

**2016**  
**EMISSIONS REDUCTION AND CAPACITY REPLACEMENT**  
**RENEWABLE ENERGY**  
**REQUEST FOR PROPOSALS**

**Issued:** February 24, 2016  
**Responses Due:** 5:00 p.m. PPT, March 18, 2016  
**Bid Event Website:** [PowerAdvocate.com](http://PowerAdvocate.com)

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## 1.0 OVERVIEW

Nevada Power Company d/b/a NV Energy (“NV Energy” or the “Company”) is issuing this 2016 Emissions Reduction and Capacity Replacement plan renewable energy request for proposal (“2016 ERCR RE RFP” or “RFP”) to interested parties with the intent of securing renewable energy resources and all associated environmental and energy attributes. Proposals submitted in this RFP will be evaluated by the Company such that 135 megawatts<sup>1</sup> of new renewable energy resources may be selected. Additionally, through the Company’s evaluation of proposals submitted, **the Company may contract for additional megawatts of renewable energy resources** should additional demand be identified. Per the direction of the Public Utilities Commission of Nevada (“PUCN”), the Company will follow the schedule for evaluation and execution as set forth in this bid protocol.

In 2013, Senate Bill No. 123 (SB 123) was enacted by the Nevada Legislature. This legislation requires Nevada Power Company to file with the Public Utilities Commission of Nevada (“PUCN”) as part of an integrated resource plan submitted under [NRS§704.741](#) a comprehensive plan for the reduction of emissions from coal-fired electric generation plants and the replacement of the capacity of such plants with increased capacity from renewable energy facilities and other electric generating plants. Nevada Senate Bill 123 (“SB123”), in particular [NRS§704.7316](#), coupled with the PUCN’s regulations implementing the statute, [LCB File No. 131-13](#), require that NV Energy’s Emissions Reduction and Capacity Replacement (“ERCR”) Plan address three major items:

- Retirement or elimination of 800 MW of coal-fired generating capacity as follows: (i) not less than 300 MW by December 31, 2014, (ii) not less than 250 MW by December 31, 2017, and (iii) not less than 250 MW by December 31, 2019;
- Replacement of retired or eliminated coal-fired capacity with 550 MW (planning capacity) of non-technology specific company-owned generation; and

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<sup>1</sup> As used herein, MW refers to the nameplate capacity or quantity of capacity.

- Replacement of retired or eliminated coal-fired capacity by issuing three requests for proposals for 100 MWs each of nameplate generating capacity from renewable energy facilities on or before December 31, 2014, December 31, 2015, and December 31, 2016, and construction of 50 MW of nameplate renewable energy generating capacity beginning on or before December 31, 2017.

On October 1, 2014, Nevada Power Company issued the 2014 RE RFP for the first of the three 100 MW request for proposals (“RFPs”) for renewable energy resources under SB123. On January 15, 2015, the PUCN issued an order in Docket No. 13-06023, directing Nevada Power Company to combine the originally proposed 2014 and 2015 RFPs, thereby allowing for up to 200 MWs of renewable energy capacity. Finally, in 2014, NV Energy filed with the Commission, and was given approval for, a request that the 15 MW Nellis Solar project be used to satisfy a portion of the 50 MW of nameplate renewable energy generating capacity.

NV Energy is issuing this RFP to secure the final 100 MW (AC)<sup>2</sup> (Product 1) of replacement capacity from renewable energy facilities and construction of the final 35 MW (Product 2) of nameplate renewable energy capacity under SB123. This request is for new renewable energy resources including biomass, geothermal, solar, wind or other qualifying renewable energy resources as set forth in Nevada Revised Statute NRS§704.7811.

The Company is seeking to select and submit to the PUCN for approval of a renewable energy power purchase agreement (“PPA”) for the 100 MW replacement capacity that is compliant with existing renewable portfolio standards, that is a new renewable energy generating facility and that provides resource diversification value. The Company may contract for additional megawatts of renewable energy resources should additional demand be identified.

The 35 MW resource portion of this RFP is open to those parties who are developing, propose to develop, or have rights to develop a new generating resource that would satisfy the Company’s need to own a 35 MW renewable energy generating facility.

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<sup>2</sup> A Bidder may bid energy and associated environmental attributes from a facility larger than 100 MW, but the maximum committed capacity under contract to satisfy the ERCR requirement may not exceed 100 MW.

This generating resource would be acquired by the Company upon PUCN approval. Bidders to this Product 2 must provide offers for the Company's acquisition of the generating resource including all energy, capacity and environmental attributes. While this RFP is not technology specific, the Company will not consider demand side, energy efficiency, or PC-only proposals.

As part of this RFP, NV Energy is offering its existing "Dry Lake" site to Bidders as an option for satisfying resource needs identified in this RFP. The Dry Lake site will be limited to photovoltaic solar development as it is currently permitted. NV Energy wishes to realize the maximum development potential of the Dry Lake site through optional pricing for a site greater than 100 MW if additional demand is identified.

NV Energy is seeking the following categories of resources, as outlined in more detail in Sections 2.8 through 2.11 below:

- 1) **Product 1 Category I Resource** – Bidder identified and contracted *renewable energy resource* of a minimum of 100 MW under a Power Purchase Agreement ("PPA").
  - Base Option 1 – A contracted resource of 100 MW
  - Option 2 – Contracted resource greater than 100 MW
- 2) **Product 1 Category II Resource** – Assignment of NV Energy's "Dry Lake" site and development assets for a contracted *photovoltaic solar renewable energy resource* of a minimum 100 MW under a PPA.
  - Dry Lake Base Option 1 – A contracted resource of 100 MW
  - Dry Lake Option 2 – Contracted resource greater than 100 MW of an optimized site up to 150 MW
- 3) **Product 2 Category III Resource** – A 35 MW *photovoltaic solar renewable energy resource* constructed on a Bidder supplied site pursuant to an Asset Purchase Agreement ("APA") for Bidder's land and development rights, an Engineering, Procurement and Construction ("EPC") contract, and an operation and maintenance ("O&M") contract.
- 4) **Product 2 Category IV Resource** – Build-Transfer of a 35 MW *renewable energy resource* on a Bidder supplied site involving a sale of all assets and rights pursuant to an APA and an O&M contract.

Bidders are invited to submit multiple proposals, incorporating combinations of the Categories of Resources that allows for cost savings of the individual products.

Bidders will be allowed to submit power purchase agreement (“PPA”) proposals that include a buy-out option in the sixth year following commercial operation of the facility. NV Energy would be required to obtain approval from the PUCN prior to exercising any such buy-out option.

Bidders to this RFP are requested to provide offers for the supply of renewable energy with all environmental attributes as a bundled product, pursuant to the instructions provided herein.

Bidders to the 2016 RE RFP will be required to submit bids electronically to the Company using PowerAdvocate. It is accessible via [www.poweradvocate.com](http://www.poweradvocate.com). Accordingly, Bidders are expected to provide a response in each data field represented. The “free text” data field accepts responses that are approximately 1,000 characters. Also, in these fields, Bidders should avoid special formatting and characters, as these can inflate the character count unnecessarily and result in a saving error. In this RFP Bidders should simply remove any special characters/formatting or shorten the answer to save successfully. Bidders should also fill out Excel spreadsheets and provide attachments, to the extent requested by the Company. Affiliates of NV Energy are excluded from submitting proposals in this RFP.

The renewable resources must be integrated into the NV Energy system as a network resource for serving load in NV Energy’s balancing authority area. This RFP requires renewable resources to be located within Nevada and capable of delivering renewable energy to serve load in NV Energy’s retail service territory. (<http://www.oasis.oati.com/NEVP/>). Proposals must allow for a commercial operation date on or prior to December 31, 2017. Proposals that are bid into the 2015 RE RFP must have a Point of Delivery already identified. Bidders must demonstrate, through documentation of the completed process milestones that a Large Generator Interconnection Agreement (“LGIA”) is in place or will be in place that allows for the proposed commercial operations



date. Bidders may bid any of the renewable resources, for Product 1, in the form of a PPA for a minimum term of 10 years and a maximum term of twenty five years. The form of PPA will accommodate bids with and without a purchase option, as discussed in more detail below. The form of PPA for bidding is included as Attachment C.

In order to provide for a transparent and fair process, this RFP will be conducted under the oversight of an Independent Evaluator (“IE”). An IE has been retained by the Company, who will be involved in ensuring the RFP is conducted in a fair, transparent and reasonable manner. The role of the IE is provided in Attachment N.

## **2.0 GENERAL INFORMATION ON THE 2016 ERCR RE RFP**

### **2.1 General Information**

NV Energy is seeking proposals for new renewable energy projects. NV Energy is seeking proposals for the potential quantities set forth in Section 1 of this solicitation. Consistent with NRS§704.7316, NV Energy will evaluate the proposals based on (1) the greatest economic benefit to the State of Nevada, (2) the greatest opportunity for the creation of new jobs in the State of Nevada, and (3) the best value to NV Energy’s customers. NV Energy may elect to select less than the product quantity, more than the product quantity or no proposals at all as a result of this solicitation.

All proposals submitted to NV Energy pursuant to this RFP shall become the exclusive property of NV Energy and may be used by NV Energy as it deems appropriate. NV Energy shall only consider as confidential those portions of a Bidder’s proposal clearly marked “Proprietary and Confidential.” A proposal may be subject to discovery and disclosure in regulatory or judicial proceedings, including those initiated by a party other than NV Energy. Bidders may be required to justify the requested confidential treatment under the provisions of a protective order issued in such a proceeding. If required by an order of the PUCN or any agency or court, NV Energy may provide the subject material without prior consultation or notice to the Bidders. Such information may also be made available under applicable state or federal law to regulatory commission(s), their staff(s), and other governmental agencies having an interest or jurisdiction in these matters. The

Company also reserves the right to release such information to the IE and any contractors for the purpose of providing technical expertise to the Company. Under no circumstances will NV Energy or any NV Energy Party, or the IE, be held liable for any damages resulting from any disclosure of a Bidder's claimed confidential information during or after the RFP process.

## **2.2 RFP Schedule**

NV Energy has established the target schedule for this RFP as shown in Table 2-1. NV Energy reserves the right to amend the target schedule at any time.

Table 2-1

<b>RE RFP Event</b>	<b>Target Schedule</b>
<b>Issue 2016 ERCR RE RFP</b>	02/24/16
<b>Bids Due</b>	03/18/16
<b>Initial Short List</b>	04/15/16
<b>Best and Final Pricing</b>	04/19/16
<b>Final Short List</b>	04/29/16
<b>Negotiations</b>	04/29/16 - 06/01/16
<b>Execution of Contract(s)</b>	06/01/16
<b>PUCN Filing for Approval</b>	07/01/16
<b>PUCN Approval Timeline (up to 180 Days)</b>	11/14/16 <sup>3</sup>

## **2.3 Registration**

All parties interested in becoming a Bidder to this RFP are requested to complete and submit a Bidders Registration and Contact Information Form contained on the RFP website. Bidders should identify all proposals they intend to submit on the Bidder Registration Form. The IE will provide registered Bidders with a bid number for each

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<sup>3</sup> Nevada Power Company anticipates filing, on July 1, 2016, any contracts executed as a result of the 2016 ERCR RE RFP as part of its amended Emissions Reduction and Capacity Replacement Plan, which will be part of the company's Amended Triennial Integrated Resource Plan. Pursuant to NRS§704.751(1)(b), the PUCN must issue an order on such plan within 180 days after its filing.

proposal. Companies registering for this RFP must include both a primary and alternate point of contact for the company and identify one lead negotiator from your organization who will be available to discuss any questions specific to your proposal.

#### **2.4 Contact Information, Questions, and Answers**

This RFP can be accessed at [www.poweradvocate.com](http://www.poweradvocate.com). All information will be transmitted through PowerAdvocate. As part of the bid process, the Bidder will be required to sign a Confidentiality and Non-Reliance Agreement in the form provided in Attachment A to this RFP.

All questions associated with the RFP must be submitted electronically using the sourcing intelligence platform, accessible via [www.poweradvocate.com](http://www.poweradvocate.com). PowerAdvocate will be hosting the RFP and the platform will serve as the means of communication between Bidders and the Company. Questions submitted by Bidders through PowerAdvocate, and Company responses, will be made public and available to Bidders during the RFP process. At any time during the RFP, a Bidder may log in to [www.poweradvocate.com](http://www.poweradvocate.com), download the communications, complete the online datasheets information and/or upload responses.

NV Energy requires that all questions concerning these RFP be submitted on or before March 4, 2016. Questions submitted after this date may not be answered.

#### **2.5 Proposal Submittal Instructions**

Submitted proposals must be organized in the manner described in Section 3 of this RFP instructions and signed by a representative of the Bidder who is duly authorized to submit the offer contained in the proposal on behalf of the Bidder. Each proposal shall specify the assigned bid number.

*Bidders must direct all communications regarding this RFP using PowerAdvocate as the messaging system.* Communication through this system will be monitored by the IE and the Company. Communications with Company and/or IE personnel regarding this RFP outside of the PowerAdvocate system may be grounds to disqualify a Bidder's submission. Any response submitted by postal mail, facsimile, or email **will not be accepted unless specifically authorized**. Bidders will be required to submit both parts of the proposal (as detailed in Section 3.0) through PowerAdvocate. Part

One of the Bidder's proposal, as detailed in Section 3.1 below, will be utilized by NV Energy's credit group in completing a credit review of each of the Bidders.

In order to consistently analyze responses to this RFP, Bidders are required to prepare their submission within the outlined format. Responses not complying with the format requirements may be considered non-responsive and may be disqualified at the discretion of the Company.

For a proposal to be considered by NV Energy, the proposal must be uploaded into PowerAdvocate by 5:00 p.m. (PPT) on March 18, 2016. Proposals received after 5:00 p.m. (PPT) on March 18, 2016, will not be accepted.

## **2.6 Bid Fee**

Each Bidder in the RFP must provide the Bid Fee(s) to NV Energy, by certified check or cashier's check made payable to "Nevada Power Company d/b/a NV Energy," at the address listed below. **The checks must not be made out to the IE.** The check must reference the 2016 ERCR RE RFP and Bidder's bid number(s). The aggregate Bid Fee (as determined below) for each Bidder must be postmarked within two (2) business days of submitting the proposal(s) in PowerAdvocate. The proposal will not be considered if the Bidder fails to submit the required Bid Fee(s).

### Address for Delivery of Bid Fee:

Nevada Power Company, d/b/a NV Energy  
Renewable Energy & Origination, Attention – A. Ryan  
Mail Stop 13  
P.O. Box 98910  
Las Vegas, Nevada 89151-0001

The required amount of the Bid Fee for each proposal is as follows:

- (1) \$10,000 if the nameplate capacity of the generating facility is equal to or greater than 100 MW (AC); and
- (2) \$5,000 if the nameplate capacity of the generating facility is equal to 35 MW (AC).

A proposal may consist of one base proposal in addition to two alternatives for the same bid fee as required above. The two alternatives may consist of a different proposal

size for the same proposal on the same site. In addition, Bidders will have the option of submitting up to three additional alternative Proposals for the same site at a fee of \$1,000 per proposal. Proposals that include both Product 1 and Product 2 on the same site, will need to provide the costs for each product separately. The Bid Fees will be used to cover the cost of the IE and any required technical consultant(s). Any cost of the IE not recovered by the Bid Fees shall be recovered through a fee assessed upon the successful proposal(s) (the "Success Fee"). The Success Fee will be determined once the final amount of Bid Fees and the cost are known, provided that in no event shall the Success Fee exceed \$250,000 per successful proposal(s).

**THE BID FEE IS NON-REFUNDABLE. AFTER SUBMISSION OF BIDDER'S PROPOSAL, THE BID FEE WILL NOT BE REFUNDED UNLESS THE PROPOSAL DOES NOT MEET THE MINIMUM ELIGIBILITY REQUIREMENTS AND CANNOT BE CURED, THE PROPOSAL IS WITHDRAWN PRIOR TO THE SUBMITTAL DUE DATE, OR THE PROPOSAL IS REJECTED FOR NON-CONFORMANCE.**

### **2.7 Minimum Eligibility Requirements for Bidders**

In addition to meeting the organization requirements in Section 3, all Bidders must comply with certain minimum eligibility requirements to be considered in this RFP. Any proposal submitted in this RFP will be deemed non-conforming and rejected as a result of any of the following:

- a) Either Bidder, its proposed prime contractor, or any material subcontractors has an Occupational Safety and Health Administration recordable incident rate greater than or equal to 1.5 or has had any fatalities on past projects for at least three years. Please provide relevant supporting documentation.
- b) Failure to meet the requirements and provide all of the information requested in the Attachments of this RFP and submit in PowerAdvocate.
- c) Failure to permit disclosure of information contained in the Proposal to NV Energy's agents, contractors, regulators, or non-bidding parties to regulatory proceedings under appropriate confidentiality agreements.

- d) As appropriate, the Bidder fails to demonstrate adequate site control for the proposal, as evidenced through title, lease agreement, right-of-way, or easement issued by the fee owner or the applicable state or federal land resource agency.
- e) Any attempt to influence NV Energy in the evaluation of the proposals outside the solicitation process.
- f) Any failure to disclose the real parties of interest in the proposal submitted.
- g) The Bidder, or an affiliate of Bidder, is in current litigation with NV Energy or has, in writing, threatened litigation against NV Energy respecting an amount in dispute in excess of one million dollars.
- h) Proposal has failed to specify all pricing terms.
- i) Bidder fails to address satisfactorily both the price and non-price factors, as discussed in more detail in Section 6 of this RFP.
- j) Collusive bidding or any other anticompetitive behavior or conduct exists.
- k) Bidder or project being bid is involved in bankruptcy proceedings.
- l) Failure of the Bidder's authorized officer to sign the Proposal.
- m) Any matter materially impairing the Bidder, its prime contractor, any major subcontractor or the project itself, including any matters impairing the output of the generating resource or its energy or environmental attributes.
- n) Failure to adhere to Approved Vendors List.
- o) Failure to provide one year of viable wind data utilizing at least two anemometers for any wind project to support capacity factors submitted and failure to provide a third party wind study or equivalent to support the expected capacity factor of the project.
- p) Failure to provide a minimum of one production well and one injection well flow results to support the viability and amount of the geothermal resource submitted.

- q) Failure to provide Tier 1 solar panel manufacturer resource and technology with a financeable third party report to support the expected capacity factor.
- r) Failure for a biomass resource to provide a letter of intent with a biomass fuel source for a period of 10 years or greater.
- s) Failure for a biogas resource to provide a resource assessment report. Report to include at a minimum, history of landfill, total volume permitted, volume filled, estimated closure date, organic fraction of the municipal solid waste, moisture levels, temperature and pH of the waste, future waste receipt, increase or decrease and average rainfall in the area.
- t) Failure to provide cash flow values required during the development, construction, and operations phase for each resource including values and schedules for the EPC Agreement, APA, and O&M Agreement.
- u) Failure to provide adequate development rights, including water rights, permits and information regarding water sources and well systems to support construction and operational phases for each resource and site offered.
- v) Failure to comply with or satisfy any other requirements specified in this RFP or any Attachments hereto, including any requirements in connection with the pro forma agreements and any exhibits thereto.

Evaluation of proposals will follow the process discussed in Section 6. Evaluations to determine the final shortlist of Bidders are targeted to be completed April 29, 2016, and NV Energy may choose to engage the final shortlist of Bidders in further discussions and/or negotiations. Any such discussion or negotiation may be terminated by NV Energy at any time for any reason.

### **2.8 Product 1 Proposal for Power Purchase Agreement**

NV Energy is seeking proposals to enter into a power purchase agreement (“PPA”) with the Company, in the form attached as Attachment C to this RFP. Bidders must submit PPA proposals that include a buy-out option in the sixth year following commercial operation of the facility. The Bidder’s proposal must contain documentation of the completed process milestones, showing that a LGIA is in place or will be in place that allows for the proposed commercial operations date, and any proposed changes to Attachment C. For the Product 1 Category II Resource, assignment of the Dry Lake site and development costs will be negotiated through the PPA. For the purposes of this RFP,

NV Energy will include the development costs and interconnection costs to date in determining the levelized cost of energy (“LCOE”).

Any proposal made for the sale of renewable energy and associated environmental and energy attributes must be made by the Bidder with the understanding that the Pro Forma PPA (see Attachment C) will be the basis for any definitive agreement between the Bidder and NV Energy. Project Development Security and Operating Security will be required from Bidders based on the capacity bid into the 2016 ERCR RE RFP. The aforementioned development and operating security amounts are non-negotiable. The Development Security is due within ten (10) business days of countersignature of the PPA by NV Energy. The Operating Security is due at the time the renewable facility declares commercial operation. *The proposal pricing must reflect the terms and conditions set forth in the Pro Forma PPA.*

## **2.9 Product 2 Proposal including EPC**

NV Energy is seeking proposals to develop, engineer, and construct one or more photovoltaic solar facilities at sites identified by the Bidder in its proposal as a Product 2 Category III Resource. The Bidder may submit separate proposals, and may propose multiple sites within each proposal, subject to a 35 MW size limitation.

A Bidder proposing to build a Product 2 Category III would enter into an APA, whereby the Seller will sell and convey all necessary development rights in the facility to NV Energy, and an associated EPC Agreement pursuant to which the Bidder or its affiliate (“EPC Contractor”) would engineer and construct the facility on behalf of NV Energy. The pro forma EPC Agreement for this resource is included as Attachment E to this RFP. The specifications for solar development are provided as exhibits to the pro forma EPC Agreement. A Nevada contractor’s license is required prior to execution of the EPC Agreement.

A Bidder proposing to build a Product 2 Category III or IV resource must also agree to operate and maintain the photovoltaic solar facility following commercial operation for a term of up to 25 years to be set by NV Energy (in five-year increments) based on the bid



price. Attachment F includes a pro forma term sheet for an O&M agreement between the Company and the Operator (“O&M Term Sheet”).

Bidders may propose modifications to the pro forma EPC Agreement and/or O&M Term Sheet as part of their bid package. However, the Company encourages Bidders to accept the form EPC Agreement and the O&M Term Sheet with minimum modifications. Significant revisions to the form of EPC Agreement and O&M Term Sheet will adversely impact the competitiveness of a Bidder’s Proposal.

The Bidder’s proposal must contain a monthly cash flow projection for payments under the EPC Agreement and an annual O&M cash flow by calendar year with a partial year forecast for the period between the commercial operation date and the next full calendar year. The cash flows will be used in the LCOE evaluations.

## **2.10 Product 2 Proposal for Asset Purchase Agreements**

NV Energy is seeking proposals to develop, engineer, and construct one or more renewable energy facilities at sites identified by the Bidder in its proposal for Product 2 Category III and IV Resources. The Bidder may submit separate Proposals, and may propose multiple sites within each Proposal, subject to a 35 MW size limitation.

The winning Bidder(s) for a Product 2, Category III or IV Resource will be required to enter into an APA with NV Energy, whereby the Bidder or its affiliate (“Seller”) will sell and convey all necessary development rights in the facility to NV Energy (as well as an EPC Agreement and/or O&M Term Sheet discussed above). Bidders will be required to submit all site development documentation for review and inclusion as an exhibit to the APA. Facility specifications should follow those specification identified in EPC Agreement (Attachment E).

The pro forma APA contemplates that Sellers will transfer the fee title interest in the relevant site to the other party. If a Seller intends that the other party will acquire site control through another means (e.g. through a lease agreement, license or otherwise), then this fact should be addressed in the Bidder’s proposal and the Bidder’s comments to the

form of APA must reflect the intended method by which another party will acquire and maintain site control.

The Bidder's proposal must contain any proposed changes to the forms of APA, EPC Agreement, and the O&M Term Sheet included in Attachments D, E, and F. However, the Company encourages Bidders to accept the forms of the PPA, APA, EPC Agreement, and the O&M Term Sheet with minimum modifications. Significant revisions to the forms of the APA, EPC Agreement, and O&M Term Sheet will adversely impact the competitiveness of a Bidder's proposal.

The Bidder's proposal must contain a monthly cash flow projection for payments under the APA and the EPC Agreement and an annual O&M cash flow with a partial year forecast for the period between the commercial operation date and the next full calendar year.

### **2.11 Security and Approvals**

**PLEASE NOTE THAT NV ENERGY WILL NOT POST SECURITY TO SUPPORT ITS OBLIGATIONS AS PURCHASER UNDER ANY PPA. BIDDERS WHO WILL REQUIRE SECURITY FROM NV ENERGY SHOULD NOT SUBMIT A PROPOSAL UNDER THIS RFP.**

NV Energy reserves the right to update, modify, or revise any or all of the terms and conditions contained in the applicable pro forma agreements, as provided in Attachments C, D, E, and F to this RFP. If a definitive agreement is reached with a Bidder, the agreement will be subject to the approval of the PUCN and other regulatory agencies as required, including, without limitation, any approval from the Federal Energy Regulatory Commission.

### **2.12 Performance and Reliability Standards**

The performance and reliability standards for this RFP are incorporated or referenced in the pro forma agreements included as Attachments to this RFP. The Company is seeking performance and reliability standards that will provide the most value to Nevada Power's customers by ensuring the resource is meeting load during the summer months

and is able to provide portfolio credits to meet its compliance requirements. Such performance and reliability standards are similar to those that NV Energy has required in past transactions but have been updated to address changes in market circumstances and consistency in contract administration, all with the intent to ensure NV Energy's customers are afforded reliable and cost effective energy resources.

### **3.0 SUBMITTAL PREPARATION INSTRUCTIONS**

All proposals must comply with the requirements specified in this section. Specifically, Bidders must organize their written proposal according to the format specified in Section 3.1 and must provide all applicable information required in Sections 3.1.1 through 3.2.10. In addition, all proposals must be submitted in accordance with the requirements set forth in Section 2.5 of this RFP.

#### **3.1 General Organization of the Proposal**

All proposals must contain the following information without exception and, to help facilitate timely evaluation, must be organized as indicated below. The sections of the proposals must be as follows:

##### **Part One**

- 3.1.1. Cover Letter (include a description of all alternatives offered)
- 3.1.2. Bidder Information

##### **Part Two**

- 3.2.1 Executive Summary
- 3.2.2 Technical Information
- 3.2.3 Transmission
- 3.2.4 Resource Supply
- 3.2.5 Assurance of Generating Equipment Supply
- 3.2.6 Facility Operation and Maintenance Plan
- 3.2.7 Project Schedule
- 3.2.8 Financing Plan
- 3.2.9 Contract Terms and Conditions
- 3.2.10 Other Information

The proposal should include, but not be limited to, complete responses to the parts set forth above in addition to the information provided in the relevant RFP Attachments.

Supporting documentation for these sections may be included separately as appendices by providing clear references to the sections concerned. Section titles should match those listed above.

If submitting a document as a separate file, the document name/reference must be stated in the written proposal. As an alternative, the document may be included as an appendix/attachment at the end of the written proposal, and should also be referenced within the body of the written proposal.

Supporting documentation of an official document (e.g. permits, studies, applications, etc.) may be submitted as a comprehensive listing, in spreadsheet format, summarizing the pertinent aspects of the required documents. Please specify whether or not approvals have been obtained or applied for.

### **3.1.1 Cover Letter (Part One of Proposal)**

The cover letter must include all signatures necessary to approve and submit the Bidder's proposal by a representative having the authority to contractually commit the Bidder for Bidder's offer provided in the proposal. Additionally, the cover letter should also include the following declaration:

*“[Insert legal name of Bidder] (the “Bidder”) hereby acknowledges receipt of NV Energy’s Request for Proposals for Renewable Energy on February 24, 2016 (the “2016 ERCR RE RFP”), and acknowledges that it has read and agrees to be fully bound by all of the terms, conditions and other provisions set forth in the RFP. Additionally, the Bidder hereby makes the following representations to NV Energy:*

- 1. All of the statements and representations made in this proposal are true to the best of the Bidder’s knowledge and belief;*
- 2. The Bidder possesses or will possess all necessary land rights for sufficient site control to undertake development of a renewable energy generating facility as set forth in the proposal;*

3. *The Bidder has obtained or can demonstrate how they will obtain all necessary authorizations and approvals that will enable the Bidder to commit to the terms provided in this proposal;*
4. *This proposal pertains solely to renewable energy from a generating facility that is or will be qualified as a renewable energy system in accordance with Sections 7801 to 7828 of Chapter 704 of the Nevada Revised Statutes and the associated regulations promulgated by the Public Utilities Commission of Nevada; and*
5. *This proposal is a firm and binding offer, for a period of at least 220 days from [March 18, 2016].”*

### **3.1.2 Bidder Information (Part One of Proposal)**

In this section the Bidder should provide the following information:

- Profile of the Bidder’s company and its ownership structure (including direct ownership and ultimate parent company, which can be in the form of a diagram);
- Description of any generating facilities (including nameplate, gross and net capacities) that are owned and/or operated by Bidder and currently in service;
- The number of generating facilities (including total nameplate, gross and net capacities) successfully developed, constructed, and placed into commercial operation by Bidder (and not otherwise set forth in response to the above request);
- The number of generating facilities (including nameplate, gross and net capacities) of the same technology proposed in the proposal which are currently in service and owned by the Bidders;
- Bidder’s Nevada contractor’s license information;
- Bidder’s pertinent experience in Nevada and adjacent states; and
- Any current litigation that the Bidder, or any of its subsidiaries (including any off-balance sheet entities in which Bidder has an interest) is involved in regarding an energy generating facility or an energy supply contract.

For the Bidder to provide proof of financial capability to carry out its obligations explicitly articulated or implied in the proposal, the following information must also be included in this section of the proposal for the Bidder's company, any parent company and any partners involved with the generating facility proposed in the Proposal:

- Current bond ratings, if any;
- Current rating agency ratings or reviews, if any;
- Audited financial statements and footnotes from the last three (3) years;
- Plan for financing the proposal (government, private, self-funded, etc.) and general description of status; and
- Other financial information that would be necessary for NV Energy's evaluation.

NV Energy's Credit Department will analyze the required financial criteria to determine, in its sole discretion, the Bidder's financial capability to successfully implement its proposal, and may require the provision of credit support in connection with the definitive agreements.

### **3.2.1 Proposal Executive Summary**

The Executive Summary should highlight the content of the proposal and features of the renewable energy offering broken down by resource and site. Each resource and site description will , include the commercial operation date, the amount of renewable energy and capacity being offered, the type of renewable energy being offered (e.g., wind, solar, geothermal, etc.), a general description of the base pricing proposal, whether alternative Proposals have been included by the Bidder, the status of interconnection, a summary description of the transmission interconnection and service path for the project to connect to the NV Energy transmission system, water rights, status of environmental permitting, and whether the generating facility is currently operational, in construction, or in development. In addition, this section should identify any material government incentives that are being sought in connection with the proposal. For Dry Lake resources, NV Energy has included a description of any development assets on which the Bidder may utilize in

connection with its proposal under Exhibits 2.01 and 6B.01 of the Pro Forma EPC Agreement.

### **3.2.2 Technical Information**

Bidders must provide technical information regarding the proposal as described below. If various options are proposed for a single generating facility (i.e., different generating facility sizes, commercial operation dates, etc.), separate technical information, clearly marked, must be prepared for each option. To be considered responsive, the technical information must be completed in its entirety and in accordance with the corresponding instructions. If the project is bid using photovoltaic (“PV”) technology, the plant capacity bid and the pricing should reflect the facility’s AC MW rating. Additionally, the specifications for solar development provided as exhibits to the pro forma EPC in Attachment E are indicative of the level of care that will be expected of NV Energy assets. Under Category IV Resources, these specifications should be followed.

The Bidder must provide the following information describing the generating facility:

- Technical Information
- Site Characteristics and Control
- Environmental Compliance Plan
- Benefits of the Generating Facility to Nevada

#### **3.2.2.1 Facility Description**

The Bidder must include a description of the generating facility forming the basis of the proposal to NV Energy, in the form set forth in Attachment G of this RFP. This includes information related to the type of plant, configuration, general layout diagrams, preliminary site plan showing site boundaries and plant layout, one-line diagram, resource type (for example, geothermal, solar, wind), nameplate capacity rating (MW AC), net plant capacity (MW AC), annual net output (MWh) for each hour of the year, projected capacity factor, in-service date, and the major equipment providers contemplated as approved in Attachment J.

The Bidder must describe any feasibility studies performed for the proposed generating facility. The Bidder must also describe the level of engineering completed for the generating facility and the plan for equipment procurement and construction. If companies have been identified for any of these services, the Bidder should identify those companies. The Bidder should also describe any innovative technical features of the generating facility incorporating new renewable energy technologies. If innovative technical features are included, the Bidder must describe any previous experience with implementation of the technology and the level of risk involved in this application. A production profile must be provided showing the energy deliveries in average energy production by month and time of day. The data and evaluations provided must support the proposed level of generation and the projected capacity factor.

All information provided in this section should be consistent with the information provided in Attachment G, which include required information for the evaluation of the Proposal as further described in Section 6.0 of this RFP.

#### **3.2.2.2 Site Characteristics and Demonstrated Site Control**

As applicable, the Bidder must:

- (a) Provide a legal description, including Township & Ranges or metes and bounds, of the generating facility site and, both a street map and the appropriate section of a USGS (or equivalent) map showing the location of the generating facility.
- (b) Provide an aerial photo or Google Earth<sup>®</sup> image of the project site showing project facilities under construction, and/or a layout of the proposed facilities.
- (c) Provide the County Assessor's parcel number, site address, and site coordinates.
- (d) Provide an ALTA/ACSM survey of the project site if such survey has been conducted.
- (e) Provide a description of the lease/ownership arrangement in place or contemplated, the number of acres at the site, site access roads and, as applicable, water rights or the plan for securing water rights, the waste disposal plan, and the transmission, water supply, fuel supply (as applicable), or other



infrastructure additions required outside of the site boundaries for the Proposal to be implemented. The map should show all land parcels, with parcels owned, leased or optioned by the Bidder clearly marked.

- (f) Documentation of exclusive site control and property rights, or a description of the current status of efforts to secure such site control and property rights (i.e., easement/ROW negotiation complete, grant applied for and expected date, site rights granted and when, executed site option with ongoing option payments, and unilateral right to strike on site option at agreed upon price or prices over the tenure of the option agreement, etc.).
- (g) Identify any mitigation requirements already defined and estimated cost, and any future site procurement costs and environmental permitting work to be completed.

### **3.2.2.3 Environmental Compliance Plan and Land Permitting**

For Dry Lake, the Bidder must also:

- (a) Include a description of how the generating facility will comply with all applicable environmental laws and regulations.
- (b) Provide a detailed list of all applicable state, local and federal permits for the construction and operation of the facility and provide a detailed critical path schedule containing clear and concise task descriptions and anticipated timelines for securing those permits and approvals.
- (c) Identify important milestones and decision points in the schedule along with an explanation of how permitting activities will be coordinated within the overall construction and development schedule.
- (d) Identify important milestones and decision points in the schedule along with an explanation of how permitting activities will be coordinated within the overall construction and development schedule.
- (e) Describe any coordination efforts with local, state, and federal agencies with respect to any environmental issues.

For Bidder supplied site, the Bidder must also:

- (a) Include a description of how the generating facility complies or will comply with all applicable environmental laws and regulations.
- (b) Provide a detailed list of all applicable state, local, and federal permits for the construction and operation of the facility and provide a detailed critical path schedule containing clear and concise task descriptions and anticipated timelines for securing such permits and approvals.
- (c) Identify important milestones and decision points in the schedule along with an explanation of how permitting activities will be coordinated within the overall construction and development schedule.
- (d) Provide copies of any permits already successfully secured, including their associated applications and supporting documents, studies and reports.
- (e) Provide copies of any environmental surveys, constraint studies, reports or other information associated with the generation facility.
- (f) Describe any coordination efforts with local, state and federal agencies with respect to any environmental issues.
- (g) Describe any existing on-site environmental issues of concern such as site contamination, presence or lack of waste disposal area, state or federally protected plant and wildlife species and species of concern present or potentially present, sensitive habitats or ecologically sensitive areas, wetland delineations, and any other known environmental issues potentially having a negative impact on the ability to meet the anticipated commercial operation date or the other long-term obligations of the PPA.
- (h) Include any Phase I and/or Phase II environmental site assessment conducted by or available to the Bidder.
- (i) Describe the land uses adjacent to and in proximity of the generating facility site. Describe current or planned efforts to build local community support.

- (j) Provide any air quality modeling results, and estimated air emission rates identified or expected to be included in an air permit process. For wind projects include airspace and radar clearance.

#### **3.2.2.4 Benefits of the Generating Facility to Nevada**

The Bidder must describe any other special expected environmental, social, or economic benefits of the generating facility. The Bidder must describe how the generation facility will provide the creation of new jobs in the state of Nevada. Bidders should refer to the economic bid spreadsheet in project scorecard in PowerAdvocate to complete the spreadsheet. Instructions are provided in the “Instruction Tab.”

#### **3.2.3 Transmission**

As applicable, the Bidder must provide information on whether an interconnection request has been submitted to the applicable transmission provider for the generating facility, and if so, the status of such request. Included with such responses shall be information on requested transmission upgrades or modifications and their estimated costs. The Bidder shall also identify the anticipated interconnection point and energization date for the proposed generating facility. The Bidder shall provide the executed interconnection agreement with documentation supporting completed milestones. For proposals where the LGIA is not executed, the Bidder shall provide the system impact study and facilities study as minimum documentation.

All Bidders must provide a copy of their executed Voluntary Consent submitted to the transmission provider, in the form provided in Attachment B of this RFP as applicable. If the Bidder has not previously submitted a Voluntary Consent, the Bidder must do so in conjunction with this RFP response, or the RFP submittal will not be considered complete.

NV Energy will only consider generating facilities physically located in Nevada.

#### **3.2.4 Resource Supply (Part Two of Proposal)**

The Bidder must provide sufficient information on the renewable resource supply to provide assurance to NV Energy that the generating facility will be able to meet its projected production estimates for the full term of the PPA or, if applicable, the expected

useful life of the generating facility. In particular, the following information is requested for the different technologies:

### **Geothermal**

- Provide a summary of all collected geothermal data for the proposed generating facility site.
- Characterize the geothermal resource quality, quantity and projected production levels.
- Provide a graph or table that illustrates the annual and monthly projection of geothermal resources.
- Describe any other existing geothermal facilities in the resource area and characterize their production and their anticipated impact, if any, on the generating facility.
- Provide any production well and injection well flow results to support the viability and amount of geothermal resource submitted. For results in excess of 3 years, summarize the results for all years and provide the detail for the past three (3) years of production well flow tests.

### **Biomass**

- Describe the biomass fuel makeup and its source.
- Provide all available resource assessments of available biomass fuel for the generating facility and its proximity to the generating facility. Such resource assessments should identify long-term fuel price risk and availability risk issues.
- Identify competing resource end-uses.
- Provide a plan for obtaining the biomass fuel, including a transportation plan.
- Identify any contracts or letters of intent to acquire and transport the biomass fuel.
- A letter of intent with a biomass fuel source for a period of ten (10) years or greater.

### **Solar**

- Describe the sources of insolation data, either onsite, satellite, or a nearby station. If using a nearby station, state the exact distance from that station.

- Provide source and number of years of solar data used to support the capacity factor.
- Specific resource and technology, including a requirement that all bids include panels manufactured by a Tier 1 solar panel manufacturer.

### **Wind**

- Provide a summary of all collected wind data for the generating facility site.
- Indicate where the data was collected and its proximity to the generating facility site.
- Provide one (1) year of wind resource data utilizing at least two anemometers for any wind project to support capacity factors and a wind resource assessment report that can be used to finance the project.
- Compare the long-term wind speeds in the area to the collected resource data at the generating facility site.
- Confirmation of wind turbine availability, size, and manufacturer.

### **Biogas**

- Provide all available resource assessment reports. Such assessment reports should include at a minimum: history of landfill, total volume permitted, volume filled, estimated closure date, organic fraction of the municipal solid waste, moisture levels, temperatures and pH of the waste, future waste receipt, increase or decrease and average rainfall in the area.

### **3.2.5 Assurance of Generating Equipment Supply (Part Two of Proposal)**

The Bidder must demonstrate that it has access to, or has completed sourcing of, the necessary major equipment to complete engineering and construction of the facility contemplated in the proposal to meet the stated commercial operation date.

For photovoltaic solar resource, the Bidder must demonstrate that it has access to, or has completed sourcing of, the necessary major equipment pursuant to the Approved Vendor Lists provided in Attachment K of this RFP to complete engineering and construction of the facility contemplated in the Proposal by the stated commercial operation date.

### **3.2.6 Facility Operation and Maintenance Plan (Part Two of Proposal)**

The Bidder must provide a description of the expected O&M plan for the generating facility. This information should include the following:

- Whether the Bidder or affiliate will operate and manage the generating facility or will contract for O&M services. If the Bidder will contract for O&M services, explain the current status of selecting an O&M contractor.
- Provide a brief description of the basic philosophy for performing O&M including a discussion of contracting for outside services.

### **3.2.7 Project Schedule**

The Bidder must provide a project schedule that includes the anticipated period to complete the project (i.e., achieve commercial operation), referenced in months, following receipt of all necessary regulatory approvals, including PUCN approval. This time period must allow for environmental and land permitting, environmental studies, mitigation and treatment, transmission construction, financing, site development, construction, testing, and any other development requirements. The Bidder must provide a milestone schedule, as applicable, for the generating facility major development milestones listed below:

- Major Equipment Ordered;
- Project Interconnection to Transmission System;
- All Permits Obtained;
- Construction Financing Obtained;
- Construction Start;
- Operation Date (first energy to grid); and
- Commercial Operation Date.

These milestones should be noted in number of months following all regulatory approvals, including PUCN approval.

The Bidder will be required to post the Development Security following execution of a PPA and prior to the submittal of the PPA for PUCN approval.

## **Project Execution Plan**

Bidder shall provide a summary-level, site-specific project execution plan. Key elements of the execution plan are:

### **3.2.7.2.1 Safety Program**

The development and implementation of a good safety program at the site is of paramount importance to NV Energy. Bidder's safety program shall comply with or exceed NV Energy's safety requirements, as set forth in Exhibit 20 of the applicable pro forma EPC agreement and as set forth in Attachment E of this RFP. Any exceptions or comments shall be noted in the Bidder's proposal. As part of its proposal, each Bidder shall submit its corporate safety incident report for the preceding five (5) years.

### **3.2.7.2.2 Project Controls and Reporting Plan**

Bidder shall submit a summary (Level II) construction schedule displaying major activities, durations and proposed sequencing which shall demonstrate Bidder's proposal to achieve substantial completion prior to the date listed in its Proposal.

### **3.2.7.2.3 QA/QC Program**

Bidder shall provide an outline of its QA/QC Program with its proposal.

### **3.2.7.2.4 Subcontractor Strategy**

Bidder shall provide detailed information as to a proposed execution plan for its proposal, including the name and experience of anticipated major subcontractors. It is the expectation that the Bidder (or an affiliate thereof) would remain primarily responsible for the obligations of the Bidder under the EPC Agreement, APA, and O&M Agreement regardless of whether the obligations thereunder are performed by the Bidder or a subcontractor.

#### **3.2.7.2.5 Labor Study**

Bidders shall make an independent study of the local labor environment. Such study shall include, without limitation, an employment survey of the local area where the proposed facility will be located, including labor rates and figures, the expected number of jobs that will be filled by the local labor force during the construction and operation phases of the Proposal, and the identification of any agreements under which the proposed project tasks will be performed.

#### **3.2.7.2.6 Evaluation of Work**

Bidder shall cooperate with and provide information to any person or entity retained by NV Energy for purposes of evaluating the Bidder's proposal.

#### **3.2.8 Financing Plan**

The Bidder should provide a detailed description of the financing plan for the proposal.

#### **3.2.9 Contract Terms and Conditions**

NV Energy encourages Bidders to accept the terms and conditions set forth in the pro forma PPA included as Attachment C to this RFP. Bidders who take exceptions to the pro forma PPA may provide a mark-up of the pro-forma PPA with their proposal. In providing such a mark-up, the Bidder should ensure that the risk allocation provisions in the pro-forma agreement are not substantially revised. NV Energy will consider the impact of the mark-up in its evaluation of the proposal.

#### **3.2.10 Other Information**

The Bidder should provide any additional information that will assist NV Energy in its evaluation of the proposal.



### **3.2.11 File Naming Convention**

All required documents must use the following naming convention:

<b>File Name</b>	<b>RFP Sect Ref</b>
Bid_[Bid number]_Proposal_Part_One	3.1
Bid_[Bid number]_Proposal_Part_Two	3.1
Bid_[Bid number]_Proposal_Part_One_Appx_[1, 2, 3, etc.]_[RFP section ref and descriptor]	3.1
Bid_[Bid number]_Proposal_Part_Two_Appx_[1, 2, 3, etc.]_[RFP section ref and descriptor]	3.1
<b>Examples:</b>	
Bid_440.0_Proposal_Part_Two_Appx_1_3.2.2.1_Historic_Production_Data	3.2.2.1
Bid_440.0_Proposal_Part_Two_Appx_2_3.2.2.1_Third_Party_Support_of_Cap_Fac	3.2.2.1; 2.8 l) and n)
Bid_440.0_Proposal_Part_Two_Appx_3_3.2.4_Resource_Supply_Viability	3.2.4; 2.8 l), m) and q)
Bid_440.0_Proposal_Part_Two_Appx_4_3.2.4_Biomass_Fuel_Letter_of_Intent	3.2.4; 2.8 p)
Bid_440.0_Proposal_Part_Two_Appx_5_3.2.10_Other_Info_[descriptor]	3.2.10
Bid_[Bid number]_Attch_B_Voluntary_Consent_Form	Attachment B
Bid_[Bid number]_Attch_C_Pro_Forma_PPA_Redline	Attachment C
Bid_[Bid number]_Attch_D_PPA_Bid_Summary	Attachment D
Bid_[Bid number]_Attch_E_Conf_and_Non-Reliance_Agmt	Attachment E
Bid_[Bid number]_Attch_G_Technical_Proposal_Input_Forms.xlsm	Attachment G

## **4.0 STANDARDS OF CONDUCT**

Each Bidder responding to this RFP must conduct its communications, operations and other actions in compliance with FERC’s Standards of Conduct for Transmission Providers. Any necessary interconnection to or transmission service on NV Energy’s transmission system contemplated in a Bidder’s Proposal shall NOT be considered an arrangement with NV Energy’s merchant function, which is sponsoring this RFP. Such arrangements for interconnection and transmission service will be with NV Energy’s functionally separate transmission function, and hence absolutely no communication by a Bidder to NV Energy's transmission function can be made through the submission of a bid in this RFP. Any proposal seeking to do so will be summarily rejected if the attempt is not immediately withdrawn when discovered. Short-listed Bidders are required to execute the Voluntary Consent Form in Attachment B that enables NV Energy’s merchant function to discuss the Bidder’s interconnection and/or transmission service application(s) with the

transmission interconnection or transmission service provider, including, if applicable, NV Energy's transmission function.

## **5.0 TRANSMISSION PROVIDER CONSIDERATIONS**

### **Transmission Interconnection and Transmission Service**

All proposals must include the cost of interconnection, together with a diagram of the interconnection facilities provided in the LGIA. The Bidder will be responsible for, and is required to include in its proposal, all costs to interconnect to the transmission provider's system. 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 the cost responsibility for all transmission facilities will be pursuant to the provisions of the OATT. The Interconnection Customer is responsible for all of the Transmission Provider's LGIA Facilities ("TPIF") costs. The Transmission Provider is responsible for the costs associated with Network Upgrades ("NU") pursuant to the OATT; however such costs will be securitized by the Interconnection Customer as provided under the provisions of the OATT. Interconnection Customer's Interconnection Facilities ("ICIF") are the sole responsibility of the Interconnection Customer. Due to the construction timeline, Bidders are expected to have an Executed LGIA or completed system impact and facility studies at a minimum.

Proposals for Dry Lake resources will not require a new electrical interconnection or an upgrade to the existing electrical interconnection agreement as identified in the existing Dry Lake LGIA (see Attachment I). The transmission interconnection costs for this Product 1 Category II Resource will be captured in the APA proposed price from the Bidder.

## **6.0 EVALUATION PROCEDURES AND CRITERIA**

As discussed in Section 1 above, proposals submitted in this RFP will be evaluated separately by the Company such that no more than 100 megawatts of renewable energy

resources may be contracted from proposals for Product 1, and 35 megawatts of renewable energy resources may be selected for ownership for Product 2.

For each product in this RFP, NV Energy will conduct a two-stage process as part of its proposal evaluation and selection process leading up to selection of the preferred proposals for contract execution. In the first stage, NV Energy will conduct a price, economic benefit analysis (including job impacts) and non-price analysis, including a price screening methodology designed to identify the lowest cost proposals for each product. NV Energy will select a short list based on those proposals for each product which have the highest overall score based on an evaluation of price, economic benefit and non-price factors. In the second stage, the short list proposals will have the opportunity to refresh their prices; provided, however, that Bidders will not be permitted to increase the prices initially submitted with their proposal. The final proposals will then be evaluated based on the impact of the proposals on NV Energy's overall system costs. A more detailed description of each stage of the process is provided below.

Note that should a developer choose to bid on both products to realize economies of scale etc., a separate bid must also be submitted for each product.

NV Energy will conduct the two-stage evaluation and selection process independently for each of the Products and resource types. NV Energy will select and propose to the PUCN for review and final approval the proposal(s) that provide the best value to NV Energy's customers, considering all the factors described in this Section 6.

#### **6.1. Price, Economic Benefit and Non Price Information; Development of Initial Shortlists**

The price, economic benefit and non-price forms will be used to determine individual initial shortlists of proposals, separated by type of resource (i.e., wind resources, solar resources, geothermal resources, and biomass and biogas resources). These resource-specific short lists will be deemed as the initial shortlists for screening purposes.

Proposals will be evaluated on the basis of price, economic benefit and non-price factors to determine the initial shortlist. In considering a proposal, NV Energy shall, in addition to considering the cost to customers, evaluate the following:

- (a) The greatest economic benefit to the State of Nevada;
- (b) The greatest opportunity for the creation of new jobs in the State of Nevada;  
and
- (c) The best value to customers of the electric utility.

Price factors will be analyzed using the comparison metric with the LCOE per megawatt hour.

Non-price factors considered by the Company fall into four general categories: (1) the Bidder's project development experience, (2) technology, (3) conformity to the terms of the pro-forma PPA, and (4) development milestones. Price factors will recognize the value of the power associated with the delivery shape, and the relative value of environmental attributes associated with the resources.

NV Energy intends to evaluate each proposal in a consistent manner by separately evaluating the non-price characteristics, economic benefit characteristics and the price characteristics of the proposal. Each component will be evaluated separately and recombined to determine the bundled price, economic benefit and non-price score. The price factor will be weighted up to 60%; the economic benefit factor will be weighted up to 10%, while the non-price factor will be weighted up to 30%. No proposal will receive a total weighting in excess of 100%. The price, economic benefit and non-price evaluation will be added together and used to determine the initial shortlist for each resource type. The project scorecard will include four non-price categories, in addition to a separate category to evaluate the economic benefits all of which will be in PowerAdvocate. The initial shortlists in this RFP will be made up of the highest scoring proposals for each resource selection.

#### **6.1.1 Price Factor Evaluation (up to 60%)**

For each of the products, NV Energy will utilize a spreadsheet model to screen the proposals and to evaluate and determine the price ranking for the resource-specific initial shortlists.

The spreadsheet model is contained in an excel workbook to derive a LCOE.

### Comparison Metric

The comparison metric will be the LCOE per megawatt hour. The LCOE is determined by calculating the present value of the annual cost over the term, converting the present value to an equivalent annual annuity and then dividing that annual annuity by the levelized annual energy provided. The discount rate will be the weighted average cost of capital for Nevada Power Company as approved by the PUCN in its most recent General Rate Case (8.09 percent).

#### **6.1.2 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. The project scorecard has two parts, the first part is divided into four categories and the second part is to calculate the economic benefits. The first part, non-price factors will be weighted up to 30% (in combination with the price scores) in the determination of which proposals in this RFP will be chosen for each resource-specific initial shortlist. The project scorecard will be used to score the non-price criteria. The four categories in the project scorecard include (1) the Bidder's project development experience, (2) technology, (3) conformity to the terms of the pro-forma PPA, and (4) development milestones. The criteria for each of these four categories are set forth below.

##### Category 1 – Bidder's Project Development Experience

- Project Development Experience
- Project Ownership/O&M Experience
- Safety – Occupational Safety and Health Administration recordable incident rate
- Financial Capability

Category 2 – Technology

- Technical Feasibility
- Resource Quality
- Equipment Supply Control
- Utilization of Resource

Category 3 – Conformity to Pro-Forma Agreement(s)

- Magnitude of proposed edits to pro-forma Agreement(s)

Category 4 – Development Milestones

- Site Control
- Permitting Status/Feasibility
- Status of any necessary project financing
- Status of Interconnection
- Transmission Requirements
- Reasonableness of Identified Critical Path Dates

### **6.1.3 Economic Benefit Factors (up to 10%)**

This second part will take into consideration the following matters, based on information submitted by Bidders, and NV Energy’s evaluation:

- Jobs created during construction
- Permanent jobs created
- The value of expenditures attributed to the Project made in Nevada
- Other economic benefits to Nevada

### **6.2 Best and Final Pricing**

Proposals selected for the short list in each product will have an opportunity to refresh their price to take into account further development of the project or updated pricing for equipment or other costs from the time the initial proposal was submitted to the time of “best and final” offer. However, Bidders are only permitted to lower their pricing during this refresh period. Bidders may not increase their pricing initially submitted with their proposal. Bidders are encouraged to lower their pricing or look for opportunities to enhance

their production profiles (based, for example, on changes to equipment) to increase the value of their Proposals to NV Energy.

### **6.3 The Final Shortlist**

For each of the products, proposals on the initial shortlist will then be evaluated using a production cost model to determine the final shortlist based on the best and final pricing. NV Energy's production cost simulation model, used for integrated resource planning, will be used to determine a list of Proposals deemed as the final shortlist.

In its analysis for this RFP, the Company will run each of the resource-specific initial shortlisted proposals and portfolios through the Preferred Plan by replacing the first 100MW of renewable resources in the Preferred Plan with each of the initial shortlisted proposals under Product 1 to determine the Present Worth Revenue Requirement ("PWRR") of each alternative portfolio of resources. The same process will be conducted for Product 2.

### **6.4 Final Selection of Proposal(s)**

The two stages described above constitute the formal evaluation process which will be utilized to select the proposals for each of the products that will be submitted for approval to the PUCN. In addition to this two-stage analysis, in selecting the proposals in the RFP, NV Energy will consider the requirements set forth in NRS§704.7316 (as identified in Section 6.1 above) and non-price factors qualitatively. In addition, NV Energy 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 shortlist cost analysis plus consideration of accounting treatment and potential effects due to rating agency treatment, if applicable.

## **7.0 AWARDING OF CONTRACTS**

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 discretion, perform any one or more of the following:

- Determine, in consultation with the IE, 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 as defined in [NRS§704.7811](#)
- 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 Bidder(s) who, in the Company's sole judgment, is most responsive to this RFP and whose proposals best satisfy the interests 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.
- Select and enter into agreements with Bidder(s) for additional megawatts of renewable energy resources should additional demand be identified.

## **8.0 POST-BID NEGOTIATION**

The Bidder will be required to sign a Confidentiality and Non-Reliance Agreement if it is selected for the final shortlist, in the form provided in Attachment E, prior to entering into negotiations with the Company.

NV Energy may further negotiate both price and contract terms and conditions during post-bid negotiations. Post-bid negotiation will be based on NV Energy's cost and value assessment. NV Energy will continually update its economic and risk evaluations until both parties execute a definitive agreement acceptable to NV Energy in its sole discretion. All transactions are subject to the approval of the PUCN on terms and conditions that are satisfactory to NV Energy in its sole and absolute discretion.



**ATTACHMENT A – CONFIDENTIALITY AND NON-RELIANCE  
AGREEMENT**

This attachment is available in electronic format in PowerAdvocate.

**ATTACHMENT B – VOLUNTARY CONSENT FORM**

This attachment is available in electronic format in PowerAdvocate.

**ATTACHMENT C – PRO FORMA POWER PURCHASE AGREEMENT AND  
EXHIBITS**

This attachment is available in electronic format in PowerAdvocate.

**ATTACHMENT D – ASSET PURCHASE AGREEMENT AND EXHIBITS**

This attachment is available in electronic format in PowerAdvocate.

**ATTACHMENT E – PRO FORMA EPC AGREEMENT AND EXHIBITS**

This attachment is available in electronic format in PowerAdvocate.

**ATTACHMENT F – PRO FORMA O&M TERM SHEET**

This attachment is available in electronic format in PowerAdvocate.

**ATTACHMENT G – TECHNICAL PROPOSAL INPUT FORMS**

**(Price, Economic Benefit and Non-Price Input Forms)**

This attachment is available in electronic format in PowerAdvocate.

**ATTACHMENT H – BID SUMMARY**

This attachment is available in electronic format in PowerAdvocate.



**ATTACHMENT I – DRY LAKE SITE DESCRIPTION**

This attachment is available in electronic format in PowerAdvocate.

**ATTACHMENT J – OWNER’S COSTS**

This attachment is available in electronic format in PowerAdvocate.

**ATTACHMENT K – APPROVED VENDORS LIST**

Refer to the Pro Forma EPC Agreement, Exhibit 22.

**ATTACHMENT L – TRANSMISSION SYSTEM MAP**

Reserved

**ATTACHMENT M – INTEGRATION COSTS DESCRIPTION AND TABLE**

Reserved

**ATTACHMENT N – ROLE OF INDEPENDENT EVALUATOR**

This attachment is available in electronic format in PowerAdvocate.