has been duly executed and delivered on its behalf and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, except as the enforceability thereof may be limited as set forth in Section 3.1.5 of the Contract;

(E) there is no litigation, arbitration, investigation or other proceeding pending for which PacifiCorp has received service of process or, to PacifiCorp’s actual knowledge, threatened, against PacifiCorp relating solely to this Consent or the Contract and the transactions contemplated hereby and thereby;

(F) the execution, delivery and performance by it of this Consent and the Contract, and the consummation of the transactions contemplated hereby, will not result in any violation of, breach of or default under any term of (i) its formation or governance documents, or (ii) any material contract or material agreement to which it is a party or by which it or its property is bound, or of any material Requirements of Law presently in effect having applicability to it, the violation, breach or default of which could have a material adverse effect on its ability to perform its obligations under this Consent;

(G) neither PacifiCorp nor, to PacifiCorp’s actual knowledge, any other party to the Contract, is in default of any of its obligations thereunder;

(H) to the best of PacifiCorp's actual knowledge, (i) no Force Majeure Event exists under, and as defined in, the Contract and (ii) no event or condition exists which would either immediately or with the passage of any applicable grace period or giving of notice, or both, enable either PacifiCorp or Borrower to terminate or suspend its obligations under the Contract; and

(I) the Contract and the documents and instruments contemplated therein and this Consent are the only agreements between Borrower and PacifiCorp with respect to the Project, and all conditions precedent to effectiveness under the Contract have been satisfied or waived. [Reference to subordinated lien documents per Section 7.3 of the Contract to be inserted.]

Each of the representations and warranties set forth herein shall survive the execution and delivery of this Consent and the consummation of the transactions contemplated hereby.

SECTION 3. NOTICES. All notices required or permitted hereunder shall be in writing and shall be effective (a) upon receipt if hand delivered, (b) upon telephonic verification of receipt if sent by facsimile and (c) if otherwise delivered, upon the earlier of receipt or three (3) Business Days after being sent registered or certified mail, return receipt requested, with proper postage affixed thereto, or by private courier or delivery service with charges prepaid, and addressed as specified below:

If to PacifiCorp: [_____] [_____] [_____] Telephone No.: [_____] Telecopy No.: [_____] Attn: [_____]
--

<p>If to Administrative Agent:</p> <p>[_____]</p> <p>[_____]</p> <p>[_____]</p> <p>Telephone No.: [_____]</p> <p>Telecopy No.: [_____]</p> <p>Attn: [_____]</p>
<p>If to Borrower:</p> <p>[_____]</p> <p>[_____]</p> <p>[_____]</p> <p>Telephone No.: [_____]</p> <p>Telecopy No.: [_____]</p> <p>Attn: [_____]</p>

Any party shall have the right to change its address for notice hereunder to any other location within the United States by giving thirty (30) days written notice to the other parties in the manner set forth above. Further, the Tax Investor shall be entitled to receive notices from PacifiCorp by providing written notice to PacifiCorp of Tax Investor's address for notices. PacifiCorp's failure to provide any notice to the Tax Investor shall not be a breach of this Consent.

SECTION 4. ASSIGNMENT, TERMINATION, AMENDMENT AND GOVERNING LAW. This Consent shall be binding upon and benefit the successors and assigns of the parties hereto and the Tax Investor and their respective successors, transferees and assigns (including without limitation, any entity that refinances all or any portion of the obligations under the Financing Agreement). PacifiCorp agrees (a) to confirm such continuing obligation in writing upon the reasonable request of (and at the expense of) Borrower, Administrative Agent, the Lenders or any of their respective successors, transferees or assigns, and (b) to cause any successor-in-interest to PacifiCorp with respect to its interest in the Contract to assume, in writing in form and substance reasonably satisfactory to Administrative Agent, the obligations of PacifiCorp hereunder. Any purported assignment or transfer of the Contract not in conjunction with the written instrument of assumption contemplated by the foregoing clause (b) shall be null and void. No termination, amendment, variation or waiver of any provisions of this Consent shall be effective unless in writing and signed by the parties hereto. This Consent shall be governed by the laws of the State of New York (without giving effect to the principles thereof relating to conflicts of law except Section 5-1401 and 5-1402 of the New York General Obligations Law).

SECTION 5. COUNTERPARTS. This Consent may be executed in one or more duplicate counterparts, and when executed and delivered by all the parties listed below, shall constitute a single binding agreement.

SECTION 6. SEVERABILITY. In case any provision of this Consent, or the obligations of any of the parties hereto, shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions, or the obligations of the other parties hereto, shall not in any way be affected or impaired thereby.

SECTION 7. ACKNOWLEDGMENTS BY BORROWER. Borrower, by its execution hereof, acknowledges and agrees that notwithstanding any term to the contrary in the Contract, PacifiCorp may perform as set forth herein and that neither the execution of this Consent, the performance by PacifiCorp of any of the obligations of PacifiCorp hereunder, the exercise of any of the rights of PacifiCorp hereunder, or the acceptance by PacifiCorp of performance of the Contract by any party other than Borrower shall (1) release Borrower from any obligation of Borrower under the Contract, (2) constitute a consent by PacifiCorp to, or impute knowledge to PacifiCorp of, any specific terms or conditions of the Financing Agreement, the Security Agreement or any of the other Financing Documents, or (3) constitute a waiver by PacifiCorp of any of its rights under the Contract. Borrower and Administrative Agent acknowledge hereby for the benefit of PacifiCorp that none of the Financing Agreement, the Security Agreement, the Financing Documents or any other documents executed in connection therewith alter, amend, modify or impair (or purport to alter, amend, modify or impair) any provisions of the Contract. Borrower shall have no rights against PacifiCorp on account of this Consent.

IN WITNESS WHEREOF, the parties hereto by their officers thereunto duly authorized, have duly executed this Consent as of the date first set forth above.

PacifiCorp,
an Oregon corporation

By:
Name:
Title:

_____,
a _____

By:
Name:
Title:

_____,
as Administrative Agent for the Lenders

By:
Name:
Title: