



Nevada Power Company and Sierra Pacific Power Company
Open Resource Request for Proposals

Issued: January 22, 2019
Responses Due: 5:00 p.m. PPT, February 11, 2019

Website: PowerAdvocate.com

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Overview:

Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy (collectively “NV Energy”) are seeking to purchase firm capacity and energy for the periods indicated below beginning in 2020 through proposals for Tolling Agreements.

NV Energy intends to use confirmation agreements for the resulting power purchase contract(s) under the WSPP Agreement. Please edit the attached confirmation agreement and include with each of your proposals. If you are not a member of the WSPP, please so indicate in your bid documents. NV Energy will also consider requests to use the EEI form of agreement.

Bidders will be required to have an officer and legal counsel of their company certify that the agreement(s) has been thoroughly vetted and that it is accepted, or that the mark-up is complete.

NV Energy will evaluate proposals received in response to this RFP as part of the development of its 2019 Integrated Resource Plan Amendment, to be filed with the Public Utilities Commission of Nevada (“PUCN”) on or about April 1, 2019 as necessary. NV Energy expects to complete the evaluation of proposals by March 15, 2019.

Any transactions resulting from this RFP will require NV Energy management approval prior to execution. NV Energy is required to submit Tolling Agreements with a term exceeding 3 years to the PUCN for approval. PUCN approval may be sought regardless of term length. Final effectiveness of any agreement under this RFP will be conditioned on final approval of NV Energy management and the timely receipt of PUCN approval as needed.

NV Energy reserves the right, in its sole discretion, to revise, suspend or terminate any portion or all of this RFP, to accept any offer or to reject any or all offers, without notice and without providing any reason. NV Energy is under no obligation to accept any proposal from any respondent to this RFP.

All Bidders to the RFP will be required to submit bids (“Proposals”) electronically to the Company using PowerAdvocate. It is accessible via www.poweradvocate.com. Please provide your proposal to NV Energy on or before **5:00 p.m. (PPT), Monday, February 11, 2019** by uploading your bid submission into PowerAdvocate.

Your proposal must be submitted with a cover letter signed by an authorized representative from your firm. You are solely responsible for all costs incurred in developing your proposal, and if applicable, leading to an actual executed agreement. Any materials provided to NV Energy will become the property of NV Energy and will not be returned to you.

If you mark any portion of your proposal as confidential, NV Energy will exercise reasonable efforts to protect such information from disclosure. However, you are advised that such information may be made available under applicable laws and regulations to regulatory commissions, their staffs, interveners or other governmental agencies having an interest in this

matter. NV Energy also reserves the right to disclose such information to its agents and contractors for evaluation purposes, but they will receive the information pursuant to a confidentiality obligation. Under no circumstances will NV Energy, its affiliates, subsidiaries or parent companies, their directors, officers, employees, agents or contractors be liable to you or any party for any damages resulting from disclosure of your claimed confidential information or for any act or omission resulting from or arising under this RFP.

By submitting your proposal, you waive any right to challenge any valuation of any proposal or any determination of NV Energy to select or reject any proposal or take any action contemplated by this RFP, including any right you may have to intervene in any regulatory proceeding for the purpose of protesting the selection or rejection of any proposal, any other decision of NV Energy contemplated by this RFP or any resulting agreement related to a selected proposal. By submitting your proposal, you irrevocably agree and acknowledge that you are making your proposal subject to and in agreement with the terms of this RFP and agree that NV Energy will be entitled to specific performance of its rights hereunder and such other injunctive or equitable relief as may be appropriate.

Products:

NV Energy will accept proposals for Tolling Agreements, a toll with a purchase option or asset acquisitions for a three (3) year term beginning in 2020. NV Energy is requesting proposals for the following products:

- Product 1:** A purchase of 400 to 600 MW of dispatchable tolling product, June 1 – August 31, 7x13 (HE 1000 - HE 2200), NERC holidays included, WSPP Schedule B or C.
- Product 2:** A purchase of 400 to 600 MW of dispatchable tolling product, June 1 – August 31, 7x13 (HE 1000 - HE 2200), NERC holidays included, WSPP Schedule B or C with a purchase option for the generating facility.
- Product 3:** A purchase of 400 to 600 MW of non-technology-specific energy, June 1 – August 31, 7x13 (HE 1000 - HE 2200), NERC holidays excluded, WSPP Schedule C.
- Product 4:** An asset purchase of 400 to 600 MW of a non-technology-specific generating facility.

Submittal Preparation Instructions:

Please submit your proposals along with the enclosed bid submittal form included in Attachment G. In addition, please complete attachments as applicable to the product you are bidding and provide all information necessary to allow NV Energy to evaluate your submission. Separate proposals must be submitted for each product or resource being proposed.

Bid numbers shall be self-assigned by the bidder. Enter a whole number with a zero in the first decimal place (i.e. 1.0, 2.0, etc.).

Minimum Offer: All offers should be a minimum of 400 MW of Planning Capacity except for stand-alone storage where the minimum Planning Capacity is 25 MW sustainable for a minimum of four hours.

Planning Capacity: All capacities listed in this RFP are for summer peak Planning Capacity. For conventional resources, this is the net capacity of the plant at 112 degrees Fahrenheit. For solar PV, Planning Capacity is 33% of nameplate capacity. For wind, Planning Capacity is 10% of nameplate capacity. For storage, Planning Capacity is 100% of capacity sustainable for four hours. Please ensure bids meet minimum requirements for Planning Capacity.

Delivery Points: Please specify the desired delivery point(s). The acceptable delivery points are Mead 230 kV, Mead 500 kV, McCullough 230 kV, McCullough 500 kV, Eldorado 230 kV, Red Butte 345 kV (NUB), Midpoint 345 kV, Gonder.Pavant 230kV, Gonder.IPP 230kV, Summit 120 kV, and Hilltop 345 kV.

Gas Index: For Southern delivery points, the Gas Index will be the daily price published by Platts Gas Daily under Southwest, SoCal Gas, Midpoint. For Northern delivery points, the Gas Index will be the daily price published by Platts Gas Daily under Rockies/Northwest, PG&E, Malin, Midpoint.

Tolling Product: A tolling product may be a dispatchable product with provisions for daily pre-scheduling of energy and subsequent adjustments to the pre-schedules with no more than two hours' notice (preferred). The associated heat rate should not exceed 9,000 Btu/kWh (7,500 Btu/kWh is preferred). The natural gas may be provided by the Seller or by NV Energy if the product is Schedule B and the unit is located in or near NV Energy's balancing area. If the natural gas is to be provided by the Seller, the price of the gas should be linked to the Gas Index, and the premium/discount value should be included in Attachment G. If you desire to use a different gas index, please contact Amy Lahav at alahav@nvernergy.com regarding the acceptability of other gas indices.

Resource: NV Energy prefers resources that can be declared network resources. Consequently, NV Energy prefers products for which the resource information specified herein is provided with the bid.

Please provide a description of the source of supply for each product including the source unit for Schedule B products and the source unit(s) or system for Schedule C products, the balancing area in which the source unit(s) or system is located, and the transmission path(s) that will be used to deliver the energy to the delivery point(s). Please specify whether the transmission arrangements are firm (preferred) or non-firm.

Environmental: All environmental costs and risks are the responsibility of the bidder.

Credit Terms: Standard WSPP credit and payment terms will apply. NV Energy reserves the right to condition its acceptance of Seller's bid upon Seller's provision of collateral, in a form acceptable to NV Energy, to support Seller's obligations.

Evaluation Criteria: NV Energy's evaluation of proposals will proceed in two phases. In the first phase, NV Energy will prepare shortlists for each type of product. NV Energy will select proposals for each shortlist based on each proposal's highest overall score based on an evaluation of price, and specific non-price factors. Initial evaluation is done using the inputs provided from each bidder. For renewable projects, inputs are analyzed in a financial model which results in a levelized cost of energy ("LCOE") that represents the cost of each megawatt hour of energy delivered over the life of the project. For conventional projects, the project's heat rate and \$/kW will be ranked in order and assigned a score and the weighted average of the scores will be calculated. The LCOE and weighted average are input into a total scores summary analysis to create the shortlists. The top shortlisted bids from each category will then be compared using production cost modeling software to select the best option.

Site Characteristics: For products offering a purchase option, 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® 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.

**Environmental
Compliance Plan and
Land Permitting**

For products offering a purchase option, 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 facility.

(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. Specify if there is any known opposition to the generating facility if facility is to be new construction.

(j) For new construction, 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.

**Time Zone
Designation:**

All references made herein to specific times refer to Pacific Prevailing Time (“PPT”).

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.1 –
PRO FORMA RENEWABLE POWER PURCHASE AGREEMENT**

This attachment is available in electronic format in PowerAdvocate.

ATTACHMENT C.2 – PRO FORMA WSPP MASTER TOLLING CONFIRM

This attachment is available in electronic format in PowerAdvocate.

ATTACHMENT C.3 – PRO FORMA WSPP LONG-TERM CONFIRM

This attachment is available in electronic format in PowerAdvocate.

ATTACHMENT D.1 – PRO FORMA RENEWABLE ASSET PURCHASE AGREEMENT

This attachment is available in electronic format in PowerAdvocate.

**ATTACHMENT D.2 –
PRO FORMA CONVENTIONAL ASSET PURCHASE AGREEMENT**

This attachment is available in electronic format in PowerAdvocate.

ATTACHMENT E – RESERVED

ATTACHMENT F – PRO FORMA O&M TERM SHEET

This attachment is available in electronic format in PowerAdvocate.

ATTACHMENT G – PRICE AND PROJECT CHARACTERISTICS INPUT FORMS

This attachment is available in electronic format in PowerAdvocate.

ATTACHMENT H – RESERVED

ATTACHMENT I – RESERVED

ATTACHMENT J – RESERVED

ATTACHMENT K – APPROVED VENDORS LIST

This attachment is available in electronic format in PowerAdvocate.