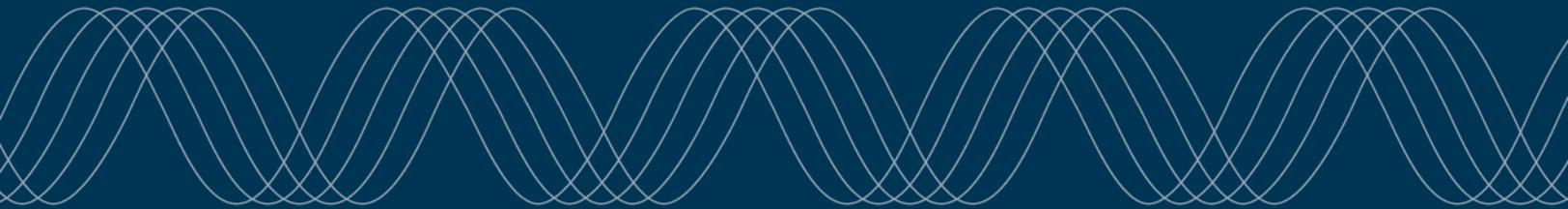


Portland General Electric

2021 All-Source RFP – *Final Draft*



December 16, 2021



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Purpose and Scope

PGE has issued a 2021 All-Source RFP to make an important step in decarbonizing Oregon's grid. In accordance with the 2019 IRP Action plan and updated according to the Oregon Public Utility Commission's (OPUC) Order 21-320, this RFP will look to procure renewable energy and non-emitting dispatchable resources to meet identified 2025 capacity needs. The recent passage of HB 2021 by the Oregon State Legislature mandates and reinforces PGE's commitment to further decarbonize PGE's portfolio. PGE is committed to reduce our emissions by 80% by 2030 and procurements resulting from this 2021 All-Source RFP will provide necessary progress to meet this imperative.

Procurement Targets

PGE is conducting this RFP to contract for resources to meet its long-term energy and capacity needs identified in the 2019 IRP and recently updated. To meet PGE's long-term energy and capacity resource needs PGE will look to procure approximately 150 MWa of qualifying renewable energy resources and sufficient dispatchable capacity resources to meet the remainder of PGE's 375 MW capacity need. PGE will consider procuring more renewable resources to ensure necessary progress in achieving HB 2021 requirements. Specifically, PGE will explore procuring approximately 65 MWa of additional renewable resources beyond the 150 MWa target positioning PGE to have procured approximately one third of its forecasted renewable needs to achieve the HB 2021 2030 goal. Following renewable resource procurement on behalf of PGE's cost of service customers, PGE will look to procure 100 MW of renewable resources in support of PGE's Green Energy Affinity Rider (GEAR) program's PGE supply option.

PGE's 2021 All-Source RFP will differentiate between renewable resources and non-emitting dispatchable resources. Renewable resources must be RPS eligible and qualify for the federal Production Tax Credit (PTC) or the federal Investment Tax Credit (ITC). Non-emitting dispatchable resources must be able to be called upon by PGE to dispatch at controlled times. Non-emitting dispatchable resources include energy storage facilities such as battery storage and pumped hydro. Hybrid resources that combine storage and a renewable resource will be considered renewable resources. All resources (dispatchable or renewable) must be online by the end of 2024, with the exception of long-lead-time pumped hydro resources.

The timing of the 2021 All-Source RFP promotes affordable outcomes through the capture of available federal energy tax credits while allowing PGE to manage and respond to a challenging planning environment. Notably, PGE's RFP schedule allows bidders to take advantage of the Internal Revenue Service's (IRS) construction timeline extension for the 80% Production Tax Credit (PTC). The availability of federal energy tax credits including the PTC affords PGE the opportunity to decarbonize affordably and reliably. In addition, the case for resource procurement has further solidified as uncertainties regarding the COVID-19 pandemic clear, the likelihood of extreme weather increases, and the retirement of regional capacity resources continues.

About PGE

Headquartered in Portland, Oregon, PGE serves just over 900 thousand retail customers in 51 incorporated cities (see territory in Figure 1).

PGE owns generation assets including five gas-fired thermal plants, the Biglow Canyon, Tucannon River and Wheatridge I wind farms, and joint ownership in two units at Colstrip, a Montana based coal plant. PGE also holds long-term contracts for energy from the Mid-Columbia hydroelectric projects on the Columbia River as well as several wind and solar facilities, and regularly enters into short and mid-term wholesale power supply contracts.

Figure 1: PGE's Service Territory



For more information, see PGE's website: www.portlandgeneral.com.

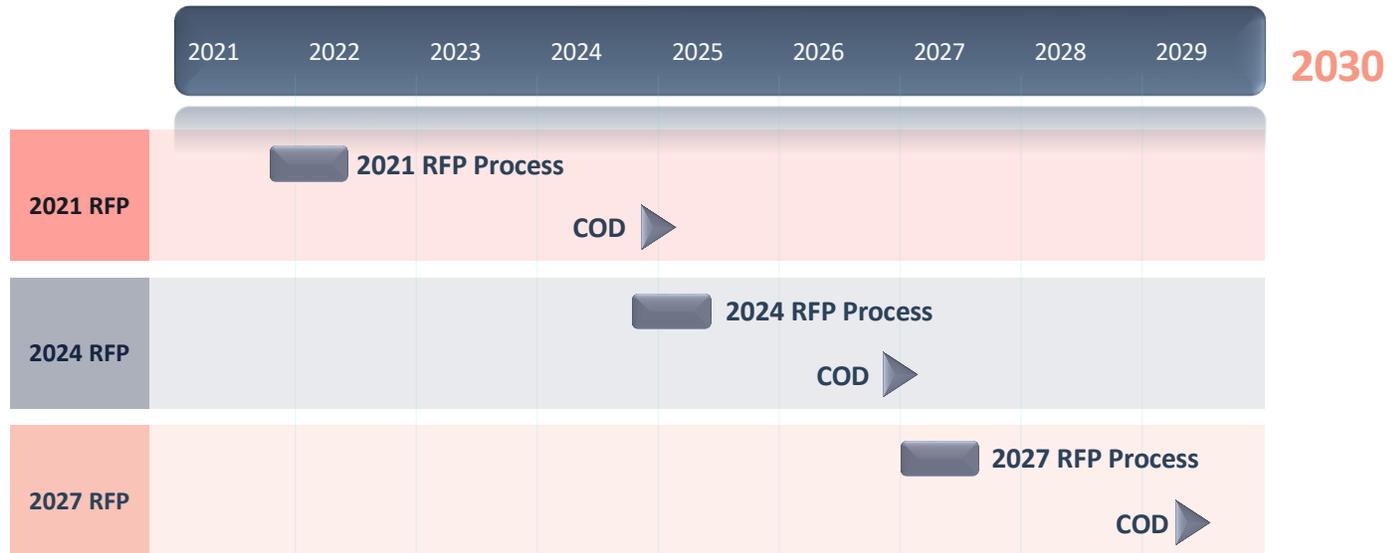
Resource Needs

PGE currently forecasts a shortfall of capacity and non-emitting energy necessary to meet forecasted capacity needs and emission reduction requirements. Current estimates forecast a 372 MW capacity need by 2025 to meet planned capacity adequacy standards. In addition, the passage of Oregon HB 2021 requires PGE to reduce greenhouse gas emissions by 80% relative to baseline levels by 2030. Initial estimates indicate a need for at least 650 MWh of renewable resources and an additional 800 MW of non-emitting capacity resources incremental to PGE's current portfolio. For more information on PGE's resource needs, refer to Appendix Q.

PGE has requested a waiver to file PGE's subsequent Integrated Resource Plan in 2023 inclusive of PGE's HB 2021 compliance plan. If acknowledged, any competitive solicitation arising from that future Action Plan filing is likely not to commence before 2024. As such, it remains important for PGE to make direct and meaningful progress toward HB 2021's 2030 compliance mandate through resource procurement performed in this 2021 All-Source RFP. For this reason, PGE will target procuring

approximately 150 MWa of renewable resources in this solicitation and will consider procuring more renewable resources if warranted to further progress toward PGE’s 2030 compliance requirement. Figure 1, displays a feasible procurement timeline that could allow PGE to procure sufficient resources to meet PGE’s approaching compliance and capacity needs.

Figure 1: Feasible Procurement Pathway Timeline



Independent Evaluator

The Oregon Public Utility Commission has selected Bates White as the independent, third-party evaluator (IE), to help ensure the RFP is conducted in accordance with the OPUC Competitive Bidding Rules and that all bids are evaluated consistently and impartially. The IE will report to the OPUC.

During the remaining portions of the RFP process Bates White will:

- Review PGE’s 2021 All-Source RFP screening for bidder eligibility.
- Participate in any pre-bid conferences and workshops and present on the role of the IE in the competitive solicitation.
- Monitor all aspects of the solicitation process for the final shortlist of bids, including the following:
 - 2021 All-Source RFP(s) screening
 - Communications between bidders and PGE before and after proposals are due
 - Any requested bidder updates
 - Any amendments to the 2021 All-Source RFP issued by PGE
 - Evaluation and ranking of responses
 - Selection of the initial short-list of bids
 - Evaluation of capacity factor verification report (to be provided by independent third-party expert) for variable energy resource bids
 - Selection of the final shortlist of bids

- Audit the bid evaluation process and validate that evaluation criteria, methods, models, and other solicitation processes have been applied consistently and appropriately to all bids. Verify assumptions, inputs, and results are appropriate and reasonable.
- Provide supplemental reports, scores, and evaluations for the following:
 - An assessment of the reasonableness of the score(s) for PGE's benchmark resources.
 - An independent score of PGE benchmark resource(s) and all or a sample of bids to determine whether the selections for the initial and final shortlists are reasonable.
 - An evaluation of the unique risks and advantages associated with available ownership structures (including the benchmark resource(s)) as well as third party bids where applicable.
 - An assessment of the design and results of sensitivity analyses of bid rankings performed by PGE and final shortlist sensitivities.
 - An assessment of consistency with PGE's acknowledged IRP.
- Compare the IE's and PGE's scoring and evaluation of the competing bids and attempt to reconcile and resolve any scoring differences.
- In consultation with OPUC Staff, participate in additional meetings and/or workshops with parties, hosted by Staff, related to final shortlist selection and request for acknowledgment of final shortlist.
- Identify and communicate conflicts of interest between bidders, the IE, and the Company as soon as they are identified. The IE shall summarize all known conflicts in its closing report.
- Participate in OPUC proceedings on acknowledgment of the final shortlist of bids. Participation would include written comments filed with the OPUC and oral comments at an OPUC public meeting or hearing. This could include a formal presentation.
- Issue a Closing Report assessing the company's selection of the final shortlist of bids, including all aspects of the solicitation process and the IE's involvement, observations, conclusions, and recommendations.
- Maintain involvement through negotiation process if required by Commission at the request of Staff.

Staffing Principles

In accordance with OAR 860-089-0300 PGE has ensured that any individual participating in the development of the RFP or the evaluation of bids was not involved with the preparation of a benchmark or affiliate bid and was screened from that process. PGE has designated individuals with the appropriate levels of expertise and technical knowledge to RFP and bid development teams that do not interact on RFP related matters.

In addition, as a transmission provider, PGE complies with the Standards of Conduct adopted by the Federal Energy Regulatory Commission (FERC) which govern interactions between PGE's Transmission Function Employees (TFEs) and PGE's Marketing Function Employees (MFEs) and requires these employees to function independently of each other. Also, employees who are neither MFEs nor TFEs cannot share transmission information with MFEs under FERC's "no-conduit rule."

PGE's senior leadership team will continue to provide oversight and guidance but will not directly participate in either the development of the Benchmark Resource(s) or the RFP.

RFP Schedule

In partnership with OPUC Staff and Stakeholders PGE has developed the following schedule. The RFP schedule is designed to make timely progress toward PGE's capacity and HB 2021 compliance requirements. PGE will also monitor any change to federal tax policy and will consider their impacts on the timing of PGE's solicitation.

- April 28, 2021 - PGE initiates IE selection process
- June 15, 2021 - PGE requests approval of RFP Scoring and Methodology Proposal
- July 13, 2021 - Commission selects IE
- October 5, 2021 - Commission approves RFP Scoring and Methodology Proposal
- October 15, 2021 - PGE submits final draft Renewable RFP to OPUC for approval.
- December 6, 2021 - PGE issues Final RFP.
- December 10, 2021 - Post-issuance bidder conference.
- January 4, 2021 - Benchmark bid due.
- January 17, 2022 – RFP proposals from Bidders due.
- February 11, 2022 - Initial shortlist identified.*
- February 18, 2022 - Best and final price update.*
- April 5, 2022 – PGE submits request for acknowledgment of shortlist to OPUC.*
- June 2022 - Final contracts executed with winning Bidders as applicable.*

*These dates are subject to change depending on the quantity and complexity of bids received and should circumstances require.

Guidelines for Submitting Proposals

This section describes the guidelines that parties submitting bids (Bidders) under this RFP must follow when submitting proposals.

Registration on PGE's RFP Website

PGE's RFP website is the platform for communication and bid materials exchanges between Bidders and PGE. The Independent Evaluator has full access to and control of this site. All prospective Bidders, stakeholders, and other interested parties may register on PGE's RFP website at www.PortlandGeneralRFP2021.com. The website is secure and password protected so that confidential information can be posted on and exchanged via the site.

Other features of the site include:

- The ability to download all public RFP documents, including copies of this document and all related contracts, term sheets and appendices.
- An announcement board for posting of information for the public and Bidders.
- The capability for Bidders to anonymously post questions and comments that can be seen by all users.
- Confidential bid folders for each bid, for the retention and exchange of bid-specific data.

- Confidential evaluation folders for bid evaluation and retention of data for use during regulatory proceedings.

Procedural and Commercial Questions

All correspondence regarding procedural questions, bid submissions and questions related to product characteristics, terms and conditions should be submitted to PGE's RFP website at www.PortlandGeneralRFP2021.com. PGE, in consultation with the IE, as appropriate, will post answers to questions from Bidders, stakeholders, and other interested parties on the site.

PGE's 2021 All-Source RFP was approved for issuance - with conditions - by order of the Public Utility Commission of Oregon as part of the December 2, 2021 Special Public Meeting. If a posted document is identified as inconsistent with the Commission order, PGE will correct the document, post updated documentation, and notify bidders as soon as is practicable.

Submitting Bids

Bidders may submit one or more bids responding to the requested energy product(s). All bids must be submitted online using the bid form that PGE will provide on the RFP website, www.PortlandGeneralRFP2021.com, no later than 12:00 p.m. Pacific Time on January 17, 2022. The bid form will require Bidders to submit information in support of their bids, including but not limited to project description, transaction type and price, project development criteria and developer experience, interconnection and scheduling services, tax benefits, permitting, project resource characteristics, operating costs, credit and financial, etc. Bidders may edit their online bid form until the bid submission deadline at 12:00 p.m. Pacific Time on January 17, 2022 at which time bid forms will be closed to edits, and will be considered to be final submissions.

PGE's Benchmark Bid must be submitted no later than 12:00 p.m. Pacific Time on January 4, 2022, and will be evaluated, scored, and delivered to the IE prior to the receipt of third party bids.

All Bidders with bids on the initial shortlist will be invited to provide best and final price updates no later than February 18, 2022. Best and final price updates will only be accepted if the offer's total price is reduced relative to the initial offer.

Bid Fee

To help defray the costs of the IE and encourage high quality proposals and qualified Bidders, each Bidder in this RFP must pay a non-refundable 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 technology, volume, contract term, in-service date, and/or pricing structure for the same resource at the same location.

A proposal for a different bid at a different site will be considered a separate proposal and will be subject to a separate bid fee.

Fees are to be remitted via electronic funds transfer to PGE. For purposes of assessing bid fees, the IE, in consultation with PGE, shall confirm whether a Bidder's submission constitutes one or more proposals based on the criteria described above.

Submitting a Confidentiality and Non-Disclosure Agreement

The Confidentiality and Non-Disclosure Agreement is available for completion at www.PortlandGeneralRFP2021.com (and is included as Appendix L to this RFP). Bidders are required to complete and sign the confidentiality agreement prior to the bid submission deadline. The confidentiality agreement is to be submitted to PGE through the RFP website. Due to the need to ensure uniform treatment of all confidential information, PGE will not accept changes to the Confidentiality and Non-Disclosure Agreement.

PGE will treat any proprietary and confidential information contained in a bid, in a manner consistent with the terms of the Confidentiality and Nondisclosure Agreement and any Protective Orders issued by the OPUC, provided that such information is clearly identified by the Bidder on each confidential page as “Confidential” or “Confidential Information.” Each Bidder must execute and deliver a copy of the Confidentiality and Nondisclosure Agreement, as soon as possible, but no later than the time of the submission of its bid or bids. Any Confidentiality and Non-Disclosure Agreement received by PGE via email (to: rfp@pgn.com, cc: frank.mossburg@bateswhite.com) prior to December 13th 2021 will be countersigned and returned to the bidder before January 4th 2021. It is the Bidder’s responsibility to indicate clearly in its proposal what materials and what pages it deems to be “confidential” and subject to the Confidentiality and Nondisclosure Agreement.

Validity of Price and Offer

By submitting a bid, the Bidder acknowledges and agrees that the terms of its proposal shall remain irrevocable for the earlier of 250 days after the bid responses are due or when PGE issues a written release of the bid at or before the time the initial or final, as applicable, shortlist is issued. Pricing may be conditional on a commercial contingency, but all commercial contingencies must be satisfied or waived to remain a candidate bid on the final shortlist. Pricing may not be contingent on another offtake agreement for a portion of a facility to guarantee pricing. For Bidders that are participating in the 2022 BPA Cluster Study Process, PGE requests that such Bidders incorporate estimated costs associated with those upgrades in their bids. PGE will not accept revisions to the price based on study results.

Bid Evaluation Criteria

Bids will be assessed by PGE and the IE on the project’s economic competitiveness, project specific commercial and performance risks, and portfolio economic risk. All bids will be evaluated within an individual offer analysis to assign a bid price and non-price score. PGE’s price score comprises 81.2 percent of our evaluation criteria, reflecting PGE’s desire and commitment to obtain the best possible value for our customers. Non-price factors comprise the other 18.8 percent and reflect commercial and

performance risks in addition to operational attributes of the bid proposals. Additional description of the bid evaluation criteria is provided in the Bid Evaluation Process section below and in Appendix N.¹¹

Reservation of Rights

This RFP is not, and shall not be construed to be, an offer by PGE. PGE is not bound to enter into negotiations or execute an agreement with, or purchase any products from, any Bidder as a result of this RFP. No rights shall be vested in any Bidder, individual or entity by virtue of its preparation to participate in, or its participation in, this RFP. No binding commitment shall arise on the part of PGE to any Bidder under this RFP until and unless the parties execute definitive agreements that become effective in accordance with their terms.

Each Bidder shall be solely responsible for all costs it incurs in preparing to participate in, participating in, or responding to this RFP.

The bids received will be evaluated and selected based on the information supplied by each Bidder pursuant to this RFP. PGE reserves the right to modify or withdraw from this RFP process, or modify the schedule and any provisions contained herein, for any reason. PGE also reserves the right, consistent with the Competitive Bidding Rules, to make purchase commitments at any time to suppliers not participating in this RFP process.

PGE reserves to itself:

- The selection of final short-listed bids and the awarding of contracts, if any, in the exercise of its sole discretion.
- The right to include projects on the final shortlist with energy and nameplate capacity amounts in excess of its target to ensure sufficient back-up proposals are available should some bidder(s) materially depart from their bid(s) during the negotiation phase.
- The right to reject any and all bids, and any portion of a specific bid for any reason.
- The right to waive any immaterial non-conformity in any bid received.
- The right to prioritize negotiating with bids on the final shortlist most likely to overcome, in PGE's discretion, remaining development and delivery risk.
- The right to award a contract to a Bidder based on a combination of price and non-price factors, a quantitative and qualitative assessment of portfolio fit, and post-bid negotiations.

¹¹ Please note that the form contracts are factored into the non-price score as part of this solicitation. Declining to provide redlined versions of the contracts - or deferring discussion of certain items - will result in a score of zero for that part of the scoring criteria. Please reference Appendix N for further information.

Document Retention

All bids and exhibits supplied to PGE during the RFP process will become the property of PGE. PGE will retain all bid materials supplied to it and pertinent information generated internally by it in connection with the RFP process in accordance with PGE's document retention policies.

Requested Products

Through this RFP PGE is looking to meet its identified 2025 capacity need of approximately 375 MWs with new renewable and non-emitting capacity resources. All resources participating in this solicitation must be online by 12/31/2024 with the exception of pumped hydro resources that must be online by 12/31/2027.² Bidders may propose additional phases for development, but PGE will only evaluate those phases proposed to be online by 12/31/2024.

Renewable resources must qualify for Oregon's RPS, and they must include all environmental attributes, including Renewable Energy Certificates. Bidders will be responsible for ensuring RECs from projects are bundled as defined in ORS 469A.005, and that they are established through Western Renewable Energy Generation Information System (WREGIS) consistent with OAR 330-160-0020. Consistent with the 2019 IRP Action Plan PGE anticipates procuring approximately 150 MWa of renewable resources for all cost-of-service customers, and per Order No. 21-091³ PGE may procure up to 100 MWs of renewable resources for the PGE supplied option of the GEAR. In compliance with Order 21-320⁴, PGE will also specifically evaluate procuring an additional 65 MWa of renewable resources beyond those above listed volumes.⁵

Non-emitting dispatchable resources must have the capability to dispatch at specified times when called upon by PGE. Examples of these resources include pumped hydro, lithium ion battery storage, and geothermal resources. PGE will utilize portfolio analysis to identify the optimal combination of non-emitting dispatchable resources and renewable resources to procure.

For renewable resources and non-emitting dispatchable resources PGE will consider both physical purchases through a Power Purchase Agreement (PPA) as well as ownership positions through structures including the acquisition of development rights, joint ownership, and build-own-transfer agreements. PGE will also consider a combination of these agreement types.

² PGE will also consider other long-lead time technologies that satisfy the remainder of PGE's eligibility requirements, have been commercially proven, and can be shown to require additional construction time beyond what is possible by 2024.

³ Order 21-091 Available at: <https://apps.puc.state.or.us/orders/2021ords/21-091.pdf>

⁴ Order 21-320 Available at: <https://apps.puc.state.or.us/orders/2021ords/21-320.pdf>

⁵ Order 21-320 Appendix A Page 13.

PGE forecasts 650 MWa of additional renewable resources by 2030. 65 MWa approximately is one third of 650MWa less 150 MWa.

PGE reserves the right to vary from the procurement sized targets based on its evaluation of the price and risk of the bids. This could include not procuring any resources as part of this RFP.

Table 1

Product	Minimum Size	Target Size	Commercial Online Date	Minimum Agreement Term	Maximum Agreement Term
Renewable Resource	3 MW for solar resources and 10 MW for all other resources	150 MWa ⁶ for all Cost of Service Customers and 100MW for the Green Future Impact program	12/31/2024	PPA: 15 years	PPA: 30 years
Non-Emitting Dispatchable Resource	10 MW for all storage resources	PGE's remaining capacity need after renewables acquisitions	12/31/2024, but pumped storage can come online by 12/31/2027	PPA: 15 years	PPA: 30 years

Minimum Requirements

As part of the RFP PGE has the following requirements for participating resources. For additional discussion of these requirements please see Appendix N, PGE's approved scoring and modeling methodology.

Entity

As applicable, entities must be authorized under the law to sell power, and able to schedule power and operate under industry standards established by the Federal Energy Regulatory Commission (FERC), Western Electricity Coordinating Council (WECC), and the North American Energy Reliability Council (NERC), or other applicable regulatory body or government agency.

Financing

⁶ PGE will separately consider a target procurement volume of 215 MWa and the 100 MW GFI volume.

As applicable, Bidders must provide a reasonable plan to obtain project financing. Those Bidders who are unable to internally or balance sheet finance the proposed project (supported by appropriate financial statements) must provide evidence of a good faith commitment from a financial institution or lender prior to placement on PGE's final shortlist.

Technology

PGE will accept bids for resource core technologies that are commercially proven and deployed at large scales within the North American utility industry. Renewable resources bid into the solicitation must be RPS eligible. Dispatchable resources must be non-emitting technologies that can dispatch when called upon.

Bidders are responsible for ensuring and demonstrating that solar panels associated with any bid are not sourced from listed entities on the Department of Commerce - Bureau of Industry and Security's Entity List to ensure that projects do not include polysilicon produced with forced labor.

For energy storage facilities, Bidders must provide a list of major US installations of this storage technology. Storage medium, chemistry and power conversion systems of these installations must be of like kind to what is being proposed. Such installations must be in proved commercial operation beyond R&D demonstrations.

Online Date

All components of resources must be online no later than the end of 2024. For example, in the instance of a solar & storage resource, both the solar and storage components need to be online by 12/31/2024. PGE has made an exception for pumped hydro resources that have long lead times due to the unique value that they offer.⁷ PGE is prepared to accept bids for those resources participating as long as all components of those resources come online by the end of 2027.

Qualifying Product

PGE shall be the sole offtake for all output from the facility or portion of the facility bid into this RFP. Projects must include all power attributes including associated renewable energy credits, environmental attributes, energy benefits, and capacity benefits.

Bidders with renewable resource bids will be responsible for ensuring RECs from renewable resources are bundled as defined in ORS 469A.005, and that they are established through Western Renewable Energy Generation Information System consistent with OAR 330-160-0020.

Nameplate Size

⁷ PGE will also consider other long-lead time technologies that satisfy the remainder of PGE's eligibility requirements, have been commercially proven, and can be shown to require additional construction time beyond what is possible by 2024.

Resources that are bid into this RFP must be large enough to qualify for contracting under PGE's Schedule 202 for qualifying facilities.⁸ Solar resources must be larger than 3 MW and all other facilities must be larger than 10 MW. If a Bidder has an existing Schedule 202 contract with PGE, PGE does not make any commitments to allow the Bidder to exit the existing agreement.

Term Length

For bids that include a power purchase agreement structure, PGE requests that bids have term lengths that are no shorter than 15 years and no longer than 30 years.

Tax Credits

Renewable resources must be eligible for the federal PTC or ITC and all renewable resource bids must demonstrate achievable qualification qualities and plan to establish how the project will obtain the tax credits.

Credit

Bidders must meet PGE's credit eligibility thresholds. For investment grade Bidders, their long-term, senior unsecured debt must be rated BBB- or higher by Standard & Poor's and Fitch, BBB (low) or higher by DBRS, or Baa3 or higher by Moody's Investor Services, Inc. For non-investment grade Bidders, they must demonstrate, prior to final shortlist, that a qualified institution will secure the Bidder's performance obligations through a letter of credit and guaranty, in a form acceptable to PGE.

Additional detail on PGE's credit requirements is included in Appendix K.

Site Control

Bidders must support the bid by demonstrating dependable site control, for both the location of the resource and any gen-tie path that is required. At the time of bid submission, Bidders must possess at least one of the following:

- title to the site
- an executed lease agreement
- an executed easement
- an executed option agreement applicable to a minimum of 80% of the project site

The site control documents should reflect the resource type bid into this RFP.

Prior to placement on PGE's final shortlist, bidders will be required to demonstrate site control for 100% of the project site.

Permitting

⁸ This requirement is consistent with OAR 860-089-0250(4).

Please see Exhibit A in the Scoring and Modeling Methodology document included as Appendix N to this larger RFP document. The chart in Appendix N lists environmental permits and surveys commonly required for construction and operation of an energy project. For each permit and survey, the chart illustrates when the permit must be obtained, or survey must be completed - by bid, final shortlist, or construction - for different technologies. "By bid" requirements necessitate that the project receives the permit from the authorizing agency or the survey has been completed by the time of bid submission. "By final shortlist" requirements necessitate that the project receives the permit from the authorizing agency by the time PGE announces the final shortlist. "By construction" requirements necessitate that the project receives the permit from the authorizing agency before construction begins.

In the event a specific permit is not required at all or during the RFP process for the resources that are bid into this RFP, the Bidder may provide a narrative explanation on the bid form regarding why it is not applicable.⁹

Delivery points

PGE will accept delivery within PGE's balancing authority area and at BPAT.PGE. PGE will not accept delivery at Pelton Round Butte or at PacifiCorp West.

The BPAT.PGE Point of Delivery is associated with the following substations or "sinks":

- PGE Contiguous
- Pearl 230 kV (Sherwood)
- McLoughlin 230 kV
- Keeler 230 kV (St. Mary's)
- Rivergate 230 kV
- Bethel 230 kV ¹⁰
- Troutdale 230 kV (Blue Lake)

Interconnection

For a bid to qualify for the initial shortlist it must have the following:

- An active generation interconnection request in the transmission provider's interconnection queue
- A completed system impact study

⁹ PGE will allow bidders to submit a narrative explanation if they are unable to meet the permitting matrix timeline included in this RFP. PGE views the permits and associated timelines as key to reducing risk and retains the discretion - to be discussed with the IE - to determine whether the explanation provided has merit.

¹⁰ At this time the Bethel 230 kV POD has been determined to have insufficient available capacity and is unavailable for new transmission service requests. However, Bidders that have already been granted long-term service at this POD may use this POD.

- If interconnection involves a 3rd party other than the transmission provider, the bid must also include an interconnection request to the 3rd party and all associated studies.

To qualify for the final shortlist, the Bidder must have a completed facilities study.¹¹

Bidders proposing to interconnect a resource within PGE's Balancing Authority Area will need to include all incremental costs to deliver, or sink, energy from the resource to PGE's load. Bidders can determine these costs by requesting Network Resource Interconnection Service and Network Integration Transmission Service under PGE's Open Access Transmission Tariff (OATT) from PGE's Transmission and Reliability Services Department (T&RS) or Bidders can request Energy Resource Interconnection Service and Point-to-Point Transmission Service under PGE's OATT from T&RS. Either process will enable T&RS to study whether any system upgrades are needed to accommodate transmission service for the bid. Questions concerning the various types of Interconnection and Transmission Service available under PGE's OATT should be directed to T&RS.

Transmission - Renewable Resources

To qualify for this RFP as a renewable resource, a Bidder must have an achievable plan for long-term transmission service for 80% of the interconnection limit of the facility. Short term firm services may be used for the remaining 20% of the facility's interconnection limit. Eligible long-term transmission services include long-term firm, long-term conditional firm bridge, or long-term conditional firm reassessment. For long-term transmission services, Bidders relying on BPA for transmission service are required to have either previously been granted eligible transmission service or have an eligible and active OASIS status Transmission Service Request (TSR) participating in the BPA TSR Study and Expansion Process (TSEP)¹². The eligible transmission service must originate at the resource POR/POI and provide delivery to one of the acceptable Points of Delivery, listed above, prior to the project's COD. Long-term rights must match the duration of the contract term or include rollover rights.¹³

PGE's evaluation process will determine if there are additional costs or risks to deliver the resource to PGE load.

¹¹ Should Congressional action extend the availability of federal tax credits within the timeline of this solicitation, PGE will consult with the IE to evaluate the impacts of allowing for additional time for bidders to complete the SIS and FAS studies.

¹² See BPA TSR Study and Expansion Process Business Practice, dated 4/2/2021, available at: <https://www.bpa.gov/transmission/Doing%20Business/bp/tbp/TSR-Study-Expansion-Process-BP.pdf>

¹³ Should congressional action extend the availability of federal tax credits, PGE will work with the IE to consider how additional time made available for tax credit qualification could allow for broader bidder satisfaction of PGE's transmission requirements. PGE appreciates that timelines for obtaining such transmission can be strenuous and lengthy and invites bidders to include narrative clear and executable paths to procuring transmission service (including study process milestones and reference to public study results for similar projects) that provide a clear and executable path to procuring transmission service. Any clear and executable plan must meet the transmission product and quantity requirements specified in this section.

If a Bidder has a TSR that utilizes Newpoint as the POR, the TSR must reference the specific Generation Interconnection Request number for the resource in the comments field.

Transmission -Dispatchable Resources

To qualify for this RFP as a dispatchable resource, a bidder must have Long-Term Firm transmission service for 100 percent of the facility's interconnection limit. Bidders relying on BPA for transmission service are required to have either previously been granted eligible transmission service or have an eligible and active OASIS status Transmission Service Request (TSR) participating in the BPA TSR Study and Expansion Process¹⁴. The transmission service must originate at the resource point of receipt (POR)/point of interconnection (POI) and provide delivery to one of the acceptable Points of Delivery, defined below, prior to project COD. Long-term rights must match the duration of the contract term or include rollover rights.

PGE's evaluation process will determine if there are additional costs or risks to deliver the resource to PGE load.¹⁵

If a Bidder has a TSR that utilizes Newpoint as the POR, the TSR must reference the specific Generation Interconnection Request number for the resource in the comments field.

Integration

For projects located outside of PGE's Balancing Authority Area, Bidder will procure and PGE will reimburse Bidder for all integration services from an entity, mutually agreed upon by the parties, that may be required to ensure delivery of energy as scheduled to the Delivery Point. Integration Services include, but are not limited to, generation imbalance, variable energy resource balancing service and any EIM costs associated with interconnection. Integration Services do not include ancillary service costs associated with the transmission provider's provision of firm transmission service.

Labor

¹⁴ See BPA TSR Study and Expansion Process Business Practice, dated 4/2/2021, available at:

<https://www.bpa.gov/transmission/Doing%20Business/bp/tbp/TSR-Study-Expansion-Process-BP.pdf>

¹⁵ Should congressional action extend the availability of federal tax credits, PGE will work with the IE to consider how additional time made available for tax credit qualification could allow for broader bidder satisfaction of PGE's transmission requirements. PGE appreciates that timelines for obtaining such transmission can be strenuous and lengthy and invites bidders to include narrative clear and executable paths to procuring transmission service (including study process milestones and reference to public study results for similar projects) that provide a clear and executable path to procuring transmission service. Any clear and executable plan must meet the transmission product and quantity requirements specified in this section.

PGE reminds Bidders that Oregon House Bill 2021 includes labor provisions that support family-wage jobs for the construction and repowering of renewable energy resources in the state. All bids received that are subject to House Bill 2021 must fully comply with the labor standards set within the legislation.

PGE requires that the Bidder has policies in place that are designed to limit or prevent workplace harassment and discrimination.

PGE will be asking that the Bidder has policies in place that are designed to promote workplace diversity, equity and inclusion of communities who have been traditionally underrepresented in the energy sector including, but not limited to, women, veterans and Black, Indigenous and People of Color, with an aspirational goal of having at least 15 percent of the total work hours performed by individuals from those communities.

Equipment manufacturer

For agreement structures that contemplate utility ownership, all major equipment manufacturers must be PGE preferred vendors. A list of PGE's preferred vendors is supplied in Appendix M, PGE's technical specifications.

Technical specifications

For agreement structures that contemplate utility ownership, concurrent with supplying the best and final offer the Bidder must supply redlines to PGE's technical specifications.

Service agreement

For resources that contemplate a utility ownership structure, bids must include quoted vendor costs for long-term service agreements (LTSA) for a minimum of five years. For battery-energy storage resources, LTSAs must include commitments to maintain the capacity performance through augmentation or alternative mechanisms.

Usable Energy Storage Bidding

Bidders are required to bid energy storage resources on a contract capacity basis and must account separately for minimum and maximum system state of charge. PGE will only accept bids that express cost and performance on a usable state of charge basis that allows PGE to dispatch the project from a 0%-100% state of charge without commercial or performance consequence.

Contract Terms and Conditions

Utility Owned Commercial Structures

PGE invites Bidders to submit proposals for various types of asset sale and ownership transfer or service agreements. Form Asset Purchase Agreement (APA) and Engineering Procure Construction

(EPC) term sheets are included in Appendix D. Form APA and EPC Agreements are included in Appendix H and Appendix I. AT THE TIME OF BID SUBMISSION, BIDDERS ARE REQUIRED TO IDENTIFY, THROUGH REDLINES, EXCEPTIONS TO ANY TERM OR CONDITION IN THE TERM SHEET. For terms the Bidder does not intend to accept, the Bidder is required to propose alternative terms and conditions in redline format to the form term sheets. Should proposed revisions to highlighted terms and conditions increase PGE's exposure to risks related to project schedule, performance or cost then PGE will adjust the bid's non-price score consistent with Appendix N. PGE will evaluate all proposed revisions, but is under no obligation to accept any revisions or adopt any changes.

Bidders are not required to mark form agreements, which are included for reference to further characterize the terms and conditions that PGE expects to initiate its negotiations preceding contract execution. BIDDERS THAT CHOOSE NOT TO PROVIDE REDLINES AND DEFER COMMERCIAL COMMITMENTS UNTIL NEGOTIATION PHASE WILL NOT RECEIVE COMMERCIAL PERFORMANCE RISK NON-PRICE POINTS. The specific commercial performance scoring rubric relied upon to guide PGE's scoring is included in Appendix N, Exhibit C.

Ownership proposals may include (but are not limited to) sales of existing assets, acquisition of project development rights, APA & EPC agreements, BTA agreements or joint ownership. PGE asks that for Build Transfer Agreements (BTA) proposals Bidder should mark both APA and EPC term sheets in addition to adding additional principal terms to describe the requested structure. PGE will also consider hybrid structures that include both an ownership component and a power purchase agreement (e.g. the sale of a phase or portion of a project with an off-take agreement for the balance or a PPA with purchase option or obligation). In addition, PGE will consider affiliate ownership opportunities delivered to PGE customers through a power purchase agreement.

Lastly, bids for new, utility ownership resources are expected to be procured and constructed in accordance with PGE's established technical requirements. Appendix M details PGE's technical requirements for the purchase of new wind, solar, storage, and hybrid facilities in addition to general specifications applicable to all new generation technologies. Bidders submitting ownership bids must review the technical specifications to ensure that the bid and associated price reflects PGE's identified requirements. Should a Bidder wish to offer a product different than that suggested by the technical specifications, the Bidder is required to identify through a template exception log which specifications the Bidder takes exception to and identify a cost estimate necessary to align the Bid with the technical specifications. PGE will consider whether the proposed exception is acceptable before applying any owner's cost adjustment necessary to align the Bid with the technical specifications.

Third Party Owned Commercial Structures

PGE invites Bidders to submit proposals for various types of power purchase agreement. The form Renewable PPA Term Sheet is included in Appendix A. The form Storage Capacity Agreement Term Sheet is included in Appendix B. The form Renewable and Storage PPA Term Sheet is included in Appendix C. Form Renewable PPA and Storage Capacity Agreements are included in Appendix E and Appendix F. Bidders must review the Form PPA term sheet for their resource type included in this RFP. AT THE TIME OF BID SUBMISSION, BIDDERS ARE REQUIRED TO IDENTIFY, THROUGH REDLINES, EXCEPTIONS TO ANY TERM OR CONDITION IN THE TERM SHEET. For terms the Bidder does not

intend to accept, the Bidder is required to propose alternative terms and conditions in redline format to the form term sheets. Should proposed revisions to highlighted terms and conditions increase PGE's exposure to risks related to project schedule, performance or cost then PGE will adjust the bid's non-price score consistent with Appendix N. PGE will evaluate all proposed revisions, but is under no obligation to accept any revisions or adopt any changes.

Bidders are not required to mark form agreements, which are included for reference to further characterize the terms and conditions that PGE expects to initiate its negotiations preceding contract execution. BIDDERS THAT CHOOSE NOT TO PROVIDE REDLINES AND DEFER COMMERCIAL COMMITMENTS UNTIL NEGOTIATION PHASE WILL NOT RECEIVE COMMERCIAL PERFORMANCE RISK NON-PRICE POINTS. The specific commercial performance scoring rubric relied upon to guide PGE's scoring is included in Appendix N, Exhibit C.

PGE recognizes that alternative firm energy sale structures may be available and Bidders proposing such alternatives must offer revisions to the term sheet or propose a new term sheet.

Bid Evaluation Process

Overall Process

Bid Submission (described Above)

As described above in the guidelines for submitting proposals, bids will be submitted via PGE's RFP website at www.PortlandGeneralRFP2021.com. Bids for benchmark resources are due on January 4th, 2022 and bids for all other resources are due on January 17th, 2022. To have the resource evaluated Bidders must provide PGE with all data requested in the bid evaluation form. PGE will score the benchmark resources first before scoring any other resources. In the instance that PGE has a question regarding a submission, PGE will issue question to the Bidder and require a response from the Bidder within three business days. In the instance that PGE does not receive a response, the bid may not pass the bid screening or might be subject to a scoring adjustment due to lack of pertinent information.

Initial Bid Screening

PGE will screen each bid based on the minimum qualification criteria described above. Bids that do not sufficiently meet PGE's minimum qualification criteria will not receive a price and non-price score and will not be considered for the initial shortlist. Bidders should note that there are different minimum criteria for the initial shortlist and the final shortlist as it pertains to credit, site control, permitting, interconnection and transmission.

Initial Shortlist Determination

After PGE determines that a bid meets the minimum qualification criteria to be considered for the initial shortlist the bid will be evaluated to determine a price and non-price score in accordance with the

scoring and modeling methodology included in Appendix N. At this stage each bid will be evaluated individually and will receive a score that is specific to that bid. Price and non-price scores for renewable resources will be determined separately from the scores for non-emitting dispatchable capacity resources. PGE will make selections to the initial shortlist based on scores and other factors (e.g. fuel type, transaction type, technology and location) in order to provide for resource diversity.

Initial Shortlist Notification & Additional Actions

Once PGE has determined which resources are on the initial shortlist it will notify bidders and ask for additional documentation or updates regarding letters of credit for non-investment grade bidders, site control, permitting, the completed facilities study for interconnection and any updates on the transmission plan of service and/or the BPA TSR Study and Expansion Process. Bidders must provide these updates to be considered for the final shortlist. For a Bidder that is including utility owned resources PGE will also require that the Bidder supplies reasonable redlines to the technical specifications to be on the final shortlist. PGE plans to reach out to Bidders on the Initial Shortlist on February 11, 2022 and requires that Bidders reply by February 18, 2022. Please note that PGE has already provided its technical specifications within this RFP and recommends that Bidders including a utility owned structure for all of or a portion of their bid start to look at the technical specifications so that they can provide necessary redlines when requested.

Final Shortlist Bid Screening

Once PGE receives the requested information from the Bidder with project(s) on the initial shortlist PGE will examine the information to determine if the resource still meets the minimum qualification criteria for the RFP. If the criteria are still met, PGE will include the bid in its portfolio analysis.

Final Shortlist Determination

PGE will use portfolio analysis to develop updated price scores that look at combinations of bids and will update the non-price scores accordingly to reflect the combination of those resources. The final shortlist will be selected based on the portfolios of resources that perform the best. PGE will include projects on the final shortlist that are in excess of its target procurement amounts to ensure sufficient back-up proposals are available should some bidder(s) materially depart from their bid(s) during the negotiation phase.

Notification and Negotiation

Once the final shortlist has been determined PGE will notify Bidders if their bids are selected. PGE will then proceed with negotiations with top performing bids. PGE reserves its discretion to end negotiations and move on to remaining Bidders if entities are unable to guarantee the bid price, have unresolved commercial contingencies, or are otherwise unable to reach agreement with PGE.

Bidder Feedback

Upon request, PGE will offer feedback to unsuccessful Bidders on the competitiveness of their proposals. PGE will make available this feedback after executing all agreements with successful

Bidders, or after announcing the termination of the solicitation. PGE will not disclose any third-party confidential information through this voluntary feedback process. PGE will identify the relative performance of their bid by identifying a bid's quartile performance in price, non-price and total score. Furthermore, as appropriate, PGE will identify all minimum thresholds the bid did not achieve.

Appendix A – Renewable Resource PPA Form Term Sheet
Appendix B – Storage Capacity Agreement Form Term Sheet
Appendix C – Hybrid Resource PPA Form Term Sheet
Appendix D – APA & EPC Form Term Sheets
Appendix E – Renewable Resource Form PPA
Appendix F – Form Storage Capacity Agreement
Appendix G – Hybrid Resource Form PPA
Appendix H – Form APA
Appendix I – Form EPC
Appendix J – Form Parent Guaranty
Appendix K – Credit Guidance
Appendix L – NDA
Appendix M – Technical Specifications
Appendix N – Approved Scoring and Modeling Methodology
Appendix O – Bid Form
Appendix P – Benchmark Details
Appendix Q – Resource Need Details



PGE Corporate Headquarters

121 S.W. Salmon Street | Portland, Oregon 97204

portlandgeneral.com