

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER)
COMPANY'S APPLICATION FOR A) CASE NO. IPC-E-22-13
CERTIFICATE OF PUBLIC CONVENIENCE)
AND NECESSITY TO ACQUIRE)
RESOURCES TO BE ONLINE BY 2023 TO)
SECURE ADEQUATE AND RELIABLE)
SERVICE TO ITS CUSTOMERS.)
_____)

IDAHO POWER COMPANY

DIRECT TESTIMONY

OF

ERIC HACKETT

1 Q. Please state your name and business address.

2 A. My name is Eric Hackett. My business address
3 is 1221 West Idaho Street, Boise, Idaho 83702.

4 Q. By whom are you employed and in what capacity?

5 A. I am employed by Idaho Power Company ("Idaho
6 Power" or "Company") as the Projects and Design Senior
7 Manager.

8 Q. Please describe your educational background.

9 A. I graduated in 2003 from Boise State
10 University, Boise, Idaho, receiving a Bachelor of Science
11 Degree in Civil Engineering. I am a registered
12 professional engineer in the state of Idaho. In 2010, I
13 earned a Master of Business Administration from Boise State
14 University.

15 Q. Please describe your work experience with
16 Idaho Power.

17 A. From 2005 to 2007, I was employed as an
18 engineer in Idaho Power's Transmission Engineering
19 group. In 2007, I became a Project Manager leading
20 transmission and distribution line and station
21 infrastructure projects. In 2012 I was promoted to
22 Engineering Leader where I managed the Cost and Controls
23 group supporting project management. In 2015, I changed
24 leadership roles and managed the Stations Engineering and
25 Design group as an Engineering Leader. In 2018, I was

1 promoted to Senior Manager of Projects overseeing Project
2 Management and Cost and Controls, which later became my
3 current role of Senior Manager of Projects and Design in
4 2021, adding Power Production Design and Project
5 Management. In addition, I am currently leading a team of
6 internal employees and consultants in development and
7 evaluation of Idaho Power's Request for Proposals for Peak
8 Capacity and Energy Resources.

9 Q. What is the purpose of your testimony in this
10 proceeding?

11 A. The purpose of my testimony is to provide an
12 overview of the resource acquisition process undertaken to
13 meet Idaho Power's identified capacity deficiency in 2023.
14 First, I will provide an overview of the Request for
15 Proposals ("RFP") process used to evaluate the various
16 resources that competed to provide a capacity resource to
17 help meet Idaho Power's peak electric energy needs in 2023.
18 I will then explain how the resulting least-cost, least-
19 risk capacity resources were selected through the fair and
20 competitive RFP process.

21 Q. Have you prepared any exhibits?

22 A. Yes. Exhibit No. 1 is Idaho Power's 2021 All
23 Source Request for Proposals (RFP) for Peak Capacity
24 Resources issued on June 30, 2021. Exhibit No. 2 details
25 the Key Product Specifications required for project

1 proposals submitted in response to the RFP. Confidential
2 Exhibit No. 3 presents the results of the project
3 submittals evaluation.

4 **I. THE DEVELOPMENT OF THE RFP**

5 Q. Why did Idaho Power initiate a competitive
6 request for proposals or RFP process to acquire the 2023
7 peak capacity resource?

8 A. As explained in the direct testimony of
9 Company witness Mr. Jared Ellsworth, in the spring of 2021,
10 the Company first identified a capacity deficit of
11 approximately 78 megawatts ("MW") beginning in 2023
12 following modifications to assumptions used in the load and
13 resource balance being prepared as part of the Valmy Unit 2
14 exit analysis, as directed by Commission Order No. 34349,
15 subsequently increasing to 101 MW during development of the
16 2021 IRP. In order to meet its obligation to reliably serve
17 customer load in a least-cost, least-risk manner, a
18 competitive solicitation for the acquisition of resources
19 was conducted through an RFP.

20 The competitive RFP process allows the Company to
21 access the broader peak capacity market to obtain the best
22 resources for Idaho Power's customers, allowing for access
23 to a spectrum of potential resources and developers. Use of
24 a formal RFP process provides customers and regulatory
25 agencies with the assurance that the resource selection

1 process was competitive, all potential developers had an
2 equal opportunity to participate, and that the best
3 resource alternative was selected.

4 Q. Did Idaho Power engage a third-party to assist
5 the Company with the RFP and bid evaluation process?

6 A. Yes. On May 12, 2021, Idaho Power executed a
7 contract with Black & Veatch Management Consulting, LLC
8 ("Black & Veatch"), to receive full-service comprehensive
9 owner's engineering and oversight services to coordinate
10 resource procurement efforts pertaining to the RFP as well
11 as the preparation and issuance of the RFP. The Company
12 utilized Black & Veatch's consulting expertise in
13 developing the RFP requirements and requests, its exhibits
14 and the issuance of the RFP, and Black & Veatch's
15 experience in designing and administering the RFP
16 evaluation processes. Black & Veatch provided scheduling,
17 editing, process development, and the tools to conduct
18 evaluations. Black & Veatch further assisted Idaho Power in
19 the consolidation and integration of final evaluations
20 prepared by Idaho Power subject matter experts, and overall
21 weighting of individual factors and key categories that
22 influence both quantitative and qualitative evaluation.

23 Finally, Black & Veatch administered the bid
24 evaluation process, including proposal data processing,
25 evaluation training, rating collection, score compilation,

1 proposal ranking, and other necessary summary and reporting
2 tasks. As part of this work, Black & Veatch supported
3 responding to bidders' questions regarding the RFP content
4 and Idaho Power evaluators' questions regarding evaluation
5 processes, factors and criteria.

6 Q. What was the extent of Idaho Power personnel's
7 involvement in the development of the RFP and the bid
8 evaluation process?

9 A. Upon recognizing the urgency of the capacity
10 deficit, the Company assembled an interdisciplinary team to
11 develop and process the RFP for 2023 peak capacity
12 resources ("RFP evaluation team"). Black & Veatch was
13 engaged to assist the RFP evaluation team, providing
14 guidance and support of the RFP process. The RFP evaluation
15 team, in consultation with Black & Veatch, developed
16 detailed criteria and a methodology for evaluating both
17 price and qualitative attributes of a proposed resource
18 including the 37 factors which were identified in Exhibit A
19 to the RFP and the Proposal Entry Form during the
20 qualitative evaluation process. Subject matter experts
21 within the RFP evaluation team, as well as independent
22 subject matter experts within Idaho Power, were assigned
23 those specific evaluation factors and criteria related to
24 their knowledge of the factor subject matter.

25 //

1 Q. How was the detailed criteria and a
2 methodology for evaluating both price and qualitative
3 criteria determined?

4 A. The RFP evaluation team first examined other
5 recent RFPs of similar size or recent RFPs of neighboring
6 utilities, relied on Black & Veatch's consultation and
7 experience, and identified those characteristics of the
8 products needed including technology type, ownership
9 structure, term, first delivery date, resource status,
10 design life, capacity, interconnection and point of
11 delivery. In addition, the team identified the breadth and
12 depth of the evaluations needed to support decision-making
13 for large power supply commitments, including quantitative
14 analysis through production cost simulation, and evaluation
15 of qualitative aspects identifying the detailed qualitative
16 factors that comprise Project Feasibility, Project
17 Capability, Counterparty Profile, and Community
18 Stewardship.

19 Q. Did the Company notify the public of the
20 intent to issue a formal RFP?

21 A. Yes. On May 20, 2021, Idaho Power released a
22 public Notice of Intent to industry developers and media
23 outlets noticing the Company's intent to release the RFP,
24 which was also posted on Idaho Power's website. The Notice
25 of Intent was also directly emailed to approximately 80

1 developers, comprised of developers currently in the
2 Company's Generation Interconnection Queue as well as
3 potential developers identified through market research.

4 Q. When were developer responses due?

5 A. Interested developers responded with an Intent
6 to Bid by June 11, 2021. During the RFP solicitation,
7 Idaho Power received 25 questions from developers and
8 responded accordingly. Ultimately, thirty-eight developers
9 responded to the Notice of Intent identifying approximately
10 seventy separate potential proposals and requesting to
11 receive the RFP directly when released.

12 **II. THE REQUEST FOR PROPOSALS**

13 Q. Please describe the issuance of the RFP.

14 A. On June 30, 2021, the RFP evaluation team
15 issued a formal request for competitive proposals focused
16 on the acquisition of resources up to 80 MW to meet the
17 2023 capacity deficiency and required commercial operation
18 by June 2023. The RFP, included as Exhibit No. 1 to my
19 testimony, set forth the process and procedure utilized to
20 solicit and evaluate the proposals.

21 The RFP solicitation identified the purpose, key
22 product specifications, proposal format, qualitative and
23 quantitative evaluation criteria, template draft form term
24 sheet, technical specifications, and additional
25 requirements necessary to submit a qualifying proposal.

1 The submittal requirements provided the key information to
2 assess both price and non-price attributes. Most
3 importantly, the RFP solicitation focused on the importance
4 of having a project in-service by June 2023. The RFP was
5 sent directly to the 38 developers, through the Power
6 Advocate portal, who responded to the Notice of Intent.

7 Q. Please describe the products solicited
8 through the RFP.

9 A. The products identified as having the most
10 realistic potential to be in-service by June 2023 were
11 energy storage projects, solar photovoltaic ("PV")
12 projects, solar PV plus storage projects, wind projects,
13 and wind plus storage projects. Idaho Power required that
14 projects that included a Power Purchase Agreement ("PPA")
15 for wind and solar also include the transfer of ownership
16 for the storage resource. Idaho Power also accepted other
17 products if they met the functionality criteria outlined in
18 the RFP. Exhibit No. 2 to my testimony includes the key
19 product specifications for each of the eligible products,
20 including the ownership structure, resource status, type of
21 agreement necessary, design life, first delivery date,
22 capacity requirement, interconnection options, delivery
23 point, storage duration and cycles, and pricing, as
24 outlined in the RFP.

1 Q. Why did the Company focus its solicitation
2 on wind, solar, energy storage, or some combination of
3 these resources?

4 A. Due to the short timeline for projects to be
5 constructed to meet the 2023 identified capacity deficit,
6 Idaho Power assumed wind, solar, and energy storage
7 solutions were the most likely projects to be submitted in
8 response to the RFP.

9 Q. The Company's capacity deficiency has been
10 identified as first occurring in summer 2023. Did Idaho
11 Power's RFP consider the timing of the resource
12 availability when recommending accepted products?

13 A. Yes. The Company indicated in the RFP that
14 respondents were encouraged to configure resources to
15 maximize energy delivered during hours that are most
16 valuable to Idaho Power. Exhibit D to the RFP provided as
17 Exhibit No. 1 included information related to the most
18 valuable hours.

19 Q. Were potential respondents informed of the
20 evaluation process used by the Company?

21 A. Yes. Section 7 of the RFP discussed the
22 evaluation process Idaho Power used to rank proposals
23 received. Exhibit A to the RFP included as Exhibit No. 1
24 to my testimony, summarized the information required for

1 Idaho Power's qualitative evaluation of the projects and
2 Exhibit B to the RFP summarized the information for the
3 quantitative evaluation. The portal for which respondents
4 submitted proposals included the type of information and
5 level of detail the Company required for complete
6 evaluation.

7 Q. Did the Company perform any additional
8 outreach to potential respondents regarding the RFP?

9 A. Yes. Idaho Power prepared a pre-bid
10 presentation and, on July 12, 2021, sent the recording to
11 all prospective respondents via the Power Advocate portal.
12 The presentation detailed product requirements,
13 interconnection, the most valuable hours, evaluation fees
14 and proposals, the portal overview, evaluation criteria and
15 a schedule for respondents.

16 **III. EVALUATION OF THE RESPONDENT PROPOSALS**

17 Q. When were responses to the RFP due?

18 A. Respondent proposals were due to Idaho Power
19 via the Power Advocate portal on August 11, 2021.

20 Q. Did Idaho Power include a benchmark resource
21 in the RFP?

22 A. No, not explicitly. Because of time
23 constraints in developing a benchmark resource, the Company
24 did not include such an option as part of the RFP.

1 Instead, the Company relied on developers to propose
2 potential projects that would meet the criteria outlined to
3 determine the least-cost, least-risk option. Additionally,
4 in parallel to the issuance of the RFP, Idaho Power
5 investigated different configurations and locations of
6 Company-owned and constructed battery storage systems.
7 This evaluation was driven by concern that Idaho Power may
8 not receive bids with a June 2023 in-service date or
9 projects with sufficient capacity to meet peak summer
10 demand; several developers expressed apprehension achieving
11 the June 2023 in-service date given supply chain
12 constraints. The evaluation also allowed for the
13 evaluation of price and project reasonableness of the self-
14 build options against bids submitted through RFP responses.

15 Q. How many proposals were received?

16 A. Idaho Power received 14 proposals on August
17 11, 2021, from eleven different developers spanning a
18 variety of product types.

19 Q. Did all 14 proposals meet the criteria of the
20 RFP?

21 A. No. Six of the proposals were screened during
22 the initial threshold screen as either incomplete or not
23 meeting the solicitation criteria.

24 Q. Please provide an overview of the evaluation
25 process.

1 A. Confidential Exhibit No. 3 presents the
2 evaluation process of the project submittals. Each project
3 is identified as Project No. 1 through 8 in Table 1 of the
4 exhibit. Once the threshold screen was completed, the
5 qualitative and quantitative evaluations, which I will
6 explain in more detail, were performed iteratively. The
7 qualitative evaluation ranked the proposals based on
8 feasibility, capability, counterparty profile, and
9 community stewardship while the quantitative evaluation
10 ranked the proposals by cost.

11 Q. When did evaluation of the proposals begin?

12 A. Idaho Power began qualitative evaluation of
13 the eight proposals that made up the initial short list in
14 September 2021 using an objective scoring methodology to
15 reasonably evaluate the attributes of each bid. The
16 qualitative evaluation used the thirty-seven unique factors
17 mentioned earlier in my testimony for scoring, for which
18 the rating criteria of each factor was determined before
19 proposals were received and not changed thereafter. The
20 Idaho Power subject matter expert performing the
21 qualitative evaluation of all shortlist proposals performed
22 their respective evaluation independent of price inputs.

23 Q. What is meant by reasonably evaluate?

24 A. With respect to qualitative evaluation,
25 reasonably evaluate means that the method of allowing

1 qualitative evaluators to independently utilize their
2 subject matter expertise while being constrained to follow
3 the rating criteria guidance and be subject to calibration
4 resulted in a reasonable balance between individual
5 expertise and group consensus, therefore yielding
6 reasonable evaluation results.

7 Q. Why would the subject matter experts perform
8 the qualitative evaluation independent of the quantitative
9 evaluation?

10 A. The independent qualitative evaluation of all
11 shortlist proposals by subject matter experts ensures
12 avoidance of a situation in which the qualitative evaluator
13 becomes biased for or against a particular proposal due to
14 its evaluated cost. Instead, the quantitative production
15 cost model analysis was performed after the qualitative
16 evaluation.

17 Q. Once the qualitative evaluations were
18 completed by the subject matter experts, was this scoring
19 used to exclusively select the winning proposals?

20 A. No. Upon completion of the initial
21 qualitative evaluation, the scores were reviewed to ensure
22 consistent application of scores and rating criteria. Next,
23 developers were questioned further about specifics of their
24 project allowing respondents the opportunity to provide
25 additional information to Idaho Power if they desired to

1 clarify or support their proposal. This information was
2 used to re-score and calibrate the proposal rankings
3 resulting in the final short list of proposals. A review
4 of the relative pricing of the various proposals was also
5 performed at this time. The Company believes this internal
6 evaluation with prescribed criteria serves the objective of
7 identifying proposals that fit the needs specified in the
8 RFP.

9 Q. What were the results of the final short list?

10 A. Once additional information was provided and
11 the qualitative evaluation rankings finalized, two project
12 proposals remained, Project Nos. 7 and 8 listed in Table 1
13 of Confidential Exhibit No. 3.

14 Q. Please describe the elimination of Project
15 Nos. 1 through 6 in Table 1 of Confidential Exhibit No. 3
16 from the short list.

17 A. Further investigation into Project No. 1
18 revealed an uncertain path to 2023 capacity and was
19 therefore removed from the short list. Also, comparing the
20 relative price components of all eight proposals determined
21 that Project Nos. 2 through 6 had a higher battery storage
22 price, and therefore did not move forward in the evaluation
23 process. In addition to price, it was determined that
24 Project Nos. 2 through 5 had an interconnection point
25 outside of Idaho Power's system and the Company had

1 concerns about the corresponding timeline to coordinate
2 interconnection processes with the adjacent utility.
3 Finally, in addition to higher prices, Project No. 6
4 provided unclear contractual terms for energy storage
5 ownership. The two remaining projects, Project Nos. 7 and
6 8, advanced to quantitative evaluation.

7 Q. Please describe the quantitative evaluation.

8 A. The quantitative evaluation ranked the
9 proposals by cost, using a consistent common evaluation
10 tool, the use of AURORA, and consistent common assumptions
11 in that tool, for reasonable evaluation results.

12 Q. What were the results of the quantitative
13 evaluation?

14 A. The quantitative evaluation concluded the two
15 remaining projects were competitively priced and provided a
16 cost-effective resource. However, following completion of
17 the quantitative analysis, the RFP evaluation team
18 contacted the developer for Project No. 7 to inquire about
19 the status of their generator interconnection application
20 and associated interconnection costs due to concerns of
21 timing and cost estimates. After multiple inquiries with
22 no response and no ability for the RFP evaluation team to
23 determine a clear path for meeting the 2023 capacity
24 deficit, Project No. 7 was removed from the short list due
25 to lack of capability to meet the commercial operation

1 date. Only one project remained, Project No. 8.

2 **IV. PROJECT NECESSARY TO FILL 2023 CAPACITY DEFICIENCY**

3 Q. Please describe Project No. 8.

4 A. The single remaining shortlist project able to
5 meet the required commercial operation of June 2023
6 consisted of a 40 MW solar PV plus 40 MW energy storage
7 project. The project envisioned a 20-year PPA associated
8 with a 40 MW solar PV facility that supplies energy to an
9 Idaho Power-owned energy storage facility, 40 MW of battery
10 storage.

11 Q. Will the 40 MW solar PV plus 40 MW energy
12 storage project be sufficient to meet Idaho Power's
13 capacity need in 2023?

14 A. No. The standalone 40 MW solar PV plus 40 MW
15 energy storage project will not be sufficient to fully meet
16 the 2023 capacity need identified during the 2021 IRP
17 process. The Company also identified an additional energy
18 storage resource through the investigation into different
19 configurations of Company-owned and constructed Battery
20 Energy Storage Systems ("BESS") performed in parallel to
21 the RFP process.

22 Q. Why did the Company perform a parallel
23 investigation into different configurations of Company-
24 owned and constructed BESS?

25 A. At the time of the initial investigation and

1 evaluation of a potential self-build option, Idaho Power
2 was unclear what RFP proposals would be received. Based on
3 conversations with developers, the Company had concerns
4 about whether any project submittals would have the ability
5 to meet the necessary capacity deficit and in-service date.
6 Through this investigation and evaluation, Idaho Power
7 identified a feasible self-build option that could be
8 commercially operable by June 2023, an 80 MW battery
9 storage facility.

10 Q. What indication did the Company have that a
11 self-build option provided for a lower-cost, lower-risk
12 alternative?

13 A. As part of its investigation, Idaho Power sent
14 a request for quotes ("RFQ") to eight different battery
15 manufacturers. The indicative pricing received from these
16 suppliers was comparative to the lowest-cost proposals for
17 similar battery storage projects submitted through the RFP
18 process. The combined two projects, the 40 MW solar PV
19 plus 40 MW energy storage and the 80 MW battery storage
20 facility, would provide the resources necessary to fill the
21 2023 capacity deficiency.

22 Q. You indicated the one project resulting from
23 the RFP, Project No. 8, consisted of a 20-year PPA
24 associated with a 40 MW solar PV facility combined with an
25 Idaho Power-owned energy storage facility, 40 MW of battery

1 storage. Has the Company executed the PPA?

2 A. Yes. On February 16, 2022, Idaho Power and
3 Black Mesa Energy, LLC ("Black Mesa") executed a 20-year
4 Power Purchase Agreement ("PPA"). Under the terms of the
5 PPA, Black Mesa will build, own, operate and maintain a 40
6 MW solar PV facility, supplying the output to Idaho Power's
7 system.

8 Q. Has Idaho Power executed a contract for the
9 energy storage component of the project?

10 A. Yes. The Company moved forward with the
11 direct procurement of the battery system and on February
12 28, 2022, executed a contract with Powin Energy Corporation
13 ("Powin"), for the purchase of a BESS to provide for a
14 minimum capacity of 40 MW.

15 Q. Where will the 40 MW energy storage project be
16 located?

17 A. The 40 MW energy storage facility is currently
18 envisioned to be co-located with the Black Mesa 40 MW solar
19 PV facility. However, the Company does have flexibility to
20 locate the 40 MW of battery storage to a more appropriate
21 location, should one be identified. Idaho Power will
22 continue to evaluate other potential sites suitable for the
23 40 MW of energy storage, those that will provide the most
24 benefit to Idaho Power and its customers.

25 Q. Will there be any additional contracts

1 required for the 40 MW solar PV plus 40 MW energy storage
2 project?

3 A. Yes. In addition to the PPA and energy
4 storage contracts, a variety of design and engineering
5 contracts and construction contracts to complete the
6 installation work will be required. Contract negotiations
7 are underway and expected to be executed in the near
8 future. Idaho Power will also enter into a Long-Term
9 Services Agreement ("LTSA") for O&M services performed for
10 the energy storage project following commercial operation
11 of the project. The LTSA is expected to be executed in May
12 2022 as well.

13 Q. Please describe the second project, the 80 MW
14 energy storage project.

15 A. The Idaho Power-owned 80 MW energy storage
16 project consists of 80 MW of battery storage, which will be
17 served by system energy. A contract executed with Powin on
18 February 28, 2022, includes a BESS necessary to meet the
19 minimum capacity of 80 MW.

20 Q. Has Idaho Power identified a location for the
21 80 MW energy storage project?

22 A. Yes. The Company has identified the Hemingway
23 substation as a viable location for the 80 MW energy
24 storage project. However, as with the 40 MW storage
25 facility, the Company will continue to evaluate other

1 potential sites suitable for the 80 MW of energy storage,
2 those that will provide the most benefit to Idaho Power and
3 its customers.

4 Q. Did the Company evaluate pricing of any
5 additional energy storage projects?

6 A. Yes. As part of the RFQ process I mentioned
7 earlier, in an effort to proactively identify self-build
8 storage opportunities, Idaho Power sent an RFQ to eight
9 different battery manufacturers to procure the most
10 economical solution for a storage project. Powin was
11 selected through this process as the most viable option for
12 meeting the Company's energy storage needs.

13 Q. Will any additional contracts be required for
14 the 80 MW energy storage project?

15 A. Yes. An LTSA will include O&M services
16 following commercial operation of the 80 MW energy storage
17 project as well. In addition, the Company has executed a
18 contract with Black & Veatch to perform the design and
19 engineering of the 80 MW energy storage facility and a
20 variety of construction contracts to complete the
21 installation work will be required.

22 Q. Company witness Mr. Tatum indicated Idaho
23 Power was not requesting binding ratemaking treatment for
24 investments in the 120 MW battery storage facilities in
25 this case. Does the Company have an estimate of the costs

1 associated with the energy storage projects?

2 A. As Mr. Tatum described in his direct
3 testimony, Idaho Power is in the process of negotiating a
4 number of agreements necessary for the construction,
5 installation, and maintenance of both projects and
6 therefore does not have a total project cost estimate.
7 However, the majority of the costs of the project are
8 associated with the procurement of the BESS. Because Idaho
9 Power has executed a contract with Powin, the Company is
10 able to provide an estimate of those costs. The total cost
11 of the 120 MW of BESS, including sales tax and Allowance
12 for Funds Used During Construction ("AFUDC"), is
13 anticipated to be approximately [REDACTED].

14 Q. Does Idaho Power believe the procurement
15 process has determined the least-cost, least-risk resources
16 to meet the 2023 capacity deficiency?

17 A. Yes. While only one project proposal
18 submitted through the RFP process ultimately resulted from
19 the RFP evaluation, through the parallel investigation into
20 different configurations of Company-owned and constructed
21 battery storage systems, Idaho Power was able to obtain
22 competitive pricing to ensure the procurement process
23 resulted in the acquisition of least-cost, least-risk
24 resources. These projects are necessary and required to
25 timely meet the Company's resource needs and continue to

1 provide reliable and adequate service to Idaho Power's
2 customers starting in the summer of 2023 and into the
3 future.

4 **V. CONCLUSION**

5 Q. Please summarize your testimony.

6 A. Idaho Power initiated an RFP process to
7 provide a capacity resource to help meet the Company's peak
8 electric energy needs in 2023, including an objective
9 scoring methodology used to reasonably evaluate various
10 competing resources. The capacity resources selected
11 through the fair and competitive procurement process
12 resulted in a 40 MW solar PV plus 40 MW energy storage
13 project, consisting of a 20-year PPA associated with a 40
14 MW solar PV facility that supplies energy to the Company's
15 system combined with an Idaho Power-owned 40 MW battery
16 storage facility. The Company's parallel investigation into
17 different configurations of Company-owned and constructed
18 BESS identified a second capacity resource: an Idaho Power-
19 owned 80 MW battery storage facility. The combined projects
20 provide for the least-cost and least-risk resources
21 necessary for meeting the Company's 2023 capacity
22 deficiency.

23 Q. Does this conclude your testimony?

24 A. Yes.

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DECLARATION OF ERIC HACKETT

I, Eric Hackett, declare under penalty of perjury under the laws of the state of Idaho:

1. My name is Eric Hackett. I am employed by Idaho Power Company as the Projects and Design Senior Manager.

2. On behalf of Idaho Power, I present this pre-filed direct testimony and Exhibit Nos. 1 and 2 and Confidential Exhibit No. 3 in this matter.

3. To the best of my knowledge, my pre-filed direct testimony and exhibits are true and accurate.

I hereby declare that the above statement is true to the best of my knowledge and belief, and that I understand it is made for use as evidence before the Idaho Public Utilities Commission and is subject to penalty for perjury.

SIGNED this 29th day of April 2022, at Boise, Idaho.

Signed:



**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-22-13

IDAHO POWER COMPANY

**HACKETT, DI
TESTIMONY**

EXHIBIT NO. 1

2021 All Source Request for Proposals (RFP) for Peak Capacity Resources

RFP Issued: June 30, 2021

RFP Response | August 11, 2021 | 4:00 p.m. Mountain Time

PowerAdvocate No. 116534

Idaho Power Company
P.O. Box 70
Boise, ID USA 83707

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1. Disclaimer

The information contained in this Request for Proposals (RFP) is presented to assist interested parties in deciding whether or not to submit a proposal. Idaho Power Company (IPC), an operating company subsidiary of IDACORP, Inc., is issuing this RFP to solicit formal proposals from qualified companies (each a Respondent) and does not represent this information to be comprehensive or to contain all of the information that a Respondent may need to consider in order to submit a proposal. None of IPC, its affiliates, or their respective employees, directors, officers, customers, agents and consultants makes, or will be deemed to have made, any current or future representation, promise or warranty, express or implied, as to the accuracy, reliability or completeness of the information contained herein, or in any document or information made available to a Respondent, whether or not the aforementioned parties knew or should have known of any errors or omissions, or were responsible for their inclusion in, or omission from, this RFP.

No part of this RFP and no part of any subsequent correspondence by IPC, its affiliates, or their respective employees, directors, officers, customers, agents or consultants shall be taken as providing legal, financial or other advice or as establishing a contract or contractual obligation. IPC reserves the right to request from Respondent information that is not explicitly detailed in this document, obtain clarification from Respondents concerning proposals, conduct contract development discussions with selected Respondents, conduct discussions with members of the evaluation team and other support resources as described in this RFP. The requirements specified in this RFP reflect those presently known. IPC reserves the right to vary, in detail, the requirements and/or to issue addenda to the RFP. In the event it becomes necessary to revise any part of the RFP, addenda will be provided to Respondents included in the current and applicable stage of the RFP.

IPC will, in its sole discretion and without limitation, evaluate proposals and proceed in the manner IPC deems appropriate. IPC reserves the right to reject any and all, or portions of any proposal submitted by Respondents for failure to meet any criteria set forth in this RFP or otherwise and to accept proposals other than the lowest cost proposal.

This RFP has been prepared solely to solicit proposals and is not a contract offer. This RFP is not binding on IPC. The only document that will be binding on IPC is an agreement duly executed by IPC and the successful Respondent (if any) after the completion of the evaluation process and the award and negotiation of an agreement. IPC reserves the right to reject any and all proposals submitted by Respondents. The issuance of this RFP does not obligate IPC to purchase any product or services offered by Respondent or any other entity. Furthermore, IPC may choose, at its sole discretion, to abandon the RFP process in its entirety. Respondents agree that they submit proposals without recourse against IPC, IDACORP Inc., any of IDACORP Inc.'s affiliates, or any of their respective employees, agents, officers, or directors for failure to accept an offer for any reason. IPC also may decline to enter into any agreement with any Respondent, terminate negotiations with any Respondent or abandon the RFP process in its entirety at any time, for any reason and without notice thereof. Respondents that submit proposals agree to do so without legal recourse against IPC, its affiliates, or their respective employees, directors, officers, customers, agents or consultants for rejection of their proposals or for failure to execute an agreement for any reason. IPC and its affiliates shall not be liable to any Respondent or other party in law or equity for any reason whatsoever for any acts or omissions arising out of or in connection with this RFP. Respondent shall conform in all material respects to all applicable laws, ordinances, rules, and regulations and nothing in this RFP shall be construed to require IPC or Respondent to act in a manner contrary to law. Except

as otherwise provided in the rules and orders of the state of Idaho and Oregon Public Utilities Commissions (the Commission or Commission's), by submitting its proposal, a Respondent waives any right to challenge any valuation by IPC of its proposal. Respondent whose proposal may be selected in response to this RFP acknowledges that it assumes full legal responsibility for the accuracy, validity, and legality of the work provided in conformance with this RFP. By submitting its proposal, a Respondent waives any right to challenge any determination of IPC to select or reject its proposal. IPC reserves the right to accept the proposal in whole or in part, and to award to more than one Respondent. Furthermore, Respondent understands that any "award" by IPC does not obligate IPC in any way. IPC will not be obligated to any part unless and until IPC executes a definitive agreement between the parties.

Respondent will absorb all costs incurred in responding to this RFP, including without limitation, costs related to the preparation and presentation of its response. All materials submitted by the Respondent immediately become the property of IPC. Any exception will require written agreement by both parties prior to the time of submission.

In responding to this RFP, Respondent shall adhere to best business and ethical practices. Respondent shall adhere to IPC's Supplier Code of Conduct, available at www.idahopower.com.

Respondent is specifically notified that failure to comply with any part of this RFP may result in disqualification of the proposal, at IPC's sole discretion.

2. Purpose

2.1. BACKGROUND

Idaho Power Company, an operating company subsidiary of IDACORP Inc., is issuing this RFP to solicit formal proposals from Respondents for electric capacity resources (Products) to help meet IPC's peak electric energy needs in 2023.

IDACORP, Inc. is a holding company formed in 1998. Comprised of regulated and non-regulated businesses, its origins lie with Idaho Power, a regulated electric utility that began operations in 1916. Today, IPC is the largest regulated electric utility in the state of Idaho and IDACORP's chief subsidiary. IPC serves over 590,000 residential, business, agricultural, and industrial customers. The company's service area covers approximately 24,000 square miles, including portions of eastern Oregon. Learn more about Idaho Power at www.idahopower.com.

IPC currently serves its customers by supplying low-cost, reliable, and clean energy. Affordable, clean hydropower is the largest source of energy for customers. Power generation comes from a diverse set of resources that continues to meet a growing demand. For a more detailed description of current generation resources, please visit: www.idahopower.com/energy-environment/energy/energy-sources/.

IPC's service territory continues to experience customer growth and an increasing peak demand (load) for electricity. IPC anticipates sustained load growth that will require the procurement of new resources to meet peak summer demand and maintain system reliability. Additionally, recent changes in the regional transmission markets have constrained the transmission system external to the IPC service territory and impacted the ability to import energy from western market hubs for delivery to IPC's system. The addition of new resources to meet peak demand is critical to ensure IPC can continue to reliably meet the growing demands on its electrical system and serve its customers.

The need for additional capacity resources has been identified as early as Summer 2023 at approximately 80 megawatts (MW). Please refer to **EXHIBIT D – Information on Most Valuable Hours** for a more detailed description of the capacity need.

2.2. THE SOLICITATION

IPC intends to enter into agreement(s) to purchase Products for up to 80 MW of electric generating capacity delivered from resources that employ certain qualifying technologies under certain ownership arrangements. The eligible types of Products are described further in Section 3 of this RFP. Details on the proposal submission process and the proposal evaluation process are also described further in this RFP. Demand side measures are being evaluated outside of this RFP.

The process of issuing and responding to this RFP, evaluation and selection of proposals, and the negotiation and approval of the agreement(s) is known as the Solicitation. Respondents who are interested in participating in the Solicitation and submitting a proposal must first register via the third-party solicitation portal, PowerAdvocate, further described in Section 2.5 of this RFP. This RFP sets forth the terms and conditions by which IPC will perform the Solicitation. Respondent agrees to be bound by all the terms, conditions, and other provisions of this RFP and any addenda to it that may be issued by IPC. This RFP governs the Solicitation and supersedes any other written or oral form of communication between Respondents and IPC concerning the Solicitation.

2.3. REGULATORY CONTEXT

Execution of any purchase agreement will ultimately be subject to the Commission's approval. This could include, but is not limited to, approval of a certificate of public convenience and necessity (CPCN) application from IPC. IPC reserves the right to: 1) inform the Commission that IPC could not reach agreement with the Respondent of a selected resource; 2) request Commission approval of any agreements it enters into with successful Respondents (e.g., CPCN applications); and 3) to terminate any agreement if IPC fails to receive Commission approval of submitted agreements or applications. Respondent shall provide any and all information and documentation reasonably requested by IPC to support such applications and requests.

2.4. CONFIDENTIALITY

Respondent acknowledges and agrees that all information obtained or produced in relation to this RFP is the sole property of IPC and shall not be released or disclosed to any person or entity for any purpose other than providing a proposal to IPC without the express written consent of IPC. Respondent agrees not to make any public comments or disclosures, including statements made for advertising purposes, regarding this RFP to the media or any other party without prior written consent of IPC. In the event Respondent receives any inquiries regarding this RFP from the media or any other party, said inquiries shall be forwarded to IPC.

Respondents shall specifically designate and clearly label any and all material(s) or portions thereof, contained in their proposals, that they deem to contain proprietary information as "CONFIDENTIAL". Nonetheless, IPC reserves the right to release all proposals to its affiliates and such affiliates' agents, advisors, and consultants, for purposes of proposal evaluation. IPC will, to the extent required by law, advise each agent, advisor, or consultant that receives such claimed confidential information of its obligations to protect such information. In addition, all information, regardless of its confidential or proprietary nature, will be subject to review by the Commission and other governmental authorities and courts with jurisdiction, and may be subject to legal discovery. It is not IPC's intent to enter into any separate confidentiality, non-disclosure, or similar agreements as a condition to receiving a Respondent's proposal. However, if and when a proposal is advanced to the Initial Short List, the Respondent must execute a Mutual Nondisclosure & Confidentiality Agreement (Confidentiality Agreement) with IPC in advance of further discussions with and evaluation of the proposal by IPC. Respondents are directed to [EXHIBIT I – Mutual Non-Disclosure Agreement](#) for more detailed information.

2.5. SOLICITATION PORTAL AND RESTRICTION ON COMMUNICATIONS

IPC has opened a web-based portal hosted on the PowerAdvocate sourcing platform (the Portal). All information exchanged between the Respondent and IPC concerning the Solicitation must only be via the Portal from the time the Portal is open until it is closed by IPC. The Portal allows a Respondent to see only its own information and not the information of other Respondents.

IPC has the ability to communicate with Respondents through the Portal. Other than written communication through the Portal, Respondents are prohibited from communicating with IPC employees, representatives, staff, or Board Members regarding the Solicitation during the period in which the Portal is open.

Restricted communication includes, but is not limited to, "thank you" letters, phone calls, emails, and any contact that results in the direct or indirect discussion of the Solicitation and/or submitted proposals. Violation of this provision by Respondents or their agents may lead to disqualification.

The web link to the Portal hosted by PowerAdvocate is:

www.poweradvocate.com

Respondent is responsible for ensuring it has registered for, and posts documents to, the correct portal hosted by PowerAdvocate. The Respondent registering for access to the Portal must be a representative of the Respondent and counterparty with which IPC will engage in any future negotiations, and not consultants or attorneys for the Respondent.

Respondents who have completed the registration process and submitted the public Notice of Intent Form found at www.idahopower.com/about-us/doing-business-with-us/request-for-resources shall receive an email invitation from PowerAdvocate containing a link to the event.

Respondent must not disclose its participation in this Solicitation (other than by attendance at any meeting held by IPC with respect to the Solicitation) or collaborate on, or discuss with any other Respondent or potential Respondent bidding strategies or the substance of any proposal(s), including without limitation the price or any other terms or conditions of any proposal(s).

Questions regarding the Portal should be directed to:

PowerAdvocate Support

support@poweradvocate.com

+001.857.453.5800

2.6. SCHEDULE

The key milestones for the Solicitation and their currently scheduled dates are provided in Table 1 below.

Table 1 – Key Milestones for the Solicitation

Milestone	Date
Portal opened for interested party registration and communication	June 30, 2021
RFP and other Solicitation documents posted to the Portal	June 30, 2021
Respondent Intent to Bid Due	July 7, 2021
Pre-Bid Presentation Recording posted to the Portal	July 12, 2021
Deadline for Submittal of Questions, after which IPC may not respond	July 28, 2021 by 4 p.m. Mountain Time
Deadline for Proposal Submittal – Portal closed to further posting by Respondents, evaluation begins	August 11, 2021 by 4 p.m. Mountain Time

This schedule and documents associated with the Solicitation are subject to change at IPC's sole discretion at any time and for any reason. IPC will endeavor to notify Respondents of any changes to the Solicitation but shall not be liable for any costs or liability incurred by Respondents or any other party due to a change or for failing to

provide notice or acceptable notice of any change. Respondents should factor this schedule and any changes thereto into their project development timelines and proposals.

Respondents should carefully review this RFP for questions, clarifications, defects, and questionable or objectionable materials. Comments and questions concerning clarifications, defects, and questionable or objectionable material **must be submitted through the Portal and must be submitted on or before the date and time specified in the above schedule**. IPC may not respond to questions submitted after this date. All questions and their applicable responses will be provided to Respondents via the Portal.

2.7. PRE-BID PRESENTATION AND RECORDING

IPC will not host an in-person live pre-bid meeting or webcast regarding the Solicitation due to concerns over potential technical difficulties in live hosting such a large event and fairness to Respondents from distant time zones. Instead, IPC will prepare a video recording concerning the RFP and the overall Solicitation process. The recording will include video of a presentation deck and audio of the speakers presenting the deck. The recording will be posted to the Portal on or before the date identified in the Schedule provided in Section 2.6 of this RFP. Viewing of the recording is not mandatory for Respondents.

3. Product Specifications

3.1. KEY PRODUCT SPECIFICATIONS

The key specifications for a subset of the Products eligible to be proposed in response to the RFP are presented in Table 2 below.

Table 2 – Key Product Specifications

	1	2	3	4	5
Product	Energy Storage Project ("S")	Solar PV plus Storage Project ("PVS")	Wind plus Storage Project ("WS")	Energy Storage Component of a Solar PV plus Storage Project ("S-PVS")	Energy Storage Component of a Wind plus Storage Project ("S-WNS")
Product Type	Asset Purchase			Partial Asset Purchase	
Ownership	IPC			IPC (Storage component only)	
Resource Status	Existing, or proposed new with preference for projects in late stage development with pending LGIA or SGIA				
Agreement	Existing resources under an Asset Purchase Agreement (APA), proposed new resources under a Build Transfer Agreement (BTA)				
Design Life (Years)	20	30	40	20	20
First Delivery	June 1, 2023				
Capacity	Min: 1 MW, Max: 80 MW				
Interconnection	Transmission (10 MW – 80 MW) or Distribution (1 MW – 10 MW) system of IPC				
Delivery Point	Within the boundary of the IPC Balancing Authority Area (BA), or outside with all necessary transmission rights to the BA				

	1	2	3	4	5
Product	Energy Storage Project ("S")	Solar PV plus Storage Project ("PVS")	Wind plus Storage Project ("WS")	Energy Storage Component of a Solar PV plus Storage Project ("S-PVS")	Energy Storage Component of a Wind plus Storage Project ("S-WNS")
Storage Duration	Minimum 4 hours				
Storage Cycles	Minimum 1 cycle per day				
Pricing	\$ 000s on acquisition date, \$ 000s per month under a construction completion management agreement (CCMA), \$000s per year under an operation and maintenance services agreement (OMA), \$/MWh charging energy price				
Price Escalation	None				
Other	Storage must be chargeable from the grid by IPC after expiration of the tax benefit recapture period.				

3.2. ADDITIONAL PRODUCT SPECIFICATIONS

IPC may also accept other Products that meet the ownership and electrical functionality criteria outlined in Table 2. Respondents who propose a product not specifically identified in Table 2 must provide applicable information, specifications, terms, etc. for evaluation purposes. Products that are not eligible include, but are not limited to; energy or capacity that is not electrical (for example, thermal energy storage without conversion to electric energy), energy or capacity that is not provided from a specific resource (a System Sale), renewable energy credits without the associated energy (Unbundled RECs), and financial instruments used to mitigate variable cost exposure without associated energy or capacity (Financial Firming).

Respondents whose proposals include Solar PV and/or Wind technologies are encouraged to configure the Solar PV and/or Wind resources to maximize energy delivery during hours that are most valuable to IPC. Information concerning the hours that are most valuable to IPC is provided in [EXHIBIT D – Information on Most Valuable Hours](#) attached hereto.

Proposals for new resources (a Project) to be owned by IPC must assume the parties will execute a build-transfer agreement (BTA), a construction completion management agreement (CCMA) and an operation and maintenance services agreement (OMA) for implementation of the Project. Under a BTA, the Respondent is responsible for all aspects of the development and construction of the Project, including but not limited to permitting, design, development, engineering, procurement, construction, interconnection, and all related costs up to achieving the to-be-agreed upon milestone which will not be earlier than mechanical completion or later than the date the Project is placed into service for tax purposes. After reaching the milestone, the Respondent will transfer ownership of the Project assets to IPC in exchange for a purchase price. Proposals that contemplate the transfer of 100% equity interests in a single member LLC are acceptable. After purchase, the Respondent will remain responsible for the completion of the Project pursuant to a CCMA. After the Project achieves commercial operation, the Respondent will perform operations and maintenance services under the OMA. Beginning at execution of the BTA and related agreements, the Respondent must post cash collateral or a letter of credit in the

amounts specified in the BTA to secure its performance (Performance Security). The amount of Performance Security increases and decreases over the term of the Project development, construction, and operation phases.

Proposals for existing resources (a Plant) to be owned by IPC must assume parties will execute an asset purchase agreement (APA) and an OMA.

IPC will accept Project proposals that include a PPA for wind and solar, provided the proposal includes a BTA for the storage resource.

Respondents are directed to [EXHIBIT E – Draft Form Term Sheet](#) for more detailed information concerning the key terms and conditions of the BTA, CCMA and OMA agreements. Respondents are required to submit a redline of the Draft Form Term Sheet with their proposals. Respondents are also directed to [EXHIBIT K – Draft Form Letter of Credit](#) for reference. In such cases that the Respondent is successful, Respondent shall be responsible for furnishing a letter of credit in a format substantially similar to these forms included in this RFP. These forms shall be subject to review and acceptance by IPC in its reasonable discretion. Respondent shall deliver the required letter of credit no later than 30 days following any such notice of award of the Project.

4. Electric Interconnection

4.1. COST ESTIMATING

Respondent is responsible for understanding the electric transmission and distribution interconnection processes of IPC or other transmission providers, considering the durations and costs of those processes in its proposals, and successfully executing those processes to achieve coordination with IPC and delivery of the proposed Products to IPC on or before the dates identified in its proposed schedule for the resource.

Electric interconnection facilities consist of multiple components as defined below.

- a) Interconnection Customer’s Interconnection Facilities (ICIF) are all facilities and equipment (including the gen tie line) located between the resource and the Point of Change of Ownership. Respondent must submit resource-specific cost estimates of ICIF as part of its proposal and consider the cost of ICIF in its pricing.
- b) Transmission Provider Interconnection Facilities (TPIF) connect the Interconnection Customer’s Interconnection Facilities and facilitate the metering, relay and communications, etc. TPIF are all facilities owned, controlled or operated by the transmission Provider from the Point of Change of Ownership to the Point of Interconnection. These are facilities that IPC will own, and the Respondent will fund. Respondent must submit resource-specific cost estimates of TPIF as part of its proposal and consider the cost of TPIF in its pricing. To aid in consideration of the cost, an estimated cost for TPIF based on interconnection voltage level is provided below. If an interconnection study has been performed by the Transmission Provider that includes an estimate of TPIF, then the costs from that study should be used in lieu of these estimates.

Voltage	TPIF Estimated Cost (2021 \$ 000s)
69 kV	\$1,000
138 kV	\$1,250

Voltage	TPIF Estimated Cost (2021 \$ 000s)
230 kV	\$1,800
345 kV	\$2,500

- c) Station Network Upgrades (SNU) are either new switchyards or additions to existing switchyards or substations that are built to interconnect the generator to IPC transmission or distribution system. SNUs become a component of the integrated IPC transmission or distribution system and are incorporated into IPC tariffs. Respondents are not required to provide cost estimates of SNUs.
- d) Delivery Network Upgrades (DNU) are upgrades to IPC's transmission or distribution network that will be required for individual resources and groups of resources. These upgrades will be incorporated into IPC's transmission or distribution tariffs. Respondents are not required to provide cost estimates of DNUs.

If a Respondent has an active interconnection request, the Respondent must provide the interconnection request identifier(s) (the "queue position") associated with its resource in its proposal. If the resource identified in the proposal was in the queue but has since withdrawn, the Respondent should provide that queue position even though it is no longer active. For Respondents that submit a generation interconnection request or transmission service request pursuant to IPC's Open Access Transmission Tariff (OATT) intending to receive interconnection or transmission service cost estimates for purposes of responding to this RFP, there may not be sufficient time to have studies performed and completed prior to bid selection.

Based on information available from the interconnection request (if any) and/or studies and estimates performed by the Transmission Provider separate and apart from the RFP evaluation team (if available), the RFP evaluation team will determine Proposal-specific SNUs and DNUs and associated costs to include in the evaluation of a proposal or estimate the SNUs and DNUs if unavailable from the Transmission Provider. Proposals involving existing generation resources from which IPC currently purchases capacity and energy will not be burdened during proposal evaluation with any incremental electric interconnection or network delivery costs provided that IPC currently has sufficient transmission and distribution capacity to deliver the proposed energy to its load. Existing generation resources that IPC determines to have inadequate transmission or distribution capacity to deliver will be burdened with the estimated cost of purchasing additional transmission rights and/or SNUs and DNUs.

4.2. INTERCONNECTION STUDIES

The Transmission Provider function within IPC, separate and apart from the RFP evaluation team, and performs studies for Large Generation Interconnection Application (LGIA) requests (over 20 MW) and Small Generation Interconnection Application (SGIA) requests (under 20 MW). The studies are performed to determine the feasibility, cost, time to construct, and injection capability for the interconnection of an electric generating resource. Information concerning generator interconnection can be found at IPC's website ¹ including information on PURPA Qualifying Facility (QF) Interconnections, Non-PURPA QF Interconnections, and Facility Connection Requirements. IPC posts the results of these studies on its OASIS website.²

¹ www.idahopower.com/about-us/doing-business-with-us/generator-interconnection/

² www.oasis.oati.com/ipco/.

The transmission and distribution systems are interrelated and generation injection at one point on the systems may change the injection capability at other points. The generation injection capability assumed by the Respondent for purposes of a proposal may change when the Transmission Provider performs specific resource and resource portfolio interconnection studies. For purposes of aiding Respondents in determining points of interconnection and delivery, IPC has identified areas on the IPC system that may have relatively high injection capability and relatively low cost and time to construct if studied by the Transmission Provider. These areas are identified in [EXHIBIT C – Information on Preferred Locations](#) of this RFP.

If and when a proposal is selected for the Initial Short List and it is for a new resource that will be interconnected to the IPC BA, it may be studied by IPC per IPC's generation interconnection process. Respondents will be notified if their proposed resource will be studied and the Respondents must provide the site control, monetary deposits and other information required under the IPC generator interconnection process. When the study process reaches the Facilities Study phase, the Respondent will be responsible for continued compliance to bring the resource through the balance of the IPC interconnection process and execute an interconnection agreement.

Upon completion of the Facilities Study, the estimated costs of the SNU and DNU resulting from the study (if any) will be used by IPC in further evaluation of the proposal and determination if the Respondent will be selected for the Final Short List and invited to negotiate an agreement with IPC.

For Final Short List resources that will be owned in full or in part by IPC, IPC anticipates that it will declare them as Network Resources of IPC and that IPC will bear the cost of any network transmission service on IPC's system (whether or not procured under the OATT) for a resource that is ultimately contracted and achieves commercial operation.

5. Additional Requirements

5.1. DATA AND CYBER SECURITY

A proposal must comply with the provisions of Presidential Executive Order 13920 (E.O. 13920) issued May 1, 2020, titled *Securing the United States Bulk-Power System (BPS)* which (among other things) prohibits any acquisition, importation, transfer, or installation of BPS electric equipment by any person or with respect to any property to which a foreign adversary or an associated national thereof has any interest, that poses an undue risk to the BPS, the security or resiliency of U.S. critical infrastructure or the U.S. economy, or U.S. national security.

All design and implementation details must follow electrical industry best practices for cyber security as well as all applicable regulatory requirements pertaining to the security of electric system assets. In response to [EXHIBIT A – Information for Qualitative Evaluation](#) of this RFP, Respondents must generally describe their cyber security requirements, practices, and policies. Any additional IPC specific requirements will be addressed during the RFP review and contracting process, pursuant to [EXHIBIT I – Mutual Non-Disclosure Agreement](#). Respondent must state that any and all equipment utilized in the proposed resource will not be procured through an Office of Foreign Assets Control (OFAC) designed entity or otherwise be comprised of equipment prohibited for use by electric utilities in the United States.

5.2. PURCHASING RESTRICTIONS/PROHIBITED TECHNOLOGY

Pursuant to Section 889(a)(1)(B) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019, a Respondent must be able to represent in its agreement with IPC that the Respondent does not and/or will not use any telecommunications equipment, system, or service (or as a substantial or essential component of any system or as or critical technology of any system) made by any of the following companies, or any subsidiary or affiliate thereof (including companies with the same principal word in the name, e.g., Huawei or Hytera: Huawei Technologies Company; ZTE Corporation; Hytera Communications Corporation; Hangzhou Hikvision Digital Technology Company; or, Dahua Technology Company (collectively, Prohibited Technology).

Prohibited Technology may include, but is not limited to, video/monitoring surveillance equipment/services, public switching and transmission equipment, private switches, cables, local area networks, modems, mobile phones, wireless devices, landline telephones, laptops, desktop computers, answering machines, teleprinters, fax machines, and routers. Prohibited Technology does not include telecommunications equipment that cannot route or redirect user data traffic or permit visibility into any user data or packets that the equipment transmits or handles.

5.3. SMALL BUSINESS AND SMALL DISADVANTAGED BUSINESS PROGRAM

IPC is committed to the implementation of a Small and Disadvantaged Business Program. It is the intent of IPC that small business concerns and small businesses owned and controlled by socially and economically disadvantaged individuals have the opportunity to participate in the performance of contracts awarded by IPC. Consequently, we request that you indicate your eligibility as a small business based upon the regulations in Title 13, Code of Federal Regulations, Part 121. If in doubt, consult the Small Business Administration Office in your area.

6. Proposal Format and Submittal

6.1. SUBMISSION OF PROPOSALS

A proposal is considered the aggregate of the information uploaded by a Respondent to the Portal (Information). The Information is in the form of data entered directly into cells in a spreadsheet located on the Portal (Proposal Entry Form or PEF) and subsequently uploaded to the Portal by the Respondent, and other written documents that are uploaded to the Portal. The Portal is designed to accept the majority of the Information as data entered into the PEF with data entry restricted to only certain eligible types and values. The purpose is to ensure Information is entered consistently across all Respondents and proposals such that IPC can consistently, fairly and quickly organize the Information and evaluate the proposals and minimize the amount of written (e.g., PDF, DOC) documents that IPC must review and interpret.

Respondents are strongly advised to carefully review [Exhibit E – Draft Form Term Sheet](#) and the Technical Specifications ([Exhibit F – BESS Technical Specification](#), [Exhibit G – Solar Technical Specification](#), and [Exhibit H – Wind Technical Specification](#)) relevant to their proposed products prior to uploading information to the Portal. If and when a Respondent is selected for negotiation of an agreement, IPC will utilize the Information submitted to populate the relevant portions of the agreements for that Respondent. Respondents should upload information with the understanding that it will ultimately result in binding contract terms.

6.2. BID FEES

A Respondent is required to submit to IPC a non-refundable fee of \$10,000 with each proposal submitted (Evaluation Fee). The purpose of the Evaluation Fee is to encourage submission of well-developed and viable proposals and to offset the cost to IPC for evaluation of proposals. For the purpose of assessing an Evaluation Fee, a proposal is generally defined as follows.

- A single capacity construction phase of a resource at one site = one proposal
- Different capacity, initial delivery year or price from the same site = different proposal
- Different technology from the same site = different proposal
- Different Product from same site = different proposal
- Different site = different proposal

IPC may deem a proposal that does not satisfy the requirements for a single proposal as multiple proposals each of which would require a separate Evaluation Fee. If IPC deems a Respondent's proposal to be multiple proposals, IPC will notify the Respondent and allow it to elect to pay the incremental Evaluation Fee or to revise its proposal to comply with IPC's requirements for a single proposal.

A Respondent that has its proposal selected for the Final Short List and is invited to begin negotiation of an agreement must submit an additional fee in an amount equal to \$1/kW of proposed resource capacity (a Supplemental Fee) to IPC prior to commencement of negotiations. For example, a proposal for a resource with a proposed capacity of 80 MW would pay a Supplemental Fee of \$80,000 (e.g., 80 MW Project * \$1/kW = \$80,000). The purpose of the Supplemental Fee is to ensure good faith submissions and negotiations by the Respondent and to offset the costs that IPC will incur while reviewing proposals and negotiating an agreement. The Supplemental Fee will not be refundable.

6.3. PROPOSAL NAMING

A Respondent must generate a unique name for each of its proposals (Proposal Code) by selecting and entering into the PEF where indicated the Product Type, Proposal Name, Delivery Level and whether the facility is new or existing. The resulting Proposal Code must thereafter be used by the Respondent when referring to the proposal and must be inserted into the file name of each document for the proposal uploaded by the Respondent. The purpose of the Proposal Code is to allow IPC to more easily identify and differentiate among proposals and documents particularly if the volume of proposals received is relatively large.

6.4. PROPOSAL WRITTEN DOCUMENTS

Written documents must be text-searchable PDF (portable document format, non-zipped) and must contain documents reproduced directly from the native document (i.e., Word, Excel, MicroStation, AutoCAD). Scanned images and documents will be considered irregular and may be rejected.

6.5. PROPOSAL SUBMISSION REQUIREMENTS

Exhibits to this RFP summarize the Information that must be uploaded by Respondents to the Portal. These include [EXHIBIT A – Information for Qualitative Evaluation](#) and [EXHIBIT B – Information for Quantitative Evaluation](#) attached hereto. Respondents are directed to the individual tabs in the Portal to ensure Respondent reviews all of the information and the specific type and level of detail that must be provided.

6.6. FIRM PROPOSAL

Each proposal shall be firm, not subject to price escalation, and binding for one hundred eighty (180) days from the date the proposals are due under this RFP.

6.7. TAXES

Respondents are responsible for the payment of all sales, conveyance, transfer, excise, real estate transfer, business and occupation, and similar taxes assessed with respect to or imposed on either party in connection with a proposed agreement.

6.8. INSURANCE

The insurance requirements that must be met by Respondent are summarized below. This summary is provided for information only. Respondent is directed to the [EXHIBIT E – Draft Form Term Sheet](#) for details concerning the specific requirements. If a conflict arises between this summary, the requirements in the Draft Form Term Sheet, or executed agreement between Respondent and IPC, the executed agreement shall govern.

This summary is for information only. At its sole cost and expense, Respondent shall maintain (and cause each of its agents, independent contractors, and Subcontractors at any tier performing any services on the project to maintain) the following insurance, including but not limited to:

- Workers' Compensation Insurance with limits of not less than those required by applicable statutes.
- Employer's Liability Insurance. When permitted by law, the insurance policies required shall contain waivers of the insurer's subrogation rights against IPC. Respondent shall reimburse IPC for any costs (including self-insured tax audit assessments) incurred in the event Respondent maintains an uninsured status within the state of Idaho.
- Business Automobile Liability Insurance.
- Commercial General Liability Insurance applicable to all premises and operations, including without limitation: (i) bodily injury, (ii) property damage, (iii) contractual liability coverage covering its obligations of indemnity and defense, (iv) products and completed operations, (v) independent contractors, and (vi) personal and advertising injury. Such insurance shall provide for occurrence-based coverage and shall have such other terms, conditions, and endorsements of coverage as are deemed prudent by IPC from time to time.
- Professional Liability Insurance or Errors and Omissions Insurance, including without limitation, coverage for claims of financial loss due to error, act, or omission of Respondent or Respondents employees, officers, equity owners, subcontractors at any tier, or agents. Professional Liability Insurance shall be maintained for a minimum of two-years beyond the date of expiration of and executed or the agreement otherwise terminated.
- IP (Intellectual Property/Patent) Insurance covering infringement of copyrights, trademarks, and patents, and misappropriation of trade secrets.
- Fidelity Insurance naming IPC as Loss Payee, for losses arising out of, or in connection with, any fraudulent or dishonest acts, including without limitation computer fraud, committed by Respondent or Respondent's employees, officers, equity owners, Subcontractors at any tier, or agents, acting alone or with others, including losses of property and funds in their care, custody, or control.

- Contractor's Pollution Liability Insurance. Respondent, and Respondent subcontractors or their respective agents or employees are performing services under an executed agreement with environmental hazards maintains a "Claims Made" policy under this such insurance or its replacement insurance shall have a retroactive date of no later than the effective date of the agreement. Such insurance policy or its replacement policy shall provide either a minimum of two-years extended reporting period coverage after completion of all services, or a period equal to the maximum time under the State of Idaho statute of limitations existing on the effective date for potential claims under such insurance, whichever is longer. The policy must also provide the following:
 - Coverage for defense, reimbursement, and indemnity obligations assumed by Respondent under the and executed agreement related to claims, damages, liabilities, losses, demands, expenses, suits, judgments, penalties, fines and costs, including without limitation, investigative costs, settlement costs, court costs at all levels, and attorneys' and expert witness fees and expenses;
 - Coverage for any demands for environmental cleanup costs related to Respondents services under the executed agreement;
 - Coverage for the presence, discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants, silt or sediment into or upon land, the atmosphere or any watercourse or body of water (Pollution Conditions) emanating from or affecting any location, whether or not owned, leased, occupied or otherwise controlled by IPC, to the extent such Pollution Conditions are caused by Respondent, its employees, and agents;
 - Coverage for bodily injury, sickness, disease, mental anguish or shock sustained by any person, including death, and medical monitoring;
 - Coverage for physical injury to, or destruction of tangible property of, parties other than the insured including the resulting loss of use and diminution in value thereof; loss of use, but not diminution in value, of tangible property of parties other than that belonging to the insured that has not been physically injured or destroyed;
 - Coverage for transportation and non-owned disposal site (with no sunset clause/restricted coverage term) (if applicable);
 - Property damage to include natural resources damage; and
 - No exclusions for asbestos, lead paint, silica or mold/fungus.

Coverage shall apply to sudden and non-sudden Pollution Conditions, provided such conditions are not naturally present in the environment in the concentration or amounts discovered, unless such natural condition(s) are released or dispersed as a result of the performance of covered operations. Respondent additionally agrees to name IPC as an additional insured and to provide waiver of subrogation against IPC an to furnish insurance certificates, showing Respondents compliance.

- Cyber Liability, Network Security, Data Breach Protection and/or Similar Privacy Liability Insurance. In the event that Respondent will have access to any restricted information of IPC, its clients, customers, employees, prospective employees, or other third parties, whether protected or not by any local, statutory, federal or other governing legislation(s) or regulation(s), Respondent shall maintain cyber liability, network liability, data breach or similar privacy liability insurance covering actual and/or alleged acts, errors or omissions committed by Respondent, its employees, contractors or agents. For

purposes of this RFP, "Restricted Information" means any confidential or personal information that is protected by law or policy and that requires the highest level of access control and security protection, whether in storage or in transit, including without limitation, personal identity information (PII), protected health information (PHI), electronic protected health information (ePHI) protected by Federal Health Insurance Portability and Accountability Act legislation, credit card data regulated by the Payment Card Industry (PCI), passport numbers, passwords providing access to restricted data or resources, information relating to an ongoing criminal investigation, court-ordered settlement agreements requiring non-disclosure, information specifically identified by contract as restricted, and other information for which the degree of adverse affect that may result from unauthorized access or disclosure is high. Such insurance shall expressly provide coverage for the following perils up to the full limit of coverage with no sublimit:

- Unauthorized use/access of a computer system or database;
- Defense of any regulatory or governmental action involving a breach of privacy or similar rights;
- Failure to protect from disclosure Restricted Information;
- Notification and remedial action costs (such as **credit monitoring**) in the event of an actual or perceived computer security or privacy breach; and
- Denial of electronic access, electronic infection, and electronic information damage, whether or not required by law.

Such insurance shall extend to cover damages arising out of any actual or alleged act(s), error(s) or omission(s) of any individual when acting under Respondent's supervision, direction, or control. Such insurance shall provide coverage on a worldwide basis. Respondent and its insurer(s) shall waive rights of recovery against IPC for any benefits under Respondents cyber-risk, data breach protection or similar privacy liability insurance.

- Cargo and Property Insurance. If Respondent, Subcontractor at any tier, or their respective agents or employees are transporting and/or storing IPC materials or equipment, Contractor shall provide Cargo Insurance and/or Property Insurance (as applicable) covering physical loss or damage, naming IPC as Loss Payee, arising out of, or in connection with, any loss associated with transportation or storage of IPC equipment or material while in the care, custody, or control of Contractor (or its Subcontractors at all tiers). The declared value of the Cargo and/or Property Insurance shall be based on the replacement value of the property in question.
- Insurance required shall be primary and non-contributory and:
 - Be issued on a U.S. policy by one or more carriers acceptable to IPC and licensed to do business in the state where services are rendered;
 - Except as to Workers' Compensation Insurance, Employer Liability Insurance, and Professional Liability Insurance, name IPC as an additional insured or loss payees, as its interests may appear;
 - Not be able to be canceled or materially changed unless IPC is given written notice of such cancellation or change at least thirty (30) days in advance;
 - Provide for severability of interests;
 - Waive all right of subrogation against additional insureds and IPC, its members, officers, employees, agents, and the successors in interest of the foregoing; and
 - Shall not be limited to "ongoing" operations. Respondent shall pay for all deductibles.
- If approved in advance by IPC in writing, Respondent may use a combination of Umbrella/Excess and Primary limits of insurance to provide coverage up to the required amount.

- Upon execution of an agreement, Contractor shall provide IPC with a certificate of insurance indicating all coverages required hereunder, and copies of all policies if requested by IPC.

Respondent agrees to carry and keep insurance in full force during the term of any agreements sufficient to fully protect IPC from all damages, claims, suits and/or judgments including, but not limited to, errors, omissions, violations, fees and penalties caused or claimed to have been caused by, or in connection with the performance or failure to perform under the agreements by Respondent, Respondent's agents or employees, a Respondent's Subcontractor(s), or its agents or employees. Should the Minimum Insurance Requirements of IPC change, the Respondent shall be notified in writing and Respondent shall have sixty (60) days to meet the new requirements. Should the new requirements add materially to Respondent's cost, Respondent may notify IPC and request adjustment in Respondent's compensation commensurate with the increase or decrease in Respondent's cost to achieve the new requirements.

6.9. FINANCIAL AND CREDIT INFORMATION

Respondent must provide a written response and associated documents in response to the Counterparty Financial Questionnaire. Details are further described in [EXHIBIT J - Counterparty Financial Questionnaire](#) of this RFP.

6.10. EXCEPTIONS TO THE DRAFT FORM TERM SHEET

Respondents must provide proposals and pricing that are consistent and compliant with [EXHIBIT E – Draft Form Term Sheet](#) for the proposed resource type. To the extent that the validity of a Respondent's proposal and/or the Respondent's ability to execute an agreement is contingent upon material changes to the language in [EXHIBIT E – Draft Form Term Sheet](#), the Respondent should specifically identify the terms they propose to change in the form of a redline markup and submit the redline with its proposal. To the extent that a Respondent wishes to propose changes the Draft Form Term Sheet that, if accepted by IPC, would reduce the Respondent's proposed pricing the proposal should specifically identify in the redline such changes and the associated price reduction. To the extent practicable, Respondents should develop exhibits, schedules, attachments and other supplemental documents required by the Draft Form Term Sheet in the redline. Respondents proposing to sell existing generation facilities should propose in the redline changes to Exhibit E of this RFP for the proposed resource type reflecting the terms and conditions on which their proposal is based.

The proposed changes must be specific and include a detailed explanation and supporting rationale for each. General comments, drafting notes and footnotes such as "parties to discuss" will be disregarded and not negotiated. Exceptions to the [EXHIBIT E – Draft Form Term Sheet](#) requested by a Respondent will be reviewed as part of IPC's qualitative evaluation of the proposal.

6.11. EXCEPTIONS TO THE TECHNICAL SPECIFICATIONS

Respondents that propose a resource for IPC ownership must provide proposals and pricing that are consistent and compliant with the applicable technical specifications provided as Exhibits to this RFP ("Technical Specifications"). To the extent that the validity of a Respondent's proposal and/or the Respondent's ability to execute an agreement is contingent upon material changes to the language in the Technical Specifications, the Respondent must specifically identify the specifications it proposes to change in the form of a redline markup to the Technical Specification and submit the redline with its proposal. To the extent that a Respondent wishes to

propose changes to the Technical Specification that, if accepted by IPC, would reduce the Respondent's proposed pricing the Respondent should specifically identify in the redline such changes and the associated price reduction. To the extent practicable, Respondents should develop exhibits, schedules, attachments and other supplemental documents required by the Technical Specification in the redline.

The proposed changes must be specific and include a detailed explanation and supporting rationale for each. General comments, drafting notes and footnotes such as "parties to discuss" will be disregarded and not negotiated. Exceptions to the Technical Specifications requested by a Respondent will be reviewed as part of IPC's qualitative evaluation of the proposal.

6.12. EXCEPTIONS TO THE DRAFT FORM LETTER OF CREDIT

Respondents that propose a resource for IPC ownership must provide proposals and pricing that are consistent and compliant with the [EXHIBIT K - Draft Form Letter of Credit](#). To the extent that the validity of a Respondent's proposal and/or the Respondent's ability to execute an agreement is contingent upon material changes to the language in the Draft Form Letter of Credit, the Respondent should specifically identify the terms they propose to change in the form of a redline markup to [EXHIBIT K - Draft Form Letter of Credit](#) and submit the redline with its proposal. To the extent that a Respondent wishes to propose changes to the Draft Form Letter of Credit that, if accepted by IPC, would reduce the Respondent's proposed pricing the proposal should specifically identify in the redline such changes and the associated price reduction.

The proposed changes must be specific and include a detailed explanation and supporting rationale for each. General comments, drafting notes and footnotes such as "parties to discuss" will be disregarded and not negotiated. Exceptions requested by a Respondent will be reviewed as part of IPC's qualitative evaluation of the proposal.

6.13. CLARIFICATION OF PROPOSALS

While evaluating a proposal, IPC may request clarification or additional information from the Respondent about any item in its proposal. Such requests will be sent via the Portal by IPC and the Respondent must provide a response via the Portal back to IPC within five (5) business days, or IPC may deem the Respondent to be non-responsive and either suspend or terminate further evaluation of its proposal. Respondents are encouraged to provide an alternate point of contact to ensure a timely response to clarification requests.

6.14. ADDENDA TO RFP

Any additional responses required from Respondents as a result of an Addendum to this RFP shall become part of each proposal. Respondents must acknowledge receipt of and list all Addenda where indicated in the PEF.

7. Proposal Evaluation, Negotiation and Approval

7.1. EVALUATION PROCESS

The proposal evaluation process will include both qualitative and quantitative components.

The evaluation process begins with a screen to identify and remove from further evaluation proposals that are incomplete or do not comply with the basic requirements of the Solicitation (Threshold Screen). Examples of

situations where a proposal fails the Threshold Screen include, but are not limited to, 1) the proposed product is not compliant with the Product definitions, 2) a substantial number of data fields in the PEF are incomplete, 3) key Information necessary to complete a comprehensive evaluation have not been uploaded.

Proposals that pass the Threshold Screen will then enter a detailed qualitative and quantitative evaluation. In evaluating proposals, IPC, in its sole discretion, will give weight and importance to the evaluation criteria listed below:

- Project Feasibility;
- Project Capability;
- Counterparty Profile;
- Community Stewardship;
- Price and Overall Cost to IPC; and
- Any other factors deemed appropriate by IPC.

7.2. ADDITIONAL RIGHTS

IPC may, in its sole discretion, at any time during the Solicitation:

1. Appoint evaluation committees to review proposals, seek the assistance of outside technical experts and consultants in proposal evaluation, and seek or obtain data from any source that has the potential to improve the understanding and evaluation of the responses to this RFP.
2. Revise and modify, at any time before the Deadline for Proposal Submittal, the factors it will consider in evaluating proposals and to otherwise revise or expand its evaluation methodology.
3. Hold interviews and meetings to conduct discussions and exchange correspondence with either all Respondents or only those with proposals that IPC elects to select for detailed discussions (Initial Short Listed Proposals) in order to seek an improved understanding and evaluation of an individual Respondent's proposal.
4. Issue a new RFP.
5. Cancel or withdraw the entire RFP or any part thereof.

7.3. ACCEPTANCE AND REJECTION OF PROPOSALS

IPC may or may not award an agreement after analysis and evaluation of the proposals. IPC reserves the right to reject any and all proposals, to waive minor formalities and irregularities, and to evaluate the proposals to determine which, in IPC's sole judgment, represents the best value for the Products requested.

7.4. AGREEMENT NEGOTIATIONS

In anticipation of an award, there will be a period of negotiations to finalize the agreement(s) between the parties. An agreement, including all terms, conditions, exhibits, and attachments must be executed by both IPC and the successful Respondent in order to create a binding enforceable agreement between IPC and the successful Respondent.

7.5. EXCLUSIVITY

If and when a proposal is selected for the Final Short List, from that date through the date of execution by both Parties of an agreement, the Respondent and/or its affiliates shall not execute an agreement with any other party for the sale of the proposed Product(s) such that the Respondent would no longer be able to provide the Products proposed in the proposal.

7.6. PUBLICITY

The Parties intend to issue joint public announcements, in the form of press releases, case studies, and/or other materials, containing content mutually agreed to by the Parties, upon execution of the agreements. Neither party shall use the name, logo, or any other indicia of the other party in any public statement, press release, other public relations or marketing materials, the identity of the other party, or any underlying information with respect to the agreement(s) at any time without the prior written consent of the other party, which it may withhold in such other party's sole discretion. Prior to making any such permitted use, each party shall provide for the other party's review and approval any publicity materials. Any and all goodwill from use of IPC's name, logo, or indicia will inure to IPC's sole and exclusive benefit.

7.7. COMMISSION APPROVAL

As stated previously in Section 2.3, execution of an agreement will ultimately be subject to Commission approval.

7.8. ENTIRE RFP

This RFP and all Exhibits, Attachments, Datasheets, Forms, and Addenda within the Portal event are incorporated herein by this reference and represent the final expression of this RFP. Only information supplied by IPC in writing through the parties listed herein or by this reference made in the submittal of this RFP shall be used as the basis for the preparation of Respondents proposals.

EXHIBIT A – Information for Qualitative Evaluation

A summary of the information that must be uploaded to the Portal by Respondents for purposes of the qualitative evaluation is provided below. The required information differs among the product types. This is provided for information only. Respondents are directed to the Portal to review all of the information and the specific type and level of detail that must be provided for each product type. That level of detail is not provided in this Exhibit. In the case of conflict between this summary and the detail identified in the Portal, the detail identified in the Portal shall govern.

PROJECT FEASIBILITY

1. Proposals must describe the resource technology including a description of key aspects, features, benefits, drawbacks, and history of its development and current status of deployment for utility scale operations.
2. Proposals must include a description of 1) status of major equipment procurement for the solar, wind and storage components, where applicable, 2) engineering, procurement, and construction bids and awards, 3) project/asset useful life, and 4) defect and performance warranty terms of solar and/or storage systems.
3. Proposals must state a point of delivery which meets the requirements for the proposed Product as specified in the Technical Specification section of the RFP.
4. Proposals for transmission connected resources must include documentation showing that the resource is on track to achieve interconnection by the date indicated in Respondent's project schedule. Proposals must also include documentation that the Respondent has estimated and included the costs for Interconnection Customer's Interconnection Facilities and Transmission Provider Interconnection Facilities in its proposed pricing.
5. Proposals for distribution connected resources must include documentation showing that the resource is on track to achieve interconnection by the date indicated in the Respondent's project schedule. Proposals must also include documentation that the Respondent has estimated and included the costs for Interconnection Customer's Interconnection Facilities and Transmission Provider Interconnection Facilities in its proposed pricing.
6. Proposals involving wind resources must include nodal economic analyses or curtailment analysis under base case (n-1) and outage scenarios (n-x) showing expected unit economic metrics (including congestion impacts on: capacity factor, produced energy, and generation revenue) for the project at the proposed delivery points.
7. Proposals must include proof of site control satisfactory to IPC. Proof of site control includes copies of title, lease, option to lease documents proving control is/can be established per the date specified in the Respondent's project schedule.
8. Proposals involving existing resources must describe any major current and/or historical operational issues, root causes and mitigation and any capital improvements that are necessary to ensure reliability.
9. Proposals must include a realistic and attainable project plan and schedule considering all permits and approvals, supply chain, site acquisition, interconnection, and transmission. The project plan must describe Respondent's approach for completing the project.

10. Proposals must include the **Exhibit E - Draft Form Term Sheet** relevant to the product being proposed with changes requested by Respondent (if any) shown in redline consistent with the Exceptions to **Exhibit E - Draft Form Term Sheet** requirements stated in the RFP.
11. Proposals must include the **Exhibit K - Draft Form Letter of Credit** relevant to the product being proposed with changes requested by Respondent (if any) shown in redline consistent with the Exceptions to **Exhibit E - Draft Form Term Sheet** requirements stated in the RFP.
12. Proposals must include the Technical Specifications relevant to the product being proposed with changes requested by Respondent (if any) shown in redline strikeout consistent with the Exceptions to Technical Specifications requirements stated in the RFP.
13. Proposals must include the Attachment A and/or Appendix A of the applicable Technical Specifications relevant to the product being proposed with Preferred Vendors of the major equipment suppliers of the Respondent's project marked or specified.
14. A proposal must state whether or not it is contingent on any other proposal submitted by the Respondent. For example, a proposal for implementation of a solar plus storage resource at a site and a separate proposal for implementation of a wind plus storage resource at the same site are contingent on one another (implementation of one precludes implementation of the other).
15. Proposals must include a financing plan for the proposed resource. Respondent will be scored on the credibility of its plan to raise all tranches of capital needed to successfully close on both construction and permanent financing, which may include the following: debt, tax equity related to accelerated tax depreciation (5 year MACRS); tax equity for the ITC and/or application for the Treasury's Grant-in-lieu of ITC Program (if applicable), and Respondent's own equity.
16. Proposals for solar plus storage or wind plus storage resources must provide documentation that the energy storage system is integrally connected to the functioning of the associated solar or wind generation facility and that the energy storage system will be exclusively charged with energy from the associated solar or wind generation facility for the first five (5) or more years of operation. Documentation must also be provided that the current "beginning of construction" IRS guidance will be met such that the resource will qualify for the greatest potential investment tax credit under federal tax law. Documentation must also be provided that if and to the extent that future federal tax law changes result in increased tax advantages to the resource that a share of such advantages will be quantified and passed through to IPC.

PROJECT CAPABILITY

17. Proposals for solar plus storage resources must include a forecast of the expected annual energy output of the resource performed using PVSystem or equivalent, and a guaranteed annual output as a percentage of forecast. Resources will be subject to annual review of metered output to determine compliance with guarantee.
18. Proposals for wind plus storage resources must include a forecast of the expected annual energy output of the resource performed. Proposals must include expected (p50, p90 and p99) capacity factors, including hourly shapes (actual or based on weather data) including at least one output file for the performed analysis.

19. Proposals involving storage must state a maximum storage duration.
20. Proposals involving storage must state the allowed storage cycles per day.
21. Proposals involving storage must state the round-trip efficiency.
22. Proposals involving storage must state the annual baseline degradation and variable degradation per cycle.
23. Proposals involving storage must state the time required to charge the resource from minimum to maximum state of charge.
24. Proposals involving storage must include a Capacity Guarantee. Resources will be subject to annual test with test results adjusted to guarantee conditions to determine compliance with guarantee.
25. Proposals involving storage must include both a guaranteed equivalent forced outage rate (EFOR) and a guaranteed equivalent availability factor (EAF).
26. Proposals must state the ability of the resource to provide ancillary services (regulation, spinning reserves, non-spinning reserves, load following, black start).
27. Proposals for existing resources must include documentation of all Notice of Violation (NOV) issued by the Idaho Department of Environmental Quality (DEQ) and documentation of corrective action, settlement and penalty.

COUNTERPARTY PROFILE

Respondents must provide information below and answer all questions in the Proposal Entry Form for this RFP. Additionally, Respondents shall provide further supporting documentation as requested by IPC

28. Proposals must provide safety information for the most recent three (3) years including, but not limited to, an annual statement of worker's compensation Experience Modification Rating (EMR), the OSHA Recordable Injury Rates (RIR), and the U.S. Bureau of Labor Statistics (BLS) SIC Code RIR > 1.0, the OSHA citation history, Lost Time Accidents (LTA), number of OSHA-Recordable Cases, and employee hours worked.
29. Respondent must provide an electronic copy of its safety manual. Respondents with safety manuals that have not been updated to meet current OSHA standards within the last twelve (12) months may be disqualified. Respondent must also provide a statement of Respondent's ability to provide an individual that has completed the OSHA thirty (30) hour outreach training course; will be committed and available to support the Services to be performed under the proposal; and will be responsive in a timely manner to IPC's request for participation in safety events, analysis and/or sessions.
30. Proposals must include a list of any citations, notices of violation, legal proceedings, fines, or project terminations that any Federal, State, local regulatory agency or department, corporation, or individual has issued to or against Respondent, or any employee of Respondent while that employee was working for Respondent (Citations). For each Citation, state the nature of the Citation and the date of its resolution, together with the contact person for Respondent who could address any questions about the matter. If there are no Citations, Respondent shall provide such a statement.

31. Respondent must complete and submit the Counterparty Financial Questionnaire and upload a current organizational chart displaying all organizational relationships including parent company, holding company, subsidiaries, sister companies, associates, or other related entities as applicable.
32. Proposals must include a description of Respondent's experience developing resources similar to that proposed. Additional review of Respondent's direct development experience, positive or negative third-party references, and industry reputation may result in the Respondent receiving a higher or lower score than application of the above criteria would otherwise indicate.
33. Proposals must include a general description of the cyber security requirements, practices, and policies of the Respondent. Respondent must state that any and all equipment utilized in the proposed resource will not be procured through an Office of Foreign Assets Control (OFAC) designed entity or otherwise be comprised of equipment prohibited for use by electric utilities in the United States.

COMMUNITY STEWARDSHIP

34. Proposals must state the number of full-time, permanent jobs that will be created in IPC's service territory, details regarding the types of jobs (i.e., roles/functions/titles) and the number of positions for each respectively by year. A full-time, permanent job means 2,080 straight-time paid hours in a fiscal year with benefits.
35. Proposals must provide details and dollar value of permanent capital investment that company intends on making in IPC's service territory (i.e., office lease, warehouse lease, land purchase, etc.) and any timeline associated with these investments.
36. Each proposal must state whether an owner, equity holder, partner, member, or principal of Respondent is a manufacturer, supplier, distributor, or provider (Provider) of technology-related systems, equipment, components, parts, technologies and/or services. If so, the proposal must state the name, address and state of organization of such Provider, describe the nature of the Provider's business, and a description of where the Resource supplies and materials will be sourced from, as well as the percentage, if any, of such sourcing:
 - Outside the USA (provide name and location)
 - In the USA, but outside the State of Idaho and Oregon (provide name and location)
 - In the state of Idaho and Oregon, but outside IPC's service territory
 - Within IPC's service territory (provide name and location)
 - By subcontractors of Respondent, if available
 - A commitment to offer subcontracting opportunities to industry-leading small, local and/or diverse/minority-owned businesses.

37. Respondent must provide information concerning any environmental, social, and governance (ESG) initiatives and any supplier programs, including but not limited to: 1) Risk Rating score it has received from Sustainalytics, an established ESG rating agency, or scores from other ESG rating agencies may be substituted in place of Sustainalytics ratings if they are substantially similar in rating methodology and quality; 2) and any other supplier programs (Small Business And Small Disadvantaged Business Programs, mentoring programs, and academic opportunities).

EXHIBIT B – Information for Quantitative Evaluation

A summary of the information that must be uploaded by the Respondent to the Portal for purposes of the quantitative evaluation is provided below. This is provided for information only. Respondents are directed to the tabs in the Portal to review all of the information and the specific type and level of detail that must be provided. That level of detail is not provided in this Exhibit. In the case of conflict between this summary and the detail identified in the Portal, the detail identified in the Portal shall govern.

Storage Technologies

- Battery age (if existing) (cycles)
- Technology
- In Service Date
- Battery life (years)
- Battery life (cycles)
- Number of units
- Age of plant (if existing)
- Technical Life
- Storage Capacity (MWh)
- Battery capacity at peak hour (MW)
- Nameplate Capacity (MW)
- Auxiliary Load (MW)
- Duration (hours)
- Average daily capacity
- Charge efficiency (%)
- Discharge efficiency (%)
- Annual capacity degradation (% of MW per year)
- Capacity degradation per cycle (% of MW per cycle)
- Annual Energy degradation (% of MWh per year)
- Energy degradation per cycle (% of MWh per cycle)
- Minimum state of charge (%)
- Maximum state of charge (%)
- Round trip charging losses (%)
- Maximum number of cycles allowed per day (cycles)
- Maximum number of cycles allowed per month (cycles)
- Maximum number of cycles allowed per week (cycles)
- Maximum number of cycles allowed per year (cycles)
- Maximum time battery can output at maximum generating capacity (hours)
- Maximum generation capacity at IPC peak hours (%)
- Maintenance outages per year (number)
- Forced outage rate (%)
- Mean planned repair time (hours)
- Mean forced repair time (hours)
- Overnight installed cost (\$/kW, \$/kWh, \$)

Wind Technologies

- In Service Date
- Number of units
- Age of plant (if existing)
- Technical Life
- 8760 shape of generation output
- Storage Capacity (MWh)
- Battery capacity at peak hour (MW)
- Nameplate Capacity (MW)
- Auxiliary Load (MW)
- Average daily capacity
- Minimum guaranteed energy level
- Annual capacity degradation (% of MW per year)

- Maximum time battery can output at maximum generating capacity (hours)
- Maximum generation capacity at IPC peak hours (%)
- Maintenance outages per year (number)
- Forced outage rate (%)
- Mean planned repair time (hours)
- Mean forced repair time (hours)
- Overnight installed cost (\$/kW, \$/kWh, \$)

Solar Technologies

- In Service Date
- Number of units
- Age of plant (if existing)
- Technical Life
- 8760 shape of generation output
- Storage Capacity (MWh)
- Battery capacity at peak hour (MW)
- Nameplate Capacity (MW)
- Auxiliary Load (MW)
- Average daily capacity
- Minimum guaranteed energy level
- Annual capacity degradation (% of MW per year)
- Maximum time battery can output at maximum generating capacity (hours)
- Maximum generation capacity at IPC peak hours (%)
- Maintenance outages per year (number)
- Forced outage rate (%)
- Mean planned repair time (hours)
- Mean forced repair time (hours)
- Overnight installed cost (\$/kW, \$/kWh, \$)

EXHIBIT C – Information on Preferred Locations

The following diagram summarizes the preferred locations and points of delivery for Products proposed in response to this RFP. This is provided for information only. Respondents are directed to the Portal for the most recent version of this information. In the case of conflict between this information and the information provided in the Portal, the form provided in the Portal shall govern.

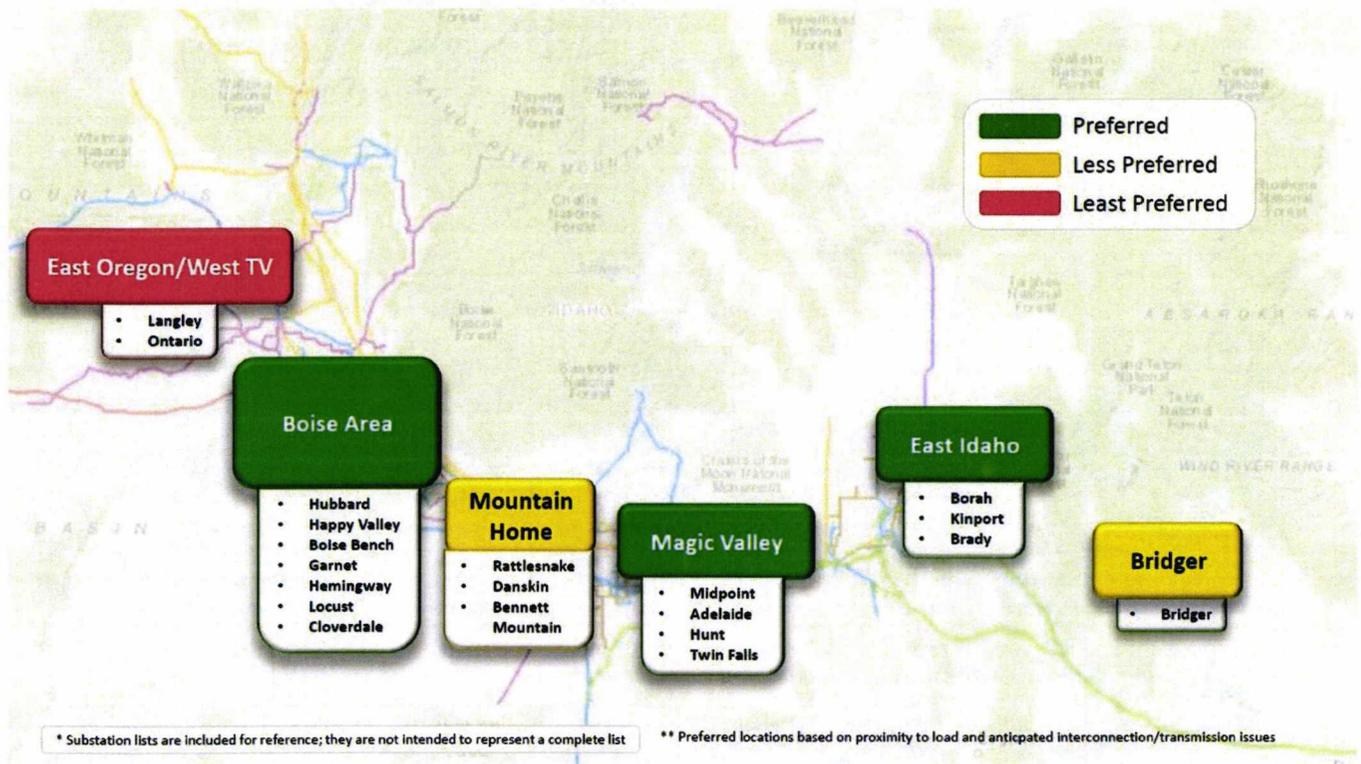


EXHIBIT D – Information on Most Valuable Hours

The following table illustrates the hours during which capacity and energy are most valuable to IPC for a typical day in each month for the year 2023. Proposals that can help meet 2023 peak capacity needs during critical hours while reducing surpluses off-peak will benefit in IPC’s analysis. This is provided for information only. Respondents are directed to the Portal for the most recent version of this information. In the case of conflict between this information and the information provided in the Portal, the form provided in the Portal shall govern.

	Summer 2023
Identified Capacity (Deficit) in MW (approximate)	(80)

Most Valuable Hours

	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
January																								
February																								
March																								
April																								
May																								
June																								
July																								
August																								
September																								
October																								
November																								
December																								

-  = Critical Hours: These are the critical need hours for Idaho Power’s capacity deficit
-  = Valuable Hours: These are in addition to the critical hours; IPC’s analysis will favor resources that can meet both the critical hours and the valuable hours

EXHIBIT E – Draft Form Term Sheet

Respondents are directed to the Portal for the Draft Form Term Sheet that must be redlined and uploaded to the Portal.

EXHIBIT F – BESS Technical Specifications

Respondents are directed to the Portal for the BESS Technical Specifications that must be met for a BESS project offered for IPC ownership.

EXHIBIT G – Solar Technical Specifications

Respondents are directed to the Portal for the Solar + Storage Technical Specifications that must be met for a Solar + Storage project offered for IPC ownership.

EXHIBIT H – Wind Technical Specifications

Respondents are directed to the Portal for the Wind Technical Specifications that must be met for a Wind + Storage project offered for IPC ownership.

EXHIBIT I – Mutual Non-Disclosure Agreement

Respondents are directed to the Portal for the draft form Mutual Non-Disclosure Agreement that must be executed prior to discussion of IPC specific cyber security requirements.

EXHIBIT J - Counterparty Financial Questionnaire

Respondents are directed to the Portal for the Counterparty Financial Questionnaire document for which a response must be included in any proposal.

EXHIBIT K – Draft Form Letter of Credit

Respondents are directed to the Portal for the Draft Form Letter of Credit that must be redlined and submitted as part of a proposal

End of Document

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-22-13

IDAHO POWER COMPANY

**HACKETT, DI
TESTIMONY**

EXHIBIT NO. 2

2021 REQUEST FOR PROPOSALS - KEY PRODUCT SPECIFICATIONS

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
Product	<u>Energy Storage Project ("S")</u>	<u>Solar PV plus Storage Project ("PVS")</u>	<u>Wind plus Storage Project ("WS")</u>	<u>Energy Storage Component of a Solar PV plus Storage Project ("S-PVS")</u>	<u>Energy Storage Component of a Wind plus Storage Project ("S-WNS")</u>
Product Type	Asset Purchase			Partial Asset Purchase	
Ownership	IPC			IPC (Storage component only)	
Resource Status	Existing, or proposed new with preference for projects in late-stage development with pending LGIA or SGIA				
Agreement	Existing resources under an Asset Purchase Agreement ("APA"), proposed new resources under a Build Transfer Agreement ("BTA")				
Design Life (Years)	20	30	40	20	20
First Delivery	June 1, 2023				
Capacity	Min: 1 MW, Max: 80 MW				
Interconnection	Transmission (10 MW – 80 MW) or Distribution (1 MW – 10 MW) system of IPC				
Delivery Point	Within the boundary of the IPC Balancing Authority Area (BA), or outside with all necessary transmission rights to the BA				
Storage Duration	Minimum 4 hours				
Storage Cycles	Minimum 1 cycle per day				
Pricing	\$ 000s on acquisition date, \$ 000s per month under a construction completion management agreement ("CCMA"), \$000s per year under an operation and maintenance services agreement ("OMA"), \$/MWh charging energy price				
Price Escalation	None				
Other	Storage must be chargeable from the grid by IPC after expiration of the tax benefit recapture period.				

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**CONFIDENTIAL
EXHIBIT NO. 3**