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July 28, 2008

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

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

RE: UM 1368 – In the Matter of PacifiCorp, dba Pacific Power, Request for Approval
of a 2008R-1 Solicitation Process for New Renewable Resources

PacifiCorp dba Pacific Power hereby submits for filing the Company's comments and
revised request for proposal and relevant appendices in the above-referenced matter.

Informal inquiries may be directed to Joelle Steward at (503) 813-5542.

Very truly yours,


Andrea L. Kelly
Vice President, Regulation

Enclosures

cc: Service List UM 1368

CERTIFICATE OF SERVICE

I hereby certify that on this 28th day of July, 2008, I caused to be served, via E-Mail and Overnight Delivery (to those parties who have not waived paper service), a true and correct copy of the foregoing document on the following named person(s) at his or her last-known address(es) indicated below.

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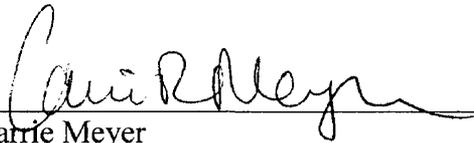
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**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1368

In the Matter of PacifiCorp's Request for
Approval of a 2008R-1 Solicitation
Process for New Renewable Resources

**COMMENTS AND REVISED DRAFT
RFP OF PACIFIC POWER**

1

2 Pursuant to Administrative Law Judge Kirkpatrick's May 9, 2008 ruling adopting a
3 schedule for this docket, as revised by Judge Kirkpatrick's July 17, 2008 ruling, PacifiCorp,
4 d.b.a. Pacific Power ("PacifiCorp" or "Company") respectfully submits its revised draft
5 2008R-1 Renewable Request for Proposals ("2008R-1 RFP") and provides comments in
6 response to the Oregon Independent Evaluator's ("IE") assessment and other input received
7 from Stakeholders.

8

I. INTRODUCTION

9

10 On June 12, 2008 Staff and Renewable Northwest Project ("RNP") filed opening
11 comments on the 2008R-1 RFP. The Company filed reply comments on June 19, 2008.
12 Subsequently, the Company held two workshops with Stakeholders, the IE and Staff on June
13 25, 2008 and July 21, 2008. The June 25, 2008 workshop addressed comments received from
14 RNP and Staff. The July 21, 2008 workshop addressed comments raised in the IE's report
15 filed on July 3 which contained the IE's assessment of PacifiCorp's 2008R-1 RFP.

16 As a result of the comments received and the workshops held, the Company has
17 incorporated several revisions in the 2008R-1 RFP. All of these changes are included in the
18 attached redline of the 2008R-1 RFP.

19 In addition to the comments filed by PacifiCorp on June 19, 2008, the Company
20 provides the following responses and recommendations to the issues raised in the workshops

1 and the IE’s assessment of the 2008R-1 RFP. The IE groups its recommendations into four
2 separate categories: 1) fairness and transparency, 2) addressing uncertainty and assigning
3 risk, 3) producing a positive result, and 4) compliance with Commission guidelines. The
4 Company provides the following in response to the recommendations within each of these
5 separate categories.

6 II. COMMENTS

7 A. Fairness and Transparency

8
9 The IE believes the ACC methodology understates the value of renewable generation
10 resources in two ways. First, the IE believes it calculates avoided costs of renewable
11 generation resources using only a single estimate of future carbon (“CO₂”) emissions cost.
12 Second, the IE believes the ACC methodology does not directly reflect a value for
13 Renewable Energy Credits (“RECs”). The IE indicates that since all bids will avoid carbon
14 emissions and produce RECs, these two issues will not cause harm so long as the ACC is
15 only used to rank bids. However, the IE cautions that the Company should not use the ACC
16 analysis to justify taking less than 500 megawatts (“MW”) without performing subsequent
17 analysis with different CO₂ emissions cost levels and taking into consideration REC values
18 that reflect values assigned to RECs in the Integrated Resource Planning (“IRP”) process
19 adjusted¹ for consideration of Renewable Portfolio Standards in Oregon and other states.
20 Additionally, the IE states that the Company’s ACC method nicely takes into account the risk
21 of key market variables² like natural gas prices and wholesale power costs. It also accounts

¹ The IE states this adjustment should include consideration of factors such as levels and timing of renewable requirements, market composition of current PacifiCorp renewable supply, Alternative Compliance Payments, available of RECs on open markets, potential market value, and the “bankability” and “salability” of RECs.

² ACC uses the Planning at Risk model, which does include a stochastic evaluation (100 iterations with market prices, gas prices, hydro generation, retail load, and forced outage rates which are allowed to change using

1 for key costs and benefits such as wind integration costs. Finally, the IE recommends
2 clarification of the requirement that each bidder hold an “option” to purchase turbines or
3 other long lead-time equipment and suggests that PacifiCorp must hold its Benchmark to the
4 same standards.

5 **Company Response**

6 The Company is not proposing to change the two-step evaluation process. The Initial
7 Shortlist will rank the bids on price and non-price factors. The Final Shortlist will use the
8 ACC methodology. As the IE points out, all bids will avoid carbon emissions and produce
9 RECs so the bids will all be evaluated relative to one another on a comparable basis;
10 regardless if the analyses are performed with different CO₂ emissions or not. Using different
11 levels of CO₂ will provide a higher or lower ACC number relative to one another. To the
12 extent there is a need, the Company will continue to issue annual renewable requests for
13 proposals to procure renewable resources between now and December 2011.

14 Additionally, the Company agrees with the IE’s recommendation to clarify the
15 requirement for each bidder to hold an “option” to purchase turbines or other long lead-time
16 equipment, the Company proposes to modify the RFP to include this clarification. However,
17 the Company does not agree that the Benchmark should be held to the same standards.
18 Bidders who are most likely to have secured long lead-time equipment in advance are
19 national or multi-national companies in the business of renewable resource development.
20 These companies likely have the ability to allocate this equipment to other projects not
21 necessarily being offered for bid in the 2008R-1 RFP and have no cost or consequential
22 damage exposure under the terms of the 2008R-1 RFP if they internally allocate their

Monte Carlo simulation) covering the period 2007 through 2026, which is consistent with the Integrated
Resource Planning models.

1 equipment elsewhere while the RFP is in process. There is no guarantee that a bidder will
2 make such equipment available only to the Company or that the bidder will ultimately
3 consummate a contract as a result of the RFP process. In contrast, the Company is limited in
4 geographic scope, and as a result, has fewer viable alternatives for the disposal of acquired
5 long lead-time equipment. This means, absent clarity by the Commission with respect to cost
6 recovery of long lead-time equipment costs, the Company has a higher risk profile than
7 bidders. As a result, the Company does not believe it should be required to secure long lead-
8 time equipment as part of its benchmark(s) prior to potential selection as the RFP winner. If
9 such equipment commitments are required of the Company, the Company will seek guidance
10 from the Commission on what cost recovery mechanisms are available in the event the
11 Company's benchmark resource is not selected, but the Company was required to secure
12 equipment in order to submit a benchmark(s) proposal.

13 **B. Addressing Uncertainty and Assigning Risk Issues with Standard Form**
14 **Contracts**

15

16 1. The IE recommends that the Company assess the risk of the extension or
17 removal of the Production Tax Credit ("PTC").

18 **Company Response**

19 The bids and benchmark(s) will be evaluated assuming the benefit of the PTC. The
20 Company will not take the PTC risk in the event a bidder is or is not eligible to receive the
21 benefit associated with the PTC during the term of the Agreement. A bidder will need to
22 evaluate this criterion and determine what premium it desires to charge for absorbing this
23 risk; including the risk to the bidder, if any, of default. This requirement places the bidder in
24 a symmetrical position as the Company. In contrast, the Company is prevented from

1 including a premium associated with this risk and the option associated with the
2 benchmark(s) because the Company is regulated on an after-the-fact cost of service basis.

3 2. The IE recommends that the Company investigate a way to further capture
4 capacity value and value due to diversity of location. The IE specifically comments that *“the*
5 *IRP process, which guides the acquisition amounts in this RFP, does take into account*
6 *capacity benefits and locational diversity”*. While the IE believes there may be some
7 incremental value that can be quantified via capacity contribution, the IE is careful to
8 appropriately point out *“Presently, there is no easy way that we know of to accurately*
9 *calculate this dollar value. We note that the value is likely to be smaller relative to the net*
10 *benefits calculated in the ACC method.* (Emphasis added).

11 **Company Response**

12 The Company agrees with the IE and intends to explore methods to quantify
13 incremental capacity value, if any, and ascertain if there is added value due to diversity not
14 already captured in the IRP process. Appropriately, these explorations should occur through
15 the stakeholder process in the Integrated Resource Planning process. It is not clear that there
16 would be additional value, not already accounted for, between wind and geothermal
17 resources on a cost effective portfolio basis related to meeting the peak load. Indeed,
18 customers have already benefited due to a reduction in planned resources as a result of an
19 assumed contribution by renewable resources toward reducing peak load. Capacity
20 contribution should be evaluated from a portfolio perspective in the IRP and not on a case-
21 by-case resource specific basis outside of the IRP preferred portfolio. At present, the
22 Company does not agree that the IE’s generic quantification recommendation is valid
23 because there is no analytical evidence to support it as such. Finally, as the IE notes, any such

1 quantification would be small as compared to the value inherently captured in the current
2 analytical method.

3 **C. Producing a Positive Result**

4 1. The IE recommends that, for the Power Purchase Agreement (“PPA”) option, bidders
5 not be required to sell the asset to the Company at the end of the Term, but have an option to
6 sell the project at a price set by the bidder.

7 **Company Response**

8 The Company agrees with the IE that a bidder should have the ability to offer a sale
9 price for the resource as part of its proposal. The Company does not agree that the Bidder
10 should have the option to sell or “put” the project to the Company and its customers. After
11 completion of the term of the PPA, the Company’s customers will typically have more than
12 paid for the generation resource. Customers should hold the terminal value rights and own
13 the resource option for future energy and/or RPS compliance requirements and, in so doing,
14 be hedged against market exposure upon PPA termination. Moreover, future benefits of the
15 site, if rights to it were retained by the bidder, could easily become ratepayer benefits at some
16 other utility even though the Company’s customers had funded the resource. It is
17 understandable that bidders want to retain all project rights after PPA termination as they
18 may be substantial.

19 This requirement places the PPA alternative on even footing with the ownership
20 alternatives and is in customer’s best interest from a cost and portfolio risk perspective.
21 Should the Commission order that PPA bidders retain this substantial value then the
22 analytical process in the RFP will need to be altered to capture value lost to customers.
23

1 2. The IE recommends that the Company either explicitly prohibit non-asset
2 backed bids from participating or eliminate the prohibition against bundling wholesale
3 market purchases with RECs, which is likely the only way in which these bids can
4 participate.

5 **Company Response**

6 The Company agrees with the IE and has eliminated the participation on non-asset
7 backed bids from this draft of the RFP.

8 3. The IE recommends that the requirement for maintaining Green-e certification
9 of all RECs should be made optional and be removed as a requirement of the RFP.

10 **Company Response**

11 The Company agrees with the IE and has modified the RFP to reflect the
12 recommendation.

13 4. The IE acknowledges that the bid fees are acceptable however, states that
14 should PacifiCorp consider a “partial success” fee whereby initial bid fees are paid and the
15 winning bidder pays the remaining administrative costs for the RFP.

16 **Company Response**

17 The Company has proposed a bid fee and a success fee in the 2008R-1 RFP, however;
18 it will continue to evaluate this issue after further input is received from the market.

19 **D. Compliance with Commission Guidelines**

20 1. The IE recommends that the initial shortlist be broken into wind and non-wind
21 bids consistent with competitive bidding Guideline 9a requiring resource diversity.

22 **Company Response**

23 The Company agrees with the IE recommendation and will have two categories in the
24 initial shortlist one for wind and the second for all other renewable resource types.

1 2. The IE recommends that the Benchmark disclose sites in order to comply with
2 competitive bidding Guidelines 4 and 8.

3 **Company Response**

4 The Company agrees to disclose the sites prior to receiving bids from the market but
5 continues to express concern that sophisticated bidders are likely to use such information to
6 maximize their bid price.

7 3. The IE recommends that the Company provide a draft asset sale agreement to comply
8 with Guideline 6.

9 **Company Response**

10 The Company agrees with the IE's recommendation and will reference the Appendix
11 F, Asset Acquisition and Sale Agreement, in the 2008R-1 RFP for the purchase of an existing
12 asset.

13 **E. Additional changes from the workshop include the following:**

14 1. RNP suggests that the Company should take care to ensure that cost of
15 transmitting its power from owned resources to the point of delivery is included in the
16 analysis.

17 **Company Response**

18 The Company has designed the RFP such that the cost of transmitting power from
19 owned resources or bids will be evaluated comparably.

20 2. RNP suggests that the Company further define the non-price factors to clarify
21 how they would apply to PPA, BOT, existing assets and the benchmark.

22 **Company Response**

23 Further clarification has been provided by the IE and the Company has incorporated
24 these refinements into the 2008R-1 RFP.

1 3. RNP suggests that the Company use a finer scale for non-price factor scoring
2 (instead of 0%, 50%, and 100%). RNP recommends interim categories in addition to 0% for
3 unacceptable and 100% for complete compliance such as minimally address the factor,
4 significantly address the factor and largely address the factor at 25%, 50%, and 75%
5 respectively.

6 **Company Response**

7 The Company agrees with the recommendation and has modified the 2008R-1 RFP
8 appropriately.

9 4. RNP is concerned by the Company's insistence that any contractual purchase
10 be subject to all risks associated with PacifiCorp's own accounting treatment.³ As structured,
11 this could result in default by the bidder from something they had no control over.

12 **Company Response**

13 The Company has removed the language that states "any applicable contract that the
14 Company executes will require that (1) the Seller covenant that the Company will not be
15 subject to VIE treatment at any point during the term of the agreement, and (ii) in the event
16 that the contract causes the Company to be subject to VIE treatment at any point during the
17 term of the agreement, unless cured, such treatment will constitute a seller event of default."

³ See Section 5(1).

1

III. CONCLUSION

2

The Company respectfully submits these reply comments and the revised RFP for

3

further stakeholder comments.

DATED: July 28, 2008

Respectfully submitted,

A handwritten signature in black ink that reads "Natalie L. Hocken/ps". The signature is written in a cursive style and is positioned above a horizontal line.

Natalie L. Hocken
Vice President & General Counsel,
Pacific Power

Counsel for PacifiCorp

4

PacifiCorp

Request for Proposals

Renewable Electric Resources

(RFP 2008R-1)

ISSUED: [INSERT DATE]

DUE DATE: [INSERT DATE]

[DRAFT VERSION DATED: 7-28-08](#)

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PacifiCorp – [Request for Proposals \(RFP 2008R-1\)](#)

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[RFP Responses due \[INSERT DATE\]](#)

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 Renewable Resource generation 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 Renewable Request for Proposal (~~RFP-2008R-1~~ [RFP](#)) will request renewable resources located in the Western Electricity Coordinating Council that are compliant with existing or anticipated renewable portfolio standards and that are new to the Company's resource portfolio. The ~~RFP-2008R-1~~ [RFP](#) will require renewable resources capable of delivering energy, within the prescribed timeframe, in or into the Company's Network Transmission system² (www.oasis.pacificorp.com).

For purposes of the 2008R-1 RFP, each renewable resource is limited in size to no more than 300 MW.³ In addition, each renewable resource must have an expected annual output of at least ~~70,000~~[25,000](#) megawatt hours after accounting for planned and unplanned outages. PacifiCorp issued a RFP (2008R RFP) on January 31, 2008 for renewable resources of less than 100 MW (for resources greater than five years in length) or greater than 100 MW for resources less than or equal to five years in length. The 2008R RFP solicits renewable resources that have a commercial operation date prior to December 31, 2009. The 2008R-1 RFP will not be duplicative of the 2012 RFP (Base Load solicitation) or the 2008 RFP. The 2008R-1 RFP is not anticipated to be duplicative with the 2008R RFP unless a Bidder has a resource that can reach commercial operation prior to December 31, 2009 and the Bidder elects to bid the same resource in each RFP. [The company will include resources contained on the final shortlists in the 2012 RFP and the 2008R RFP and the pending acquisition of the Chehalis gas plant as planned resources in the Integrated Resource model when evaluating the final shortlist in the 2008R-1 RFP.](#)

In addition to bidding in renewable resources, Bidders will have the option to bid in renewable resources coupled with energy storage. Energy storage has the distinct advantage of potentially enabling higher penetrations of intermittent renewable energy in the Company's portfolio. Pumped water, compressed air, battery storage, or other contractual forms can firm intermittent renewable resources and therefore create an energy resource that can be scheduled to better match customer demand or result in a higher degree of dependability throughout a prescribed time period. If the same resource is bid in the 2008R RFP and the 2008R-1 RFP, each bid will be considered under the terms of the RFP under which the bid is submitted. [Qualifying facilities with a name plate of 10 megawatts or greater may participate as a qualified bidder.](#)

¹ The Public Service Commission of Utah did not acknowledge the 2007 IRP.

² Company's Eastern Control Area (PACE) and/or the Company's Western Control Area (PACW).

³ 300 MW is the nameplate capacity or quantity of capacity and is the upper limit permitted by Utah Senate Bill 202, The Energy Resource and Carbon Reduction Initiative.

The scope of this ~~RFP~~-2008R-1 [RFP](#) is focused on system-wide, east and west control area, for Renewable Resource⁴ generation which is capable of delivering energy, within the prescribed timeframe, in or into the Company's Network Transmission system (www.oasis.pacificorp.com) and that is new to the Company's resource portfolio.

The 2008R-1 RFP will be the RFP under which the Company will issue subsequent RFPs to meet the renewable resource target quantity over the ten year IRP planning horizon. The 2008R-1 RFP will be a tool under which periodic Renewable RFPs will be issued. The 2008R-1 shelf request for proposal will allow the Company to react effectively and competitively to stay current with the status of the production tax credit and the competitive nature of the ~~wind-turbine~~[renewable energy resource construction and equipment](#) market. This 2008R-1 will be the first renewable RFP under which subsequent solicitation for Renewable Resources will be conducted. The 2008R-1 is for Renewable Resources which can reach commercial operation during the 2008 through 2011 time period. The purpose of this RFP is to comply with current regulatory rules, orders, and any applicable resource procurement state laws. [This RFP may be used to comply with any specific state Renewable Portfolio Standard requirement.](#)

[This introductory Section 1 describes the type, timing and amount of resources sought. Section 2 addresses the procedural items. Section 3 covers logistics such as where and when proposals must be submitted, bid fees, success fees and minimum requirements, as well as important conditions and procedures. Section 4 outlines the required content and format. Section 5 outlines resource information including price and non-price information, integration, interconnection and transmission services. Section 6 outlines the bid evaluation and selection process. Section 7 outlines the awarding of contracts. All of the required Appendices which are required are included.](#)

The 2007 IRP⁵ identifies a target of 2,000 megawatts of renewable resources to be acquired by 2013. Under the 2007 IRP plan, the company will seek to acquire 1,400 megawatts of new renewable resources by 2010, with an additional 600 megawatts in its portfolio by 2013. The 2,000 megawatts of renewable resources is inclusive of the 1,400 megawatts of cost-effective renewable resources identified in the company's 2004 IRP.

The targeted acquisition quantity for this 2008R-1 RFP will be up to 500 MW; the 2008R RFP may solicit up to 300 MW.

CHART 1- RESOURCE TARGET QUANTITY

Commercial Operation Date	Target Quantity
2008 ⁶	Up to 200 MW

⁴ PacifiCorp reserves the right to reject any Renewable Resource not eligible for existing or anticipated renewable portfolio standard compliance in California, Oregon, Utah and/or Washington.

⁵ More information on the IRP can be found at www.pacificorp.com/Navigation/Navigation23807.

⁶ Renewable resources in 2008 will be highly dependent on the approval of this 2008R-1 RFP and the tentative timeline in Section 2.

2009	Up to 100 MW
2010	Up to 300 MW
2011	Up to 200 MW

Renewable Resources are defined as:

An electric generation facility or generation capability or upgrade that becomes operational on or after January 1, 1995 that derives its energy from one or more of the following:

- (A) wind energy;
- (B) solar photovoltaic and solar thermal energy (i.e., concentrated solar);
- (C) wave, tidal and ocean thermal energy;
- (D) except for combustion of wood that has been treated with chemical preservatives such as creosote, pentachlorophenol or chromated copper arsenate, biomass and biomass byproducts, including
 - (I) organic human or animal waste;
 - (II) spent pulping liquor;
 - (III) forest or rangeland woody debris from harvesting or thinning conducted to improve forest or rangeland ecological health and to reduce wildfire risk;
 - (IV) agricultural residues;
 - (V) dedicated energy crops; and
 - (VI) landfill gas or biogas produced from organic matter, wastewater, anaerobic digesters or municipal solid waste;
- (E) geothermal energy;
- (F) certified low-impact hydro-electric energy with a nameplate capacity less than fifty megawatts, without regard to the date upon which the facility becomes operational, if the facility is certified as a low-impact hydroelectric facility on or after January 1, 1995, by a national certification organization;
- (G) waste gas and waste heat capture or recovery;*
- (H) efficiency upgrades to a hydroelectric facility, without regard to the date upon which the facility became operational, if the upgrades become operational on or after January 1, 1995;
- (I) geothermal energy if located within the state of Utah, without regard to the date upon which the facility becomes operational; or
- (J) hydroelectric energy if located within the state of Utah, without regard to the date upon which the facility becomes operational.

Bidders have the option to also bid Renewable Resources coupled with energy storage.

The Company may opt to contract for more or less [powerrenewable resources](#), depending among other things, bids received in response to the ongoing 2008R RFP, quality of bids

* PacifiCorp reserves the right to reject waste gas and waste heat capture or recovery resources if the resource is not eligible for existing or anticipated renewable portfolio standard compliance.

received in response to this RFP, updates to the Company’s forecasts, regional transmission availability and timing, and changes in the ~~wholesale energy~~[power supply](#) market conditions.

The Renewable Resource must have a commercial operation date no later than December 31, 2011. Bidders may only bid in Renewable Resources in the form of a Power Purchase Agreement (PPA), [an Asset Acquisition and Sale Agreement](#) or a Build Own Transfer (BOT).¹ To the extent that Bidders bid in variations of [an asset acquisition of an existing project](#), a PPA or BOT, such proposals will be considered at the Company’s discretion and the Company reserves the right to reject non-compliant bids². PacifiCorp generation will submit a benchmark resource(s) which are further described in **Appendix I**.

[The company benchmarks will be received by the Independent Evaluator no later than two weeks prior to the receipt of market bids. The market bids will not be opened until such time as the company benchmarks are reviewed and validated by the Independent Evaluator. Once the Independent Evaluator has completed its review of benchmark assumptions, the Company will notify the market regarding the specific site and size of any benchmark resources.](#)

In order to provide for a transparent and fair process, the RFP will be conducted under the oversight of independent ~~evaluators (IEs)~~[evaluator \(IE\) and a consultant](#). A consultant ~~will be~~[\(“Consultant”\) has been](#) hired by the Utah Public Service Commission and an IE retained by the Company on behalf of the Oregon Public Utility Commission [which](#) will be involved in ensuring the RFP is conducted in a fair and reasonable manner.³ Potential Bidders are invited and encouraged to contact either the Oregon IE or the Utah ~~consultant~~[Consultant](#) with questions or concerns. More information concerning the role of the IE and the ~~consultant~~[Consultant](#) is provided in **Appendix K**.

Contact information for the ~~consultant~~[Consultant](#) and the IE is as follows:

Utah Consultant : Utah Consultant Merrimack Consulting
Insert Consultant’s contact information Wayne Oliver (Merrimack): Waynejoliver@aol.com
Oregon Independent Evaluators: Oregon IE Boston Pacific Company, Inc.
Insert IEs contact information Craig Roach: croach@bostonpacific.com Frank Mossburg: fmossburg@bostonpacific.com

¹ Form of Power Purchase Agreement is set forth in Appendix E and the Build Own Transfer, ~~which consists of a site agreement and an Engineering Procurement Contract (EPC)~~[and Asset Acquisition and Sale Agreement](#) is set forth in Appendix F.

² [If bids are rejected on the basis of non compliance the bid fee will be returned to the bidder.](#)

³ A Bidder may request the appointment of an independent third-party to assist the Washington Utilities & Transportation staff with review of any utility bids at the expense of the Bidder requesting the appointment.

The Company has the option of seeking regulatory acknowledgement of the final shortlist consistent with Oregon Order No. 06-446. PacifiCorp will 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. Section 2 addresses the procedural items. 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 outlines the required content and format. Section 5 outlines resource information including price and non-price information, integration, interconnection and transmission services. Section 6 outlines the bid evaluation and selection process. Section 7 outlines the awarding of contracts. All of the required Appendices which are required are included.~~

SECTION 2. PROCEDURAL ITEMS

PacifiCorp is seeking proposals for renewable projects ~~that are online or have~~ [existing and or new construction, with](#) a projected online date prior to December 31, 2011. PacifiCorp is seeking proposals for up to the target amounts set forth in Section 1 of this solicitation. PacifiCorp will evaluate the proposals based on cost effective economics, a viable implementation schedule, verifiable major equipment availability (such as wind turbines or [other](#) long lead-time equipment), appropriate ability to provide security for the Bidders proposed obligation, transmission access and interconnection status, and conformance to the pro forma contracts attached as Appendices to this RFP. PacifiCorp may elect to select more or less than the resource target quantity, or no proposals at all as a result of this solicitation. [Bids from a PacifiCorp affiliate, or for power from existing generating facilities owned in part or in whole by PacifiCorp, or a PacifiCorp affiliate, will not be accepted for evaluation in this RFP.](#)

Each proposal will be prepared at the sole cost and expense of the respondent and with the express understanding that there will be no claims whatsoever for reimbursement from PacifiCorp. PacifiCorp is not liable for any costs incurred by respondents in responding to this RFP or for any damages arising out of or relating to PacifiCorp's rejection of any proposal, or Bidder's reliance upon any communication received from PacifiCorp, for any reason. Respondent shall bear all costs and expenses of any response to PacifiCorp in connection with its proposal, including providing additional information and respondent's own expenses in negotiating and reviewing any documentation.

~~All~~ [To the extent that the proposals are deemed conforming all](#) proposals belong to PacifiCorp and will not be returned. PacifiCorp will use reasonable efforts to protect information clearly and prominently marked as proprietary and confidential on the page it appears, but PacifiCorp reserves the right to release such information to agents or contractors to help evaluate the Proposal, as well as to its regulators and non-bidding parties to regulatory proceedings subject to standard protective orders or confidentiality arrangements. PacifiCorp shall not be liable for any damages resulting from any disclosure of such information, howsoever occurring.

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~~ [must submit a Bid Fee of \\$10,000 which allows a Bidder](#) to submit a base proposal and up to two alternatives 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, 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. Proposals must be submitted in the legal name of the respondent who would be bound by any agreement with PacifiCorp. [A Success Fee will be charged to successful bid\(s\). The Success Fee will be assessed after the final amount of Bid Fees and the IE and Consultant costs are known, provided that in no event shall the Success Fee exceed \\$1 million dollars per successful bid.](#)

SECTION 3. LOGISTICS

A. SCHEDULE

Chart 2 sets forth the anticipated schedule.

CHART 2 – ANTICIPATED SCHEDULE

Event	Estimated Timeline
Selection of Independent Evaluator	May 2008
2008R-1 Issued	Issued
2008R-1 Bid Conference	Issued + 20 days
Intent to Bid Forms and Appendix Ds due	Issued + 30 days
Benchmark Resource(s) Responses due	Issued + 60 days
Responses due	Issued + 75 days
Evaluation completed	Issued + 120 days
Oregon Commission acknowledgement of final shortlist	Issued + 120 days
Bidder negotiations completed	Issued + 180 days

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

B. RFP 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. 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 should be sent to the Company via email at RFP2008R-1@pacificorp.com.

Communications with the Oregon IE ~~and Utah Consultant~~ can be emailed to them directly at the following email addresses: ~~[Insert email addresses]~~

[Oregon IE: croach@bostonpacific.com](mailto:croach@bostonpacific.com) or fmossborg@bostonpacific.com

C. INTENT TO BID FORMS

Bidders who intend to be considered as part of this RFP process must return both the “Intent to Bid Form” and the “Bidder’s Credit Information” (**Appendices A and D**) as set forth below.

Five (5) copies of the Intent to Bid Form and the Bidder’s Credit Information must be sent to the following address by express, certified or registered mail, or hand delivery by 5:00 p.m. Pacific Prevailing Time on **[Insert Date]**:

Oregon Independent Evaluator

[Insert IE]

[Boston Pacific Company, Inc.](#)

c/o PacifiCorp

Attention: RFP 2008R-1

825 NE Multnomah, Suite 600

Portland, Oregon 97232

D. SUBMISSION OF BIDS

The Bidder will be required to submit its proposal(s) to the following addresses. Bidders must submit the following to the address 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.
3. one (1) electronic copy of the Pricing Input Sheet.

All submitted bids must be transmitted by express, certified or registered mail, or hand delivery to the following address:

Oregon Independent Evaluator

Attention: RFP 2008R-1

825 NE Multnomah, Suite 600

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 IE, ~~the Consultant~~ and PacifiCorp.**

PacifiCorp will not accept any late proposals. The anticipated dates for evaluations, negotiations and definitive agreements are targets only, and actual dates will vary for reasons that include, but are not limited to, negotiation time, availability of key personnel, due diligence, the evaluation or negotiation of any issues unique to any bid, Bidder, or project, Bidder's willingness to agree to forms of agreements desired by PacifiCorp, PacifiCorp's evaluation of Bidder's creditworthiness, and actions required by any third parties.

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 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
Oregon Independent Evaluator (IE) and Utah Consultant	The IE and Consultant will ensure a fair and reasonable process is used in the RFP. See Appendix I and the Consultant will validate the Company is following the bidder pre-approval process and monitor and document all material aspects of the solicitation, evaluation and negotiation processes. See Appendix K for the Roles of the Oregon IE and the Utah Consultant.
Evaluation Team: Origination and/or Third-Party Engineering Consultants <u>consultants</u> as required	Overall coordinator of the process. Bid process management for all proposals and coordination with the IE and the Consultant 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, environmental due diligence on all resources.
Evaluation Team: Structuring and Pricing and/or Third-Party Engineering Consultant <u>consultants</u> as required	Economic analysis and modeling including validation of the inputs to the risk assessment of the bid.
Evaluation Team: Environmental	If applicable, review of local, state, and federal permits, permit applications, and supporting documentation, including: wildlife baseline study (including wildlife habitat mapping, special status species survey, and raptor nest survey); avian and bat use data analysis (including four-season study); avian and bat impact assessments; rare plant habitat assessments; wetlands survey; historic, cultural, and archaeological resources survey; Phase One environmental site assessment; and project mitigation and monitoring plan (including any proposed conservation easements).

Evaluation Team: Credit	Credit screening, evaluation and monitoring throughout the process. Evaluate credit requirements for final shortlist bidders
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 D are complete.

F. BID FEES

To help defray the cost of the Oregon Independent Evaluator and/or the Utah Consultant, each Bidder shall submit with each of its bid proposals a nonrefundable “bid fee” of \$10,000. A bid may consist of one base proposal in addition to two alternatives for the same bid fee. The alternatives may consist of a different bid size, contract term, in-service date and/or pricing structure for the same bid. In addition, Bidders will have the option of submitting up to three additional alternatives for a fee of \$1,000 per alternative. The bid fee(s) must be submitted with the proposals to ~~[Oregon IE]~~ [Boston Pacific Company, 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 Oregon IE, in consultation with the Company shall confirm whether a Bidder’s submission constitutes one or more proposals, for purposes of assessing bid fees. [The cost of the IE and Consultant not recovered by the Bid Fees shall be covered by a fee\(s\) assessed upon the successful bid\(s\) \(the "Success Fee"\). The Success Fee will be determined once the final amount of Bid Fees and IE and Consultant cost are known, provided that in no event shall the Success Fee exceed \\$1 million dollars per successful bid.](#) Any questions regarding bid fees should be directed to ~~[Oregon IE]~~ [Boston Pacific Company, Inc.](#)

G. 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 deemed ineligible and will not be considered for further evaluation. Reasons for rejection of a Bidder or its bid include:

- a) Receipt of Intent to Bid and Bidder’s Credit Information forms or any proposal after the response deadline.
- b) Failure to meet the requirements and provide all of the information requested in [Appendix C-1](#), [Appendix C-2](#) and/or [Appendix C-23](#) of this RFP.
- c) Failure to permit disclosure of information contained in the proposal to PacifiCorp’s agents, contractors, regulators, or non-bidding parties to regulatory proceedings under appropriate confidentiality agreements.

- d) Any attempt to influence PacifiCorp in the evaluation of the proposals, outside the solicitation process.
- e) Any failure to disclose the real parties of interest in the proposal submitted.
- f) The Bidder, or an affiliate of Bidder, is in current litigation with PacifiCorp or has, in writing, threatened litigation against PacifiCorp, respecting an amount in dispute in excess of one million dollars.
- g) Proposal has failed to clearly specify all pricing terms.
- h) Proposal has failed to offer unit contingent (as generated) or system firm capacity and energy, delivered into or in PACW or PACE and include appropriate contract term lengths and commercial operation dates.
- i) Proposal presents unacceptable level of development and technology risk.
- j) Failure to demonstrate a ~~contractual right or an option to acquire~~contract to purchase major equipment (i.e., wind turbines) and ~~or a process to adequately acquire~~ other critical long lead time equipment.
- k) ~~The transaction results in a third party owned asset being consolidated on PacifiCorp's balance sheet.~~ Bidder fails to demonstrate, to PacifiCorp's satisfaction, that it can meet the security requirements for each Renewable Resource proposed consistent with the requirements in **Appendix D** provided in this RFP.
- m) Bidder fails to address satisfactorily both the price and non-price factors.
- n) Bidder fails or is unable to abide by the applicable safety standards.
- o) The Bidder submits an unacceptable contract structure.
- p) Collusive bidding or any other anticompetitive behavior or conduct exists.
- q) Bidder or project being bid is involved in bankruptcy proceedings.
- r) Submission of a PPA that is not backed by an asset for a term longer than five (5) years.
- s) Failure of the respondent's authorized officer to sign the proposal.
- t) Misrepresentation or failure to abide by National Association of Attorneys General (NAAG) Environmental Marketing Guidelines (available at http://www.naag.org/issues/pdf/Green_Marketing_guidelines.pdf).
- u) Any change in regulations or regulatory requirements that make the Bidder's proposal non-conforming.
- v) Any matter impairing the respondent, the specified resources or the generation of power or Environmental Attributes of the Renewable Resource.

H. COMPANY RESERVATION OF RIGHTS AND DISCLAIMERS

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 IE ~~or Consultant~~ 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 PacifiCorp, 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. Bidders will be required to execute the non-reliance Agreement in **Appendix H** after the Final Shortlist and prior to entering into final negotiations.

I. ACCOUNTING

All proposals will be assessed by PacifiCorp for appropriate accounting or tax treatment. Bidders must supply all information PacifiCorp reasonably requires in order to make such assessments.

Specifically, accounting and tax rules may require that: (i) a contract is accounted for by PacifiCorp as a Capital Lease or Operating Lease,⁴ or (ii) the seller or assets owned by the seller be consolidated as a Variable Interest Entity⁵ (VIE) onto PacifiCorp's balance sheet. ~~PacifiCorp will not accept bids that result in a VIE being consolidated onto its balance sheet.~~

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 the PPA, [Asset Acquisition and Sale Agreement](#) or BOT that PacifiCorp requires to determine potential accounting impacts. Such information, including 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) 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.

J. CONFIDENTIALITY

PacifiCorp will attempt to maintain the confidentiality of all bids submitted, to the extent consistent with 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 an entire proposal as confidential, but must mark specific information on individual pages to be confidential in order to receive confidential treatment for that information.

⁴ "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.

⁵ "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.

All information supplied to PacifiCorp or generated internally by PacifiCorp shall remain the property of PacifiCorp. 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 PacifiCorp 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 and view confidential information. If such a request occurs, PacifiCorp 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 PacifiCorp can not promise success in that endeavor and accordingly cannot be held liable for any information that it is ordered to be released or that is inadvertently released.

Lastly, PacifiCorp 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 PacifiCorp or its consultants, including with Bidders, unless required by law or regulatory order.

Bidders will be required to execute the confidentiality agreement included as **Appendix G** to this solicitation after the Final Shortlist and prior to entering into final negotiations.

SECTION 4. REQUEST FOR PROPOSAL CONTENT

Bidders can submit proposals for either (A) a Power Purchase Agreement (PPA) ~~or (B)~~ a Build Own Transfer (BOT) [or \(C\) Asset Acquisition and Sale Agreement](#).

A. POWER PURCHASE AGREEMENT

Appendix C-1 contains an explanation of the information required if a Bidder plans to pursue the PPA option. The Bidder would agree to meet its contractual obligations within the PPA during the Term of the Agreement agreeing to sell the Project to PacifiCorp at the end of the term as outlined in Section 5.6 of the PPA (**Appendix E**) [or during the term of the PPA as outlined by the Bidder](#). The Bidder's proposal must contain the information requested in **Appendices B, C-1, D, J**, and any proposed changes to **Appendix E**. The Bidder must provide information sufficient to assure PacifiCorp that any proposed project has a reasonable probability of successful construction and operation by December 31, 2011. ~~In the event a Bidder proposes a PPA not backed by an asset, the maximum term accepted will be (5) years.~~

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, and construct (EPC) contract or an equivalent structure which will not increase the risk of default by multiple contractors to PacifiCorp 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 the entity's credit support provider, if applicable) must have a Credit Rating (as defined in Appendix D) that is BBB-/Baa3 or greater from S&P/Moody's or, if not publicly rated, an equivalent Credit Rating as determined by PacifiCorp.

B. BUILD OWN TRANSFER

Appendix C-2 contains an explanation of the information required if a Bidder plans to pursue the BOT option. The Bidder's proposal must contain the information requested in **Appendices B, C-2, D, J**, and any proposed changes to **F**. The Bidder must provide information sufficient to assure PacifiCorp that any proposed project has a reasonable probability of successful construction and operation by December 31, 2011.

Under the BOT option, PacifiCorp and the entity building the project must be counterparties. The BOT pro forma documents are attached as **Appendix F**. BOT can be structured with progress payments with defined milestones, or as a single lump sum payment due upon achievement of commercial operation. PacifiCorp 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**.

PacifiCorp will only accept proposals in which PacifiCorp purchases a fully completed project which has reached commercial operation. Any proposals that consist of either only a site sale or only an EPC contract will be rejected as a nonconforming proposal.

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, interconnection and all related costs up to achieving commercial operation. 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.

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 BOT. 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 EPC and must be experienced with the type of facility being proposed and, in addition to any other credit provision described herein, this entity (or the entity's credit support provider, if applicable) 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, or otherwise provide adequate credit assurances to PacifiCorp's satisfaction.

C. ASSET ACQUISITION AND SALE AGREEMENT

Appendix C-3 contains an explanation of the information required if a Bidder plans to pursue the Asset Acquisition and Sale Agreement. The Bidder's proposal must contain the information requested in Appendices B, C-3, D, J, and any proposed changes to F. The Bidder must provide information sufficient to assure PacifiCorp that any proposed project is currently under operation.

For the acquisition of an existing asset, the Asset Acquisition and Sale Agreement pro forma documents are attached as Appendix F.

PacifiCorp will only accept proposals in which PacifiCorp purchases a fully completed project which has reached commercial operation. Bidders should note that any proposal submitted in this category will be subject to due diligence by the company.

SECTION 5. RESOURCE INFORMATION

PacifiCorp shall rely on the outcome from this RFP to ascertain the most prudent resource decision(s). PacifiCorp's Integrated Resource Plan (IRP) is a comprehensive decision support tool and road map for meeting PacifiCorp's objective of providing reliable and least-cost electric service to all of its customers while addressing the substantial risks inherent in the electric utility business. Bidders should note that the IRP report is a useful document for information purposes and Bidders should not infer in any way that the IRP should prescriptively guide their specific proposal. PacifiCorp's IRP is available at www.pacificorp.com/Navigation/Navigation23807.

A. PRICE AND NON-PRICE INFORMATION

Bids will be evaluated on the basis of price and non-price factors to determine the initial shortlist. The bids on the initial shortlist will then be evaluated using the IRP models to determine the final shortlist.

The initial shortlist will consist of Price and Non-Price factors.

The Price factors will be determined using the comparison metric which 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~~more positive the net PVRR, the more valuable a given resource is to PacifiCorp'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 calculation⁶ with the appropriate adjustments. There will be two initial shortlists. One shortlist will be devised for wind resources and the other for all other renewable resource types. If provided, up to 500 megawatts of viable bids will be shortlist in each of the two Initial Shortlists and will move from the Initial Shortlist to the Final Shortlist.

The Non-Price factors will include without limitation positive or negative 1) conformity to RFP bid requirements (Appendix B) and, 2) conformity to the form power purchase agreement (Appendix E) or BOT agreements (Appendix F), transmission availability and interconnection status, status of the development of the project, Bidder's experience, and performance guarantees and or the Asset Acquisition and Sale Agreements (Appendix F), 3) development and feasibility of proposal, 4) site control and permitting, and 5) operational viability. Price factors will recognize the value of the power (e.g., firm versus non-firm, delivery shape, and the relative value of environmental attributes associated with the facilities).

⁶The 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~~a significant number of the proposals are above 140% of adjusted appropriate price curve in the two initial ~~shortlist~~shortlists, such proposals will be ranked by on a percentage in order to apply a ranking for price.

All bids must include exclusive ownership by PacifiCorp of any and all Environmental Attributes⁷ associated with ~~the~~all energy generated.

A.1. PRICE INFORMATION

PacifiCorp is willing to consider the following contract structures so long as the Bidder supplies sufficient information to permit effective evaluation:

- *Power purchase agreements with purchase options* – for the initial term of the power purchase agreement Bidder owns the asset and PacifiCorp purchases the output. At some defined point in time PacifiCorp must have the option to purchase the asset ~~for a price~~at the end or during the Term of the power purchase agreement subject to the terms and conditions of the Bidder.
- ~~*Build Own Transfer* – Bidder sells a fixed price turn key project payable in a single amount on delivery or upon achievement of milestones as progress payments, with an online date prior to December 31, 2011.~~

For PPAs, PacifiCorp is willing to consider the following delivery concepts so long as the Bidder supplies ~~sufficient~~statistically valid information to permit effective evaluation:

- Unit contingent generation as generated by the facility interconnected directly to PacifiCorp’s transmission system
- Firm, scheduled generation into PacifiCorp’s system
- Generation from other systems telemetered into PacifiCorp’s system if adequate third party transmission is available.
- *Build Own Transfer* – Bidder sells a fixed price turn key project payable in a single amount on delivery or upon achievement of milestones as progress payments, with an online date prior to December 31, 2011.
- *Purchase of an existing asset* – Bidder sells an operating existing asset or the equity in the asset at a fixed price. The sale will be contingent on the company completing its due diligence on the exiting operating asset.

A.2 NON-PRICE INFORMATION

Non-price factors will include without limitation positive or negative 1) conformity to RFP bid requirements (**Appendix B**) ~~and, 2) conformity to~~ the form of power purchase agreement (**Appendix E**) ~~or, 3) build own transfer agreement (**Appendix F**), transmission~~

⁷ As defined in the Power Purchase Agreement.

~~availability and interconnection status, Bidder's experience, and performance guarantees.~~ [Asset Acquisition and Sale Agreement \(Appendix F\), 3\) feasibility of proposal, 4\) site control and permitting, and 5\) operational viability.](#)

This RFP is requesting cost-effective resources that are capable for delivery into or in PacifiCorp's network transmission system⁸ in PACE or PACW. All proposals will be contingent on the ability of PacifiCorp's commercial and trading function to designate the proposed resource as a Network Resource under the network service contract between PacifiCorp Transmission (www.oasis.pacificorp.com) and PacifiCorp Commercial and Trading.

B. POINT OF DELIVERY

PacifiCorp is interested in resources that are capable of delivery into or in ~~a portion of~~ PacifiCorp'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
- Mona⁹ 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 (southern terminus of Gateway South project) [estimated](#) starting 2012
- Wyoming- delivery points will require further evaluation for integration.
- Borah, Brady or Kinport if such resource is interconnected to PacifiCorp's Southwest Idaho electrical system near the Goshen 161 kV area.

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.¹⁰

⁸ Any costs required to upgrade PacifiCorp's electrical infrastructure incremental to those contained in the IRP will be considered in the overall economics of the resource. PacifiCorp will use the best available information at the time of evaluation to determine the integration costs for the analysis.

⁹ 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).

- 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.

C. THIRD-PARTY INTERCONNECTION AND INTEGRATION AND TRANSMISSION SERVICE

PPA Bidders are responsible for any interconnection, electric losses, reserves, transmission, integration tariffs, imbalance tariffs, and ancillary service arrangements required to deliver the proposed firm capacity and associated energy to the bid specified Point(s) of Delivery. Such costs will be included in the evaluation of **BOT**the proposals. All 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)

¹⁰ Willamette Valley

Alvey 230 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

Redmond 69 kV

Ponderosa 230 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

will be available to during the full term of offer(s) proposed or that contractual roll-over options ~~are~~if available.

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 or tagged from the source to the Point(s) of Delivery will require PacifiCorp to evaluate the need to carry reserves against the schedule, which can be up to 100% in the case of electricity moved from a third party control area to PACE or PACW.

D. 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 PacifiCorp's commercial and trading function; rather it is with PacifiCorp's transmission function or other third-party transmission providers, and hence absolutely no communication by a Bidder to PacifiCorp's transmission function can be made through the submission of a bid in this RFP. Any bid seeking to do so will be summarily rejected if the attempt is not immediately withdrawn when discovered. If requested, short-listed Bidders shall execute a customer consent consistent with FERC requirement that enables PacifiCorp's merchant function to discuss the Bidder's interconnection and/or transmission service application(s) with the transmission interconnection or transmission service provider.

E. TRANSMISSION INTERCONNECTION AND 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. Bidders must advise PacifiCorp Transmission if any such service is being requested as part of this RFP. Bidders requiring interconnection service from PacifiCorp Transmission must request both Network Resources Interconnection (NR) and Energy Resource (ER) service. As stated above, all such requests, if made, must be made directly to PacifiCorp's transmission function through OASIS or other applicable tariffs, and not made to PacifiCorp through the submission of a bid in this RFP. Any bid seeking to do so will be summarily rejected if the attempt is not immediately withdrawn when discovered.

All proposals that will require a new electrical interconnection or an upgrade to an existing electrical interconnection must include a statement of the cost of interconnection (broken out between network upgrade costs and facility specific interconnection costs), together with a diagram of the interconnection facilities. The Bidder will be responsible for, and is required to include in its bid, all costs to interconnect to the transmission provider's system. The Bidder will be responsible for applying to the transmission provider for a Large Generator Interconnection Agreement (LGIA). The interconnection costs from all Bidders will be included in the bid evaluation. Bidders shall describe interconnection costs in their bids by disclosing that portion of costs associated with

network upgrades and that portion that is facility specific. Bidders are reminded that they shall bear 100% of the costs to interconnect to the transmission provider's system. Bidders are encouraged to contact the applicable transmission function (i.e., PacifiCorp's transmission function at www.oasis.pacificorp.com) for information related to a system interconnection request. As stated above, all such requests, if made, must be made directly to PacifiCorp's transmission function through OASIS or other applicable tariffs, and not made to PacifiCorp through the submission of a bid in this RFP. Any bid seeking to do so will be summarily rejected if the attempt is not immediately withdrawn when discovered.

Once the Bidder is selected, the applicable transmission function typically has the option of funding the interconnection upgrades or requiring the Bidder to fund such upgrades and then receive revenue credits per the applicable OATT. Any such refunds shall be assigned to PacifiCorp directly or through a three-party contract, with the transmission provider treated as an independent third party; provided, however, if the Bidder is scheduling power for delivery to PacifiCorp's control area using third party transmission then the refund shall remain with the Bidder.

F. PACIFICORP TRANSMISSION INTEGRATION SERVICE

Notwithstanding the foregoing, Bidders should not factor in the cost of integrating the proposed resources from bid-specified Points of Delivery to PacifiCorp's system. Such transmission integration costs and other integration costs will be factored in for determination of the final shortlist. ~~PacifiCorp has preliminarily identified the potential costs to integrate and transmit resources in the IRP.~~ These costs do not include interconnection costs. Transmission and other integration costs incremental to those in the IRP will be taken into account within the [final](#) analysis. Integration costs consistent with the IRP will be added to all bids.

After the initial Shortlist is selected, 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 provide more refined cost estimates associated with integrating the Short-listed resources into PacifiCorp's system. The IRP group will seek updated costs from PacifiCorp Transmission for only the Short-listed Bidders. These integration costs will be used as inputs into the IRP model along with the Short-listed proposals in order to determine the final Short list.

G. RESOURCE TYPES ELIGIBLE TO BID

The Renewable Resource must have a commercial operation date no later than December 31, 2011. Facilities generating power from the resource types defined as Renewable Resources in Section 1 are eligible to be the subject of bids under this RFP, provided they are capable of delivering at least ~~70,000~~[25,000](#) MWh per year. [In addition, qualifying facilities with a nameplate of 10 megawatts or greater are eligible to bid.](#)

Any resource considered pursuant to this RFP must be capable of clearly verifying time and amount of delivery of energy from the resource by metering or other means acceptable to PacifiCorp including without limitation metering on less than or equal to an hourly basis.

This solicitation is for proposals that offer *both* Renewable Energy Credits (RECs) and underlying generation from an associated Renewable Resource and not RECs only or RECs bundled with market purchases. Proposals that offer only Environmental Attributes or a rebundled product will be rejected.

H. PRODUCTION TAX CREDIT

Bidders shall bear all risks, financial and otherwise, associated with Bidder's or the facility's eligibility to receive ~~production~~ tax credits or qualify for accelerated depreciation for Bidder's accounting, reporting or tax purposes. The obligations of the Bidder to perform under any executed agreement as a result of this solicitation shall be effective and binding regardless of whether the sale of output from the Bidder's facility under such agreement is eligible for, or receives, production tax credits during the term of the agreement.

I. 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 Build own Transfer or Power Purchase Agreements accounting and tax rules may require either: (i) a contract be accounted for by PacifiCorp as a Capital Lease or Operating Lease¹¹ 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 Entity¹² (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~~ after Bidders are selected in the Final Shortlist, if required by the company accounting department, Bidders will be required to certify, with supporting information sufficient to enable the Company to independently verify such certification, that ~~none of~~ their proposals will not be 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

¹¹ "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.

¹² "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.

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.~~ [IE and PacifiCorp’s advisors.](#)

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 power purchase agreement ~~or~~ build own transfer [and or Asset Acquisition and Sale Agreement](#) 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.

J. 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 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.

SECTION 6. BID EVALUATION AND SELECTION

PacifiCorp will utilize a “first-price sealed bid format” in order to generate an initial short list. The initial short list constitutes the bids that will be evaluated with the IRP models, and from which the final short-listed bids will be selected for any post-bid negotiations.

Under this format, contract payments are based on the price contained in each winning bid proposal. The “first-price sealed bid format” means that PacifiCorp will utilize the initial prices and pricing structure submitted by the Bidder in order to determine the initial short-listed entities. PacifiCorp will not ask for, or accept, updated pricing from Bidders during the evaluation period. **PacifiCorp will negotiate both price and non-price issues after the initial shortlist and during post-shortlist negotiations.** PacifiCorp reserves the right not to engage in any post-bid or post-Shortlist negotiations with any Bidder that has not made the initial short list. Selection for the initial short list, the final shortlist and post-shortlist negotiations does not constitute a “winning bid proposal.” Only execution of a definitive agreement by both PacifiCorp and the Bidder on terms acceptable to PacifiCorp in its sole and absolute discretion will constitute a “winning bid proposal”. Any definitive power purchase agreement or build own transfer will be in the form of the PPA ~~and BOT~~, [BOT and Asset Acquisition and Sale Agreement](#) shown in **Appendices E** and **F**, respectively. If the Bidder alters the PPA, ~~or the BOT or Asset Acquisition and Sale Agreement~~ or does not use it as the underlying agreement the bid evaluation will be effected. PacifiCorp has no legal obligation to enter into any agreement of any kind with any Bidder.

A. OVERVIEW OF THE EVALUATION PROCESS

The analysis for the RFP will be focused on determining which resources provide the best value to customers on a system-wide planning basis 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~~ [two Initial Shortlists](#) of bids (described in Step 1 below) and the final shortlist will be determined using the integrated resource planning models, and any residual value of the project to determine the final shortlist.

The selection of ~~an initial shortlist~~ [two Initial Shortlists](#) of bids will be based on price and non-price factors. [The two Initial Shortlists will comprise of one initial short list for wind resources and one initial shortly for all other renewable resource types.](#) The price factor will be derived using the PacifiCorp Structuring and Pricing RFP Base Model. The RFP Base Model determines the ~~initial shortlist~~ [two Initial Shortlists](#) of the top performing proposals on the basis of the projected net present value revenue requirement (net PVRR) per kilowatt month (Net PVRR/kW-mo). The non-price factors will evaluate the positive or negative [1\) conformity to RFP bid requirements \(Appendix B\), 2\) and the form of power purchase agreement \(Appendix E\) or build own transfer documents \(Appendix F\),](#) ~~transmission availability and interconnection status, status of the development of the resource, Bidder’s experience, and performance guarantees and or Asset Acquisition and Sale Agreement (Appendix F),~~ [3\) feasibility of proposal, 4\) site control and permitting, and 5\) operational viability.](#)

~~Bids~~ [Up to 500 megawatts of the viable bids](#) that qualify ~~for the initial shortlist~~ [in the two separate Initial Shortlists](#) from a screening basis will then be evaluated using an Integrated Resource Planning model to establish the Final Shortlist.

The Bidder is responsible for the negotiation, execution and cost of interconnecting or delivering in or into the PacifiCorp control area. The Bidder will be responsible for all incremental transmission expenses, [which must be included in the bidders pricing](#), 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~~ [If the Bidder does not provide such costs, any](#) anticipated transmission cost which is not included in [the](#) Bidder’s response or is incremental to transmission assumptions included in the IRP will be added by PacifiCorp using information reasonable and readily available during the economic evaluation phase.

Bids submitted in this RFP will be evaluated in two steps:

STEP 1—PRICE AND NON-PRICE SCREEN WILL BE USED TO DETERMINE ~~A LIST OF BIDS~~ [TWO LISTS OF BIDS, ONE LIST FOR WIND RESOURCES AND THE OTHER FOR ALL OTHER RENEWABLE RESOURCE TYPES. THESE TWO LISTS WILL BE DEEMED AS THE INITIAL SHORTLIST FOR SCREENING PURPOSES.](#)

STEP 2—PACIFICORP’S PRODUCTION COST SIMULATION MODEL, USED FOR INTEGRATED RESOURCE PLANNING, WILL BE USED TO DETERMINE A LIST OF BIDS DEEMED AS THE FINAL SHORTLIST.

PacifiCorp 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 [two](#) initial ~~shortlist~~ [shortlists](#) will be made up of the highest scoring proposals.

B. PRICE FACTOR EVALUATION (UP TO 70%)

PacifiCorp will utilize the RFP Base Model to screen the proposals and to evaluate and determine the price ranking for the [two](#) initial ~~shortlist~~ [shortlists](#).

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
- Rate Base Inputs: if applicable
- Point of Delivery (POD) and Point of Receipt (POR)
- Dispatch Pattern
- Firm/Unit Contingent
- Resource Type
- Product Source
- Variable O&M Payment (\$/MWh)
- VOM costs (\$MWH)
- Fixed Energy Payment (\$/MWh, if applicable)
- Capacity Charge (\$/KW-mo, if applicable)
- 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~~[more positive](#) the net PVRR, the more valuable a given resource is to PacifiCorp’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.¹³

Bid Cost Relative to Adjusted Price Curves	Price Factor Weighting
Less than or equal to 80% of adjusted price projections	70%
Greater than 80% of adjusted price projections but less than 140% of adjusted price curves	Linearly interpolated
Equal to or greater than 140% of the adjusted price projection	0%

C. NON-PRICE FACTORS (UP TO 30%)

The primary purpose of the non-price analysis is to help gauge the factors related to the proposal which are outside of price. 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

¹³The 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~~[a significant number of the](#) proposals are above 140% of adjusted price curves ~~for the two~~ Initial ~~shortlist which~~[Shortlists](#) will be ranked ~~by~~[on a](#) percentage [according to price](#).

proposals will be chosen for the initial shortlist. The non-price factor criteria are identified in Chart 4 below. Bids will be evaluated and scored in ~~three~~five discrete categories: (1) 100% of the percentage weight; (2) 75% of the percentage weight; (3) 50% of the percentage weight; (4) 25% of the percentage weight or (~~35~~) 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~~customers prior to PacifiCorp performing due diligence on any given Bid. Bids which have a demonstrated track record or are mature proposals will be more highly evaluated. Chart 4 lists the key non-price criteria and the basis for weighting for each criterion. These Non-Price factors will be used in the evaluation of the Non-Price characteristics of the three categories of proposals (PPA, BOT, and Asset Acquisition), the qualifying facilities and the benchmarks.

CHART 4 – NON-PRICE FACTORS

Non-Price Factor	Non-Price Factor Weighting
<u>1) Conformity to RFP requirements - has the bidder provided all the requirements pertaining to their proposals in Appendix B, C-1, C-2 or C-3, D and J</u>	6%
<u>2) Conformity to pro forma PPA, BOT or BOT Asset Acquisition and Sale Agreement- has the bidder required any additions or deletions that impose additional costs and or risks to customers.</u>	6%
Status of <u>3) Development and feasibility of proposal- 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 any environmental impact of each proposal consistent with the proposed technology. Bids must demonstrate that the project development can be reasonably developed within the appropriate timeframe to meet the proposed in service date and with limited risk to the customers. 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.</u>	6%

Bidder's experience 4) <u>Site control and permitting - 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, and site control. Bids which can demonstrate little or no risk associated with these criteria will be more highly valued</u>	6%
Performance guarantees 5) <u>Operational Viability - Bids will be evaluated based on the quality of their proposal, their responsiveness to the information requested and demonstrate sufficient detail of their ability to comply with environmental permits and requirements and their operating experience with similar renewable projects and technology.</u>	6%

1) Conformity to RFP requirements

This category is intended to assess if all the requirements pertaining to Bidders and Benchmark proposals, to the extent applicable in Appendix B, C-1, C-2 or C-3, D and J have been provided and are responsive and complete.

2) Conformity to Pro Forma Agreements

This category is intended to assess if the Bidder conforms to the underlying proforma agreements. Do any of the edits provided by the bidder to the underlying agreements, PPA, BOT or Asset Acquisition and Sale Agreement, shift or apply additional risks or costs to customers. If so, then the percentage will be adjusted. The percentage will not be adjusted if bidders provide edits which either add value to customers or do not impose additional costs or shift risks to customers. This category is intended to assess if the bidder conforms to the underlying proforma agreements in the request for proposal. Do any of the edits provided by the bidder to the underlying agreements, PPA, BOT or Asset Acquisition and Sale Agreement, shift or apply additional risks or costs to customers. If so, then the percentage will be adjusted. The percentage will not be adjusted if bidders provide edits which either add value to customers or do not impose additional costs or shift risks to customers. Benchmarks will be deemed to equal full weighting since the costs associated with any benchmark will be subject to regulatory rulings and not contracts.

3) Development Feasibility/Risk

This category is intended to assess the likelihood the Bidders' project and the Benchmark resource(s) 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, the company will evaluate the

critical path schedule provided by the Bidders and Benchmarks, the engineering design and technology maturity for the project proposed, the status of fuel supply arrangements, if any and the strategy of the Bidder and or Benchmark for securing fuel for the project, if applicable.

Bidders and Benchmarks 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. The company will review and evaluate the project schedule to ensure there is a high likelihood the project can reach commercial operations as proposed.

Bidders and Benchmark 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 and Benchmark should provide a detailed description and specifications for the proposed equipment. The company reserves the right to conduct further due diligence on the equipment and project design. Bidders and Benchmarks should provide a detailed strategy for securing and delivering fuel to the project (for those projects other than wind) site. The company prefers proposals that can demonstrate a secure and reliable fuel supply or strategy which demonstrates the ability of the bidder to secure or demonstrate a reliable supply for the project.

4) Site Control and Permits

Bidders and Benchmark 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 and the Benchmark must be able to obtain site control prior to signing a contract with the Company. For Bidders and the Benchmark to demonstrate how they will obtain site control, they must submit documentation which supports the site control requirements. Bidders and the Benchmark should also provide a list of all required permits that must be obtained. In addition, Bidders and the Benchmark should identify any rights-of-ways that need to be acquired for the construction and provide a plan and schedule for securing the rights-of-ways.

5. Operational Viability

This category addresses key viability and risk factors associated with project operations. The two key factors of importance are first, the environmental management and compliance and any potential environmental impacts and second a description of prior operating experience of a similar project and technology. Bidders and Benchmark should provide a description of the environmental management and compliance criterion for the renewable project and addresses the ability of such project, existing or to be constructed for a PPA or BOT, ability to meet all of the projects environmental compliance and

[permits. Second, Bidders and Benchmarks should provide a description of any and all previous experience in operating and maintaining similar projects.](#)

Step 2 – Integrated Resource Plan – Final Shortlist

The Company will use its current ~~wind~~[renewable energy](#) resource valuation methodology for evaluating bids for inclusion in the final shortlist. This methodology, called the Alternative Compliance Cost (ACC) method, uses the Company’s production cost simulation system and its Forward Price Curve to generate a market-based alternative comparison of the bid resources. In determining the alternative, the Company first runs the production cost simulation system (the Planning and Risk, or PaR model) in stochastics mode using the then-current IRP preferred portfolio. The PaR model is then run a second time with the uncommitted future renewable resources removed from the preferred portfolio. The resulting production costs from this second model run reflect the market-based energy costs incurred as a result of no longer adding renewable resources to the IRP preferred portfolio. Next, other costs and benefits of the specific bid resource being considered are compared against the PaR model results. This comparison is in the form of a bid resource ACC value, which represents the resource cost, over the life of the project that yields a zero net PVRR difference with respect to the PaR model’s market-based resource alternative. A negative ACC value, expressed on a dollar-per-MWh basis, indicates that the bid resource compares favorably to the market-based alternative, whereas a positive ACC value indicates that the bid resource compares unfavorably to the market-based alternative.

D. FINAL SELECTIONS; OTHER FACTORS

The two 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 IE ~~and the Consultant~~, 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. In addition the Company may evaluate and include in its final finally and prudent costs associated with direct and or indirect debt directly related with the resource procurement consistent with the information outlined in Section 5(I) and (J).

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 Self Build option, including the regulatory treatment of costs or benefits related to actual construction cost and plant operation differing from what was projected for the RFP.

The Washington solicitation rules (WAC 480-107-001 et seq.) provide that ranking criteria must consider the following:

- 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 carbon dioxide (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.

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 IE ~~and Consultant~~, 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 Renewable 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. CONFIDENTIALITY AGREEMENT

All parties will be required to sign Confidentiality Agreements if they qualify for the final shortlist (**Appendix F**) prior to entering into negotiations with the Company.

C. NONRELIANCE LETTER

All parties will be required to sign a nonreliance letter if they are qualify for the final shortlist (**Appendix H**) prior to entering into negotiations with the Company.

D. POST-BID NEGOTIATION

Prior to entering into post-bid negotiation with Bidders, selected Bidders must execute the confidentiality agreement and the non-reliance letter in **Appendices F** and **H**, respectively.

PacifiCorp will further negotiate both price and non-price factors during post-bid negotiations. PacifiCorp will also include in its evaluation any factor that may impact the total cost of a resource, including but not limited to all of the factors used in the initial cost analysis plus consideration of accounting treatment and potential effects due to rating agency treatment, [if applicable](#). Post bid negotiation will be based on PacifiCorp’s cost assessment. PacifiCorp will continually update its economic and risk evaluations until both parties execute a definitive agreement acceptable to PacifiCorp in its sole and absolute discretion.

PacifiCorp shall have no obligation to enter into any agreement with any Bidder to this RFP and PacifiCorp may terminate or modify this RFP at any time without liability or obligation to any Bidder. In addition, this RFP shall not be construed as preventing PacifiCorp from entering into any agreement that PacifiCorp deems prudent, in PacifiCorp's sole opinion, at any time before, during, or after this RFP process is complete. Finally, PacifiCorp reserves the right to negotiate only with those entities who propose transactions that PacifiCorp believes in its sole discretion to have a reasonable likelihood of being executed.

E. SUBSEQUENT REGULATORY ACTION

Unless mutually agreed between the parties or unless required by actual (or proposed) law or regulatory order, at the time of contract execution, PacifiCorp does not intend to include a contractual clause whereby PacifiCorp is allowed to adjust contract prices in the event that an entity who has regulatory jurisdiction over PacifiCorp does not fully recognize the contract prices in determining PacifiCorp's revenue requirement. As of the issuance date for this solicitation, PacifiCorp is unaware of any such actual law or regulatory order.

APPENDIX A

Notice of Intent to Bid

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

Request for Proposals, Renewable Electric Resources (RFP 2008R-1)

Company _____
(legal entity of intended signatory to a contract)

Mailing Address/Phone/Fax/Email _____

Contact Person _____

Resource Type (Wind, Solar, Geothermal, etc) _____

Structure of bid: BOT or PPA **or Site Purchase**

If a PPA, indicate term _____ (years) **and whether must be** backed by an asset

Size of bid in nameplate MW capacity _____

Estimated commercial online date (month/year) _____

PacifiCorp Affiliate Certification

Bidder does not have an affiliate relationship (whether by ownership, joint venture or other association) with PacifiCorp or any PacifiCorp affiliate; and the proposed bid is for power generated by facilities that are not owned by, or otherwise associated with PacifiCorp, or any PacifiCorp affiliate. PacifiCorp affiliates include any MidAmerican Energy Holdings Company affiliate as well as affiliates of Berkshire Hathaway, Inc. A list of affiliates will be provided upon request.

Authorized Signature and Date _____

Print Name _____ **Title** _____

Return by mail, email, or fax by _____ to:

RFP 2008R-1
PacifiCorp
825 NE Multnomah St., Suite 600
Portland, OR 97232

E-mail: RFP2008R-1@PacifiCorp.com

Fax: 503-813-6260

APPENDIX B

Information required in bid proposals

This appendix describes PacifiCorp's expectations and requirements for RFP bids. In general, PacifiCorp expects bidders to provide any information that could impact the cost, reliability, dispatch frequency, or output capability of a resource. Bids from a PacifiCorp affiliate, or for power from generating facilities owned in part or in whole by PacifiCorp or a PacifiCorp affiliate will not be accepted for evaluation in this RFP.

In the event a bidder is proposing a transaction that does not require the construction of a resource, or if the bidder is proposing a PPA, much of the following information may not apply. PacifiCorp believes these resource attributes largely consist, but may not be limited to, the following information categories:

Impact of Temperature on Output - If a proposed generator output will vary with ambient conditions; capability, 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 air conditions of 20°F and 75% humidity. In the event summer and winter daily design conditions are different, bidder shall identify those conditions. To the extent pricing, capability 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.

Impact of Other Factors on Output - PacifiCorp prefers generation facilities designed, permitted, and operated so that, to the extent practicable, the proposed facility and any related energy and green tags provided to PacifiCorp is without restriction related to:

- Environmental permits or other environmental limitations or environmental forfeitures
- Hours of operation
- Sales to other parties
- Interruption of primary fuel supply (if applicable)
- Any other factor relevant to the technology (noise, agreements with neighbors, etc.)
- Non-environmental or technology factors that could encumber the facility
- Failure to meet the target in-service date.

Bidders shall describe in detail any such limitations in their Proposal.

Siting - Bidders are responsible for all construction and coordination with the applicable service provider(s) for any new electrical transmission 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:

1. List of studies conducted, required environmental, construction, and other regulatory permits and timelines.
2. Prevailing noise ordinance at the site and expected sound level (A-weighted) at full load at the site boundary.
3. Proposed site plans, layouts, elevations, or other aspects of the facility.
4. Types of transportation access required.
5. 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.).
6. Proximity and extent of nearest wetlands and description of types of all types of all nearby wetlands and water bodies, including any proposed impacts.
7. Information on fish, wildlife and vegetation inhabiting the area of the Project.
8. Proximity to nearest endangered or threatened or critical species habitat and information on all nearby endangered or threatened species which could potentially be impacted.
9. Proximity to nearest historical or archaeological resources and all nearby historical or archaeological resources which could potentially be impacted.
10. Location and distance to population centers which could be impacted.
11. Expected site ambient temperature extremes and verification that freeze protection will be provided if necessary.

Proposal Format –PacifiCorp is requesting that bidders 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. The Executive Summary shall be accompanied by one or more Bid Summary sheets (see Appendix C-1 or Appendix C-2), characterizing the bid or bid options.

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

- Type of generation equipment and description
- Manufacturers of major equipment
- Date of manufacture or age of major equipment

- Hours of operation and major maintenance performed for any previously owned/operated equipment
- Description of financing plan
- Description of operation and maintenance plan
- Estimated annual unit availability and any guaranteed minimum annual availability
- Plan for site control
- Site layout description
- Description of technology and configuration
- Operating Limits - Any limits on the number of hours that a unit may be operated per year or unit of time
- Expected Annual Energy production (see Appendix E).
- Expected Generation on heavy load hours (hours ending 07:00-22:00, Monday through Saturday), and light load hours by month.
- Guaranteed Output (minimum annual energy production, see Appendix E)
- Primary fuel supply and backup alternatives
- Wind proposals must include a minimum of one year of on-site meteorological tower data, converted to estimated MWh of production on an hourly time scale. Please provide explanation if average of hourly estimated MWh of production is different from the Expected Annual Energy production.
- Electrical interconnection (location, transmission provider, and control area)
- Information regarding location and transmission availability
- Project schedule, listing tasks and milestones with estimated completion dates
- Terms of warranties and/or guarantees on major equipment

Section 3 - Bidder's Qualifications – Information in this section should be submitted with information that the Bidder supplies from Appendix D. This section should include, but not be limited to, the following information:

- Corporate structure and primary and secondary businesses.
- Location of offices
- Biographies of key officers
- Developer projects and independent power supply ventures participated in over the last three to five years.
- At least one contact (name and telephone number) for each project or power supply venture (for reference purposes).
- Description of any current or previous contract dispute(s) involving similar projects in which the bidder is or was involved during the last five years.
- Separate descriptions, as appropriate, for each member of a consortium or partnership of two or more firms and the relationship between the firms for this Proposal.

Section 4 - Financial Information – Briefly summarize information provided pursuant to Appendix D.

Section 5 - Pricing Proposal and Pro Forma Project Financing – Describe in detail the pricing proposal, including the use of any index, escalation factors, or other costs to PacifiCorp. Provide pro forma financial projections showing cash flow, income statement, and balance sheet, sources and uses of funds, construction draw schedule, and including all financing assumptions. At a minimum the pro forma should include the following:

- ¹Expected Annual Energy production and revenue
- Annual operating expenses including operations and maintenance costs, G&A expenses, land leases, property taxes, insurance and other expenses
- Transmission and ancillary services costs (if any)
- Debt service
- Debt coverage ratios (by year)
- Depreciation
- Taxes and tax credits
- Working capital requirements
- Net income
- Equity rate of return

Section 6 – Transmission - Each Proposal must include a description of the location of its proposed transmission facilities, including proposed delivery points, and must specify the transmission provider and all applicable costs.

Section 7 – 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 turn-key sale. Bidders 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.

Applicant should provide information on scoping, feasibility or other associated studies conducted to assess environmental impacts and to obtain necessary permits. This information should include all studies related to wildlife (including endangered species), archeological, vegetation, hydrological, geotechnical, visual, noise, air quality, and other environmental impacts related to the project. Impacts to designated wilderness, national and state parks, and other protected areas should be noted. Applicant should describe methodologies for such studies and identify the person(s) or firm(s) who conducted and completed the work. If such studies are in progress, applicant should describe the scope and schedule for completion and identify the person(s) or firm(s) doing the studies and

¹ Expected Annual Energy production must be the same value used in other parts of this proposal.

methodologies to be employed. Applicant should describe measures that will be taken to minimize the potential for environmental, visual and cultural impacts of the project. Finally, applicant should discuss plans to engage community and environmental stakeholders to support the proposed project

Section 8 – Contract Terms - Bidder shall provide a comprehensive listing/description of all contract terms that the bidder would seek during contract negotiations. Bidder may supply a markup of the documents found in Appendix E (PPA option) or Appendix F (BOT option) with their proposal, although conformity to those documents is strongly encouraged.

APPENDIX C-1

BID SUMMARY – POWER PURCHASE AGREEMENT

Project Name _____

Unique Bid Name (i.e, ACME-1, etc) _____

Resource Type (Wind, Solar, Geothermal, Hydro, etc.) _____

Control Area:

PacifiCorp West _____

PacifiCorp East _____

Other (describe): _____

Estimated Commercial Operation Date (dd/mm/yy) _____

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

Expected Gross Annual Energy Production (net of station load) _____ MWh/yr

Expected Net² Annual Energy Production () _____ MWh/yr

Minimum Guaranteed Annual Energy Production _____ MWh/yr

Number of Years of on-site data relied on for the above MWh projections _____

Name of firm who prepared the energy analysis³ _____

Expected On Peak Monthly Energy Production:

“On Peak” means all hours ending 07:00:00 through 22:00:00 Pacific Prevailing Time, Monday through Saturday, excluding NERC designated holidays.

January MWh/month _____	Maximum MW/hour _____
February MWh/month _____	Maximum MW/hour _____
March MWh/month _____	Maximum MW/hour _____
April MWh/month _____	Maximum MW/hour _____
May MWh/month _____	Maximum MW/hour _____
June MWh/month _____	Maximum MW/hour _____
July MWh/month _____	Maximum MW/hour _____
August MWh/month _____	Maximum MW/hour _____

² Net means as delivered to the point of interconnection with the transmission provider and, if a wind plant, using an assumption at the 50 percent probability level and a wind turbine availability of 95%.

³ PacifiCorp requires that the analysis be made available to PacifiCorp for review.

September MWh/month _____	Maximum MW/hour _____
October MWh/month _____	Maximum MW/hour _____
November MWh/month _____	Maximum MW/hour _____
December MWh/month _____	Maximum MW/hour _____

Expected Off Peak Monthly Energy Production:

“Off Peak” means all hours that are not On Peak.

January MWh/month _____	Maximum MW/hour _____
February MWh/month _____	Maximum MW/hour _____
March MWh/month _____	Maximum MW/hour _____
April MWh/month _____	Maximum MW/hour _____
May MWh/month _____	Maximum MW/hour _____
June MWh/month _____	Maximum MW/hour _____
July MWh/month _____	Maximum MW/hour _____
August MWh/month _____	Maximum MW/hour _____
September MWh/month _____	Maximum MW/hour _____
October MWh/month _____	Maximum MW/hour _____
November MWh/month _____	Maximum MW/hour _____
December MWh/month _____	Maximum MW/hour _____

Expected Annual availability (% of hours able to produce max/hour): _____

Guaranteed Annual availability (% of hours able to produce max/hour): _____

Project Location (State, County, Range and Township of transmission interconnection)

Point of Interconnection with, or Delivery to PacifiCorp’s Transmission System

Quality of Delivery (Check All that Apply):

- _____ As Generated, Unit Contingent, Interconnected to PacifiCorp System
- _____ As Generated, Unit Contingent, Telemetered into PacifiCorp System
- _____ WSPP Schedule C Firm Scheduled Deliveries (ISAS Scheduling Protocols) to PacifiCorp Transmission System
- _____ Other (describe): _____

Does delivery include operating reserves? (yes or no) _____

Will PacifiCorp incur third-party transmission expenses? (yes or no) _____

If yes, check all that apply:

- Third party transmission wheeling _____
- Third party transmission losses _____
- Third party imbalance charges _____
- Third party operating reserves _____
- Third party scheduling/dispatch _____
- Third party voltage support _____

Power Purchase Agreement Pricing

Year	On Peak Price	Off Peak Price
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		

Additional Information

To the extent that pricing, capacity 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.

PacifiCorp reserves the right to further request information similar to that required in Appendix C-2.

APPENDIX C-2

BID SUMMARY – BUILD OWN TRANSFER

Project Name _____

Unique Bid Name (i.e, ACME-1, etc) _____

Resource Type (Wind, Solar, Geothermal, Hydro, etc.) _____

Control Area:

PacifiCorp West _____

PacifiCorp East _____

Other (describe): _____

Estimated Commercial Operation Date (dd/mm/yy) _____

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

Expected Gross Annual Energy Production (net of station load) _____ MWh/yr

Expected Net⁴ Annual Energy Production () _____ MWh/yr

Minimum Guaranteed Annual Energy Production _____ MWh/yr

Number of Years of on-site data relied on for above MWh projections _____

Name of firm who prepared the energy analysis⁵ _____

Expected On Peak Monthly Energy Production:

“On Peak” means all hours ending 07:00:00 through 22:00:00 Pacific Prevailing Time, Monday through Saturday, excluding NERC designated holidays.

January MWh/month _____	Maximum MW/hour _____
February MWh/month _____	Maximum MW/hour _____
March MWh/month _____	Maximum MW/hour _____
April MWh/month _____	Maximum MW/hour _____
May MWh/month _____	Maximum MW/hour _____
June MWh/month _____	Maximum MW/hour _____
July MWh/month _____	Maximum MW/hour _____
August MWh/month _____	Maximum MW/hour _____

⁴ Net means as delivered to the point of interconnection with the transmission provider and, if a wind plant, using an assumption at the 50 percent probability level and a wind turbine availability of 95%.

⁵ PacifiCorp requires that the analysis be made available to PacifiCorp for review.

September MWh/month _____	Maximum MW/hour _____
October MWh/month _____	Maximum MW/hour _____
November MWh/month _____	Maximum MW/hour _____
December MWh/month _____	Maximum MW/hour _____

Expected Off Peak Monthly Energy Production:

“Off Peak” means all hours that are not On Peak.

January MWh/month _____	Maximum MW/hour _____
February MWh/month _____	Maximum MW/hour _____
March MWh/month _____	Maximum MW/hour _____
April MWh/month _____	Maximum MW/hour _____
May MWh/month _____	Maximum MW/hour _____
June MWh/month _____	Maximum MW/hour _____
July MWh/month _____	Maximum MW/hour _____
August MWh/month _____	Maximum MW/hour _____
September MWh/month _____	Maximum MW/hour _____
October MWh/month _____	Maximum MW/hour _____
November MWh/month _____	Maximum MW/hour _____
December MWh/month _____	Maximum MW/hour _____

Expected Annual availability (% of hours able to produce max/hour): _____

Guaranteed Annual availability (% of hours able to produce max/hour): _____

Project Location (State, County, Range and Township of transmission interconnection)

Point of Interconnection with, or Delivery to PacifiCorp’s Transmission System

Quality of Delivery (Check All that Apply):

- _____ As Generated, Unit Contingent, Interconnected to PacifiCorp System
- _____ As Generated, Unit Contingent, Telemetered into PacifiCorp System
- _____ WSPP Schedule C Firm Scheduled Deliveries (ISAS Scheduling Protocols) to PacifiCorp Transmission System
- _____ Other (describe): _____

Does delivery include operating reserves? (yes or no) _____

Will PacifiCorp incur third-party transmission expenses? (yes or no) _____

If yes, check all that apply:

- Third party transmission wheeling _____
- Third party transmission losses _____
- Third party imbalance charges _____
- Third party operating reserves _____
- Third party scheduling/dispatch _____
- Third party voltage support _____

Permits to be Transferred: _____

Land Rights to be Transferred: _____

Purchase Price: _____

Wind Turbine Technical Description: _____

Wind Information:

1. How was the wind data collected, certified, and correlated to the reference points?
2. Who provided the wind data analysis service?
3. What is reference height, or heights, of the meteorological data?
4. What is the assumed turbine type, hub height, and rotor diameter?
5. How was the wind data adjusted for the turbine hub height?
6. What is the estimated wind shear and how was the wind shear calculated?
7. What is the accuracy of your wind and energy forecast?
8. What is the basis year of the underlying data? Are the references years high, low, or average years?
9. How was generation output calculated from the meteorological data?
10. What specific de-ratings are included in your energy forecast (wind array losses, line losses, blade degradation, site elevation, etc.)?

In anticipation of a potential need to perform comparison among bids, PacifiCorp also requests the following more detailed information:

A. Site Wind Data

1. Raw hourly or ten-minute wind speed and direction data
2. Description of equipment used to record data
3. Available calibration certificates for equipment
4. Conversion factors (e.g. m/s per Hz) applied in recording wind speeds
5. Maintenance records for the monitoring work
6. Location, height and orientation relative to mast of all sensors

B. Reference Wind Data

1. Hourly or ten-minute wind speed and direction data
2. Description of equipment used to record data
3. Available calibration certificates for equipment
4. Maintenance records for the monitoring work
5. Location, height and orientation relative to mast of all sensors

C. Wind Turbine Information

1. Turbine make and model
2. Turbine rotor diameter
3. Turbine hub height
4. Turbine power curve

D. Wind Project Information

1. Layout of wind project turbine array using latitude and longitude co-ordinates
2. Detailed topographic maps of project area with all mast and turbine locations

E. Verification and Analysis

1. Details of instrument configurations and measurement periods for each site mast and reference station
2. Summary of mast maintenance records and explanations for significant periods of missing data
3. Data recovery rates and measured monthly means for masts employed in the assessment

F. Prediction of Wind Regime

1. Description of methodology employed to adjust measured wind speeds on site to the long-term
2. Correlation plots and coefficients for relevant correlations in the assessments
3. Predicted long-term mean wind speeds at measurement heights and hub height at all masts employed in the assessment
4. Annual wind speed and direction frequency distribution for long-term site masts
5. Plot of annual wind rose for long-term site masts
6. Description of methodology employed to extrapolate mean wind speeds at measurement heights to hub height

G. Prediction of Wind Speed Variations

1. Description of methodology employed to predict wind speed variations across the site

2. Details of wind flow modeling employed and any inputs to the model (where applicable)

H. Energy Production Estimate

1. Predicted hub height mean wind speed and gross and net energy production for the full project
2. Predicted long-term site air density
3. Turbine power curve employed and description of any adjustments made to the power curve
4. Description of methodology employed to calculate energy losses due to array effects
5. Clear breakdown of applied energy loss factors
6. Monthly and diurnal pattern of predicted energy production with an explanation of the variation
7. Analysis of the uncertainty associated with the predictions provided in the assessment

Operating Expenses: Please provide complete information on the following, including any assumptions you make on a forward basis (e.g., escalation rates)

Operating Expense Assumptions

Turbine Warranty Period and Characteristics

Turbine O&M – by year \$ per WTG

O&M Sales Tax Rate

Annual O&M – Facilities \$000

O&M - Substation/Interconnection \$000

Electric Usage \$000

Land Lease costs (describe)

Property Tax

Expected Rate %

Rate Escalation %

Initial Cost Assessed Value \$000

Replacement Cost Escalation %

Depreciation

Year 2007 - Partial Year % %

Method

Insurance

Property (per \$100 assessed value)

General & Excess Liability \$000

General & Admin. Expenses \$000

Other (wind forecasting service) \$000

Additional Information

Please provide any other information you believe germane to PacifiCorp's analysis of your submittal.

APPENDIX C-3

BID SUMMARY – PURCHASE OF EXISTING SITE

Project Name _____

Unique Bid Name (i.e, ACME-1, etc) _____

Resource Type (Wind, Solar, Geothermal, Hydro, etc.) _____

Control Area:

PacifiCorp West

PacifiCorp East

Other (describe): _____

Estimated Commercial Operation Date (dd/mm/yy) _____

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

Expected Gross Annual Energy Production (net of station load) _____ MWh/yr

Expected Net⁶ Annual Energy Production () _____ MWh/yr

Minimum Guaranteed Annual Energy Production _____ MWh/yr

Number of Years of on-site data relied on for above MWh projections _____

Name of firm who prepared the energy analysis⁷ _____

Expected On Peak Monthly Energy Production:

“On Peak” means all hours ending 07:00:00 through 22:00:00 Pacific Prevailing Time, Monday through Saturday, excluding NERC designated holidays.

<u>January MWh/month</u>	<u>Maximum MW/hour</u>
<u>February MWh/month</u>	<u>Maximum MW/hour</u>
<u>March MWh/month</u>	<u>Maximum MW/hour</u>
<u>April MWh/month</u>	<u>Maximum MW/hour</u>
<u>May MWh/month</u>	<u>Maximum MW/hour</u>
<u>June MWh/month</u>	<u>Maximum MW/hour</u>
<u>July MWh/month</u>	<u>Maximum MW/hour</u>
<u>August MWh/month</u>	<u>Maximum MW/hour</u>

⁶ Net means as delivered to the point of interconnection with the transmission provider and, if a wind plant, using an assumption at the 50 percent probability level and a wind turbine availability of 95%.

⁷ PacifiCorp requires that the analysis be made available to PacifiCorp for review.

September MWh/month	Maximum MW/hour
October MWh/month	Maximum MW/hour
November MWh/month	Maximum MW/hour
December MWh/month	Maximum MW/hour

Expected Off Peak Monthly Energy Production:

“Off Peak” means all hours that are not On Peak.

January MWh/month	Maximum MW/hour
February MWh/month	Maximum MW/hour
March MWh/month	Maximum MW/hour
April MWh/month	Maximum MW/hour
May MWh/month	Maximum MW/hour
June MWh/month	Maximum MW/hour
July MWh/month	Maximum MW/hour
August MWh/month	Maximum MW/hour
September MWh/month	Maximum MW/hour
October MWh/month	Maximum MW/hour
November MWh/month	Maximum MW/hour
December MWh/month	Maximum MW/hour

Expected Annual availability (% of hours able to produce max/hour):

Guaranteed Annual availability (% of hours able to produce max/hour):

Project Location (State, County, Range and Township of transmission interconnection)

Point of Interconnection with, or Delivery to PacifiCorp’s Transmission System

Permits to be Transferred:

Land Rights to be Transferred:

Purchase Price:

Wind Turbine Technical Description:

Wind Information:

1. How was the wind data collected, certified, and correlated to the reference points?
2. Who provided the wind data analysis service?

3. What is reference height, or heights, of the meteorological data?
4. What is the assumed turbine type, hub height, and rotor diameter?
5. How was the wind data adjusted for the turbine hub height?
6. What is the estimated wind shear and how was the wind shear calculated?
7. What is the accuracy of your wind and energy forecast?
8. What is the basis year of the underlying data? Are the references years high, low, or average years?
9. How was generation output calculated from the meteorological data?
10. What specific de-ratings are included in your energy forecast (wind array losses, line losses, blade degradation, site elevation, etc.)?

In anticipation of a potential need to perform comparison among bids, PacifiCorp also requests the following more detailed information:

A. Site Wind Data

1. Raw hourly or ten-minute wind speed and direction data
2. Description of equipment used to record data
3. Available calibration certificates for equipment
4. Conversion factors (e.g. m/s per Hz) applied in recording wind speeds
5. Maintenance records for the monitoring work
6. Location, height and orientation relative to mast of all sensors

B. Reference Wind Data

1. Hourly or ten-minute wind speed and direction data
2. Description of equipment used to record data
3. Available calibration certificates for equipment
4. Maintenance records for the monitoring work
5. Location, height and orientation relative to mast of all sensors

C. Wind Turbine Information

1. Turbine make and model
2. Turbine rotor diameter
3. Turbine hub height
4. Turbine power curve

D. Wind Project Information

1. Layout of wind project turbine array using latitude and longitude co-ordinates
2. Detailed topographic maps of project area with all mast and turbine locations

E. Verification and Analysis

1. Details of instrument configurations and measurement periods for each site mast and reference station
2. Summary of mast maintenance records and explanations for significant periods of missing data
3. Data recovery rates and measured monthly means for masts employed in the assessment

F. Prediction of Wind Regime

1. Description of methodology employed to adjust measured wind speeds on site to the long-term
2. Correlation plots and coefficients for relevant correlations in the assessments
3. Predicted long-term mean wind speeds at measurement heights and hub height at all masts employed in the assessment
4. Annual wind speed and direction frequency distribution for long-term site masts
5. Plot of annual wind rose for long-term site masts
6. Description of methodology employed to extrapolate mean wind speeds at measurement heights to hub height

G. Prediction of Wind Speed Variations

1. Description of methodology employed to predict wind speed variations across the site
2. Details of wind flow modeling employed and any inputs to the model (where applicable)

H. Energy Production Estimate

1. Predicted hub height mean wind speed and gross and net energy production for the full project
2. Predicted long-term site air density
3. Turbine power curve employed and description of any adjustments made to the power curve
4. Description of methodology employed to calculate energy losses due to array effects
5. Clear breakdown of applied energy loss factors
6. Monthly and diurnal pattern of predicted energy production with an explanation of the variation
7. Analysis of the uncertainty associated with the predictions provided in the assessment

Operating Expense Assumptions

Turbine Warranty Period and Characteristics

Turbine O&M – by year \$ per WTG

O&M Sales Tax Rate

Annual O&M – Facilities \$000

O&M - Substation/Interconnection \$000

Electric Usage \$000

Land Lease costs (describe)

Property Tax

Expected Rate %

Rate Escalation %

Initial Cost Assessed Value \$000

Replacement Cost Escalation %

Depreciation

Year 2007 - Partial Year % %

Method

Insurance

Property (per \$100 assessed value)

General & Excess Liability \$000

General & Admin. Expenses \$000

Other (wind forecasting service) \$000

Additional Information

Please provide any other information you believe germane to PacifiCorp's analysis of your submittal.

Due Diligence – a complete due diligence will need to be completed prior to execution of the Wind Development Asset Acquisition and Sale Agreement.

APPENDIX D

BIDDER'S CREDIT INFORMATION

Please provide the following information to enable PacifiCorp to evaluate the financial viability of the Bidder and any entity(ies) providing credit assurances on behalf of the Bidder, if applicable.

Bidder's Credit Information

1. Credit information for Bidder

A. Exact legal name and address of Bidder:

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

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

Fiscal Year End:

D. Identify pending legal disputes (describe):

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

F. If Bidder is unable to provide audited financial statements or is relying upon another entity(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?

G. Bidder should demonstrate its ability (and/or the ability of its 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).

H. Bidder should provide a reasonable demonstration of its 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 that 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.). Bidder must provide to Company a letter(s) of commitment acceptable to Company 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 most recent fiscal years.

Fiscal Year End:

E. Pending legal disputes (describe):

F. Please state whether entity(ies) 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 applicable credit matrix to determine the estimated amount of credit assurances required for the applicable bid categories of Build Own Transfer (BOT) or Power Purchase Agreement (PPA) backed by an asset, ~~or for a PPA not backed by an asset,~~ and based upon the online date (the “Credit Matrix”). If necessary, the Bidder will be required to demonstrate the ability to post any required credit assurances in the form of a commitment letter(s) from a proposed guarantor or from a financial institution that would be issuing a Letter of Credit. PacifiCorp will require each Bidder to provide 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. 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 any necessary letter of credit commitment letter from the financial institution providing credit assurances in the form of a Letter of Credit.

Forms of commitment letters are part of this Appendix D. The timing of when credit security must be posted is detailed in the Credit Security Requirements Methodology section, which is also part of this Appendix D.

The Credit Security Requirements Methodology section of Appendix D explains how the Credit Matrix will be used to determine the amount of credit assurances required. The use of the Credit Matrix requires a sequence of checks against it. 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 the Credit Security Requirements Methodology section of Appendix D. 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 assurances required is \$0, then 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 Bidder’s Credit Rating and \$0.

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 expected energy delivery start date, and c) type of Renewable Resource agreement including asset-backed characteristics.

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 assurance in addition to those outlined in the Credit Matrix.

The timing of when credit security must be posted is outlined in the Credit Security Requirements Methodology section of Appendix D.

Credit Matrix Notes

- Columns contain maximum value of credit assurances to be posted for each range of delivered MWs for a resource coming online in years 2009, 2010 or 2011.
- The amount of credit assurances is based on the online date, the size, and whether a BOT, Purchase of Existing Site -or PPA bid option, ~~or a PPA not backed by an asset.~~
- ~~For PPAs not backed by an asset with a term of less than five (5) years, the amount of credit assurances required may be adjusted.~~
- The amount of credit assurances required in the Credit Matrix is based upon the amount of MW to be delivered. This is the size of the project in nameplate MW multiplied by the capacity factor.

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Credit Matrix

Maximum Value of Credit Assurances to be Posted for each range of MW

For a Build Own Transfer, Purchase of Existing Site or a PPA Backed by an Asset with an online date no later than 12-31-2009

Number of MW to be delivered (size of project in nameplate MW multiplied by the capacity factor) ==>	Up to 25	26 to 50	51 to 75	76 to 100	101 to 125	126 to 150	151 to 175	176 to 200	201 to 225	226 to 250
Credit Rating										
AAA/Aaa and above	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AA+/Aa1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AA/Aa2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AA-/Aa3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A+/A1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A/A2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A-/A3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
BBB+/Baa1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
BBB/Baa2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
BBB-/Baa3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,317,800	\$14,242,000
Below BBB-/Baa3	\$8,924,200	\$17,848,400	\$26,772,600	\$35,696,800	\$44,621,000	\$53,545,200	\$62,469,400	\$71,393,600	\$80,317,800	\$89,242,000

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Credit Matrix

Maximum Value of Credit Assurances to be Posted for each range of MW

For a Build Own Transfer, Purchase of Existing Site or a PPA Backed by an Asset with an online date no later than 12-31-2010

Number of MW to be delivered (size of project in nameplate MW multiplied by the capacity factor) ==>	Up to 25	26 to 50	51 to 75	76 to 100	101 to 125	126 to 150	151 to 175	176 to 200	201 to 225	226 to 250
Credit Rating										
AAA/Aaa and above	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AA+/Aa1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AA/Aa2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AA-/Aa3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A+/A1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A/A2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A-/A3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
BBB+/Baa1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
BBB/Baa2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
BBB-/Baa3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,919,550	\$18,799,500
Below BBB-/Baa3	\$11,879,950	\$23,759,900	\$35,639,850	\$47,519,800	\$59,399,750	\$71,279,700	\$83,159,650	\$95,039,600	\$106,919,550	\$118,799,500

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Credit Matrix

Maximum Value of Credit Assurances to be Posted for each range of MW

For a Build Own Transfer, Purchase of Existing Site or a PPA Backed by an Asset with an online date no later than 12-31-2011

Number of MW to be delivered (size of project in nameplate MW multiplied by the capacity factor) ==>	Up to 25	26 to 50	51 to 75	76 to 100	101 to 125	126 to 150	151 to 175	176 to 200	201 to 225	226 to 250
Credit Rating										
AAA/Aaa and above	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AA+/Aa1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AA/Aa2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AA-/Aa3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A+/A1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A/A2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A-/A3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
BBB+/Baa1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
BBB/Baa2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
BBB-/Baa3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,144,625	\$20,716,250
Below BBB-/Baa3	\$14,571,625	\$29,143,250	\$43,714,875	\$58,286,500	\$72,858,125	\$87,429,750	\$102,001,375	\$116,573,000	\$131,144,625	\$145,716,250

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Credit Matrix

Maximum Value of Credit Assurances to be Posted for each range of MW

For a Build Own Transfer or a PPA Backed by an Asset with an online date no later than 12-31-2009

Number of MW to be delivered (size of project in nameplate MW multiplied by the capacity factor) ==>	Up to 25	26 to 50	51 to 75	76 to 100	101 to 125	126 to 150	151 to 175	176 to 200	201 to 225	226 to 250
Credit Rating										
AAA/Aaa and above	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AA+/Aa1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AA/Aa2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AA-/Aa3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A+/A1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A/A2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A-/A3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
BBB+/Baa1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
BBB/Baa2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
BBB-/Baa3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,317,800	\$14,242,000
Below BBB-/Baa3	\$8,924,200	\$17,848,400	\$26,772,600	\$35,696,800	\$44,621,000	\$53,545,200	\$62,469,400	\$71,393,600	\$80,317,800	\$89,242,000

For a PPA not backed by an Asset with an online date no later than 12-31-2009 (TERM LIMITED TO 5 YEARS)

Number of MW to be delivered (size of project in nameplate MW multiplied by the capacity factor) ==>	Up to 25	26 to 50	51 to 75	76 to 100	101 to 125	126 to 150	151 to 175	176 to 200	201 to 225	226 to 250
Credit Rating										
AAA/Aaa and above	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AA+/Aa1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AA/Aa2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AA-/Aa3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A+/A1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A/A2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A-/A3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
BBB+/Baa1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
BBB/Baa2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,977,775
BBB-/Baa3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,782,200	\$20,379,975	\$30,977,775
Below BBB-/Baa3	\$10,597,775	\$21,195,550	\$31,793,325	\$42,391,100	\$52,988,875	\$63,586,650	\$74,184,425	\$84,782,200	\$95,379,975	\$105,977,775

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Credit Matrix

Maximum Value of Credit Assurances to be Posted for each range of MW

For a Build Own Transfer or a PPA Backed by an Asset with an online date no later than 12-31-2010

Number of MW to be delivered (size of project in nameplate MW multiplied by the capacity factor) ==>	Up to 25	26 to 50	51 to 75	76 to 100	101 to 125	126 to 150	151 to 175	176 to 200	201 to 225	226 to 250
Credit Rating										
AAA/Aaa and above	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AA+/Aa1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AA/Aa2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AA-/Aa3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A+/A1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A/A2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A-/A3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
BBB+/Baa1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
BBB/Baa2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
BBB-/Baa3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,919,550	\$18,799,700
Below BBB-/Baa3	\$11,879,950	\$23,759,900	\$35,639,850	\$47,519,800	\$59,399,750	\$71,279,700	\$83,159,650	\$95,039,600	\$106,919,550	\$118,799,700

For a PPA not backed by an Asset with an online date no later than 12-31-2010 (TERM LIMITED TO 5 YEARS)

Number of MW to be delivered (size of project in nameplate MW multiplied by the capacity factor) ==>	Up to 25	26 to 50	51 to 75	76 to 100	101 to 125	126 to 150	151 to 175	176 to 200	201 to 225	226 to 250
Credit Rating										
AAA/Aaa and above	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AA+/Aa1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AA/Aa2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AA-/Aa3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A+/A1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A/A2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A-/A3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
BBB+/Baa1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
BBB/Baa2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,683,000
BBB-/Baa3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,146,400	\$24,914,700	\$37,683,000
Below BBB-/Baa3	\$12,768,300	\$25,536,600	\$38,304,900	\$51,073,200	\$63,841,500	\$76,609,800	\$89,378,100	\$102,146,400	\$114,914,700	\$127,683,000

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Credit Matrix

Maximum Value of Credit Assurances to be Posted for each range of MW

For a Build Own Transfer or a PPA Backed by an Asset with an online date no later than 12-31-2011

Number of MW to be delivered (size of project in nameplate MW multiplied by the capacity factor) ==>	Up to 25	26 to 50	51 to 75	76 to 100	101 to 125	126 to 150	151 to 175	176 to 200	201 to 225	226 to 250
Credit Rating										
AAA/Aaa and above	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AA+/Aa1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AA/Aa2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AA-/Aa3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A+/A1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A/A2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A-/A3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
BBB+/Baa1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
BBB/Baa2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
BBB-/Baa3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,144,625	\$20,716,000
Below BBB-/Baa3	\$14,571,625	\$29,143,250	\$43,714,875	\$58,286,500	\$72,858,125	\$87,429,750	\$102,001,375	\$116,573,000	\$131,144,625	\$145,716,000

For a PPA not backed by an Asset with an online date no later than 12-31-2011 (TERM LIMITED TO 5 YEARS)

Number of MW to be delivered (size of project in nameplate MW multiplied by the capacity factor) ==>	Up to 25	26 to 50	51 to 75	76 to 100	101 to 125	126 to 150	151 to 175	176 to 200	201 to 225	226 to 250
Credit Rating										
AAA/Aaa and above	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AA+/Aa1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AA/Aa2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AA-/Aa3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A+/A1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A/A2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A-/A3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
BBB+/Baa1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
BBB/Baa2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,093,050	\$21,214,000
BBB-/Baa3	\$0	\$0	\$0	\$0	\$0	\$0	\$5,850,150	\$20,971,600	\$36,093,050	\$51,214,000
Below BBB-/Baa3	\$15,121,450	\$30,242,900	\$45,364,350	\$60,485,800	\$75,607,250	\$90,728,700	\$105,850,150	\$120,971,600	\$136,093,050	\$151,214,000

CREDIT SECURITY REQUIRMENTS METHODOLOGY

Methodology Overview

The RFP 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 Renewable Resource agreement including asset-backed characteristics
2. Size of Renewable Resource
3. Expected energy delivery start date
4. Term of underlying contract
5. Creditworthiness of Bidder and Bidder's credit support providers(s), if applicable

Acquisition of an Asset

For all resources that involve a physical asset with appropriate step-in rights, 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 18 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.

In determining where prices for replacement power might be between contract execution and the replacement period, 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 2009 resource the forward price for power delivered at PACE for 18 months starting December 1, 2009, as indicated by the market on April 16, 2008 was \$67.56/MWh. Market-implied volatility of prices for those same delivery months was 28.4%⁸ 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 \$94.76/MWh. Subtracting the cost of power PacifiCorp expects to pay had the resource been operational (e.g. \$67.56/MWh) results in a potential replacement cost to PacifiCorp of \$27.19/MWh, or \$356,968⁹ for a 1 MW resource.

⁸ Execution of contracts related to the RFP is expected to occur on or about April 1, 2009. Therefore, volatility for the 2008 period was used as the best estimate of where volatility levels would be in 2009 as viewed on April 1, 2009.

⁹ Assumes 13,127 hours during December 2009-May 2011.

With regard to a calculation for the estimate of the price of PACE power for the replacement period of \$94.76/MWh, PacifiCorp estimated, with 84% confidence, how high power prices could be in the event PacifiCorp had to procure replacement energy between December 2009 and May 2011 in the event of a bidder default. PacifiCorp used the forward price curve and the price volatility level observed on April 16, 2008 as inputs to its statistical analysis. Using a 7x24 delivery pattern, PacifiCorp nominally leveled power prices for each of the individual months to arrive at a single strip price of \$67.56/MWh. The price was then multiplied by a stress factor to generate a potential forward price based on the desired confidence level:

Stress factor = $\exp^{(1 \text{ standard deviation} * 28.4\% \text{ annualized volatility} * \sqrt{(\text{mid point date of replacement period} - \text{contract signing date})/365.25})} = 1.4025$.

Stressed price = 1.4025 stress factor * \$67.56/MWh leveled price = \$94.76/MWh

Using a similar assessment for the 2010 and 2011 resources, the potential credit exposure was estimated to be \$475,198 and \$582,865, respectively, for a 1 MW resource.

Asset-Backed Agreements

For other resources that are backed by an asset with appropriate step-in rights, 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 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 that of an asset acquisition. PacifiCorp may hold any credit security for a longer period, however, due to the length of contract related to this resource group.

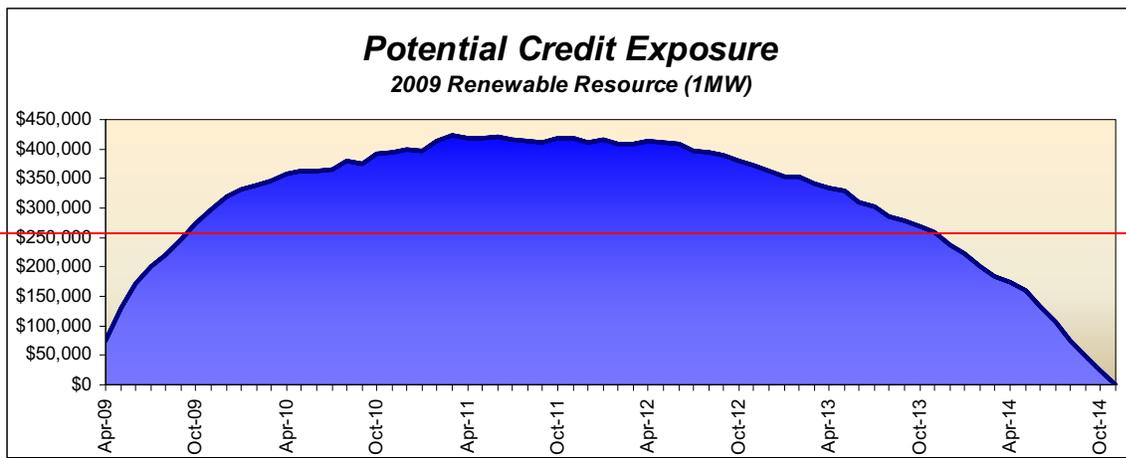
This discussion of the credit requirements for Power Purchase Agreements, a Purchase of Existing Site and Build Own Transfer Agreements assumes, for these credit requirements to be comparably analyzed, that each of these types of agreement is backed by its respective physical asset. In order for this 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.

Non-Asset Backed Agreements

~~For resources that are not backed by an asset, PacifiCorp estimates potential credit exposure on not just 18 months 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 simulation¹⁰ using a software program purchased from a third party vendor¹¹ 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 Renewable Resource for 2009:



For the 2009, 2010 and 2011 resources that are not backed by an asset, the potential credit exposure was estimated to be \$423,911, \$510,732, and \$604,858 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 25 MW increments (columns) for each possible Credit Rating of Bidder and Bidder’s credit support provider(s), if applicable (rows). A Credit Matrix for each Resource Alternative is shown for each Eligible Online Date.

Next, PacifiCorp applied 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 type of Renewable Resource agreement, 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

¹⁰ A Monte Carlo simulation incorporates randomness into the revaluation process while mindful of the boundaries imposed by volatility and correlation assumptions.

¹¹ Risk Capital Management Partners, LLC, acquired by Towers Perrin on June 19, 2006.

~~applicable Credit Matrix represents the maximum value of credit security the Bidder and the Bidder's credit support provider(s), if applicable, must provide.~~

~~Using the sample Credit Matrix excerpt below for illustration purposes only, credit security required for an asset-backed 225 MW build own transfer agreement for 2009 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 \$80,317,800 (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 rated 'BBB', PacifiCorp would require a guaranty in the amount of \$75.0m (\$80,317,800 (row 11) minus \$5,317,800 (row 10)) from the guarantor and additional security (i.e. a letter of credit) in the amount of \$5,317,800 (row 10) from the Bidder.~~

Number of Delivered MWs==>	201 to 225	
Credit Rating		
AAA/Aaa and above	\$0	row1
AA+/Aa1	\$0	row2
AA/Aa2	\$0	row3
AA-/Aa3	\$0	row4
A+/A1	\$0	row5
A/A2	\$0	row6
A-/A3	\$0	row7
BBB+/Baa1	\$0	row8
BBB/Baa2	\$0	row9
BBB-/Baa3	\$5,317,800	row10
Below BBB-/Baa3	\$80,317,800	row11

~~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 210 MW resource the amount of credit security required for a non-investment grade Bidder would be:~~

$$~~\$74,963,280 = 210 \text{ MW} / 225 \text{ MW} * \$80,317,800~~$$

Posting of Credit Security

For all Renewable Resources 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*	2009 Resource	2010 Resource	2011 Resource
10%	-	Effective Date (ED)	Effective Date (ED)
25%	-	ED+3 months	ED+15 months
50%	-	ED+6 months	ED+18 months
75%	-	ED+9 months	ED+21 months
100%	Effective Date (ED)+10 business days	The earlier of COD and ED+12 months	The earlier of COD and ED+24 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.

The Effective Date is the date the contract is approved by the Oregon Public Utility 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 Renewable Resources not backed by an asset, 100% of credit security is due within ten (10) business days after the Effective Date.

Reduction in Credit Security

| For Build Own Transfer and Purchase of Existing Site agreements, 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 Power Purchase Agreements, – 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, assume the counterparty has posted \$10,000,000 in credit security for a Power Purchase Agreement with a term of 1/1/2010 to 12/31/2035, or 25 years. After 12.5 years, the credit security amount of \$10,000,000 will be divided by the 12.5 years remaining (\$10,000,000/12.5, or \$800,000) such that the amount of security may be reduced by \$800,000 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.

FORM OF GUARANTY COMMITMENT LETTER

Must be on letterhead of Bidder's guarantor)

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

Dear Sirs:

The undersigned bears the following relationship to the Bidder _____ (insert Bidder name) ("Bidder") in your RFP process: (NOTE: insert nature of relationship, e.g., parent company, 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 and title of authorized officer)

FORM OF LETTER OF CREDIT COMMITMENT LETTER

(Must be on letterhead of entity providing the letter of credit on behalf of the Bidder)

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

Dear Sirs:

The undersigned bears the following relationship to Bidder _____ (insert Bidder name) ("Bidder") in your RFP process: (NOTE: 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 and substance 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 entity providing the letter of credit)
(name of authorized officer)

APPENDIX E

Power Purchase Agreement

[INCLUDED AS A SEPARATE ATTACHMENT]

APPENDIX F

Build Own Transfer Documents

- 1. Wind Development Asset Acquisition and Sale Agreement**
- 2. Balance of Plant Wind Energy Project Agreement**

[INCLUDED AS SEPARATE ATTACHMENTS]

APPENDIX F

Purchase of an Existing Site

Wind Development Asset Acquisition and Sale Agreement

[INCLUDED AS SEPARATE ATTACHMENT]

APPENDIX G

CONFIDENTIALITY AGREEMENT

This CONFIDENTIALITY AGREEMENT (this "Agreement") is entered into as of the ____ day of ____, 2008, by and between PacifiCorp, an Oregon corporation ("PacifiCorp"), and _____ (collectively with all its subsidiaries, officers, directors, members, managers, employees, agents, accountants and attorneys, "Recipient"); with reference to the following:

WHEREAS, PacifiCorp and Recipient are discussing a potential transaction relating to PacifiCorp's Request for Proposals Renewable Electric 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 PacifiCorp 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 PacifiCorp 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 PacifiCorp, 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 PacifiCorp with prompt prior written notice so that PacifiCorp 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 PacifiCorp or any Disclosing Party is under any obligation to Recipient, and PacifiCorp is free to elect not to consummate an agreement or to furnish or receive information. Nothing contained in this Agreement shall prevent PacifiCorp from negotiating with or entering into a definitive agreement with any other person or entity without prior notice to Recipient. Until PacifiCorp 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. PacifiCorp 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 PacifiCorp at law or in equity. No failure or delay by PacifiCorp 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: _____

APPENDIX H

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

Date

[Name]
[Address]

Re: PacifiCorp's Request For Proposals Renewable Electric 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.

Sincerely,

PacifiCorp

By: _____

Name: _____

Title: _____

Date: _____

ACCEPTED AND AGREED:

[Insert Name of Party]

By: _____

Name: _____

Title: _____

Date: _____

APPENDIX I

RFP 2008R-1 Company Benchmark(s)

PacifiCorp Energy's planned renewable resource benchmark(s) are the addition of:

- up to three wind projects,
- located on up to three wind sites,
- with a size of up to three hundred (300) megawatts per project.

Locations being considered include sites the Company is currently developing in Wyoming. In addition, project sites may be considered that the Company may acquire from developers prior to the time when the benchmark resource(s) are finalized.

The sites being considered have been selected on the basis of site specific characteristics including, but not limited to, expected wind resource characteristics, proximity to transmission, and commercial considerations for the acquisition of the rights to construct one or more wind projects on the site(s).

The benchmarks will be based on the expected cost to develop, construct, own, and operate the benchmark(s) using prudent industry practices, established vendors, and experienced constructors. The suitability of each site to result in a valid benchmark project will be based on the Company's then-current assessment of the site's ability to accommodate the timing requirements of RFP 2008R-1 with respect to permitting, interconnection timing and capability, availability of long lead time equipment, constructability, and regulatory cost recovery risk, and the size.

APPENDIX J

Pricing Input Sheet

[INCLUDED AS A SEPARATE ATTACHMENT]

APPENDIX K

ROLE OF THE INDEPENDENT EVALUATOR AND THE CONSULTANT

- 1) The role and function of the Oregon Independent Evaluators (“IEs”) and the Utah Consultant are outlined as follows:

- a. The Utah Consultant’s ~~duties are to shall validate that the affected electrical utility is:~~

- i. validate that the affected electrical utility is following the bidder pre-approval process developed pursuant to Utah Code 54-17-502 (2)(c)(i) and make recommendations for changes to the pre-approval process for future solicitations;

- ii. monitor and document all material aspects of the bids, bid evaluations, and bid negotiations between the affected electrical utility and any bidders in the solicitation process;

- iii. maintain adequate documentation of each bid, including the solicitation, evaluation, and negotiation processes and the reason for the conclusion of negotiations, which documentation shall be transmitted to the Public Service Commission of Utah at the conclusion of all negotiations in the solicitation; and

- iv. be available to testify under oath before the Public Service Commission of Utah in any relevant proceeding concerning all aspects of the public solicitation process.

Oregon Independent Evaluator shall facilitate and monitor communications between the Soliciting Utility and Bidders, including the Company’s Benchmark Team.

- a. Review and validate the assumptions and calculations of any Company Benchmark Resources.

- b. Analyze the Company’s Benchmark Resources, if any, for reasonableness and consistency with the Solicitation Process.

- c. 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 and Benchmark Resources.

- d. Receive Benchmark Resources and Bid responses.

- e. 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 Benchmark Resources and 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 and the Benchmark Team 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.
- f. Ensure that all bids are treated in a fair and non-discriminatory manner.
- g. 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.
- h. The IE will evaluate the unique risks and advantages associated with any Company Benchmark Resources, including the regulatory treatment of costs or benefits related to actual construction cost and plant operation differing from what was projected for the RFP.
- i. Once the competing bids have been evaluated by the Soliciting Utility and the IEs, the Soliciting Utility and the IE will compare results.
- j. 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.

- k. Solicit additional information on bids necessary for screening and evaluation purposes.
 - l. 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.
 - m. 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.
 - n. Participate in and testify at Commission hearings on approval of the Solicitation and Solicitation Process and/or acknowledgement of the final shortlist.
 - o. 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.
- 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. 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's 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.

- c. The Evaluation Team shall have no direct or indirect contact or communication with any Bidder other than through the IEs until such time as a final shortlist is selected by the Soliciting Utility.
- d. Should any Bidder or a member of the Company Benchmark Team attempt to contact a member of the Evaluation Team, such Bidder or member of the Company 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.

APPENDIX L

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.

Bidders will provide an Intent to Bid Form that will not be blinded. The Evaluation Team and the Benchmark Team will comply with this code of conduct during the RFP evaluation process.

EVALUATION TEAM

The Evaluation Team will be made up of seven separate work groups. Consistent with PacifiCorp's identification of shared employees under FERC's Standards of Conduct, the IRP work group will be treated as a shared resource to perform work for the Evaluation Team and the Benchmark Team. 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 or the Benchmark Team 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, including bid process management for all proposals. 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. The Origination group will also participate on the Intent to Bid Team.

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

Information Status: No members of the Evaluation Team will have contact or communication with any Bidder other than through the IEs.

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.

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

Information Status: No members of the Evaluation Team will have contact or communication with any Bidder other than through the IEs.

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.

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

Information Status: No members of the Evaluation Team will have contact or communication with any Bidder other than through the IEs.

4. Credit

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

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

Information Status: No members of the Evaluation Team will have contact or communication with any Bidder other than through the IEs. The Credit group will also participate on the Intent to Bid Team.

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.

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

Information Status: The Legal group must not reveal contact or communication with any Bidder other than through the IEs. The Legal group will also participate on the Intent to Bid Team.

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 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.

Information Status: Any information the IRP group obtains from the Benchmark Team on Benchmark Resources will not be shared with the Origination or Structuring and Pricing work groups until after the final shortlist is determined. The Evaluation Team will not have contact or communication with any Bidder other than through the IEs.

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 names to be submitted to the IEs upon issuance of the RFP and updated if there are any changes.

INTENT TO BID TEAM

The Intent to Bid form is not blinded; however, PacifiCorp will identify a separate Intent to Bid Team comprised of members from PacifiCorp legal, origination and credit who will work with the IEs to assess the Bidders' qualifications. Following this assessment, the IEs will provide each Bidder who has completed the information required to evaluate the qualifications under the Intent to Bid Forms (Appendices A and B).

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
Short-term Origination and Contracts
Structuring and Pricing
Long-Term Origination and Strategy

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
ATTACHMENTS**

APPENDIX E
POWER PURCHASE AGREEMENT

APPENDIX F
BUILD OWN TRANSFER DOCUMENTS
ASSET PURCHASE AGREEMENT

**1. WIND DEVELOPMENT ASSET ACQUISITION AND SALE
AGREEMENT**

APPENDIX F
BUILD OWN TRANSFER DOCUMENTS

~~2.~~BALANCE OF PLANT WIND ENERGY PROJECT AGREEMENT

APPENDIX J
PRICING INPUT SHEET

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 EACH PARTY'S RECEIPT OF ALL REQUIRED MANAGEMENT APPROVALS (INCLUDING FINAL CREDIT AND LEGAL APPROVAL) AND ALL REGULATORY APPROVALS. ANY ACTIONS TAKEN BY A PARTY IN RELIANCE ON THE TERMS SET FORTH IN THIS WORKING DRAFT OR ON STATEMENTS MADE DURING NEGOTIATIONS PURSUANT TO THIS WORKING DRAFT SHALL BE AT THAT PARTY'S OWN RISK. UNTIL THIS AGREEMENT IS NEGOTIATED, APPROVED BY MANAGEMENT, EXECUTED, DELIVERED AND APPROVED BY ALL REQUIRED REGULATORY BODIES, NO PARTY SHALL HAVE ANY OTHER LEGAL OBLIGATIONS, EXPRESSED OR IMPLIED, OR ARISING IN ANY OTHER MANNER UNDER THIS WORKING DRAFT OR IN THE COURSE OF NEGOTIATIONS.

POWER PURCHASE AGREEMENT

(RENEWABLE ENERGY)

BETWEEN

[_____]

**AND
PACIFICORP**

[Project]

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**POWER PURCHASE AGREEMENT
(RENEWABLE ENERGY)**

THIS POWER PURCHASE AGREEMENT (RENEWABLE ENERGY) (this “**Agreement**”), entered into this ___ day of ___, 200_, is between _____, a _____ (the “**Seller**”) and PacifiCorp, an Oregon corporation acting in its merchant function capacity (“**PacifiCorp**”). Seller and PacifiCorp are sometimes hereinafter referred to collectively as the “**Parties**” and individually as a “**Party**.”

WHEREAS, Seller intends to construct, own, operate and maintain a wind-powered generation facility for the generation of electric energy located in _____ with an expected nameplate capacity rating of ____ (the “**Facility**”).

WHEREAS, Seller expects that the Facility will deliver to PacifiCorp [____] megawatt-hours (MWh) per calendar year of energy and associated green tags. Seller estimates that the energy and green tags will be delivered during each calendar year according to the estimates of monthly output set forth in **Exhibit A**. Seller acknowledges that PacifiCorp will include this amount of energy and associated green tags in PacifiCorp’s resource planning.

WHEREAS, Seller desires to sell, and PacifiCorp desires to purchase, the energy expected to be delivered by the Facility and all associated green tags in accordance with the terms and conditions hereof.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises set forth below and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties mutually agree as follows:

**SECTION 1
DEFINITIONS; RULES OF INTERPRETATION**

1.1 Defined Terms. Unless otherwise required by the context in which any term appears, initially capitalized terms used herein shall have the following meanings:

“**AAA**” is defined in Section 24.2.

“**Affiliate**” means, with respect to any entity, each entity that directly or indirectly controls, is controlled by, or is under common control with, such designated entity, with “control” meaning the possession, directly or indirectly, of the power to direct management and policies, whether through the ownership of voting securities or by contract or otherwise. Notwithstanding the foregoing, with respect to PacifiCorp, Affiliate shall only include MidAmerican Energy Holdings Company and its direct, wholly owned subsidiaries.

“**As-built Supplement**” is a supplement to be added to **Exhibit 6.1** that describes the Facility as actually built, pursuant to Section 6.1 and includes an American Land Title Association survey of the Premises.

“**Availability**” means, for any Contract Year, the ratio, expressed as a percentage, of (x)

the aggregate sum of the turbine-minutes in which each of the Wind Turbines at the Facility was available to operate during a Contract Year over (y) the product of the number of Wind Turbines that comprise the Nameplate Capacity Rating as of Final Completion multiplied by the number of minutes in such Contract Year. A Wind Turbine shall be deemed not available to operate during minutes in which it is (a) in an emergency, stop, service mode or pause state; (b) in “run” status and faulted; (c) included in a Planned Outage, Maintenance Outage or Forced Outage; or (d) otherwise not operational or capable of delivering energy to the Point of Delivery; unless if unavailable due solely to (i) Force Majeure; (ii) a default by PacifiCorp; (iii) a curtailment in accordance with Section 4.4.1(b) or (c) or Section 4.4.2.

“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.

“CAMD” means the Clean Air Markets Division of the Environmental Protection Agency or successor administrator, or any state or federal entity given jurisdiction over a program involving transferability of Green Tags.

“Capacity Rights” means any current or future defined characteristic, certificate, tag, credit, ancillary service or attribute thereof, or accounting construct, including any of the same counted towards any current or future resource adequacy or reserve requirements, associated with the electric generation capability and capacity of the Facility or the Facility’s capability and ability to produce energy. Capacity Rights are measured in MW and do not include PTCs or any other tax incentives existing now or in the future associated with the construction, ownership or operation of the Facility.

“Commercial Operation” means that not less than the Required Percentage of the Expected Nameplate Capacity Rating of the Facility is fully operational and reliable and the Facility is fully interconnected, fully integrated, and synchronized with the System, all of which shall be Seller’s responsibility to receive or obtain, and which occurs when all of the following events (i) have occurred, and (ii) remain simultaneously true and accurate as of the date and moment on which Seller gives PacifiCorp notice that Commercial Operation has occurred:

(1) PacifiCorp shall have received a certificate addressed to PacifiCorp from a Licensed Professional Engineer (a) stating the Nameplate Capacity Rating of the Facility at the anticipated time of Commercial Operation, of at least the Required Percentage of the Expected Nameplate Capacity Rating, and (b) stating that the Facility is able to generate electric power reliably in amounts expected by this Agreement and in accordance with all other terms and conditions hereof;

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

(3) PacifiCorp shall have received a certificate addressed to PacifiCorp from a Licensed Professional Engineer stating that, in accordance with the Generation Interconnection Agreement, all required Interconnection Facilities have been constructed, all required interconnection tests have been completed and the Facility is physically interconnected with the System in conformance with the Generation Interconnection

Agreement and able to deliver energy consistent with the terms of this Agreement, [(d) the Facility is fully integrated and synchronized with the System].

(4) PacifiCorp shall have received a certificate addressed to PacifiCorp from a Licensed Professional Engineer, and, with respect to legal matters, an opinion from counsel acceptable to PacifiCorp in the reasonable exercise of its discretion, stating that Seller has obtained or entered into all Required Facility Documents and (ii) copies of any or all such requested Required Facility Documents; *provided, however*, that Seller may redact or omit confidential or commercial terms from non-public Required Facility Documents.

Seller shall provide written notice to PacifiCorp stating when Seller believes that the Facility has achieved Commercial Operation and its Nameplate Capacity Rating accompanied by the certificates described above. PacifiCorp shall have ten days after receipt either to confirm to Seller that all of the conditions to Commercial Operation have been satisfied or have occurred, or to state with specificity what PacifiCorp reasonably believes has not been satisfied. If, within such ten day period, PacifiCorp does not respond or notifies Seller confirming that the Facility has achieved Commercial Operation, the original date of receipt of Seller's notice shall be the Commercial Operation Date. If PacifiCorp notifies Seller within such ten day period that PacifiCorp believes the Facility has not achieved Commercial Operation, Seller must address the concerns stated in PacifiCorp's notice to the mutual satisfaction of both Parties, and Commercial Operation shall occur on the date of such satisfaction, as specified in a notice from PacifiCorp to Seller. If Commercial Operation is achieved at less than one hundred percent (100%) of the Expected Nameplate Capacity Rating and Seller informs PacifiCorp that Seller intends to bring the Facility to one hundred percent (100%) of the Expected Nameplate Capacity Rating, Seller shall provide PacifiCorp with a list of all items to be completed in order to achieve Final Completion ("Final Completion Punch List").

"Commercial Operation Date" means the date that Commercial Operation is achieved for the Facility.

"Confidential Business Information" is defined in Section 23.1.

"Contract Interest Rate" means 200 basis points per annum plus 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 as its "prime rate". 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 is being paid.

"Contract Price" means the applicable price, expressed in \$/MWh for Net Output, Green Tags and Capacity Rights stated in Section 5.1.

"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.

“**Covered Facility**” is defined in Section 11.9.

“**Covered Facility Right of First Offer**” is defined in Section 11.9.

“**Credit Matrix**” means the credit matrix attached hereto as Exhibit 14.

“**Credit Rating**” means, as of any date, a senior, unsecured long-term debt rating (or corporate rating if a such debt rating is not available) of (x) BBB- or greater from S&P, or (y) Baa3 or greater from Moody’s, provided if (x) or (y) is not available, an equivalent rating as determined by PacifiCorp through an internal process review and utilizing a proprietary credit scoring model developed in conjunction with a third party.

“**Credit Support**” means the amount of Credit Support Security, if any, and subject to Section 8.1, that is required pursuant to the Credit Matrix.

“**Credit Support Security**” means a guaranty, Letter of Credit or Cash Escrow provided pursuant to Section 8.1.

“**Curtailment Energy**” is defined in Section 4.4.2.

“**Deficit Damages**” means a one time payment equal to (x) the difference between (a) Expected Nameplate Capacity Rating and (b) the Nameplate Capacity Rating of the Facility on the 120th day after the Guaranteed Commercial Operation Date, stated in MWs, multiplied by (y) _____ dollars (\$ _____) per MW of difference. Seller’s total liability for Deficit Damages shall not exceed _____ dollars (\$ _____).

“**Delay Damages**” are equal to (a) the Expected Energy, expressed in MWhs per year, divided by 365, multiplied by (b) PacifiCorp’s Cost to Cover. An Example illustrating the calculation of Delay Damages under certain stated assumptions is set forth in **Exhibit C**.

“**Effective Date**” is defined in Section 2.1.

“**Electric System Authority**” means each of NERC, WECC, WREGIS, an RTO, a regional or sub-regional reliability council or authority, and any other similar council, corporation, organization or body of recognized standing with respect to the operations of the electric system in the WECC region.

“**Environmental Attributes**” means any and all claims, credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, resulting from the avoidance of the emission of any gas, chemical, or other substance to the air, soil or water, which are deemed of value by PacifiCorp. Environmental Attributes include but are not limited to: (1) any avoided emissions of pollutants to the air, soil, or water such as (subject to the foregoing) sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO), and other pollutants; and (2) any avoided emissions of carbon dioxide (CO2), methane (CH4), and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change to contribute to the actual or potential threat of altering the Earth’s climate by trapping heat in the atmosphere. Environmental Attributes do not include PTCs or certain other tax incentives existing now or in the future associated with the construction, ownership or operation of the

Facility, (ii) matters designated by PacifiCorp as sources of liability, or (iii) adverse wildlife or environmental impacts.

“**EWG**” means an “exempt wholesale generator,” as defined under PUHCA.

“**Example**” means an example of certain calculations to be made hereunder. 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.

“**Expansion Energy**” is defined in Section 20.4.

“**Expected Energy**” means ___ MWh of Net Output per year measured at the Point of Delivery, which is the Seller’s best estimate of the projected long-term average annual Net Output production based upon average wind conditions from the Facility, delivery to the Point of Delivery and the Expected Nameplate Capacity Rating. Seller estimates that the Net Output will be delivered during each calendar year according to the estimates of monthly output set forth in **Exhibit A**. If at Final Completion the Facility’s Nameplate Capacity Rating is less than the Expected Nameplate Capacity Rating, Expected Energy shall be reduced by ___ MWh per year for each full MW of Nameplate Capacity Rating below the Expected Nameplate Capacity Rating. Seller acknowledges that PacifiCorp will include Expected Energy in PacifiCorp’s resource planning. PacifiCorp acknowledges that wind is a variable resource and that the Facility’s actual annual output of Net Output and Green Tags in the ordinary course in any given year will be subject to variation caused by differences in the actual wind resource at the Facility from year to year.

“**Expected Nameplate Capacity Rating**” means __ MW, the expected maximum instantaneous generation capacity of the Facility.

“**Facility**” is defined in the Recitals and is more fully described in attached **Exhibit 6.1**.

“**Facility Financing Date**” means the closing date for the first transaction between Seller and a Lender relating to financing of the Facility.

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

“**Final Completion**” means the Facility is fully operational and reliable, at or greater than the Required Percentage of the Expected Nameplate Capacity Rating, and interconnected, integrated, and synchronized with the Transmission Provider’s System, as evidenced (to the reasonable satisfaction of PacifiCorp) by the completion of all items set forth on the Final Completion Punch List, modified if necessary to reflect the Nameplate Capacity Rating, and that the completed Facility has been fully interconnected, fully integrated, and synchronized with the Transmission Provider’s System.

“**Final Completion Punch List**” is defined in the definition of “Commercial Operation.”

“**Firm Market Price Index**” means (i) 93% of the IntercontinentalExchange (ICE) [dependent upon resource location] Index, for On-Peak Hours, and (ii) 93% of the IntercontinentalExchange (ICE) [dependent upon resource location] Index for Off-Peak Hours.

For reference, a sample day's report from each of these indexes is attached as **Exhibit F**. If either index is not available for a given period, for purposes of calculations hereunder, the Firm Market Price Index shall be deemed to equal the volumetrically-weighted average price derived from data published by ICE for the same number of days immediately preceding and immediately succeeding the period in which the index in question was not available, regardless of which days of the week are used for this purpose. If the Firm Market Price Index or its replacement or any component of that index or its replacement ceases to be published or available, or useful for its intended purpose hereunder, during the Term, PacifiCorp shall select as a replacement Firm Market Price Index or component an index or component acceptable to PacifiCorp that, after any necessary adjustments, provides the most reasonable substitute quotation of the daily price of electricity for the applicable periods.

"Force Majeure" means an event of Force Majeure as defined and described in Section 14.1.

"Forced Outage" means NERC Event Types U1, U2 and U3, as set forth in attached **Exhibit D**, and specifically excludes any Maintenance Outage or Planned Outage.

"Generation Interconnection Agreement" means the agreement to be entered into separately between Seller and Interconnection Provider concerning the Interconnection Facilities.

"Governmental Authority" means any supranational, federal, state or other political subdivision thereof, having jurisdiction over Seller, PacifiCorp or this Agreement, including any municipality, township or county, and any entity or body 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.

"Green Tags" means (1) the Environmental Attributes associated with all Output, together with (2) the Green Tag Reporting Rights associated with such energy and Environmental Attributes, however commercially transferred or traded under any or other product names, such as "Renewable Energy Credits," "~~Green-e Certified~~", or otherwise. One (1) Green Tag represents the Environmental Attributes made available by the generation of one (1) MWh of energy from the Facility.

"Green Tags Price Component" means five dollars (\$5) per MWh; provided that if after the Effective Date a liquid market for Green Tags emerges in a form and location that PacifiCorp determines reasonably states the market value of the Green Tags delivered hereunder, PacifiCorp may in its discretion replace such \$5 per MWh with such designated market price reports for Green Tags, effective as of the time specified by PacifiCorp.

"Green Tag Reporting Rights" means the exclusive right of a purchaser of Environmental Attributes to report ownership of Environmental Attributes in compliance with federal or state law, if applicable, and to federal or state agencies or other parties at such purchaser's discretion, and include reporting under Section 1605(b) of the Energy Policy Act of 1992, or under any present or future domestic, international, or foreign emissions trading program or renewable portfolio standard.

"Guaranteed Availability" is defined in Section 6.12.1.

“Guaranteed Commercial Operation Date” means that date which is 90 days after the Scheduled Commercial Operation Date.

“Interconnection Facilities” means all the facilities installed, or to be installed, for the purpose of interconnecting the Facility to the System, including electrical transmission lines, upgrades, transformers and associated equipment, substations, relay and switching equipment, and safety equipment.

“Interconnection Provider” means _____.

“Lender” means any entity lending money or extending credit (including any financing lease, monetization of tax benefits, backleverage financing 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 8.6**.

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

- (1) issued by a Qualifying Institution;
- (2) by its terms, 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 issued by a foreign bank with a U.S. branch, permits PacifiCorp to draw upon the U.S. branch;
- (4) permits PacifiCorp to draw the entire amount available thereunder if such letter of credit is not renewed or replaced at least thirty (30) Business Days prior to its stated expiration date;
- (5) permits PacifiCorp to draw the entire amount available thereunder if such letters of credit are not increased, replaced or replenished as and when provided in Section 8; and
- (6) is transferable by PacifiCorp to any party to which PacifiCorp may assign this Agreement.
- (7) shall remain in effect for at least ninety (90) days after the end of the Term.

“Liabilities” is defined in Section 12.1.1.

“Licensed Professional Engineer” means a person proposed by Seller and acceptable to PacifiCorp in its reasonable judgment who (1) is licensed to practice engineering in the appropriate engineering discipline for the required certification being made, in the United States, and in all states for which the person is providing a certification, evaluation or opinion with respect to matters or Requirements of Law specific to such state, (2) has training and experience in the engineering disciplines relevant to the matters with respect to which such person is called upon to provide a certification, evaluation or opinion, (3) has no economic relationship, association, or nexus with Seller or its members or Affiliates, other than with the prior written consent of PacifiCorp, services previously or currently being rendered to Seller or its members or Affiliates, and (4) 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. The engineers and engineering firms listed on **Exhibit G** are acceptable to PacifiCorp as “Licensed Professional Engineers” if they meet the requirements above.

“Maintenance Outage” means NERC Event Type MO, as set forth in attached **Exhibit D**, and includes any outage involving 10% of the Facility's Wind Turbines that is not a Forced Outage or a Planned Outage.

“Maximum Delivery Rate” means the maximum hourly rate of delivery of Net Output in MWh from the Facility to the Point of Delivery, calculated on the basis of the Net Output delivered in an hour accruing at an average rate equivalent to the actual Nameplate Capacity Rating.

“Mediation Notice” is defined in Section 24.2(a).

“Mediation Procedures” is defined in Section 24.2.

“Moody’s” means Moody’s Investor Services, Inc.

“MW” means megawatt.

“MWh” means megawatt hour.

“Nameplate Capacity Rating” means the maximum installed instantaneous generation capacity of the completed Facility, expressed in MW, when operated in compliance with the Generation Interconnection Agreement and consistent with the Wind Turbine manufacturer’s recommended power factor and operating parameters, as set forth in a notice from Seller to PacifiCorp delivered prior to the Commercial Operation Date and, if applicable, updated in a subsequent notice from Seller to PacifiCorp as required for Final Completion. The Nameplate Capacity Rating of the Facility shall not exceed __ MW.

“NERC” means the North American Electric Reliability Corporation.

“Net Output” means all energy produced by the Facility and delivered at the Point of Delivery.

“**Network Resource**” is defined in the Tariff.

“**Network Service Provider**” means PacifiCorp acting in its regulated transmission function, as a provider of network service to PacifiCorp under the Tariff.

“**Off-Peak Hours**” means all hours ending 01:00:00 through 06:00:00 and hours ending 23:00:00 through 24:00:00, Pacific Prevailing Time, Monday through Saturday and hours ending 01:00:00 through 24:00:00, Pacific Prevailing Time, on Sundays and NERC designated holidays.

“**On-Peak Hours**” means all hours ending 07:00:00 through 22:00:00 Pacific Prevailing Time, Monday through Saturday, excluding NERC designated holidays.

“**Output**” means all energy produced by the Facility.

“**Output Shortfall**” is defined in Section 6.12.2.

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

“**PacifiCorp**” is defined in the Recitals, and explicitly excludes PacifiCorp Transmission.

“**PacifiCorp Transmission**” means PacifiCorp, an Oregon corporation, acting in its interconnection or transmission function capacity.

“**PacifiCorp’s Cost to Cover**” means the positive difference, if any, between (1) the sum of (i) the time weighted average of the Firm Market Price Index for each day for which the determination is being made, plus (ii) the Green Tags Price Component, minus (2) the Contract Price specified in Exhibit 5.1 in effect on such days, stated as an amount per MWh. If the difference between (1) minus (2) referenced above is zero or negative, then PacifiCorp’s Cost to Cover shall be zero dollars (\$0), and Seller shall have no obligation to pay any amount to PacifiCorp on account of Section 6.12.2 or Section 11.2.1. For any days prior to the Commercial Operation Date, the Contract Price applicable in the first Contract Year shall be utilized for purposes of clause (2). An Example illustrating the calculation of PacifiCorp’s Cost to Cover under certain stated assumptions is set forth in **Exhibit E**.

“**Permits**” means all of the permits, licenses, approvals, certificates, entitlements and other authorizations issued by Governmental Authorities required for the construction, ownership and operation of the Facility and occupancy of the Premises, including those specified in **Exhibit H**, and all amendments, modifications, supplements, general conditions and addenda thereto.

“**Planned Outage**” means NERC Event Type PO, as set forth in attached **Exhibit D**, and specifically excludes any Maintenance Outage or Forced Outage.

“**Pledge Interest**” is defined in Section 8.2.2.

“**Point of Delivery**” means the point of interconnection between the Facility and the System, as specified in the Generation Interconnection Agreement and as further described in

Exhibit 9.2.

“Premises” means the real property on which the Facility is or will be located, as more fully described on Exhibit 6.1.

“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, which, in the exercise of reasonable judgment in the light of the facts known at the time a decision is made, could have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety and expedition. 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.

“PTCs” means production tax credits under Section 45 of the Internal Revenue Code as in effect from time to time during the term hereof or any successor or other provision providing for a federal tax credit determined by reference to renewable electric energy produced from wind resources and any correlative state tax credit determined by reference to renewable electric energy produced from wind resources for which the Facility is eligible.

“PTC Amount” is defined in Section 11.2.2.

“PUHCA” means the Public Utility Holding Company Act of 2005.

“PURPA” means the Public Utility Regulatory Policies Act of 1978.

“QF” means “qualifying facility” as that term is defined in the version of 18 C.F.R. Part 292 in effect on the date hereof.

“Qualifying Institution” means the United States office of a commercial bank or trust company organized under the laws of the United States of America or a political subdivision thereof, or a foreign bank, with a net worth of at least \$1,000,000,000 and a credit rating on its long-term senior unsecured debt of at least “A” by S&P or “A2” by Moody’s.

“Reporting Month” is defined in Section 6.10.1.

“Required Facility Documents” means all Permits, authorizations, rights and agreements now or hereafter necessary for construction, operation, and maintenance of the Facility, including those set forth in **Exhibit 3.2.6**. Nothing set forth in **Exhibit 3.2.6** limits the obligations of Seller to obtain the Permits set forth in Exhibit H or otherwise required hereunder.

“Required Percentage” means 90%.

“Requirements of Law” means any applicable federal, state and local law, statute, regulation, rule, code or ordinance enacted, adopted, issued or promulgated by any federal, state, local or other Governmental Authority or regulatory body (including those pertaining to electrical, building, zoning, environmental and occupational safety and health requirements).

“RTO” means any entity that becomes responsible as system operator for, or directs the

operation of, the System.

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

“**Scheduled Commercial Operation Date**” means _____.

“**Security Interests**” is defined in Section 8.2.1.

“**Seller**” is defined in the Recitals.

“**Seller Indemnitees**” is defined in Section 12.1.2.

“**Seller’s Cost to Cover**” means the positive difference, if any, between (1) the Contract Price per MWh specified in **Exhibit 5.1**, and (2) the net proceeds per MWh actually realized by Seller from the sale to a third party of Net Output and Green Tags not purchased by PacifiCorp as required hereunder. If the difference between (1) minus (2) referenced above is zero or negative, then Seller’s Cost to Cover shall be zero dollars (\$0), and PacifiCorp shall have no obligation to pay any amount to Seller on account of Section 11.2.2.

“**Senior Lenders**” means the Lenders providing construction financing for the Facility, or any term or permanent take-out financing of the costs of development and construction, as described in the definition of “Lenders”, other than Affiliates of Seller.

“**Start-Up Testing**” means the start-up tests for the Facility as set forth in **Exhibit I**.

“**System**” means the electric transmission substation and transmission or 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 interconnect the Facility, all as set forth in the Generation Interconnection Agreement.

“**Tariff**” means the PacifiCorp FERC Electric Tariff Fifth Revised Volume No. 11 Pro Forma Open Access Transmission Tariff, as revised from time to time.

“**Tax Investor**” is defined in the Lender Consent.

“**Term**” is defined in Section 2.1.

“**Test Energy**” means any Output during periods prior to the Commercial Operation Date, and all associated Green Tags and Capacity Rights.

“**Transmission Provider**” means _____.

“**Transmission Service**” means, if applicable, the transmission services pursuant to which the Transmission Provider transmits Output to the Point of Delivery, as applicable.

“**Wind Leases**” means the wind leases that are required to operate the Facility, which Seller represents are truly and fully described on **Exhibit 3.2.8**, as the same may be supplemented, amended, extended, restated or replaced from time to time.

“Wind Turbine” means a [description of intended wind turbine model]. At its full Nameplate Capacity Rating, the Facility is expected to consist of ___ Wind Turbines.

“WECC” means the Western Electricity Coordinating Council.

“WREGIS” means the Western Renewable Energy Generation Information System.

“WREGIS Certificate” means “Certificate” as defined by WREGIS in the WREGIS Operating Rules.

“WREGIS Operating Rules” means the operating rules and requirements adopted by WREGIS.

1.2 Rules of Interpretation.

1.2.1. General. Unless otherwise required by the context in which any term appears, (a) the singular includes the plural and vice versa; (b) references to “Articles,” “Sections,” “Schedules,” “Annexes,” “Appendices” or “Exhibits” are to articles, sections, schedules, annexes, appendices or exhibits hereof; (c) all references to a particular entity or an electricity market price index include a reference to such entity’s or index’s successors; (d) “herein,” “hereof” and “hereunder” refer to this Agreement as a whole; (e) all accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles consistently applied; (f) the masculine includes the feminine and neuter and vice versa; (g) “including” means “including, without limitation” or “including, but not limited to”; (h) all references to a particular law or statute mean that law or statute as amended from time to time; and (i) the word “or” is not necessarily exclusive.

1.2.2. Terms Not to be Construed For or Against Either Party. Each term hereof 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 hereof 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 and articles hereof are for convenience and reference purposes only and shall in no way affect the meaning or interpretation of the provisions hereof.

1.2.4. Examples. Example calculations and other examples set forth herein are for purposes of illustration only and are not intended to constitute a representation, warranty or covenant concerning the example itself or the matters assumed for purposes of such example. If there is a conflict between an example and the text hereof, the text shall control.

1.2.5. Interpretation with FERC Orders. Each Party conducts and shall conduct 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 Interconnection 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 Generation Interconnection Agreement with the Interconnection Provider.

(a) The Parties acknowledge and agree that the Generation Interconnection Agreement shall be a separate and free standing contract and that the terms hereof are not binding upon the Interconnection Provider.

(b) Notwithstanding any other provision in this Agreement, nothing in the Generation Interconnection Agreement, nor any other agreement between Seller on the one hand and Transmission Provider or Interconnection Provider on the other hand, nor any alleged event of default thereunder, shall alter or modify the Parties' rights, duties, and obligation hereunder. This Agreement shall not be construed to create any rights between Seller and the Interconnection Provider or between the Seller and the Transmission Provider.

(c) Seller expressly recognizes that, for purposes hereof, the Interconnection Provider and Transmission Provider each shall be deemed to be a separate entity and separate contracting party from PacifiCorp whether or not the Generation Interconnection Agreement is entered into with Interconnection Provider or an Affiliate thereof. Seller acknowledges that PacifiCorp, acting in its merchant capacity function as purchaser hereunder, has no responsibility for or control over Interconnection Provider or Transmission Provider, and is not liable for any breach of agreement or duty by Interconnection Provider or Transmission Provider.

SECTION 2

TERM; FACILITY DEVELOPMENT

2.1 Term. This Agreement shall become effective when it is executed and delivered by both Parties (the "**Effective Date**") and, unless earlier terminated as provided herein, shall remain in effect until the ____ () anniversary of the date of Final Completion (the "**Term**").

2.2 Milestones. Time is of the essence in the performance hereof, and Seller's completion of the Facility and delivery of Net Output and Green Tags by the Scheduled Commercial Operation Date is critically important. Therefore, Seller shall achieve the following milestones at the times indicated:

(a) Credit Support shall be posted according to the schedule set forth in Appendix D to RFP 2008R-1;

(b) Seller shall cause the Facility to achieve Commercial Operation on or before the Guaranteed Commercial Operation Date; and

(c) If Commercial Operation of the Facility is achieved based on less than one hundred percent (100%) of the Expected Nameplate Capacity Rating, then Seller shall cause the Facility to achieve Final Completion on or before the 90th day after the Commercial Operation Date.

2.3 Project Construction and Delay Damages and Deficit Damages. Seller shall further perform as follows:

(a) If Commercial Operation is not achieved on or before the Scheduled Commercial Operation Date, Seller shall pay to PacifiCorp Delay Damages for each day from and after the Scheduled Commercial Operation Date through the date that the Facility achieves Commercial Operation.

(b) If the Facility does not achieve Commercial Operation by the Guaranteed Commercial Operation Date, PacifiCorp may terminate this Agreement pursuant to Section 11.

(c) If the Facility achieves Final Completion based on less than one hundred percent (100%) of the Expected Nameplate Capacity Rating, Seller shall pay to PacifiCorp Deficit Damages. If the Facility achieves Commercial Operation with a Nameplate Capacity Rating of less than 75% of Expected Nameplate Capacity Rating, in addition to all of PacifiCorp's other rights and remedies hereunder, PacifiCorp may terminate this Agreement with respect to all further obligations of PacifiCorp hereunder and retain all Credit Support Security.

(d) After the date of Final Completion, any partially completed Wind Turbines shall not be part of the Facility, and Seller shall not undertake to add those turbines or output from such turbines to the Facility without the prior written consent of PacifiCorp. Any output of such turbines and any Green Tags associated with such output shall be subject to Section 20.4.

2.4 Damages Calculation. Each Party agrees and acknowledges that (a) the damages that PacifiCorp would incur due to Seller's delay in achieving Commercial Operation or Final Completion or failure to reach Final Completion based on one hundred percent (100%) of the Expected Nameplate Capacity Rating would be difficult or impossible to predict with certainty, and (b) that it is impractical and difficult to assess actual damages in the circumstances stated, and therefore the Delay Damages and Deficit Damages as agreed to by the Parties and set forth herein are a fair and reasonable calculation of such damages. Notwithstanding the foregoing, this Section 2.4 shall not limit the amount of damages payable to PacifiCorp if this Agreement is terminated as a result of Seller's failure to achieve Commercial Operation by the Guaranteed Commercial Operation Date. Any such termination damages shall be determined in accordance with Section 11.5.

2.5 Damages Invoicing. By the tenth (10th) day following the end of the calendar month in which the Scheduled Commercial Operation Date, Final Completion or other applicable event or condition under this Section Two occurs, and continuing on the tenth (10th) day of each calendar month during the period in which Delay Damages or Deficit Damages accrue (and the following months if applicable), PacifiCorp shall deliver to Seller an invoice showing PacifiCorp's computation of such damages and any amount due PacifiCorp in respect thereof for the preceding calendar month. No later than ten (10) days after receiving such an invoice and subject to Sections 10.3 and 10.4, Seller shall pay to PacifiCorp, by wire transfer of immediately available funds to an account specified in writing by PacifiCorp 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.

2.6 PacifiCorp's Right to Monitor. During the Term, Seller shall permit PacifiCorp 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 acquisition, design, financing, engineering, construction and installation of the Facility. Between the Effective Date and thirty (30) days following the date of Final Completion, Seller shall, on or before the tenth (10th) day of each calendar month, provide PacifiCorp with a brief monthly status report for the preceding month.

(b) Monitor the status of the acquisition, land leasing, design, financing, engineering, construction and installation of the Facility and the performance of the contractors constructing the Facility.

(c) Monitor and receive monthly updates from Seller concerning (i) the progress of Seller's negotiation and execution of contracts for the acquisition, design, financing, engineering, construction and installation of the Facility, Premises, major equipment, turbines, and warranties, (ii) the contractors' performance and achievement of contract deliverables and all performance and other tests required to achieve Commercial Operation or contemplated by the warranty agreements between the Seller and manufacturer of the Facility's Wind Turbines and any other material items of Facility equipment that require testing for warranty agreements to be effective. Seller shall provide PacifiCorp with at least five (5) Business Days prior notice of each such test, with the understanding that if the performance of such test is dependent on the presence of sufficient wind or other variables beyond the control of Seller, the date of such test may be postponed if, on the date specified in the related notice, there is insufficient wind or other circumstances beyond the control of Seller that prevent the performance of such test on the scheduled date. Seller does not herein grant PacifiCorp the right to review, comment on or approve of the terms or conditions of any contract or negotiation between Seller and a third party, the terms and conditions of each such contract or negotiation being confidential and to be determined by Seller in its sole discretion. Conversely, nothing in this Agreement shall be construed to require PacifiCorp to review, comment on, or approve of any contract between Seller and a third party.

(d) Witness initial performance tests and other tests and review the results thereof; with Seller to make best effort to provide PacifiCorp five Business Days advance notice of each such major test.

(e) Perform such examinations, inspections, and quality surveillance as, in PacifiCorp's reasonable judgment, are appropriate and advisable to determine that each Wind Turbine has been properly commissioned and Commercial Operation and Final Completion have been achieved.

With respect to PacifiCorp's right to monitor under this Section 2.6, (a) PacifiCorp is under no obligation to perform any of these monitoring rights, (b) such monitoring shall occur subject to reasonable rules developed by Seller regarding Facility construction, access, health, safety, and environmental requirements, and (c) that PacifiCorp shall have no liability to Seller for failing to advise it of any condition, damages, circumstances, infraction, fact, act, omission or disclosure discovered or not discovered by PacifiCorp with respect to the Facility or any contractor. Any review or monitoring of the Facility conducted by PacifiCorp hereunder shall be performed in a manner that does not impede, hinder, postpone, or delay Seller or its contractors in their performance of the engineering, construction, design or testing of the Facility. PacifiCorp shall maintain

one or more designated representatives for purposes of the monitoring activities contemplated in this Section 2.6, which representatives shall have authority to act for PacifiCorp in all technical matters under this Section 2.6 but not to amend or modify any provision hereof. PacifiCorp's initial representatives and their contact information are listed in Exhibit 2.6. PacifiCorp may, by written notice to Seller, change its representatives or their contact information.

2.7 PTCs. Seller shall bear all risks, financial and otherwise throughout the Term, associated with Seller's or the Facility's eligibility to receive PTCs or qualify for accelerated depreciation for Seller's accounting, reporting or tax purposes. The obligations of the Parties hereunder, including those obligations set forth herein regarding the purchase and price for and Seller's obligation to deliver Net Output and Green Tags, shall be effective regardless of whether the sale of Output or Net Output from the Facility is eligible for, or receives, PTCs during the Term.

SECTION 3 **REPRESENTATIONS AND WARRANTIES**

3.1 Mutual Representations and Warranties. Each Party represents, covenants, and warrants to the other that:

3.1.1. Organization. It is duly organized and validly existing under the laws of the State its state of organization.

3.1.2. Authority. It has the requisite power and authority to enter hereinto and to perform according to the terms hereof.

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

3.1.4. No Contravention. The execution and delivery hereof do not contravene any provision of, or constitute a default under, any indenture, mortgage, security instrument or undertaking, or other material agreement to which it is a party or by which it is bound, or any valid order of any court, or any regulatory agency or other body having authority to which it is subject.

3.1.5. Valid and Enforceable Agreement. This Agreement is a valid and legally binding obligation of it, enforceable against it in accordance with its terms, except as the enforceability hereof may be limited by general principles of equity or bankruptcy, insolvency, bank moratorium or similar laws affecting creditors' rights generally and laws restricting the availability of equitable remedies.

3.2 Seller's Further Representations and Warranties. Seller further represents, covenants, and warrants to PacifiCorp that:

3.2.1. Organization. Seller is a limited liability company duly organized and validly existing under the laws of Delaware.

3.2.2. Authority. Seller has all required regulatory authority to make wholesale sales from the Facility; (i) 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 (ii) is duly qualified and 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. No Contravention. The execution, delivery, performance and observance by Seller of its obligations hereunder do not and will not:

(a) contravene, conflict with or violate any provision of any material Requirements of Law presently in effect having applicability to either Seller or any of Seller's members;

(b) 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 3.2.6** or (ii) without limiting Seller's obligations under Section 3.2.6 required in connection with the construction or operation of the Facility and expected to be obtained in due course;

(c) result in a breach of or constitute a default under any provision of any security issued by any of Seller's members or any Affiliates of Seller's members or any material agreement, instrument or undertaking to which either Seller's members or any Affiliates of Seller's members is a party or by which the property of any of Seller's members or any Affiliates of Seller's members is bound.

3.2.4. Litigation. No litigation, arbitration, investigation or other proceeding is pending or, to the best of Seller's knowledge, threatened against any of Seller, its members, or any Affiliate with respect hereto and the transactions contemplated hereunder. No other investigation or proceeding is pending or threatened against Seller, its members, or any Affiliate.

3.2.5. Accuracy of Information. No exhibit, contract, report or document furnished by Seller to PacifiCorp in connection with this Agreement, or the negotiation or execution hereof 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.

3.2.6. Required Facility Documents. All Required Facility Documents are listed on **Exhibit 3.2.6**. Pursuant to the Required Facility Documents, Seller holds as of the Effective Date, or will hold by the Commercial Operation Date, all rights and entitlements necessary to construct, own and operate the Facility and to deliver Net Output to PacifiCorp in accordance with this Agreement. No unusually burdensome conditions are expected by Seller to be placed upon, or created by, any of the Required Facility Documents and the anticipated use of the Facility complies with all applicable restrictive covenants affecting the Premises and all Requirements of Law. Seller shall notify PacifiCorp of any material consent or approval that (a) Seller determines is required for the construction, ownership or operation of the Facility, and (b) is not already listed in Exhibit 3.2.6.

3.2.7 Delivery of Energy. On or before the Commercial Operation Date, Seller shall hold rights sufficient to enable Seller to deliver Output at the Expected Nameplate Capacity Rating from the Facility to the Point of Delivery pursuant to this Agreement throughout the Term.

3.2.8 Wind Leases. All leases of real property required for the operation of the Facility or the performance of any obligations of Seller hereunder are set forth and accurately described in Exhibit 3.2.8 as Wind Leases. Seller shall not amend any Wind Lease without PacifiCorp's consent, which PacifiCorp shall not unreasonably withhold. On or before the Commercial Operation Date, and continuing thereafter throughout the Term, Seller shall cause all Wind Leases to (i) be for remaining terms of no less than the Term, with options for renewal at the end of such periods for a further _____ years commencing no earlier than the end of the Term and (ii) contain a clause providing that should PacifiCorp exercise the option provided it in Section 5.6 to purchase the Facility, PacifiCorp's rent shall be for a fixed dollar per kilowatt hour set forth in such Wind Lease.

3.3 No Other Representations or Warranties. Each Party acknowledges that it has entered hereinto in reliance upon only the representations and warranties set forth in this Agreement, and that no other representations or warranties have been made by the other Party with respect to the subject matter hereof.

3.4 Continuing Nature of Representations and Warranties; Notice. The representations and warranties set forth in this Section are made as of the Effective Date and deemed made continually throughout the Term. If at any time during the Term, any Party obtains actual knowledge of any event or information which causes any of the representations and warranties in this Section 3 to be materially untrue or misleading, such Party shall provide the other Party with written notice 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 shall be given as soon as practicable after the occurrence of each such event.

SECTION 4 **DELIVERIES OF NET OUTPUT AND GREEN TAGS**

4.1 Purchase and Sale. Except as otherwise expressly provided herein, commencing on the Commercial Operation Date and continuing through the Term, Seller shall sell and make available to PacifiCorp, and PacifiCorp shall purchase and receive, (a) the entire Net Output from the Facility at the Point of Delivery, and (b) all Green Tags associated with Output or otherwise resulting from the generation of energy by the Facility (which shall come from the Facility and from no other source). PacifiCorp shall be under no obligation to make any purchase hereunder other than Net Output and associated Green Tags. PacifiCorp shall not be obligated to purchase, receive or pay for energy (or associated Green Tags) that is not delivered to the Point of Delivery. In addition, during the period between the Effective Date and the Commercial Operation Date, Seller shall sell and make available to PacifiCorp, and PacifiCorp shall purchase and receive, all Net Output and associated Green Tags from the Facility as Test Energy at the price specified in Section 5.1.1.

4.2 No Sales to Third Parties. During the Term, Seller shall not sell any Net Output, energy, Green Tags or Capacity Rights from the Facility to any party other than PacifiCorp; *provided, however*, that this restriction shall not apply during periods when PacifiCorp is in default hereof because it has, without excuse, failed to accept or purchase that Net Output or Green Tags if required to hereunder.

4.3 Title and Risk of Loss of Net Output. Seller shall deliver Net Output and associated Green Tags free and clear of all liens, claims and encumbrances. Title to and risk of loss of all Net Output shall transfer from Seller to PacifiCorp upon its delivery to PacifiCorp at the Point of Delivery. Seller shall be deemed to be in exclusive control of, and responsible for, any damage or injury caused by, all Output up to and at the Point of Delivery. PacifiCorp shall be deemed to be in exclusive control of, and responsible for, any damages or injury caused by, Net Output from the Point of Delivery.

4.4 Curtailment.

4.4.1. Required Curtailment. PacifiCorp shall not be obligated to purchase, receive or pay for Net Output (or associated Green Tags) that is not delivered to the Point of Delivery during times and to the extent that such Net Output (and associated Green Tags) are not delivered to the Point of Delivery because (a) the interconnection between the Facility and the System is disconnected, suspended or interrupted, in whole or in part, pursuant to the terms of the Generation Interconnection Agreement, (b) the Network Service Provider or Transmission Provider Curtails (as defined in the Tariff) Net Output, (c) the Facility's Output is not received because the Facility is not fully integrated or synchronized with the System or (d) an event of Force Majeure prevents either Party from delivering or receiving Net Output. The MWh amount of Net Output curtailed pursuant to this Section 4.4.1 shall be reasonably determined by Seller after the fact based on the amount of energy that could have been generated at the Facility and delivered to PacifiCorp as Net Output but that was not generated and delivered because of the curtailment. Seller shall determine the quantity of such curtailed energy based on (x) the time and duration of the curtailment period and (y) wind conditions recorded at the Facility during the period of curtailment and the tested and verified power curve for the wind turbines at the Facility. Seller shall promptly provide PacifiCorp with access to such information and data as PacifiCorp may reasonably require to confirm to its reasonable satisfaction the amount of energy that was not generated or delivered because of a curtailment described in this Section 4.4.1.

4.4.2. Voluntary Curtailment by PacifiCorp. Seller shall curtail deliveries of Net Output and associated Green Tags at any time, in whole or in part, and for any duration specified by PacifiCorp with no less than ten (10) minutes (or such lesser time as may be provided for, as between Seller and Interconnection Provider, in the Generation Interconnection Agreement) prior notice (which may be given by telephone) from PacifiCorp to Seller. PacifiCorp shall take reasonable steps to confirm Seller's receipt of such notice. The MWh amount of Net Output curtailed pursuant to this Section 4.4.2 ("**Curtailment Energy**") shall be reasonably determined by Seller after the fact based on the amount of energy that could have been generated at the Facility and delivered to PacifiCorp as Net Output at the Point of Delivery but that was not generated and delivered because of the curtailment. Seller shall determine the quantity of Curtailment Energy based on (1) the time and duration of the curtailment period and (2) the number of MWhs that would have been generated based on the wind velocities recorded at the Facility

during the period of curtailment and the tested and verified power curve for the wind turbines at the Facility. Seller shall promptly provide PacifiCorp with access to such information and data as PacifiCorp may reasonably require to confirm to its reasonable satisfaction the amount of Curtailment Energy that was not generated or delivered because of a curtailment pursuant to this Section 4.4.2. PacifiCorp shall be obligated to pay Seller for the Curtailment Energy at the then applicable Contract Price. Notwithstanding any other provision hereof, during any period of curtailment pursuant to this Section 4.4.2, Seller shall not generate Net Output to the extent curtailed by PacifiCorp, or sell any portion of the Facility's energy to any third party. An example setting forth a calculation of payment due for Curtailment Energy under certain stated assumptions is set forth in **Exhibit 4.4.2**. Notwithstanding the foregoing, PacifiCorp's obligation to pay for Curtailment Energy pursuant to this Section 4.4.2 shall not apply during any times Seller would otherwise have been required to curtail pursuant to Section 4.4.1.

4.5 Transfer of Title to Green Tags; Documentation of Green Tags Transfers. Title to the Green Tags shall pass from Seller to PacifiCorp immediately upon the generation of the energy at the Facility that gives rise to such Green Tags. The Parties shall execute all additional documents and instruments reasonably requested by PacifiCorp in order to further document the transfer of the Green Tags to PacifiCorp or its designees. Without limiting the generality of the foregoing, Seller shall, on or before the tenth (10th) day of each month, deliver to PacifiCorp a Green Tags Attestation and Bill of Sale in the form attached as **Exhibit 4.5** for all Green Tags delivered to PacifiCorp hereunder in the preceding month, ~~along with any attestation that is then current with the Center for Resource Solution's Green e program.~~ Seller, at its own cost and expense, shall register with, pay all fees required by, and comply with, all reporting and other requirements of WREGIS relating to the Facility or Green Tags. Seller shall ensure that the Facility will participate in and comply with, during the Term, all aspects of WREGIS. Seller shall, at its sole expense, use WREGIS as required pursuant to the WREGIS Operating Rules to effectuate the transfer of WREGIS Certificates to PacifiCorp, and transfer such WREGIS Certificates to PacifiCorp, in accordance with WREGIS reporting protocols and WREGIS Operating Rules. PacifiCorp shall be entitled to a refund of the Green Tag Price Component of any Net Output for which WREGIS Certificates are not delivered, and shall not transfer the affected Green Tag back to Seller. Seller shall promptly give PacifiCorp copies of all documentation it submits to WREGIS. Further, in the event of the promulgation of a scheme involving Green Tags administered by CAMD, upon notification by CAMD that any transfers contemplated by this Agreement will not be recorded, the Parties shall promptly cooperate in taking all reasonable actions necessary so that such transfers can be recorded. Seller shall not report under § 1605(b) of the Energy Policy Act of 1992 or under any applicable program that any of the Green Tags purchased by PacifiCorp hereunder belong to any person other than PacifiCorp. Without limiting the generality of PacifiCorp's ownership of the Green Tag Reporting Rights, PacifiCorp may report under such program that such Environmental Attributes purchased hereunder belong to it. Each Party shall promptly give the other Party copies of all documents it submits to the CAMD to effectuate any transfers. ~~Seller shall at its expense cause the Facility to maintain its registration in good standing with the Center for Resource Solution's Green e program throughout the Term.~~

4.6 Capacity Rights.

4.6.1. Purchase and Sale of Capacity Rights. For and in consideration of PacifiCorp's agreement to purchase from Seller the Facility's Net Output and Green Tags on the terms and conditions set forth herein, Seller transfers to PacifiCorp, and PacifiCorp accepts from Seller, any right, title, and interest that Seller may have in and to Capacity Rights, if any, existing during the Term.

4.6.2. Representation Regarding Ownership of Capacity Rights. Seller represents that it has not sold, and covenants that during the Term it will not sell or attempt to sell to any other person or entity the Capacity Rights, if any. During the Term, Seller shall not report to any person or entity that the Capacity Rights, if any, belong to anyone other than PacifiCorp. PacifiCorp may at its own risk and expense report to any person or entity that Capacity Rights exclusively belong to it.

4.6.3. Further Assurances. At PacifiCorp's request, the Parties shall execute such documents and instruments as may be reasonably required to effect recognition and transfer of the Capacity Rights, if any, to PacifiCorp.

SECTION 5

CONTRACT PRICE; COSTS

5.1 Contract Price; Includes Green Tags and Capacity Rights. PacifiCorp shall pay Seller the prices stated below for all deliveries of Net Output, and including associated Green Tags and Capacity Rights, up to the Maximum Delivery Rate. The Contract Price provided for in Section 5.1.2 and the price for Test Energy provided for in Section 5.1.1 include the consideration to be paid by PacifiCorp to Seller for all Green Tags and Capacity Rights associated with all Output, Net Output and Test Energy, respectively, and Seller shall not be entitled to any compensation over and above the Contract Price or the Test Energy price, as the case may be, for the Green Tags or Capacity Rights associated therewith.

5.1.1. Test Energy. Between the Effective Date and the Commercial Operation Date, Seller shall sell and deliver to PacifiCorp all Test Energy. PacifiCorp shall pay Seller (a) for Test Energy delivered at the Point of Delivery during On-Peak Hours, an amount per MWh equal to 75% of the Firm Market Price Index for On-Peak Hours and (b) for Test Energy delivered at the Point of Delivery during Off-Peak Hours, an amount per MWh equal to 75% of the Firm Market Price Index for Off-Peak Hours; *provided, however*, that (1) the amount to be paid by PacifiCorp for each MWh of such Test Energy shall in no event exceed 75% of the Contract Price specified for the first Contract Year, and (2) Seller's right to receive payment for such Test Energy is subject to PacifiCorp's right of offset under Section 10.2 for, among other things, payment by Seller of any Delay Damages owed to PacifiCorp by Seller pursuant to Section 2.3.

5.1.2. Commercial Operation. For the period beginning on the Commercial Operation Date and thereafter during the Term, PacifiCorp shall pay to Seller the Contract Price per MWh of Net Output delivered to the Point of Delivery, as specified in **Exhibit 5.1**.

5.2 Costs and Charges. Seller shall be responsible for paying or satisfying when due all costs or charges imposed in connection with the scheduling and delivery of Net Output up to and at the Point of Delivery, including transmission costs, Transmission Service, and

transmission line losses, and any operation and maintenance charges imposed by Transmission Owner or the Transmission Provider for the Interconnection Facilities. PacifiCorp shall be responsible for all costs or charges, if any, imposed in connection with the delivery of Net Output at and from the Point of Delivery, including transmission costs and transmission line losses and imbalance charges or penalties. Without limiting the generality of the foregoing, Seller shall bear all costs associated with the modifications to Interconnection Facilities or the System (including system upgrades) caused by or related to (a) the interconnection of the Facility with the System and (b) any increase in generating capacity of the Facility.

5.3 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.

5.4 Taxes. Seller shall pay or cause to be paid when due, or reimburse PacifiCorp for, all existing and any new sales, use, excise, ad valorem, and any other similar taxes, imposed or levied by any Governmental Authority up to and including, but not beyond, the Point of Delivery, on the generation of Net Output or Green Tags or on the sale of Net Output or Green Tags from Seller to PacifiCorp hereunder, regardless of whether such taxes are imposed on PacifiCorp or Seller under Requirements of Law. PacifiCorp shall pay or cause to be paid when due all such taxes levied at or beyond the Point of Delivery upon a purchaser of power or Green Tags, regardless of whether such taxes are imposed on PacifiCorp or Seller under Requirements of Law.

5.5 Costs of Ownership and Operation. Without limiting the generality of any other provision hereof, Seller shall be solely responsible for paying when due (a) all costs of owning and operating the Facility in compliance with existing and future Requirements of Law and the terms and conditions hereof, and (b) all taxes and charges (however characterized) now existing or hereinafter imposed on or with respect to the Facility, its operation, or on or with respect to emissions or other environmental impacts of the Facility, including any such tax or charge (however characterized) to the extent payable by a generator of such energy or environmental attributes.

5.6 Purchase Option. On the last day of the Term, PacifiCorp shall have the option to purchase the Facility and all rights of Seller therein or relating thereto, for ~~the sum of~~ \$1.00. Such option shall be exercised by notice from PacifiCorp to Seller provided no less than 30 days prior to the last day of the Term. Seller covenants that in the event PacifiCorp provides such notice of its exercise of this purchase option, that Seller shall sell, transfer, assign and convey to PacifiCorp all of the Facility and all rights of Seller therein or relating thereto, free and clear of all liens, claims, encumbrances, or rights of others arising through Seller on the last day of the Term, including good and valid title to the Facility and Seller's rights in the Premises. In connection with such sale, transfer, assignment and conveyance, Seller shall (a) assign or otherwise make available, to the extent permitted by Requirements of Law and not already assigned or otherwise transferred to PacifiCorp, Seller's interest in all material Required Facility Documents and licenses, permits approvals and consents of any Governmental Authorities or other Persons that are then in effect and that are utilized for the operation or maintenance of the Facility; (b) cooperate with all reasonable requests of PacifiCorp for purposes of obtaining or making, or enabling PacifiCorp to obtain or make, any and all material Permits and licenses, permits, approvals and consents of any Governmental

Authorities or other persons that are or will be required to be obtained by PacifiCorp in connection with the use, occupancy, operation or maintenance of the Facility or the Premises in compliance with Requirements of Law; (c) provide PacifiCorp copies of all documents, instruments, plans, maps, specifications, manuals, drawings and other documentary materials relating to the installation, maintenance, operation, construction, design, modification and repair of the Facility, as shall be in the Seller's possession and shall be reasonably appropriate or necessary for the continued operation of the Facility. Seller shall not take any action during the Term that would inhibit Seller's ability to comply with this provision.

5.7 Rates Not Subject to Review. The rates for service specified herein 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 hereto 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).

SECTION 6

OPERATION AND CONTROL

6.1 As-Built Supplement. Upon completion of construction of the Facility, Seller shall provide PacifiCorp the As-built Supplement. The As-built Supplement shall be deemed effective and shall be added to **Exhibit 6.1** when it has been reviewed and approved by PacifiCorp. If the proposed As-built Supplement does not accurately describe the Facility as actually built or is otherwise defective as to form in any material respect, PacifiCorp may within fifteen days after receiving the proposed As-built Supplement give Seller a notice describing that PacifiCorp wishes to correct. If PacifiCorp does not give Seller such a notice within the fifteen (15) day period, the As-built Supplement shall be deemed approved. If PacifiCorp provides a timely notice requiring corrections, Seller shall in good faith cooperate with PacifiCorp to revise the As-built Supplement to address PacifiCorp's concerns. Notwithstanding the foregoing, PacifiCorp shall have no right to require Seller to relocate, modify or otherwise change in any respect any aspect of the Facility as actually built.

6.2 Standard of Facility Operation.

6.2.1. General. At Seller's sole cost and expense, Seller shall build, operate, maintain and repair the Facility and the Interconnection Facilities in accordance with (i) the applicable and mandatory standards, criteria and formal guidelines of FERC, NERC, any RTO, and any other Electric System Authority and any successors to the functions thereof; (ii) the Permits and Required Facility Documents; (iii) the Generation Interconnection Agreement; (iv) all Requirements of Law; (v) the requirements hereof and (vi) Prudent Electrical Practice. Seller acknowledges that it shall have no claims hereunder against PacifiCorp with respect to any requirements imposed by or damages caused by (or allegedly caused by) the Transmission

Owner or the Transmission Provider. Seller will have no claims against PacifiCorp under this Agreement with respect to the provision of station service.

6.2.2. Qualified Operator. From and after the Commercial Operation Date, Seller shall itself operate the Facility or cause the Facility to be operated by an entity that has at least two years of experience in operation of wind energy facilities of comparable size to the Facility and approved by PacifiCorp.

6.2.3. Fines and Penalties.

(a) 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 respect to any provision hereof, 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 and Seller has (i) set aside and funded adequate reserves to cover such fines, penalties or legal costs in the event of an adverse determination, or (ii) posted security to PacifiCorp or Seller's Senior Lenders adequate to ensure Seller's ability to cover such fines, penalties or legal costs in the event of an adverse determination.

(b) If fines, penalties, or legal costs are assessed against or incurred by PacifiCorp on account of any action by any Governmental Authority due to noncompliance by Seller with any Requirements of Law or the provisions hereof, 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 PacifiCorp against any and all losses, liabilities, damages, and claims suffered or incurred by PacifiCorp as a result. Without limiting the generality of the foregoing, Seller shall reimburse PacifiCorp for all fees, damages, or penalties imposed on PacifiCorp by any Governmental Authority, other person or to other utilities for violations to the extent caused by a default by Seller or a failure of performance by Seller hereunder.

(c) Seller shall reimburse PacifiCorp for all fees, damages, or penalties imposed on PacifiCorp by any Governmental Authority, other person or to other utilities for violations to the extent caused by a default or a failure of performance by Seller hereunder.

6.3 Interconnection. Seller shall be responsible for the costs and expenses associated with interconnection of the Facility at its Nameplate Capacity Rating at the Point of Delivery as a Network Resource, including the costs of any System upgrades beyond the Point of Delivery necessary to interconnect the Facility with the System and to allow the delivery of all Output to the Point of Delivery. Seller shall have no claims hereunder against PacifiCorp, acting in its merchant function capacity, with respect to any requirements imposed by or damages caused by (or allegedly caused by) acts or omissions of the Transmission Owner, the Transmission Provider or Interconnection Provider, in connection with the Generation Interconnection Agreement or otherwise. Seller shall defend, indemnify and hold PacifiCorp harmless against any liability arising due to Seller's performance or failure to perform under the Generation Interconnection Agreement.

6.4 Coordination with System. Seller shall be responsible for the coordination and synchronization of the Facility and the Interconnection Facilities with the System, and shall be solely responsible for (and shall defend and hold PacifiCorp harmless against) any damage that may occur as a direct result of Seller's breach of the Generation Interconnection Agreement. In the event there are unanticipated changes in FERC or Electric System Authority rules sufficiently significant to change the benefits, risks and burdens held by the Parties, the Parties shall meet in good faith to adjust the terms of this Agreement to provide for the Parties the originally intended allocation of benefits, risks and burdens.

6.5 Outages.

6.5.1. Planned Outages. Except as otherwise provided herein, Seller shall not schedule Planned Outage during any portion of the months of [November, December, January, February, June, July, and August], except to the extent a Planned Outage is reasonably required to enable a vendor to satisfy a guarantee requirement in a situation in which the vendor is not otherwise able to perform the guarantee work at a time other than during one of the months specified above. Seller shall provide PacifiCorp with an annual forecast of Planned Outages for each Contract Year at least one (1) month, but no more than three (3) months, before the first day of that Contract Year, and shall promptly update such schedule, or otherwise change it only, to the extent that Seller is reasonably required to change it in order to comply with Prudent Electrical Practices. Seller shall not schedule any maintenance of Interconnection Facilities during such months, without the prior written approval of PacifiCorp, which approval may be withheld by PacifiCorp in its sole discretion.

6.5.2. Maintenance Outages. If Seller reasonably determines that it is necessary to schedule a Maintenance Outage, Seller shall notify PacifiCorp of the proposed Maintenance Outage as soon as practicable but in any event at least five (5) days before the outage begins (or such shorter period to which PacifiCorp may reasonably consent in light of then existing wind conditions). Upon such notice, the Parties shall plan the Maintenance Outage to mutually accommodate the reasonable requirements of Seller and the service obligations of PacifiCorp; *provided, however*, that Seller shall take all reasonable measures and use best efforts consistent with Prudent Electrical Practices to not schedule any Maintenance Outage during the following periods: [November, December, January, February, June 15 through June 30, July, August, and September 1 through September 15]. Notice of a proposed Maintenance Outage shall include the expected start date and time of the outage, the amount of generation capacity of the Facility that will not be available, and the expected completion date and time of the outage. Seller shall give PacifiCorp notice of the Maintenance Outage as soon as practicable after Seller determines that the Maintenance Outage is necessary. PacifiCorp 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 provided that such change has no substantial impact on Seller. Seller shall notify PacifiCorp of any subsequent changes in generation capacity available to PacifiCorp as a result of such Maintenance Outage 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 consistent with Prudent Electrical Practices to minimize the frequency and duration of Maintenance Outages.

6.5.3. Forced Outages. Seller shall promptly provide to PacifiCorp an oral report, via telephone to a number specified by PacifiCorp, of any Forced Outage of the Facility. This report shall include the amount of the generation capacity of the Facility that will not be available because of the Forced Outage and the expected return date of such generation capacity. Seller shall promptly update the report as necessary to advise PacifiCorp of changed circumstances. As soon as practicable, if the Forced Outage resulted in more than 15% of the Nameplate Capacity Rating of the Facility being unavailable, the oral report shall be confirmed in writing by notice. Seller shall take all reasonable measures and exercise its best efforts consistent with Prudent Electrical Practices to avoid Forced Outages and to minimize their duration.

6.5.4. Notice of Deratings and Outages. Without limiting the foregoing, Seller will inform PacifiCorp, via telephone to a number specified by PacifiCorp, 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 Nameplate Capacity Rating of the Facility.

6.5.5. Effect of Outages on Estimated Output. Seller represents and warrants that the estimated monthly net output set forth on **Exhibit A** takes into account the Planned Outages, Maintenance Outages, and Forced Outages that Seller reasonably expects to encounter in the ordinary course of operating the Facility, and that such outages are not expected to substantially reduce the Facility's average estimated monthly output as set forth in **Exhibit A**.

6.6 Scheduling.

6.6.1. Daily Scheduling. [provide if applicable]

6.6.2. Cooperation and Standards. With respect to any and all scheduling requirements hereunder, (a) Seller shall cooperate with PacifiCorp with respect to the scheduling of Net Output, and (b) each Party shall designate authorized representatives to communicate with regard to scheduling and related matters arising hereunder. Each Party shall comply with the applicable variable resource standards and criteria of any applicable Electric System Authority.

6.6.3. Schedule Coordination. If, as a result hereof, PacifiCorp is deemed by an RTO to be financially responsible for Seller's performance under the Generation Interconnection Agreement, due to Seller's lack of standing as a "scheduling coordinator" or other RTO recognized designation, qualification or otherwise, then (a) Seller shall acquire such RTO recognized standing (or shall contract with a third party who has such RTO recognized standing) such that PacifiCorp is no longer responsible for Seller's performance under the Generation Interconnection Agreement, and (b) Seller shall defend, indemnify and hold PacifiCorp harmless against any liability arising due to Seller's performance or failure to perform under the Generation Interconnection Agreement.

6.7 Forecasting.

6.7.1. Long-Range Forecasts. For PacifiCorp's planning purposes, Seller shall, by December 1 of each year during the Term (except for the last year of the Term), provide a forecast of each month's average-day energy production from the Facility, by hour, for the

following Contract Year. This forecast shall include an expected range of uncertainty based on historical operating experience. Seller shall update the forecast for each month by notice to PacifiCorp at least six Business Days before the first Business Day of such month.

6.7.2. Day-Ahead Forecasts and Updates. By 0600 PPT on the Business Day immediately preceding the day on which Net Output from the Facility is to be delivered, Seller shall provide PacifiCorp with an hourly forecast of deliveries for each hour of the next day; *provided, however*, that a forecast provided on a day before any non-Business Day shall include forecasts for each day to and including the next Business Day. Seller shall update a forecast any time information becomes available indicating a change in the forecast of generation of Net Output from the then-current forecast; provided however that notwithstanding the foregoing, Seller shall provide to PacifiCorp any forecasting updates it provides to the Transmission Provider as soon as they are provided to the Transmission Provider. The Parties shall cooperate to implement and use automatic forecast updates. Seller shall communicate forecasts under this Section 6.7.2 in an efficient manner, including electronic mail or other such media as determined by PacifiCorp (which, at PacifiCorp's discretion, may be in lieu of or in addition to notice to PacifiCorp). Upon request by PacifiCorp, Seller shall provide a 24-hour telephone number that PacifiCorp may contact to determine the then-current status of the Facility.

6.7.3. Basis of Forecasts. The forecasts called for by this Agreement shall be non-binding, good faith estimates only. Seller shall prepare such forecasts and updates by utilizing a wind speed and direction prediction model or service that is (a) commercially available or proprietary to Seller or an Affiliate of Seller, and (b) comparable in accuracy to models or services commonly used in the wind energy industry and that reflect turbine availability, so long as such model or service is available at a commercially reasonable cost and is satisfactory to PacifiCorp in the exercise of its reasonable discretion. On or prior to May 1 during each calendar year in the Term, Seller shall determine in good faith which such model or service to utilize after consultation with PacifiCorp. In the event such model or service is not available at a commercially reasonable cost, Seller shall internally develop a forecasting process and present such process to PacifiCorp for acceptance, which shall not be unreasonably withheld.

6.7.4 PacifiCorp Right to Arrange Forecasting Services. PacifiCorp shall have the right from time to time during the Term to enter into contracts with wind forecast service providers for the provision of forecasts respecting the Facility. In such event, PacifiCorp shall provide Seller reasonable advance written notice sufficient to enable Seller to terminate its agreements with the Facility's existing forecast service providers without paying damages. Upon the termination date of such agreements, the wind forecaster selected by PacifiCorp shall during the term of such arrangement assume and discharge Seller's obligations under the remainder of this Section 6.7. The wind forecaster selected by PacifiCorp shall agree with PacifiCorp to render such forecasts in good faith and in accordance with Prudent Electrical Practices. During such periods, Seller shall pay to PacifiCorp as reimbursement an amount equal to the current market costs of the wind forecasting services for the Facility or the Facility's pro rata share of the costs of the forecasting services arranged by PacifiCorp. PacifiCorp shall timely share with Seller the forecasts generated by the wind forecasting services for which PacifiCorp contracts under this Section 6.7.4.

6.8 Increase in Nameplate Capacity Rating; New Project Expansion or Development. Without limiting any restrictions herein on Nameplate Capacity Rating, if Seller elects to increase, at its own expense, the ability of the Facility to deliver Net Output in quantities in excess of the Maximum Delivery Rate through any means, including replacement or modification of turbines or related infrastructure, PacifiCorp shall not be required to purchase any Net Output or Green Tags above the Maximum Delivery Rate. If Seller or any Affiliate elects to build an expansion or additional wind project in the geographic vicinity of the Facility, Seller shall have no rights pursuant hereto to require PacifiCorp to purchase (and PacifiCorp shall have no obligation to purchase pursuant hereto) the output of any such expansion or additional facility. Any such expansion or additional facility may not adversely impact the ability of either Party to fulfill its obligations pursuant hereto and shall be subject to Section 20.4.

6.9 Electronic Communications.

6.9.1. Telemetry. Seller shall provide telemetry equipment and facilities capable of transmitting the following information concerning the Facility pursuant to the Generation Interconnection Agreement and to PacifiCorp on a real-time basis, and will operate such equipment when requested by PacifiCorp to indicate:

- (a) instantaneous MW output at the Point of Delivery;
- (b) Net Output; and
- (c) the Facility's total instantaneous generation capacity.

Seller shall also transmit to PacifiCorp any other data from the Facility that Seller receives on a real time basis, including meteorological data, wind speed data, wind direction data and Output data. Seller shall provide such real time data to PacifiCorp on the same basis on which Seller receives the data (e.g., if Seller receives the data in four second intervals, PacifiCorp shall also receive the data in four second intervals). PacifiCorp shall have the right from time to time to require Seller to provide additional telemetry equipment and facilities to the extent necessary and reasonable.

6.9.2. Transmission Provider Consent. Seller shall execute a consent, in the form required by Transmission Provider, to provide that PacifiCorp can read the meter and receive any and all data from the Transmission Provider relating to transmission of Output or other matters relating to the Facility without the need for further consent from Seller.

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

6.10 Reports and Records.

6.10.1. Monthly Reports. Within thirty (30) days after the end of each calendar month during the Term (each, a "**Reporting Month**"), Seller shall provide to PacifiCorp a report in electronic format, which report shall include (a) summaries of the Facility's wind and 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 PacifiCorp may from time to time reasonably request (including historical wind data for the Facility).

6.10.2. Electronic Fault Log. Seller shall maintain an electronic fault log of operations of the Facility during each hour of the Term commencing on the Commercial Operation Date. Seller shall provide PacifiCorp 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.

6.10.3. Other Information to be Provided to PacifiCorp. Seller shall provide to PacifiCorp the following information concerning the Facility:

(a) Upon the request of PacifiCorp, the manufacturers' guidelines and recommendations for maintenance of the Facility equipment;

(b) A report summarizing the results of maintenance performed during each Maintenance Outage, Planned Outage, and any Forced Outage, and upon request of PacifiCorp any of the technical data obtained in connection with such maintenance;

(c) Before Final Completion, a monthly progress report stating the percentage completion of the Facility and a brief summary of construction activity during the prior month;

(d) Before Final Completion, a monthly report containing a brief summary of construction activity contemplated for the next Month;

(e) From and after the Commercial Operation Date, a monthly report detailing the Availability of the Facility; and

(f) At any time from the Effective Date, one year's advance notice of the termination or expiration of any agreement, including Wind Leases, pursuant to which the Facility or any equipment relating thereto is upon the Premises; provided that the foregoing does not authorize any early termination of any Wind Lease.

6.10.4. Information to Governmental Authorities. Seller shall, promptly upon written request from PacifiCorp, provide PacifiCorp with all data collected by Seller related to the Facility reasonably required by PacifiCorp or an Affiliate thereof for reports to, and information requests from, any Governmental Authority or Electric System Authority. Along with this information, Seller shall provide to PacifiCorp copies of all submittals to Governmental Authorities or Electric System Authorities directed by PacifiCorp 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 PacifiCorp with sufficient advance notice to enable PacifiCorp to review such information and meet any submission deadlines imposed by the requesting organization or entity.

6.10.5. Data Request. Seller shall, promptly upon written request from PacifiCorp, provide PacifiCorp with data reasonably required for information requests from any Governmental Authorities, state or federal agency intervenor or any other party achieving intervenor status in any PacifiCorp rate proceeding or other proceeding before any Governmental Authority. Seller shall use best efforts to provide this information to PacifiCorp sufficiently in advance to enable PacifiCorp to review it and meet any submission deadlines.

6.10.6. Documents to Governmental Authorities. After the sending or filing any statement, application, and report or any document with any Governmental Authority or Electric System Authority relating to operation and maintenance of the Facility, Seller shall promptly provide to PacifiCorp a copy of the same.

6.10.7. Environmental Information. Seller shall, promptly upon written request from PacifiCorp, provide PacifiCorp with all data reasonably requested by PacifiCorp relating to environmental information under the Required Facility Documents. Seller shall further provide PacifiCorp with all environmental impact mitigation measures it is taking in connection with the Facility's construction of operation, as well as copies of all agreements between Seller and federal, state or local environmental agencies.

6.10.8. Operational Reports. Seller shall provide PacifiCorp monthly operational reports in a form and substance acceptable to PacifiCorp and Seller shall, promptly upon written request from PacifiCorp, provide PacifiCorp with all operational data requested by PacifiCorp with respect to the performance of the Facility and delivery of energy, Green Tags or Capacity Rights therefrom.

6.10.9. Notice of Material Adverse Events. Seller shall promptly notify PacifiCorp of receipt of written notice or actual knowledge by Seller or its Affiliates 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 herein.

6.10.10. 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, materially and adversely affect Seller, the Premises or the Facility, Seller shall promptly give notice to PacifiCorp of the same. In addition, following its receipt of written notice or actual knowledge of the commencement of any action, suit, and proceeding against the Seller before any court or Governmental Authority, Seller shall promptly give notice to PacifiCorp of the same.

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

6.10.12. Confidential Treatment. The monthly reports and other information provided to PacifiCorp under this Section 6.10 shall be treated as Confidential Business Information, subject to PacifiCorp's rights to disclose such information pursuant to Sections

6.10.4, 6.10.5, 9.5, 22.3, and pursuant to any applicable Requirements of Law. Seller shall have the right to seek confidential treatment of any such information from the Governmental Authority entitled to receive such information.

6.11 Financial and Accounting Information. If PacifiCorp 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 PacifiCorp or its Affiliate may confirm whether a variable interest does exist under FIN 46. If PacifiCorp or its Affiliate determines that, under FIN 46, it holds a variable interest in Seller, Seller hereby agrees to provide sufficient financial and other information to PacifiCorp or its Affiliate so that PacifiCorp may properly consolidate the entity in which it holds the variable interest or present the disclosures required by FIN 46. PacifiCorp shall reimburse Seller for Seller's reasonable costs and expenses, if any, incurred in connection with PacifiCorp's requests for information under this Section 6.11.

6.12 Availability Guaranty.

6.12.1. Guaranteed Availability. Seller guarantees that the annual Availability of the Facility (the "**Guaranteed Availability**") shall be that set forth in **Exhibit B**. In no event shall the required Guaranteed Availability for any period be subject to any adjustment in the event that Seller achieves Final Completion at less than one hundred percent (100%) of the Expected Nameplate Capacity Rating.

6.12.2. Liquidated Damages for Output Shortfall. If the Availability in any given Contract Year falls below the Guaranteed Availability for that Contract Year, the resulting shortfall shall be expressed in MWh as the "Output Shortfall." The Output Shortfall shall be calculated in accordance with the following formula:

$$\text{Output Shortfall} = (\text{Guaranteed Availability} - \text{Availability}) \times \text{Expected Energy}.$$

If an Output Shortfall occurs in any given Contract Year, Seller shall pay PacifiCorp liquidated damages equal to the product of (i) the Output Shortfall for that Contract Year, multiplied by (ii) PacifiCorp's Cost to Cover for that Contract Year; *provided, however*, for the first calendar year in which Commercial Operation occurs the Output Shortfall shall be prorated on the basis of the number of days in the period from the Commercial Operation Date through to the end of such calendar year. Each Party agrees and acknowledges that (a) the damages that PacifiCorp would incur due to the Facility's failure to achieve the Guaranteed Availability would be difficult or impossible to predict with certainty and (b) the liquidated damages contemplated by this provision are a fair and reasonable calculation of such damages. An Example calculation of liquidated damages for an Output Shortfall is included in **Exhibit 6.12.2**.

6.12.3. Annual Invoicing. On January 31 of each Contract Year, PacifiCorp shall deliver to Seller an invoice showing PacifiCorp's computation of Net Output and Output Shortfall, if any, for the prior Contract Year and any amount due PacifiCorp for liquidated damages pursuant to 6.12.2 in respect thereof. In preparing such invoices, PacifiCorp shall

utilize the meter data provided to PacifiCorp for the Contract Year in question, but may also rely on historical averages and such other information as may be available to PacifiCorp at the time of invoice preparation, if the meter data for such Contract Year is then incomplete or otherwise not available. To the extent required, PacifiCorp shall true up any such invoice as promptly as practicable following its receipt of actual results for the relevant Contract Year. Seller shall pay to PacifiCorp, by wire transfer of immediately available funds to an account specified in writing by PacifiCorp 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, and shall within thirty (30) days after receiving the invoice raise any objections regarding any disputed portion of the invoice. All disputes regarding such invoices shall be subject to Section 10.4. Objections not made by Seller within the thirty (30) day period shall be deemed waived.

6.13 Access Rights. Upon reasonable prior notice and subject to the prudent safety requirements of Seller, Seller shall provide PacifiCorp 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 acceptance tests, (c) in connection with the operation and maintenance of the Interconnection Facilities, (d) to provide tours of the Facility to customers and other guests of PacifiCorp (not more than 12 times per year), (e) for purposes of implementing Sections 2.6 or 10.5, and (f) for other reasonable purposes at the reasonable request of PacifiCorp. PacifiCorp shall release the Seller against and from any and all Liabilities resulting from actions or omissions by any person or entity within the PacifiCorp Indemnitees in connection with their access to the Facility Site, except to the extent that such damages are caused or exacerbated by the intentional or gross negligent act or omission of any Seller Indemnitee.

6.14 Facility Images. PacifiCorp shall be free to use any and all images from or of the Facility for promotional purposes. Upon PacifiCorp's request and at PacifiCorp's expense, Seller shall install imaging equipment at the Facility as PacifiCorp may request, including video and or web-based imaging equipment. PacifiCorp shall retain full discretion on how such images are presented including associating images of the Facility with a PacifiCorp-designated corporate logo.

SECTION 7

QUALIFYING FACILITY OR

EXEMPT WHOLESALE GENERATOR STATUS

7.1 Seller's Election. Seller covenants that, during the Term and before delivering Net Output and associated Green Tags to PacifiCorp hereunder, Seller shall, to the extent required to prevent Seller from being regulated as a "Public Utility" pursuant to PUHCA or otherwise, either (a) cause the Facility to be a QF, or (b) cause Seller to be an EWG.

7.2 QF Facility. If the Facility is a QF, Seller shall provide PacifiCorp with copies of the appropriate certification (which may include a FERC self-certification) within ten (10) days of filing or receiving the certification. At any time during the Term, for cause, PacifiCorp may require Seller to provide PacifiCorp with a written legal opinion from an attorney in good standing with recognized expertise in FERC matters and who has no economic relationship, association or nexus with Seller or the Facility (other than an attorney-client relationship), stating that the Facility is a QF and providing sufficient proof (including copies of all documents and

data that PacifiCorp may request) demonstrating that Seller has maintained and will continue to maintain the Facility as a QF. During the Term, Seller shall, to the extent required to prevent Seller from being regulated as a “Public Utility” pursuant to PUHCA or otherwise, maintain its QF status, and shall not seek to change the Contract Price as a result of its status as a QF.

7.3 EWG. If Seller is an EWG, Seller shall provide PacifiCorp with copies of Seller’s applications to FERC for EWG status and for authority to sell energy hereunder before Commercial Operation and within ten (10) days after filing such applications. During the Term, Seller shall maintain its EWG status (to the extent it is required by law to do so) and its authority to sell power hereunder.

SECTION 8

SECURITY AND CREDIT SUPPORT

8.1 Credit Support. At any time during the Term, PacifiCorp may require Seller 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.

8.1.1. Use of Credit Support Security to Pay Amounts Due to PacifiCorp. If Seller fails to pay any amount due to PacifiCorp within the time provided for payment hereunder, PacifiCorp shall be entitled to and shall draw upon the Credit Support Security from time to time in an amount equal to the amount unpaid, and Seller shall be required to replenish or reinstate the Credit Support Security up to the amount specified in Credit Matrix. Without limiting its other remedies hereunder, PacifiCorp shall also be entitled to draw upon the Credit Support Security for damages arising if this Agreement is terminated under Section 11 because of Seller’s default.

8.2 Subordinated Security Interests (SECTION 8.2 IS APPLICABLE ONLY FOR AGREEMENTS BACKED BY AN ASSET).

8.2.1. Security Interests. On or before the Effective Date, and simultaneously with the acquisition by Seller after the Effective Date of any additional real property in connection with the Facility, Seller shall execute, file and record such agreements, documents, instruments, mortgages, deeds of trust and other writings as PacifiCorp may reasonably request, all in form and substance reasonably satisfactory to PacifiCorp, to give PacifiCorp a perfected security interest in and lien on the Facility, the Premises, all present and future real property, personal property and fixtures therein and all other assets necessary or appropriate for the

development, construction, ownership, operation or maintenance of the Facility, as security for Seller's performance and any amounts owed by Seller to PacifiCorp pursuant hereto (collectively the "**Security Interests**"). The Security Interests shall be subordinate in right of payment, priority and remedies only to (i) the interests of the Senior Lenders, and (ii) to the extent provided by applicable law, any workers', mechanics', suppliers' or similar liens arising in the ordinary course of business that are either not yet due and payable or that have been released by means of a performance bond posted within five (5) Business Days of the commencement of any proceeding to foreclose the lien.

8.2.2. Pledge of Ownership Interests. On or before the Effective Date, Seller's equity holders shall execute and file such agreements, documents, instruments, and other writings as PacifiCorp may request, all in form and substance satisfactory to PacifiCorp, to give PacifiCorp 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 PacifiCorp pursuant hereto (the "**Pledge Interest**"). The Pledge Interest shall be subordinate in right of payment, priority and remedies only to the interests of the Senior Lenders.

8.2.3. 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 PacifiCorp 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 PacifiCorp by reason of any breach or default by Seller hereunder or the termination hereof prior to the expiration of the Term.

8.2.4. Transfer of Required Facility Documents. The Security Interests shall provide that if PacifiCorp acts to obtain title to the Facility pursuant to the Security Interests, Seller shall take all steps necessary to transfer all Required Facility Documents necessary to operate the Facility to PacifiCorp, and shall diligently prosecute and cooperate in such transfers.

8.2.5. Debt-to-Equity Ratio Seller shall at all times during the Term maintain a debt-to-equity ratio of no less than 30% equity and annually provide to PacifiCorp by March 1 of each Contract Year a certificate of Seller's Chief Financial Officer attesting to the maintenance of such debt-to-equity ratio. Seller shall not grant a security interest to any third party in the Facility or any of its assets to support the obligations of any entity other than Seller, or any obligations of Seller other than obligations that relate directly to the Facility.

8.3 Annual and Quarterly Financial Statements. If requested by PacifiCorp from time to time, Seller shall, within thirty (30) days provide PacifiCorp with copies of its most recent annual and quarterly financial statements prepared in accordance with generally accepted accounting principles.

8.4 Security is Not a Limit on Seller's Liability. The security contemplated by this Section 8: (a) constitutes security for, but is not a limitation of, Seller's obligations hereunder, and (b) shall not be PacifiCorp's exclusive remedy for Seller's failure to perform in accordance

with this Agreement. To the extent that PacifiCorp draws on any credit security, Seller shall, within five (5) Business Days, replenish or reinstate the drawn security to the full amount then required by this Section 8. At any time the Seller or its credit support provider(s), if applicable, must maintain Credit Ratings such that the amount of Credit Support required in Section 8.1 is maintained during the Term.

8.5 Senior Lender Protective Provisions. PacifiCorp agrees to enter into a consent to collateral assignment in substantially the form of the Lender Consent attached hereto as **Exhibit 8.6** 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 9 **METERING**

9.1 Installation of Metering Equipment. Metering equipment shall be designed, furnished, installed, owned, inspected, tested, maintained and replaced as provided in the Generation Interconnection Agreement; *provided, however,* that PacifiCorp acting in its merchant function capacity shall be under no obligation, pursuant hereto, to bear any expense relating to such metering equipment.

9.2 Metering. Metering shall be performed at the location and in the manner specified in **Exhibit 9.2**, the Generation Interconnection Agreement and as necessary to perform Section 4.5 and Seller's other obligations hereunder. All quantities of energy purchased hereunder shall reflect the net amount of energy flowing into the System at the Point of Delivery.

9.3 Inspection, Testing, Repair and Replacement of Meters. PacifiCorp shall periodically inspect, test, repair and replace the metering equipment as provided in the Generation Interconnection Agreement. If any of the inspections or tests disclose an error exceeding one-half of one percent (0.5%), either fast or slow, proper correction, based upon the inaccuracy found, shall be made of previous readings for the actual period during which the metering equipment rendered inaccurate measurements if that period can be ascertained. If the actual period cannot be ascertained, the proper correction shall be made to the measurements taken during the time the metering equipment was in service since last tested, but not exceeding three (3) months, in the amount the metering equipment shall have been shown to be in error by such test. Any correction in billings or payments resulting from a correction in the meter records shall be made in the next monthly billing or payment rendered. Such correction, when made,

shall constitute full adjustment of any claim between Seller and PacifiCorp arising out of such inaccuracy of metering equipment.

9.4 Metering Costs. To the extent not otherwise provided in the Generation Interconnection Agreement, Seller shall bear all costs (including PacifiCorp's costs) relating to all metering equipment installed to accommodate Seller's Facility.

9.5 Meter Data. Upon written request by PacifiCorp, Seller shall promptly request the Interconnection Provider or Transmission Provider in writing to provide any and all meter or other data associated with the Facility or Net Output directly to PacifiCorp. Notwithstanding any other provision hereof, PacifiCorp shall have the right to provide such data to any Electric System Authority.

9.6 WREGIS Metering. PacifiCorp shall have the right upon notice to Seller to perform the Qualified Reporting Entity functions for the Facility~~Seller shall cause the Facility~~ to implement all necessary generation information communications in WREGIS, and report generation information to WREGIS pursuant to a WREGIS-approved meter that is dedicated to the Facility and only the Facility. Seller shall be the WREGIS Qualified Reporting Entity, provided that PacifiCorp may at its option, without being obligated to do so, elect to perform the Qualified Reporting Entity functions for the Facility.

SECTION 10

BILLINGS, COMPUTATIONS AND PAYMENTS

10.1 Monthly Invoices. On or before the tenth (10th) day following the end of each calendar month, Seller shall deliver to PacifiCorp a proper invoice showing Seller's computation of Net Output delivered to PacifiCorp during such month. When calculating the invoice, Seller shall provide computations showing the portion of Net Output that was delivered during On-Peak Hours and the portion of Net Output that was delivered during Off-Peak Hours. If such invoice is delivered by Seller to PacifiCorp, then PacifiCorp shall send to Seller, on or before the later of the twentieth (20th) day following receipt of such invoice or the thirtieth (30th) day following the end of each month, payment for Seller's deliveries of Net Output and associated Green Tags to PacifiCorp

10.2 Offsets. PacifiCorp may offset any payment due hereunder against amounts owing from Seller to PacifiCorp pursuant hereto or any other agreement between the Parties. PacifiCorp's exercise of recoupment and set off rights shall not limit the other remedies available to PacifiCorp hereunder, under such other agreements, or otherwise.

10.3 Interest on Late Payments. Any amounts that are not paid when due hereunder shall bear interest at the Contract Interest Rate from the date due until paid; *provided, however*, that this interest rate shall at no time exceed the maximum rate allowed by applicable law.

10.4 Disputed Amounts. If either Party, in good faith, disputes any amount due pursuant to an invoice rendered hereunder, 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. Except with respect to invoices provided under Section 6.12.3, 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 after such determination or resolution, along with interest at the Contract Interest Rate from the date due until the date paid.

10.5 Audit Rights. Each Party, through its authorized representatives, shall have the right, at its sole expense upon reasonable notice and during normal business hours, to examine and copy the records of the other Party to the extent reasonably necessary to verify the accuracy of any statement, charge or computation made hereunder or to verify the other Party's performance of its obligations hereunder. Upon request, each Party shall provide to the other Party statements evidencing the quantities of energy delivered at the Point of Delivery. 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 at the Contract Interest Rate from the date of the overpayment or underpayment to the date of receipt of the reconciling payment. Notwithstanding the foregoing, no adjustment shall be made with respect to any statement or payment hereunder unless a Party questions the accuracy of such payment or statement within two (2) years after the date of such statement or payment.

SECTION 11

DEFAULTS AND REMEDIES

11.1 Defaults. The following events are defaults hereunder:

11.1.1. Defaults by Either Party.

(a) A Party fails to make a payment when due hereunder if the failure is not cured within ten (10) days after the non-defaulting Party gives the defaulting Party a notice of the default.

(b) A Party (i) makes an assignment for the benefit of its creditors; (ii) 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; (iii) becomes insolvent; or (iv) is unable to pay its debts when due.

(c) A Party breaches a representation or warranty made by it herein if the breach is not cured within thirty (30) days after the non-defaulting Party gives the defaulting Party a notice of the default.

(d) A Party otherwise fails to perform any material obligation hereunder if the failure is not cured within 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 30 day period shall be extended by an additional 60 days if (a) the failure cannot reasonably be cured within the 30 day period despite diligent efforts, (b) the default is capable of being cured within the additional 60 day period, and (c) the defaulting Party

commences the cure within the original 30 day period and is at all times thereafter diligently and continuously proceeding to cure the failure.

11.1.2. Defaults by Seller.

(a) Seller fails to post, increase, maintain or replenish any Credit Support Security as required in Section 8.

(b) Seller fails to (i) cause the Facility to achieve Commercial Operation on or before the Guaranteed Commercial Operation Date, or (ii) complete all items included on the Final Completion Punch List by 120 days after the Commercial Operation Date.

(c) Seller sells energy, Green Tags or Capacity Rights from the Facility to a Party other than PacifiCorp in breach hereof if Seller does not permanently cease such sale and compensate PacifiCorp for the damages arising from the breach within ten (10) days after PacifiCorp gives Seller a notice of default.

(d) Seller defaults under any material agreement with third parties relating to the ownership, interconnection, operation, transmission from, maintenance or repair of the Facility, and fails to cure such default within the time required under such agreement, after the expiration of applicable notice, cure and waiver periods.

(e) PacifiCorp receives notice of foreclosure of the Facility or any part thereof by a Lender, mechanic or materialman, or any other holder, of an unpaid lien or other charge or encumbrance, if the same has not been stayed, paid, or bonded around within ten days.

(f) After the Commercial Operation Date, Seller fails to maintain any Required Facility Documents, Permits, land rights, interconnection rights or other material rights necessary to own or operate the Facility, after the expiration of applicable notice, cure and waiver periods.

11.2 Remedies for Failure to Deliver/Receive.

11.2.1. Remedy for Seller's Failure to Deliver. If Seller fails to deliver all or part of the energy (and associated Green Tags) required to be delivered as Net Output pursuant hereto, and such failure is not excused under the terms hereof or by PacifiCorp's failure to perform, then Seller shall pay PacifiCorp within five (5) Business Days after invoice receipt, an amount equal to (i) PacifiCorp's Cost to Cover multiplied by the Net Output not delivered, (ii) additional transmission charges, if any, reasonably incurred by PacifiCorp in moving replacement energy to the Point of Delivery or if not there, to such points in PacifiCorp's control area as are determined by PacifiCorp, and (iii) any additional cost or expense incurred as a result of Seller's failure to deliver, as determined by PacifiCorp in a commercially reasonable manner (but not including any penalties, ratcheted demand or similar charges). The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

11.2.2. Remedy for PacifiCorp's Failure to Purchase. If PacifiCorp fails to receive or purchase all or part of the Net Output and associated Green Tags required to be purchased pursuant hereto and such failure is not excused under the terms hereof or by Seller's

failure to perform, then PacifiCorp shall pay Seller, on the earlier of the date payment would otherwise be due in respect of the month in which the failure occurred or within five (5) Business Days after invoice receipt, an amount equal to Seller's Cost to Cover multiplied by the amount of Net Output so not purchased. In addition, to the extent Seller is unable to sell the Net Output to third parties, PacifiCorp shall be obligated to pay Seller an amount (the "**PTC Amount**") equal to the sum of (a) the value of the PTCs, if applicable, that would have been earned by Seller associated with the amount of such Net Output not purchased by PacifiCorp (and not excused under the terms hereof or by Seller's failure to perform) at no more than \$19.00 MWh adjusted annually for inflation, plus (b) an amount in respect of any taxes on the PTC Amount required to be paid by Seller to any taxation authority, to the extent that Seller is not eligible to receive the PTC value associated with such Net Output as a result of Seller's inability to sell such Net Output to a substitute buyer and provided that Seller has used all commercially reasonable efforts to mitigate its damages (as provided in Section 11.6) to avoid the loss of PTC eligibility for such amounts. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation thereof.

11.2.3. Remedy for Seller's Failure to Sell/Deliver Capacity Rights. Seller shall be liable for PacifiCorp's actual damages in the event Seller fails to sell or deliver all or any portion of the Capacity Rights to PacifiCorp.

11.3 Termination and Remedies. Upon the occurrence of, and during the continuation of, an event of default hereunder, 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 default by Seller, and until it has recovered all damages incurred on account of such default by Seller, without exercising its termination right, PacifiCorp may offset its damages against any payment due Seller. Except in circumstances in which a remedy provided for in this Agreement is described as a Party's sole or exclusive remedy, upon termination, the non-defaulting Party may pursue any and all legal or equitable remedies provided by law, equity or this Agreement (including Section 24.6). The rights contemplated by this Section 11 are cumulative such that the exercise of one or more rights shall not constitute a waiver of any other rights. In the event of a termination hereof:

(a) Each Party shall pay to the other all amounts due the other hereunder for all periods prior to termination, subject to offset by the non-defaulting Party against damages incurred by such Party.

(b) The amounts due pursuant to Section 11.3(a) shall be calculated and paid within thirty (30) days after the billing date for such charges and shall bear interest thereon at the Contract Interest Rate from the date of termination until the date paid.

(c) Before and after upon the effective date of termination, the non-defaulting Party may pursue, to the extent permitted by this Agreement, any and all legal or equitable remedies provided by law, equity or this Agreement (including Section 24.6).

(d) The provisions of Sections 4.5, 5.4, 6.10.4, 6.10.5, 8.2, 9.5, 10.3, 10.4, 10.5, 11.4, 11.5, 11.9, 12, 20.3 and 23 shall survive the termination hereof.

11.4 Termination of Duty to Buy; Memorandum of Agreement. If this Agreement is terminated because of a default by Seller, neither Seller, nor any successor to Seller with respect to the ownership of the Facility (for whom Seller acts herein as agent), may thereafter require or seek to require PacifiCorp to purchase energy from the Facility under PURPA (on account of its status as a QF), or any other Requirements of Law, for any periods that would have been within the Term had this Agreement remained in effect. Seller, on behalf of itself and on behalf of any other entity on whose behalf it may act, hereby waives its rights to require PacifiCorp to do so. On or before the Effective Date, the Parties shall execute and record, in the appropriate real property records of the Counties in which the Facility or Premises are situated, and of the U.S. Bureau of Land Management or other federal agency as applicable, a memorandum in the form of **Exhibit 11.4** to provide constructive notice to third parties of Seller's agreements under this Section 11.4 and under PacifiCorp's Covered Facility Right of First Offer and Section 8.2 hereof with respect to PacifiCorp's subordinated lien rights.

11.5 Termination Damages. If this Agreement is terminated as a result of a default by one of the Parties, termination damages shall be determined. The amount of termination damages shall be calculated by the non-defaulting Party within a reasonable period after termination of the Agreement. Amounts owed pursuant to this Section shall be due within five (5) Business Days after the non-defaulting Party gives the defaulting Party notice of the amount due. The non-defaulting Party shall under no circumstances be required to account for or otherwise credit or pay the defaulting Party for economic benefits accruing to the non-defaulting Party as a result of the defaulting Party's default.

11.6 Duty/Right to Mitigate. Each Party agrees that it has a duty to mitigate damages and covenants that it will use commercially reasonable efforts to minimize any damages it may incur as a result of the other Party's performance or non-performance hereof. "Commercially reasonable efforts" by Seller shall require Seller to (i) use commercially reasonable efforts to maximize the price for energy received by Seller from third parties, including entering into an enabling agreement with, or being affiliated with, one or more power marketers of nationally recognized standing to market such energy (and associated Green Tags) not purchased or accepted by PacifiCorp, and (ii) offering to sell to PacifiCorp (prior to selling to any third party) the Green Tags associated with such energy at the price then applicable to Green Tags hereunder.

11.7 Credit Support Security. If this Agreement is terminated because of Seller's default, PacifiCorp may, in addition to pursuing any and all other remedies available at law or in equity, proceed against any Credit Support Security or security held by PacifiCorp in whatever form to reduce any amounts that the Seller owes PacifiCorp arising from such default.

11.8 Step-In Rights. (SECTION 11.8 IS APPLICABLE ONLY FOR AGREEMENTS BACKED BY AN ASSET).

11.8.1 Failure to Achieve Commercial Operation. If Seller fails to achieve Commercial Operation of the Facility by the Guaranteed Commercial Operation Date, PacifiCorp shall have the right to enter the Facility and do all such things as PacifiCorp may consider necessary or desirable to complete the Facility and cause Commercial Operation to occur. PacifiCorp may at its option following Commercial Operation Date (a) return the Facility to Seller upon execution of an indemnity and release by Seller of all claims arising out of the

period of PacifiCorp's entry on the Facility in a form reasonable acceptable to PacifiCorp or (b) failing the execution of such release or indemnity, (i) operate the Facility for the Term pursuant to Section 11.8.2 or (ii) terminate this Agreement without payment of any damages. Seller shall indemnify and hold PacifiCorp harmless from and against all losses, costs, charges and expenses incurred by PacifiCorp in connection with exercise of its rights under this Section 11.8.1, whether to third parties or otherwise, other than due to the gross negligence or willful misconduct of PacifiCorp.

11.8.2. License to Operate Facility. Seller hereby irrevocably grants to PacifiCorp the right, license, and authority to enter the Premises, operate the Facility, and to perform Seller's obligations hereunder for the Term during the continuance of a an Event of Default by Seller. PacifiCorp may, but shall not be obligated to, exercise its rights as licensee under this Section in lieu of termination. During any period in which PacifiCorp is operating the Facility pursuant to the license granted in this Section, Seller shall, upon request from PacifiCorp, reimburse PacifiCorp for all reasonable costs and expenses incurred by PacifiCorp to operate and maintain the Facility.

11.8.3. Records and Access. Seller shall collect and have available at a convenient, central location at the Facility all documents, contracts, books, manuals, reports, and records required to construct, operate, and maintain the Facility in accordance with Prudent Electrical Practices. Upon PacifiCorp's notice of its intent to exercise Step-In Rights pursuant to Section 11.8.1 or 11.8.2, PacifiCorp, its employees, contractors, or designated third parties shall have the right to enter the Site and the Facility for the purpose of constructing or operating the Facility. Upon the exercise by PacifiCorp of the Step-In Rights, the Seller shall cause the Facility operator (and any Person within the control of the Seller) to give PacifiCorp access to and control of the operation and maintenance of the Facility to the extent reasonably necessary to enable PacifiCorp to exercise the Step-In Rights in respect of the part of the Facility so to be operated by PacifiCorp, and shall provide reasonable assistance and cooperation to PacifiCorp to effect safely the transfer of operational responsibility as may be requested by PacifiCorp. The Seller shall execute such documents and take such other action as may be necessary for PacifiCorp to effectuate its rights under this Section.

11.8.4. Return. PacifiCorp may, at any time, terminate its exercise of the Step-In Rights whether or not the applicable event has been cured. If at any time after exercising its Step-In Rights, PacifiCorp elects to return such possession to Seller, PacifiCorp shall provide Seller with at least ten (10) Days advance notice of the date PacifiCorp intends to return such possession, and upon receipt of such notice Seller shall take all measures necessary to resume possession of the Facility on such date.

11.8.5. No Assumption. PacifiCorp's exercise of its Step-In Rights shall not be deemed an assumption by PacifiCorp of any liability of the Seller due and owing prior to the exercise of such rights. PacifiCorp shall not assume any liability of the Seller for the period during which PacifiCorp exercises such Step-In Rights pursuant to this Section 11.8. During any period that PacifiCorp is exercising its Step-In Rights, Seller shall retain legal title to and ownership of the Facility and all of its other property and its revenues. When exercising its Step-In Rights, PacifiCorp shall assume possession, operation, and control of the Facility solely as

agent for Seller. In no event shall PacifiCorp' election to exercise the Step-In Rights be deemed to constitute a transfer of ownership of or title to the Facility or any assets of Seller.

11.8.6. Costs and Expenses. Seller shall indemnify and hold harmless PacifiCorp from and against all losses, costs, charges and expenses incurred by PacifiCorp in connection with exercise of its rights under this Section 11.8 other than due to the gross negligence or willful misconduct of PacifiCorp. In connection with its exercise of rights under this Section 11.8, PacifiCorp shall have the right to recoup and set off all such losses, costs, charges and expenses against amounts otherwise owed by PacifiCorp hereunder. PacifiCorp's exercise of such recoupment and set off rights shall not limit the other remedies available to PacifiCorp hereunder or otherwise.

11.9 Right of First Offer for Facility Output. In the event of any termination hereof by PacifiCorp pursuant to Section 11.1.2, in addition to PacifiCorp's rights to collect Delay Damages and its remedies under the Credit Support Security, PacifiCorp shall have a right of first offer (the "**Covered Facility Right of First Offer**") on the output of any wind-powered generation facility (a "**Covered Facility**") that from time to time may be constructed by Seller or any Affiliate of Seller on the Premises, up to (but not to exceed) an amount equal to the Expected Energy at the Contract Price. The Covered Facility Right of First Offer shall be exercisable by PacifiCorp through the fifth (5th) anniversary date of PacifiCorp's notice of termination. Seller shall provide PacifiCorp with no less than fifteen (15) days' (but no more than twelve (12) months') prior written notice of the anticipated commercial operation date for any wind turbines constituting part of a Covered Facility and not previously subject to PacifiCorp's Covered Facility Right of First Offer. PacifiCorp shall notify Seller within sixty (60) days as to whether PacifiCorp elects to purchase the output of such portions of the Covered Facility. If PacifiCorp elects to purchase the output of such portions of the Covered Facility, such output (along with associated Green Tags) shall be sold to PacifiCorp for the contract price that would have applied to energy and associated Green Tags purchased by PacifiCorp hereunder had this Agreement remained in effect, at the rates and for the periods indicated in **Exhibit 5.1**. PacifiCorp shall not have a Covered Facility Right of First Offer (a) with respect to the output of any turbines constituting a portion of the Covered Facility that has been offered to PacifiCorp pursuant to this Section 11.9 on an earlier occasion and not been accepted by PacifiCorp, or (b) with respect to any output that would cause the total output purchased by PacifiCorp pursuant to its Covered Facility Right of First Offer to exceed the amount of the Expected Energy.

11.10 Cumulative Remedies. The rights and remedies provided to PacifiCorp hereunder are cumulative and not exclusive of any rights or remedies of PacifiCorp.

SECTION 12 **INDEMNIFICATION AND LIABILITY**

12.1 Indemnities.

12.1.1. Indemnity by Seller. To the extent permitted by Requirements of Law and subject to Section 12.1.5, Seller shall release, indemnify and hold harmless PacifiCorp, its Affiliates, and each of its and their respective directors, officers, employees, agents, and representatives (collectively, the "**Buyer Indemnities**") against and from any and all losses,

finances, penalties, claims, demands, damages, liabilities, actions or suits of any nature whatsoever (including legal costs and attorney's fees, both at trial and on appeal, whether or not suit is brought) (collectively, "**Liabilities**") resulting from, or arising out of, or in any way connected with, the performance by Seller of its obligations hereunder, or relating to the Facility, for or on account of (i) injury, bodily or otherwise, to, or death of, or (ii) for damage to, or destruction or economic loss of property of, any person or entity, excepting only to the extent such Liabilities as may be caused by the gross negligence or willful misconduct of any person or entity within the Buyer Indemnities.

12.1.2. Indemnity by PacifiCorp. To the extent permitted by Requirements of Law and subject to Section 12.1.5, PacifiCorp shall release, indemnify and hold harmless Seller, its Affiliates, and each of its and their respective directors, officers, employees, agents, and representatives (collectively, the "**Seller Indemnities**") against and from any and all Liabilities resulting from, or arising out of, or in any way connected with, the performance by PacifiCorp of its obligations hereunder for or on account of (i) injury, bodily or otherwise, to, or death of, or (ii) for damage to, or destruction or economic loss of property of, any person or entity within the Buyer Indemnities, excepting only to the extent such Liabilities as may be caused by the gross negligence or willful misconduct of any person or entity within the Seller Indemnities.

12.1.3. Additional Cross Indemnity. Without limiting Sections 12.1.1 and 12.1.2, Seller shall release, indemnify and hold harmless the PacifiCorp Indemnitees from and against all Liabilities related to Net Output prior to its delivery by Seller at the Point of Delivery, and PacifiCorp shall release, indemnify and hold harmless the Seller Indemnities from and against all Liabilities related to Net Output once delivered to PacifiCorp at the Point of Delivery as provided herein, except in each case to the extent such Liabilities are attributable to the gross negligence or willful misconduct or a breach of this Agreement by any member of the PacifiCorp Indemnities or the Seller Indemnities, respectively, seeking indemnification hereunder.

12.1.4. No Dedication. Nothing herein shall be construed to create any duty to, any standard of care with reference to, or any liability to any person not a Party hereto. No undertaking by one Party to the other under any provision hereof shall constitute the dedication of PacifiCorp's facilities or any portion thereof to Seller or to the public, nor affect the status of PacifiCorp as an independent public utility corporation or Seller as an independent individual or entity.

12.1.5. Consequential Damages. **EXCEPT TO THE EXTENT SUCH DAMAGES ARE INCLUDED IN ANY LIQUIDATED DAMAGES, DELAY DAMAGES, PACIFICORP AND SELLER COST TO COVER DAMAGES, PTC LOSS DAMAGES, INDEMNIFICATION FOR THIRD PARTY DAMAGES, OR OTHER SPECIFIED MEASURE OF DAMAGES EXPRESSLY PROVIDED FOR HEREIN, 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 13 **INSURANCE**

13.1 Required Policies and Coverages. Without limiting any liabilities or any other obligations of Seller hereunder, 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 13** during the periods specified on **Exhibit 13**.

13.2 Certificates and Certified Copies of Policies. Seller shall provide PacifiCorp with a certified “true and correct” copy of the insurance policies, provisions and endorsements contemplated by **Exhibit 13** within ten (10) days after the date by which such policies are required to be obtained (as set forth in **Exhibit 13**). The certificate (a) shall not include the legend “certificate is not evidence of coverage” or any statement with similar effect, (b) the insurer shall have a firm obligation to provide PacifiCorp with thirty (30) days prior written notice of coverage modifications (not merely an obligation to “endeavor” or words of similar effect), and (c) shall be endorsed by a person who has authority to bind the insurer. Within thirty (30) days after the date by which such policies are required to be obtained, Seller shall provide PacifiCorp with a certified “true and correct” copy of the insurance policies, provisions and endorsements contemplated by **Exhibit 13**. 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 14 **FORCE MAJEURE**

14.1 Definition of Force Majeure. “**Force Majeure**” or “an event of Force Majeure” means an event that (a) is not reasonably anticipated as of the date hereof, (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 PacifiCorp’s ability to purchase, energy or Green Tags at a more advantageous price than is provided hereunder; (ii) the cost or availability of fuel or motive force to operate the Facility; (iii) economic hardship, including lack of money; (iv) any breakdown or malfunction of Facility Wind Turbines or other equipment (including any serial equipment defect) that is not directly caused by an independent event of Force Majeure, (v) the imposition upon a Party of costs or taxes allocated to such Party under Section 5, (vi) delay or failure of Seller to obtain or perform any Required Facility Document, (vii) any delay, alleged breach of contract, or failure by the Transmission Provider, Network Service Provider or Interconnection provider (viii) maintenance upgrade or repair of any facilities or right of way corridors constituting part of or involving Interconnection Facilities, whether performed by or for Seller, or other third parties (except for repairs made necessary as a direct result of an event of Force Majeure); (ix) Seller’s failure to obtain, or perform under, the Generation Interconnection Agreement, or its other contracts and obligations to Transmission

Owner, Transmission Provider or Interconnection Provider; or (x) any event attributable to the use of Transmission Owner Interconnection Facilities for deliveries of Output to any party other than PacifiCorp. Notwithstanding anything to the contrary herein, in no event will the increased cost of electricity, steel, labor, or transportation constitute an event of Force Majeure.

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

14.2.1. the Party affected by the Force Majeure, shall, within five (5) days after the occurrence of the event of Force Majeure, give the other Party written notice describing the particulars of the event; and

14.2.2. the suspension of performance shall be of no greater scope and of no longer duration than is required to remedy the effect of the Force Majeure; and

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

14.3 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.

14.4 Strikes. Notwithstanding any other provision hereof, neither Party shall be required to settle any strike, walkout, lockout or other labor dispute on terms which, in the sole judgment of the Party involved in the dispute, are contrary to the Party's best interests.

14.5 Right to Terminate. If a Force Majeure event prevents a Party from substantially performing its obligations hereunder for a period exceeding 180 consecutive days (despite the affected Party's effort to take all reasonable steps to remedy the effects of the Force Majeure with all reasonable dispatch), then the Party not affected by the event of Force Majeure, with respect to its obligations hereunder, may terminate this Agreement by giving ten (10) days prior notice to the other Party. Upon such termination, neither Party will have any liability to the other with respect to 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 hereunder before the effective date of such termination.

SECTION 15 **SEVERAL OBLIGATIONS**

Nothing contained herein 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.

SECTION 16 **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.

SECTION 17
PARTIAL INVALIDITY

The Parties do not intend to violate any laws governing the subject matter hereof. If any of the terms hereof are finally held or determined to be invalid, illegal or void as being contrary to any applicable 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 applicable law, (b) give effect to the intent of the Parties in entering hereinto, and (c) preserve the balance of the economics and equities contemplated by this Agreement in all material respects.

SECTION 18
NON-WAIVER

No waiver of any provision hereof shall be effective unless the waiver is set forth in a writing that (a) expressly identifies the provision being waived, and (b) is executed 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 hereof shall not be construed as a waiver of any other failure or failures, whether of a like kind or different nature.

SECTION 19
GOVERNMENTAL JURISDICTION AND AUTHORIZATIONS

This Agreement is subject to the jurisdiction of those Governmental Authorities having control over either Party or this Agreement. During the Term, Seller shall maintain all Permits required, as applicable, for the construction, operation, or ownership of the Facility.

SECTION 20
SUCCESSORS AND ASSIGNS

20.1 Restriction on Assignments. Except as expressly provided in this Section 20, neither Party may assign this Agreement or any of its rights or obligations hereunder without the prior written consent of the other Party.

20.2 Permitted Assignments. Notwithstanding the foregoing, either Party may, without the need for consent from the other Party (but with notice to the other Party, including the names of the assignees), (a) transfer, sell, pledge, encumber or assign this Agreement or the accounts, revenues or proceeds therefrom in connection with any financing or other financial arrangements; (b) transfer or assign this Agreement to an Affiliate of such Party; or (c) subject to Section 20.3, transfer or assign this Agreement to any party succeeding to all or substantially all of the assets or generating assets of such Party (and, with respect to Seller, Seller shall be required to transfer or assign this Agreement to any party succeeding to all or substantially all of the assets of Seller); provided, however, that Seller shall not transfer, sell, encumber or assign this Agreement or any interest herein to any Affiliate of PacifiCorp without the prior written

consent of PacifiCorp. Except with respect to collateral assignments for financing purposes and also except as otherwise provided above in the immediately preceding sentence, in every assignment hereof, the assignee shall (x) agree in writing to be bound by the terms and conditions hereof, (y) possess the same or similar experience, and possess the same or better creditworthiness, as the assignor, and (z) the assignor shall remain liable for its obligations hereunder. PacifiCorp may assign this Agreement in whole or in part without the consent of Seller to any person or entity in the event that PacifiCorp ceases to be a load-serving entity, in which event PacifiCorp shall be released from liability hereunder if its assignee meets the requirements of clauses (x) and (y) in the immediately preceding sentence and the requirement of clause (z) in the immediately preceding sentence shall not apply to such assignment. The Party seeking to assign or transfer this Agreement shall be solely responsible for paying all costs of assignment.

20.3 Right of First Offer of Sale of the Facility.

20.3.1. Offered Assets. If Seller intends to sell the Facility or any part of the Facility or to sell (individually or in the aggregate) a controlling interest in Seller or the Facility (the “Offered Assets”), it shall first offer the Offered Assets to PacifiCorp. Seller’s offer shall set forth the terms and conditions of the offer in writing and in reasonable detail. Seller shall promptly answer any questions that PacifiCorp may have concerning the offered terms and conditions and shall meet with PacifiCorp to discuss the offer. The provisions of this Agreement will bind any successor or transferee of Seller as if such successor or transferee were the Seller.

20.3.2. PacifiCorp’s Rejection of Offer; Revival of Offer. If PacifiCorp does not accept the offered terms and conditions within 30 days after receiving Seller’s offer, Seller may enter into an agreement to sell the Offered Assets to a third party on terms and conditions no more favorable in the aggregate to the third party than those offered to PacifiCorp. If Seller wishes to enter into an agreement with a third party on terms more favorable to the third party than those previously offered to PacifiCorp under this Section, Seller shall first offer the revised terms and conditions to PacifiCorp under this Section.

20.3.3. PacifiCorp’s Acceptance of Offer. If PacifiCorp accepts an offer made by Seller under this Section, the Parties shall within a further 60 days enter an acquisition agreement that incorporates the terms and conditions of Seller’s offer.

20.4 Right of First Offer on Facility Expansion.

20.4.1. Seller’s Duty to Offer Expansion Energy. If, at any time during the Term, Seller or any Affiliate of Seller intends (a) to install equipment on the Premises in addition to the equipment included in the original Facility, and such installation is designed to increase the capacity of the Facility to more than Facility Nameplate Capacity Rating at Final Completion, or (b) to otherwise enable the Facility or any expansion thereof to produce more than the Maximum Delivery Rate, Seller shall first offer (or cause its Affiliate to offer) the excess above the Maximum Delivery Rate (the “**Expansion Energy**”) to PacifiCorp. Such offer shall set forth the terms and conditions of the offer in writing and in reasonable detail. Seller shall promptly answer any questions that PacifiCorp may have concerning the offered terms and conditions and shall meet with PacifiCorp to discuss the offer.

20.4.2. PacifiCorp's Rejection of Offer; Revival of Offer. If PacifiCorp does not accept the offered terms and conditions within thirty (30) days after receiving Seller's offer, Seller (or the applicable Affiliate of Seller) may enter into an agreement to sell the Expansion Energy to a third party on terms and conditions no more favorable to the third party than those offered to PacifiCorp. If Seller (or its Affiliate) wishes to enter into an agreement with a third party on terms more favorable to PacifiCorp than those previously offered to PacifiCorp under this Section, Seller shall first offer (or cause its Affiliate to offer) the revised terms and conditions to PacifiCorp under this Section.

20.4.3. PacifiCorp's Acceptance of Offer. If PacifiCorp accepts an offer made by Seller (or its Affiliate) under this Section, the parties shall within a further sixty (60) days enter into a power purchase agreement in substantially the same form as this Agreement for the purchase and sale of such Expansion Energy (with the security and energy and Green Tags delivery requirements set forth in Section 8 to be adjusted on a pro rata basis to account for the size of the proposed expansion relative to the Nameplate Capacity Rating of the Facility), but incorporating such changes as are expressly identified in the terms and conditions offered by Seller (or its Affiliate).

SECTION 21 **ENTIRE AGREEMENT**

This Agreement supersedes all prior agreements, proposals, representations, negotiations, discussions or letters, whether oral or in writing, regarding the subject matter hereof. No modification hereof shall be effective unless it is in writing and executed by both Parties.

SECTION 22 **NOTICES**

22.1 Addresses and Delivery Methods. All notices, requests, statements or payments shall be made to the addresses set out below. Notices required to be in writing shall be delivered by letter, facsimile or other documentary form. Notice by facsimile or hand delivery shall be deemed to have been given when received or hand delivered. Notice by overnight mail or courier shall be deemed to have been given on the date and time evidenced by the delivery receipt.

To Seller: [to be provided]

To PacifiCorp: PacifiCorp
825 NE Multnomah, Suite 2000
Portland, Oregon 97232- 2315
Attn: Sr. Vice President, Commercial & Trading
Telefacsimile (503) 813-6260

with a copy to: PacifiCorp
825 NE Multnomah, Suite 600
Portland, Oregon 97232- 2315
Attn: Director of Contract Administration, C&T
Telefacsimile (503) 813-6291

with copies to: PacifiCorp Energy Legal Department
825 NE Multnomah, Suite 600
Portland, Oregon 97232- 2315
Attn: Assistant General Counsel
Telefacsimile (503) 813-6761

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

22.3 Notices to Senior Lenders. The requirements concerning notice by PacifiCorp to Senior Lenders, if any, are set forth in the Lender Consent, if any.

SECTION 23 **CONFIDENTIALITY**

23.1 Confidential Business Information. The following constitutes “**Confidential Business Information,**” whether oral or written: (a) the parties’ proposals and negotiations concerning this Agreement, made or conducted prior to the date hereof, (b) the terms hereof, (c) information provided under Section 6.10.1, (d) the actual charges billed to PacifiCorp hereunder, and (e) any information delivered by PacifiCorp to Seller prior to the Effective Date relating to the market prices of energy or Green Tags and methodologies for their determination or estimation, and (f) information provided by one Party to the other pursuant to the terms of this Agreement. Seller and PacifiCorp each agree to hold such Confidential Business Information wholly confidential. Such Confidential Business Information may only be used by the Parties for purposes related to the approval, administration or enforcement hereof and for no other purpose.

23.2 Duty to Maintain Confidentiality. Each Party agrees not to disclose Confidential Business Information to any other person (other than its Affiliates, counsel, consultants, lenders, prospective lenders, purchasers, prospective purchasers, 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: (a) either Party may disclose Confidential Business Information, if and to the extent such disclosure is required: (i) by Requirements of Law, (ii) in order for PacifiCorp to receive regulatory recovery of expenses related to this Agreement, (iii) pursuant to an order of a court or regulatory agency, or (iv) in order to enforce this Agreement or to seek approval hereof, and (b) notwithstanding any other provision hereof, PacifiCorp may in its sole discretion disclose or otherwise use for any purpose in its sole discretion the Confidential Business Information described in Section 23.1 (d) or 23.1(e). 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.

23.3 PacifiCorp Regulatory Compliance. The Parties acknowledge that PacifiCorp is required by law or regulation to report certain information that could embody Confidential Business Information from time to time. Such reports include models, filings, reports of PacifiCorp's net power costs, general rate case filings, power cost adjustment mechanisms, FERC-required reporting such as those made on FERC Form 1, Form 12, or Form 714, market power and market monitoring reports, annual state reports that include resources and loads, integrated resource planning reports, reports to entities such as the North American Electric Reliability Council, Western Electricity Coordinating Council, Pacific Northwest Utility Coordinating Committee, Western Regional Generation Information System, or similar or successor organizations, or similar or successor forms, filings, or reports, the specific names of which may vary by jurisdiction, along with supporting documentation. Additionally, in regulatory proceedings in all state and federal jurisdictions in which it does business, PacifiCorp will from time to time be required to produce Confidential Business Information. PacifiCorp may use its business judgment in its compliance with all of the foregoing and the appropriate level of confidentiality it seeks for such disclosures. PacifiCorp may submit Confidential Business Information in regulatory proceedings without notice to Seller if PacifiCorp has obtained in such proceedings a protective order covering such Confidential Business information.

23.4 Irreparable Injury; Remedies. Each Party agrees that violation of the terms of this Section 23 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.

23.5 News Releases and Publicity. Before Seller issues any news release or publicly distributed promotional material regarding the Facility that mentions the Facility, Seller shall first provide a copy thereof to PacifiCorp for its review and approval. Any use of PacifiCorp's name in such news release or promotional material must adhere to PacifiCorp's publicity guidelines then in effect; any use of Berkshire Hathaway's name requires PacifiCorp's prior written consent.

SECTION 24 **DISAGREEMENTS**

24.1 Negotiations. The Parties shall attempt in good faith to resolve all disputes arising out of, 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 after the referral of the dispute to such 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 24.2 below. All negotiations pursuant to this clause are confidential.

24.2 Mediation. If the dispute is not resolved within thirty (30) days after 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.

(a) 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.

(b) The mediation shall be conducted through, by and at the office of AAA located in Portland, Oregon.

(c) The mediation shall be conducted by a single mediator. The Parties may select any mutually acceptable 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 after 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 24.2(c), and such substitute mediator shall have all such powers as if he or she has been originally appointed herein.

(d) 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 24.2(f). The costs of the mediation, including fees and expenses, shall be borne equally by the Parties.

(e) All verbal and written communications between the parties and issued or prepared in connection with this Section 24.2 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 litigation or other proceedings for the resolution of the dispute.

(f) 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 or after 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 after 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.

(g) All deadlines specified in this Section 24.2 may be extended by mutual agreement.

24.3 Place of Contract Formation; Choice of Forum. Seller and PacifiCorp acknowledge and agree that this Agreement has been made and entered into as of the date first set forth above in the City of Portland, Oregon. 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, or if such court does not have jurisdiction, in the Circuit Court for Multnomah County, Oregon. By execution and delivery hereof, 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 for the purpose of any proceeding related to this Agreement, (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) in connection herewith, and), (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 herein, and (e) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law.

24.4 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 between the Parties, nor will any such statements or offers of settlement be used in any manner against either Party in any such litigation. 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. 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.

24.5 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 HERETO. THIS PROVISION IS A MATERIAL INDUCEMENT TO EACH OF THE PARTIES FOR ENTERING HEREINTO. 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 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.

24.6 Specific Performance. Each Party shall be entitled to seek and obtain a decree compelling specific performance or granting injunctive relief with respect to, and shall be entitled, to enjoin any actual or threatened breach of any material obligation of the other Party hereunder. The Parties agree that specific performance (including temporary and preliminary relief) and injunctive relief are proper in the event of any actual or threatened breach of any material obligation of the other party hereunder, and that any liability limits contained herein shall not operate to limit the exercise of PacifiCorp's remedies in equity to cause Seller to perform its obligations hereunder. Seller agrees that it will not assert as a defense to PacifiCorp's action for specific performance of, or injunctive 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 (as the case may be) all assets and Required Facility Documents relating to the Facility to the extent necessary to prevent a material adverse effect on PacifiCorp's right to specific performance or injunctive relief.

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

[SELLER]

By: _____
Name: _____
Title: _____

PACIFICORP

By: _____
Name: _____
Title: _____

EXHIBIT A

ESTIMATED MONTHLY OUTPUT

	On-Peak Hours	Off-Peak Hours	Total
January	___ MWh	___ MWh	___ MWh
February	___ MWh	___ MWh	___ MWh
March	___ MWh	___ MWh	___ MWh
April	___ MWh	___ MWh	___ MWh
May	___ MWh	___ MWh	___ MWh
June	___ MWh	___ MWh	___ MWh
July	___ MWh	___ MWh	___ MWh
August	___ MWh	___ MWh	___ MWh
September	___ MWh	___ MWh	___ MWh
October	___ MWh	___ MWh	___ MWh
November	___ MWh	___ MWh	___ MWh
December	___ MWh	___ MWh	___ MWh
Total	___ MWh	___ MWh	___ MWh

EXHIBIT B

GUARANTEED AVAILABILITY

<u>Contract Year</u>	<u>Guaranteed Availability</u>
1	70.0%
2	80.0%
3 - end of Term	87.5%

EXHIBIT C

EXAMPLE OF CALCULATION OF DELAY DAMAGES

For the purposes of this example only, assume the following:

(Note: These assumptions are illustrative only. Actual terms are as defined in this Agreement)

Expected Energy = 185,000 MWhs

PacifiCorp's Cost to Cover = as set forth in the table below

Scheduled Commercial Operation Date: December 31, 2009

Actual Commercial Operation Date: January 15, 2010

DATE	A PacifiCorp's Cost to Cover	B Delay Damages (A X 185,000 / 365)
Thursday, January 14, 2010	\$14.15	\$7,171.92
Wednesday, January 13, 2010	\$20.90	\$10,593.15
Tuesday, January 12, 2010	\$13.90	\$7,045.21
Monday, January 11, 2010	\$16.15	\$8,185.62
Sunday, January 10, 2010	\$16.15	\$8,185.62
Saturday, January 09, 2010	\$14.90	\$7,552.05
Friday, January 08, 2010	\$17.15	\$8,692.47
Thursday, January 07, 2010	\$23.15	\$11,733.56
Wednesday, January 06, 2010	\$19.90	\$10,086.30
Tuesday, January 05, 2010	\$11.90	\$6,031.51
Monday, January 04, 2010	\$12.90	\$6,538.36
Sunday, January 03, 2010	\$12.90	\$6,538.36
Saturday, January 02, 2010	\$20.90	\$10,593.15
Friday, January 01, 2010	\$20.40	\$10,339.73

Total Delay Damages \$119,286.99

EXHIBIT D

NERC EVENT TYPES

Event Type	Description of Outages
U1 ¹	<u>Unplanned (Forced) Outage—Immediate</u> – An outage that requires immediate removal of a unit from service, another outage state or a Reserve Shutdown state. This type of outage results from immediate mechanical/electrical/hydraulic control systems trips and operator-initiated trips in response to unit alarms.
U2 ¹	<u>Unplanned (Forced) Outage—Delayed</u> – An outage that does not require immediate removal of a unit from the in-service state but requires removal within six (6) hours. This type of outage can only occur while the unit is in service.
U3 ¹	<u>Unplanned (Forced) Outage—Postponed</u> – An outage that can be postponed beyond six hours but requires that a unit be removed from the in-service state before the end of the next weekend. This type of outage can only occur while the unit is in service.
SF ¹	<u>Startup Failure</u> – An outage that results from the inability to synchronize a unit within a specified startup time period following an outage or Reserve Shutdown. A startup period begins with the command to start and ends when the unit is synchronized. An SF begins when the problem preventing the unit from synchronizing occurs. The SF ends when the unit is synchronized or another SF occurs.
MO	<u>Maintenance Outage</u> – An outage that can be deferred beyond the end of the next weekend, but requires that the unit be removed from service before the next planned outage. (Characteristically, a MO can occur any time during the year, has a flexible start date, may or may not have a predetermined duration and is usually much shorter than a PO.)
ME	<u>Maintenance Outage Extension</u> – An extension of a maintenance outage (MO) beyond its estimated completion date. This is typically used where the original scope of work requires more time to complete than originally scheduled. Do not use this where unexpected problems or delays render the unit out of service beyond the estimated end date of the MO.
PO	<u>Planned Outage</u> – An outage that is scheduled well in advance and is of a predetermined duration, lasts for several weeks and occurs only once or twice a year. (Boiler overhauls, turbine overhauls or inspections are typical planned outages.)
PE	<u>Planned Outage Extension</u> – An extension of a planned outage (PO) beyond its estimated completion date. This is typically used where the original scope of work requires more time to complete than originally scheduled. Do not use this where unexpected problems or delays render the unit out of service beyond the estimated end date of the PO.

¹ These event types are all contributors to the FOR & EFOR calculations in the reports section.

Monday, January 05, 2009	\$55.00	\$44.00		\$51.33	\$0.00
Sunday, January 04, 2009	-	-	\$41.56	\$41.56	\$0.00
Saturday, January 03, 2009	\$53.00	\$46.00		\$50.67	\$0.00
Friday, January 02, 2009	\$56.00	\$40.00		\$50.67	\$0.00
Thursday, January 01, 2009	\$55.00	\$42.00		\$50.67	\$0.00

Cost to Cover for
2009 \$1.52

- * The Cost to Cover for each Calendar Year is the average of the daily Cost to Cover calculations shown above.
- * Firm On-peak and Firm Off-peak prices in this example are illustrative only.
- * The Contract Price used in the example above is illustrative only. Actual Contract Prices are in Exhibit 5.1.2.
- * Green Tag replacement value is illustrative only.

EXHIBIT F

SAMPLE REPORT FROM FIRM MARKET PRICE INDEX

[Note to Bidders: A sample report will be provided during the final negotiation process]

EXHIBIT G

APPROVED LICENSED PROFESSIONAL ENGINEERS

[Note to Bidders: A list of approved licensed professional engineers will be provided during the final negotiation process]

EXHIBIT H

PERMITS

[Note to Bidders: To be adapted to conform to proposed resource.]

EXHIBIT I

START-UP TESTING

[Note to Bidders: To be adapted to conform to proposed resource.]

EXHIBIT 2.6

PACIFICORP'S INITIAL DESIGNATED REPRESENTATIVES

1. Authorized Representatives.

PacifiCorp: Senior Vice President- Commercial & Trading
PacifiCorp Energy
825 NE Multnomah St., Suite 600
Portland, OR 97232-2315
Fax 503-813-6271

With a copy to: Director, Marketing and Trading Contracts
PacifiCorp Commercial and Trading
825 NE Multnomah St., Suite 600
Portland, OR 97232-2315
Fax 503-813-6271

EXHIBIT 3.2.6

REQUIRED FACILITY DOCUMENTS

1. **Obtained Required Facility Documents:**

Licenses, Permits and Authorizations:

Construction and Operations and Maintenance:

Land Rights:

Wind Leases:

See Exhibit 3.2.8

2. **To Be Obtained Required Facility Documents:**

Licenses, Permits and Authorizations:

Construction Agreements:

Operations and Maintenance Agreements:

[should also include easements (overhang, noise, ROW), crossing agreements, subordination agreements (i.e., agricultural leases), estoppels, non-interference, or wind indemnity agreements; such further documents as internal review further requires.

EXHIBIT 3.2.8

WIND LEASES

[description of wind leases to be provided]

EXHIBIT 4.4.2

EXAMPLE OF CALCULATION OF PAYMENT DUE FOR CURTAILMENT ENERGY

For the purposes of this example only, assume the following:

(Note: These assumptions are illustrative only. Actual terms are as defined in this Agreement)

- The Facility is curtailed pursuant to Section 4.4.2 from 12:00 August 15, 2008 through 17:00 August 15, 2008
- Contract Price in 2008 during the hours of the curtailment is \$55.10/MWh
- Production Tax Credit in 2008 is \$19/MWh
- Curtailment Energy as agreed to by the parties pursuant to Section 4.4.2 is as shown in the table below

Hour Ending	A Curtailed Energy (MWhs)	B = A X (55.10 + 19) Curtailment Payment
8/15/08 20:00	0	\$0.00
8/15/08 19:00	0	\$0.00
8/15/08 18:00	0	\$0.00
8/15/08 17:00	60	\$4,446.00
8/15/08 16:00	35	\$2,593.50
8/15/08 15:00	37	\$2,741.70
8/15/08 14:00	42	\$3,112.20
8/15/08 13:00	56	\$4,149.60
8/15/08 12:00	65	\$4,816.50
8/15/08 11:00	0	\$0.00
8/15/08 10:00	0	\$0.00
8/15/08 9:00	0	\$0.00
8/15/08 8:00	0	\$0.00
Total Curtailment Payment		\$21,859.50

EXHIBIT 4.5

GREEN TAG ATTESTATION AND BILL OF SALE

[_____] (“Seller”) hereby sells, transfers and delivers to PacifiCorp the Green Tags (including all Environmental Attributes and Green Tag Reporting Rights) associated with the generation and delivery of energy to PacifiCorp under the Power Purchase Agreement (Renewable Energy) between Seller and PacifiCorp dated [_____] (the “PPA”), as described below, in the amount of one Green Tag for each megawatt hour generated. Defined terms used in this Green Tag Attestation and Bill of Sale (as indicated by initial capitalization) shall have the meaning set forth in the PPA.

Facility name and location: _____ Fuel Type: _____

Capacity (MW): _____ Operational Date: _____

Energy Admin. ID no.: _____

<u>Dates</u>	<u>MWh generated</u>
_____	_____

Seller further attests, warrants and represents, under penalty of perjury, as follows:

- i) to the best of its knowledge, the information provided herein is true and correct;
- ii) its sale to PacifiCorp is its one and only sale of the Green Tags and associated Environmental Attributes referenced herein;
- iii) the Facility generated and delivered to the grid the energy in the amount indicated above pursuant to the PPA; and
- iv) to the best of Seller’s knowledge, each of the Green Tags and Environmental Attributes associated with the generation of energy for delivery under the PPA have been generated and sold by the Facility.

This Green Tag Attestation and Bill of Sale confirms, in accordance with the PPA, the transfer from Seller to PacifiCorp all of Seller’s right, title and interest in and to the Green Tags (including Green Tag Reporting Rights and Environmental Attributes) associated with the generation of the energy from the Facility under the PPA as set forth above.

Seller's Contact Person: [_____]

WITNESS MY HAND,

[SELLER],

a [_____] [_____]

By _____

Its _____

Date: _____

This Attestation may be disclosed by Seller and PacifiCorp to others, including the Center for Resource Solutions and the public utility commissions having jurisdiction over PacifiCorp, to substantiate and verify the accuracy of PacifiCorp's advertising and public communication claims, as well as in PacifiCorp's advertising and other public communications.

EXHIBIT 5.1

CONTRACT PRICE

[Note to Bidders: List Contract Prices by year and broken out in each year into On-Peak Hours and Off-Peak Hours prices]

EXHIBIT 6.1

DESCRIPTION OF FACILITY

[To be provided by bidder]

EXHIBIT 6.12.2

**EXAMPLE CALCULATION OF LIQUIDATED DAMAGES
FOR AN OUTPUT SHORTFALL**

[Example to be developed based upon actual Expected Energy]

EXHIBIT 8.4.1

FORM OF SUBORDINATED MORTGAGE

[Note to Bidders: This will be provided by PacifiCorp and will vary based upon the jurisdictions in which the Facility is located.]

EXHIBIT 8.6

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).

WHEREAS, Borrower intends to develop, construct, install, test, own, operate and use an approximately ___ MW wind-powered electric generating facility located _____, known as the _____ Wind Generation Project (the “Project”).

WHEREAS, 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.

WHEREAS, 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.

WHEREAS, 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 “PPA”).

WHEREAS, 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 PPA to Administrative Agent for the benefit of itself, the Lenders and each other entity or person providing collateral security under the Financing Documents.

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 PPA 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 PPA, subject to applicable notice and cure periods provided in the PPA. 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 PPA 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 PPA 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 PPA, or consent to or accept any cancellation, termination or suspension thereof by Borrower, except as provided in the PPA 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 PPA, except as provided in the PPA, or (iii) amend or modify the PPA in any manner materially adverse to the interest of the Lenders in the PPA 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 PPA 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 PPA. Administrative Agent shall have: (a) the same period of time to cure the breach or default that Borrower is entitled to under the PPA if such default is the failure to pay amounts to PacifiCorp which are due and payable by Borrower under the PPA, except that if PacifiCorp does not deliver the default notice to Administrative Agent concurrently with delivery of the notice to Borrower under the PPA, then as to Administrative Agent, the applicable cure period under the PPA shall begin on the date on which the notice is given to Administrative Agent, or (b) the later of the applicable cure period under the PPA or 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 PPA, Section 11.1.2(c) of the PPA is not being breached, and all other obligations under the PPA are performed by Borrower or Administrative Agent or its designees or assignees. If possession of the Project is necessary to cure such breach or default, and Administrative Agent or its designees or assignees declare Borrower in default and commence foreclosure proceedings, Administrative Agent or its designees or assignees will be allowed a reasonable period to complete such proceedings. PacifiCorp consents to the transfer of Borrower's interest under the PPA to the Lenders or Administrative Agent or their designees or assignees 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 designees or assignees or any of them or other purchaser or grantee as the applicable party under the PPA (provided that such Lenders or Administrative Agent or their designees or assignees or purchaser or grantee assume the obligations of Borrower under the PPA, including satisfaction and compliance with all requirements of Article 8 of the PPA, and provided further that PacifiCorp's subordinated lien rights with respect to the Project are preserved in the event of any such transfer of Borrower's interest under the PPA).

(D) Notwithstanding subparagraph 1(C) above, in the event that the PPA is rejected by a trustee or debtor-in-possession in any bankruptcy or insolvency proceeding, or if the PPA is terminated for any reason other than a default which could have been but was not cured by Administrative Agent or its designees or assignees 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 designees or assignees will enter into a new contract. Such new contract shall be on the same terms and conditions as the original PPA for the remaining term of the original PPA before giving effect to such termination, and shall require the Lenders or Administrative Agent or their designees or assignees to cure any payment defaults then existing under the original PPA.

(E) In the event Administrative Agent, the Lenders or their designees or assignees elect to perform Borrower's obligations under the PPA 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 designees and assignees shall be limited to such parties' interests in the Project, the credit support required under Article 8 of the PPA, and recourse against the assets of any party or entity that assumes the PPA or that enters into such new contract. Nothing herein abrogates PacifiCorp's Covered Facility Right of First Offer as that term is defined in the PPA.

(F) In the event Administrative Agent, the Lenders or their designees or assignees succeed to Borrower's interest under the PPA, Administrative Agent, the Lenders or their designees or assignees shall cure any then-existing payment and performance defaults under the PPA, except any performance defaults of Borrower itself which by their nature are not susceptible of being cured and do not impair PacifiCorp's rights under the PPA. Administrative Agent, the Lenders and their designees or assignees shall have the right to assign all or a pro rata interest in the PPA 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 PPA. Upon such assignment, Administrative Agent and the Lenders and their designees or assignees (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 PPA, 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 PPA 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 PPA is in full force and effect;

(D) each of this Consent and the PPA 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 PPA;

(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 PPA and the transactions contemplated hereby and thereby;

(F) the execution, delivery and performance by it of this Consent and the PPA, 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 PPA, 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 PPA 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 PPA; and

(I) the PPA and the documents and instruments contemplated therein and this Consent are the only agreements between Borrower and PacifiCorp with respect to the Project.

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: [_____]

If to Administrative Agent:

[_____]
[_____]
[_____]
Telephone No.: [_____]
Telecopy No.: [_____]
Attn: [_____]

If to Borrower:

[_____]
[_____]
[_____]
Telephone No.: [_____]
Telecopy No.: [_____]
Attn: [_____]

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 PPA 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 PPA 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 executed 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 PPA, 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 PPA by any party other than Borrower shall (1) release Borrower from any obligation of Borrower under the PPA, (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 PPA. 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 PPA. 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: _____

EXHIBIT 9.2

POINT OF DELIVERY/INTERCONNECTION FACILITIES

[To be provided by bidder]

EXHIBIT 11.4

FORM OF MEMORANDUM OF POWER PURCHASE AGREEMENT

WHEN RECORDED, MAIL TO:

PACIFICORP
825 NE Multnomah, Suite 2000
Portland, Oregon 97232-2315
Attn: Director of Contract Administration

MEMORANDUM OF POWER PURCHASE AGREEMENT

THIS MEMORANDUM OF POWER PURCHASE AGREEMENT (“Memorandum”), dated as of _____, 200__, is made by and between _____, a _____ limited liability company (“Seller”), and PACIFICORP, an Oregon corporation acting in its merchant function capacity (“PacifiCorp”). Seller and PacifiCorp are sometimes hereinafter referred to collectively as the “Parties” and individually as a “Party”.

RECITALS

A. Seller and PacifiCorp have entered into that certain Power Purchase Agreement on the ___ day of _____, 200__ (the “Agreement”), pursuant to which Seller has agreed to construct, own, operate and maintain a wind-powered generation facility for the generation of electric energy to be located in _____ (as more particularly defined in the Agreement, the “Project”), and upon completion of said Project, to sell to PacifiCorp the electric energy to be produced by the Project as well as all associated “Green Tags” (as that term is defined in the Agreement), all on the terms and conditions set forth in the Agreement. The real property on which the Project is to be constructed (the “Premises”) is more particularly described in the attached Exhibit “A”.

B. Seller and PacifiCorp desire to provide record notice of (i) certain terms and conditions of the Agreement pertaining to the Parties’ respective rights and obligations under the Agreement in the event the Agreement is terminated due to a default by Seller, and (ii) Seller’s obligation under the Agreement to grant to PacifiCorp a subordinated lien on the Project and Premises, as security for Seller’s obligations under the Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and obligations set forth in the Agreement and this Memorandum, Seller and PacifiCorp agree as follows:

TERMS

1. The Premises. Seller acknowledges and agrees that the real property comprising the Premises, and all improvements and fixtures to be constructed thereon, including without limitation, the Project, is and will be owned by the Seller and shall hereafter be held, sold, conveyed, transferred, assigned, subdivided, leased, rented, encumbered, occupied and used subject to and in accordance with the provisions of Sections 8.3 and 11.4 and 11.8 of the Agreement and this Memorandum.

2. Covenants Running with the Land. The provisions of Section 11.4 and 11.8 of the Agreement are and shall be deemed to be covenants running with the land and shall be binding upon and inure to the benefit of Seller and PacifiCorp and their respective successors and assigns, including without limitation any person acquiring or owning an interest in the Premises or the Project, and their respective heirs, executors, successors, assigns, administrators, devisees and representatives.

3. Notice.

a. Termination for Default. If the Agreement is terminated due to a default by Seller, neither Seller nor any successor to Seller with respect to the ownership of the Project may thereafter require or seek to require PacifiCorp to purchase energy from the Project under the Public Utility Regulatory Policies Act of 1978, as amended from time to time (“PURPA”), or any other “Requirements of Law” on account of its status as a “QF” or “qualifying facility” (as those terms are defined in the Agreement), for any periods that would have been within the “Term” (as defined in the Agreement), had the Agreement remained in effect. Seller, pursuant to Section 11.4 of the Agreement, has, on behalf of itself and its successors, waived its rights to require PacifiCorp to so purchase such energy from the Project in the event of such termination.

b. Survival. The terms and provisions of Section 11.4 of the Agreement shall survive the termination of the Agreement.

4. Notice of Agreement to Grant Subordinated Lien. Pursuant to Section 8 of the Agreement, Seller has agreed to grant PacifiCorp, concurrently with the execution of the Agreement and simultaneously with the acquisition by Seller after the effective date of the Agreement of any additional real property in connection with the Project, a subordinated lien on the Project and all other assets necessary or appropriate for the development, construction, ownership, operation or maintenance of the Project (which lien shall be subordinate to the interests of the “Senior Lenders”, as defined in the Agreement), as security for the obligations of Seller to PacifiCorp under the Agreement.

5. Effect of Memorandum. This Memorandum, and the rights and obligations of the parties hereunder, are subject to all of the terms and conditions of the Agreement. The Agreement is hereby incorporated by reference as if fully set forth herein.

6. Counterparts. This Memorandum may be executed in any number of counterparts, each of which when executed and delivered shall be deemed an original, and all of which shall together constitute one and the same instrument.

7. Further Information. Further information regarding the specific terms and conditions of the Agreement may be requested from PacifiCorp at 825 NE Multnomah, Suite 2000, Portland, Oregon 97232-2315, Attn: Sr. Vice President, Commercial & Trading. Disclosure of any such information shall be subject to the terms and conditions of a written confidentially agreement acceptable to PacifiCorp in its sole and absolute discretion.

IN WITNESS WHEREOF, Seller and PacifiCorp have executed and acknowledged this Memorandum as of the day and year first above written.

_____,
a _____ limited liability company

PACIFICORP,
a Oregon corporation

By _____
Name _____
Title _____

By _____
Name _____
Title _____

STATE OF _____)
: ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2005 by _____, the _____ of _____, a _____ limited liability company.

NOTARY PUBLIC

STATE OF _____)
: ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2005, by _____, the _____ of PACIFICORP, an Oregon corporation.

NOTARY PUBLIC

Exhibit "A"

Legal Description of the Premises

EXHIBIT 13

REQUIRED INSURANCE

[Note to Bidders: A description of required insurance will be provided during the final negotiation process]

EXHIBIT 14

CREDIT MATRIX

[Note to Bidders: The credit matrix is provided in Appendix D of RFP 2008R-1]

