



PUBLIC UTILITY DISTRICT OF CLARK COUNTY
REQUEST FOR PROPOSAL NO. REC-001

Bidding Rules for
Request for Proposals for
Washington State I – 937 Compliant (RCW 19.285 or its predecessor)
Renewable Energy Credits
for delivery in 2012 through 2025

Issued: September 6, 2011

Company Information Due: September 19, 2011

Pricing Offers Due: October 6, 2011

Table of Contents

Contents

1. INTRODUCTION.....	3
2. SCOPE.....	3
3. SCHEDULE AND RFP INFORMATION.....	4
4. PHASE 1 EVALUATION: COMPANY INFORMATION	6
5. PHASE 2: PRICING OFFER	6
6. SUBMITTAL OF PROPOSALS.....	6
7. SELECTION OF PROPOSALS	7

ATTACHMENT 1 – Required Company Information

ATTACHMENT 2 – Acceptable Pricing Format

ATTACHMENT 3 – Renewable Energy Credit Agreement

ATTACHMENT 4 – RFP Timeline

1. INTRODUCTION

Clark Public Utilities (“Clark”), is administering this Request for Proposal (“RFP”), establishing the right to purchase Renewable Energy Credits (“RECs”). To qualify for this RFP, the RECs must be generated from facilities certified to be Washington State Initiative-937 (RCW 19.285 or its predecessor) compliant. RECs shall be priced on a fixed unit price basis. Clark is soliciting proposals for purposes of complying with the renewable energy resource requirements of I-937.

Clark will evaluate proposals resulting from this RFP in two phases. Respondents must separate the Company Information from the Pricing Proposals as explained in this RFP.

Phase 1 “Company Information Evaluation”: Clark will open and evaluate only the Company Information to determine Respondent’s qualifications, as described in detail in Attachment 1 of this RFP (“Required Company Information”). These qualifications include the ability to provide compliant RECs derived from renewable energy facilities in accordance with Washington Law.

Phase 2 “Pricing”: Clark will only open Pricing Proposals from Respondents satisfying the Phase 1 Evaluation and deemed qualified. Pricing Proposals will be sorted by year(s), type (Firm or Unit Contingent) and then price. Formats for the pricing submittals are presented in Attachment 2 of this RFP.

Clark intends to execute a Renewable Energy Credit Agreement for, or as otherwise agreed upon, Renewable Energy Credits with any or each Successful Respondent in the form shown in Attachment 3 of this RFP (“REC Agreement”).

2. SCOPE

All RECs offered must be Washington State I-937 compliant prior to delivery to Clark. Respondents which have been selected and have executed a REC Agreement shall deliver the agreed upon RECs to Clark using the Western Renewable Energy Generation Information System (WREGIS).

Table 1 represents the delivery and vintage periods, targeted annual amounts, acceptable contract date terms, and minimum contract quantities of RECs in this RFP. All terms of the table are subject to change. Clark, at its sole discretion, may select more or fewer or zero annual quantities of RECs from any number of qualified Respondents.

Table 1 - Estimated RECs desired for this RFP No. REC-001

<i>Delivery Periods</i>	<i>Acceptable Contract Delivery and Vintage Date Terms</i>	<i>Total Target Amount (Average MWs per year)</i>	<i>Minimum Single Contract Quantity</i>
2012 – 2015, Inclusive	Yearly, 4 Year	20	2
2016 – 2025, Inclusive	5 Year 2016-2021,	50	10
	5 Year 2021-2026,	85	10
	10 Year 2016-2026	50	5

Respondents may submit a proposal(s) for one, several or all contract date terms; and Clark may select any or all or no terms.

3. SCHEDULE AND RFP INFORMATION

Attachment 4 sets forth significant target dates for this RFP. The time for each deadline on the specified date is 11:00 AM Pacific Prevailing Time (“PPT”). Clark reserves the right to modify these dates at its discretion.

Company Information Due Date: Respondents are required to provide all the company information requested by September 19, 2011. See Attachment 1 “Required Company Information”. Respondents must provide such information to Clark via electronic mail at RECRFP2011@clarkpud.com. Respondents that provide information by that date will receive an email confirming receipt of this information. Respondents who do not provide adequate information will be deemed ineligible and will not be considered for further evaluation. Clark shall have no duty to inform any Respondent of any deficiency in its proposal.

Respondent Inquiries: On or before the Web Posted Questions and Answers Deadline of September 16, 2011, Respondents may submit questions to Clark via electronic mail at RECRFP2011@clarkpud.com. Answers to all questions will be posted as soon as possible after receipt to the RFP website. The person or company submitting the question shall not be identified. While Clark will review and attempt to answer questions in good faith, Clark reserves the right not to answer any question. Respondents are encouraged to use the Web Posted Questions and Answers to inquire about the RFP. Clark will not be responsible for any answers provided by Clark staff/management outside the Web Posted Questions and Answers process.

Certified RECs: All RECs shall (i) be delivered from renewable facilities, consistent with any and all applicable Washington laws, rules and regulations; (ii) become the sole property of Clark. It is the responsibility of the Successful Respondent to assure that all of its RECs are I-937 certified in time for delivery for the appropriate term.

General Requirements: Successful Respondents must be able to meet all requirements of the applicable REC Agreement(s). All terms described in the REC Agreement are

considered final and non-negotiable. Respondents are required to demonstrate in their provided Company Information that they can meet all specified terms of the applicable Agreement(s). Failure to do so will result in exclusion of the Respondent's proposal from further consideration.

Contract for RECs Only: Agreement(s) executed pursuant to this RFP will be for RECs. Clark shall not take title under this RFP for any energy or capacity associated with the renewable energy facility generating the RECs purchased by Clark. Successful Respondents shall be responsible for undertaking all activities and paying all costs and charges associated with developing, permitting, and operating any renewable energy facility that may be owned by, or belong to Respondent, and delivering energy associated with the purchased RECs.

Delivery of RECs: All RECs shall be delivered to Clark using WREGIS.

Pricing and Term: Respondent will specify in its Pricing Proposal(s) a contract amount of RECs to be delivered to Clark (the "Contract Amount") in identified contract year(s) with a single, fixed price for each delivered REC (\$/REC price). Respondents may submit a proposal for one or more of the above contract date terms. Respondents must list the number of RECs proposed for each term and the price associated with the RECs for that term.

Firmness of Deliveries: RECs provided pursuant to the REC Agreement executed pursuant to this RFP may be unit-contingent, but preference will be given to those offers made on a non unit-contingent basis. Should a Successful Respondent fail to secure RECs from the renewable resource facility the Successful Respondent originally planned to use to provide RECs, it is that Successful Respondent's obligation to provide compliant RECs of the same type and vintage year (e.g., RECs applicable for that term). Failure to provide RECs on the defined schedules (delivery and vintage) and amounts will constitute an event of default under the REC Agreement, and Clark shall have the right to purchase replacement RECs, as applicable, and charge the defaulting party for the costs and for any penalties Clark subsequently incurs as a result of such default.

Multiple Proposals: Respondents may submit multiple proposals. Multiple proposals must be structured in a way that, should all proposals be selected, the Respondent is capable of delivering the total Contract Amounts being offered.

Additional Information: Clark may, but is not obligated to, request additional information and materials from any Respondent for evaluation of its proposal. Information submitted by a Respondent absent a request by Clark which is not in the nature of a correction or clarification to the proposal will not be considered. If any information in a proposal is no longer valid or true, prior to selection, Respondent shall immediately notify Clark of changed information. Failure to provide such notification, or respond to a request for additional information and materials by Clark, may result in disqualification of

Respondent's proposal. Clark shall have no duty to inform any Respondent of any deficiency in its proposal.

4. PHASE 1 EVALUATION: COMPANY INFORMATION

Phase 1 Evaluation: Phase 1 is a qualification evaluation, based on the Company Information provided by the Respondent on the Company Information form to determine whether the Respondent meets the RFP requirements as determined by Clark. During Phase 1, Clark may, but is not obligated to, request additional information and materials from any Respondent for qualification of its proposal.

Qualifications:

- **Credit.** Respondent must have established its creditworthiness to Clark's satisfaction or agreed to post appropriate credit as required by Clark.
- **Performance.** Respondent must provide information requested by Clark. Clark will use such information to evaluate the Respondent's abilities to perform any obligations satisfactorily.

5. PHASE 2: PRICING OFFER

Phase 2 Pricing: The proposed pricing will be sorted by category requirements identified by Clark. If there are competing proposals at the same price, Clark may select using other pertinent criteria as determined by Clark, up to the amount desired. Clark reserves the right to limit the total amount from any one party in order to preserve a diversity of suppliers.

A second step in the sorting process is that the total dollar value of the proposal offered by each party will be compared with the total credit line available to that party, based on the party's credit rating and/or the party's acceptance of an agreement to post an appropriate security amount as determined by Clark. If the total dollar value of the proposal offered by a party exceeds the party's credit limit, then Clark will only consider the party's proposed RECs up to the amount of its credit limit.

6. SUBMITTAL OF PROPOSALS

Proposal: In order to submit a proposal in response to this RFP, a Respondent must submit an emailed proposal.

- Submit one email on or before September 19, 2011 at 11:00 am to RECRFP2011@clarkpud.com with an attachment for:
 - Company Information (File name: COMPANY_DATE_Company_info.pdf)

- Submit one email on or before October 6, 2011 at 11:00 am to RECRFP2011@clarkpud.com with an attachment for:
 - Each separate Pricing Proposal (File name: COMPANY_DATE_Pricing Proposal)

Any proposal(s) received after the above dates and times shall be deleted without consideration. Respondent is solely responsible for the timely delivery of any submission for this RFP. Proposals which are incomplete or otherwise do not satisfy all requirements of this RFP shall not be considered. Submission of a proposal constitutes a Respondent's agreement to accept the terms and conditions of this RFP.

7. SELECTION OF PROPOSALS

On October 11, Clark will notify potential winning Respondents of Clark's intent to execute agreements pending final Board and Executive Management approvals.

Only the execution of a REC Agreement by both Clark and the Respondent will constitute a "Winning Proposal."

Execution of Agreements: On or before October 13, 2011 Clark shall prepare a REC Agreement with information from the successful Respondent's Company Information and Pricing Proposals inserted and transmit such completed copies to the applicable Respondent. Respondent shall execute and return the applicable agreement to Clark via an email with a PDF of the executed agreement within 24 hours. Within three (3) business days of receipt of the hard copy Respondent shall execute such hard copy and return said document to Clark along with the required security instruments. Respondents who have particular difficulties with these requirements may make special arrangements with Clark.

Disqualification: Failure of a successful Respondent to execute the applicable agreement via PDF and email within 24 hours and to provide the required executed hard copy and security instruments to Clark within the three (3) day time period may result in the disqualification of such proposal or potential legal action by Clark. Any such disqualification may preclude the Respondent from bidding on future Clark RFPs.

Communications: This RFP includes and imposes certain restrictions on communications between Clark and Respondents. A Respondent is restricted from making contacts (i.e., oral, written or electronic communication) which a reasonable person would infer as an attempt to unduly influence the award, denial, or amendment of a contract from the issuance of the RFP through the final award and approval of the resulting Agreement by Clark to any Clark staff or board member other than as designated herein.

For questions related to this RFP, please contact Tom Haymaker at (360) 992-3221 or by email at RECRFP2011@clarkpud.com.

Costs: Clark shall have no responsibility whatsoever with respect to the costs incurred by any Respondent in considering or responding to this RFP, including but not limited to (i) any costs of preparing any materials submitted to Clark; (ii) any costs associated with any studies, permits, or other agreements contemplated by this RFP; (iii) any costs associated with any renewable energy facilities; (iv) any costs associated with financing, employees or consultants, or real property.

Federal Withholding: The Department of the Treasury has promulgated rules that require Clark, as a governmental entity, to withhold 3% of any single payments over \$10,000 for products or services, starting January 1, 2013 (the amounts of retainage and the applicable time periods are subject to change), unless such payments are otherwise exempted under the applicable regulations. In the event that Clark is required to retain (and remit to the Internal Revenue Service) these amounts for any payments under this Agreement, the Parties recognize this requirement and agree that Clark has no obligation to supplement its payments to Respondent for this retainage or otherwise cover the cost of this withholding.

Disclaimer: Clark makes no representations or warranties regarding the accuracy or completeness of the information contained in this RFP and its attachments or any statements made by representatives of Clark during the RFP process. Each Respondent is responsible for making its own evaluation of information and data contained in this RFP and in preparing and submitting responses to this RFP. The issuance of this RFP and the receipt of information in response to this RFP shall not, in any way, cause Clark to incur any liability (whether contractual, financial or otherwise) to any Respondent participating in the RFP process, and by submitting a proposal, Respondent releases Clark from any and all claims, demands, actions, losses, liabilities, and expenses (including reasonable legal fees and expenses) relating to this RFP.

Not an Offer: This RFP is issued to elicit responses to Clark's inquiry and is not an offer. The issuance of the RFP and the submission of Respondent's information do not create any obligation upon Clark to buy goods or services from a Respondent, and Clark reserves the right to accept or reject any or all proposals received. Clark also reserves the right to amend, suspend, or terminate the RFP process at any time, without reason and without liability, and makes no commitments, implied or otherwise, that this process will result in a business transaction with one or more Respondents. No contract or other binding obligation on Clark will be implied unless and until an agreement has been executed on terms and conditions acceptable to Clark. Clark also reserves the right to not execute agreements with any or all Respondents should Clark determine, in its sole discretion, that such agreements would not guarantee delivery, would impose unreasonably high costs on Clark's customers and/or would violate existing regulatory rules or regulations, or for any other reason Clark deems appropriate.

Non-Conforming Proposals: Clark reserves the right to reject any proposal at any time on the grounds that it does not conform to the terms and conditions of this RFP or that Respondent has not complied with the requirements of this RFP.

Interpretation: Notwithstanding any provision of this RFP, in the event a REC Agreement is executed between a Respondent and Clark, that agreement, as applicable, shall control over any provision of this RFP.

ATTACHMENT 1 – Required Company Information

Due: September 19, 2011

Respondents are strongly encouraged to provide all the information requested by September 19, 2011. Respondents that provide Company Information by that date will receive an email confirming receipt of their information. Respondents who do not provide adequate information will be deemed ineligible and will not be considered for further evaluation.

Note that if a Respondent is rated by one of the standard credit rating agencies, the Respondent must provide documentation of such rating. If a Respondent is not rated by one of the standard rating agencies, or if such rating is not adequate to provide coverage for the amount to be proposed, then, the Respondent must provide a statement that it is willing to post security to meet the requirements of the REC purchase. However, if the total dollar value of the Respondent's proposal under this RFP is less than \$100,000, no security is required provided the Respondent has no special conditions (for example, is in bankruptcy).

All Respondents must complete the applicable parts of Company Information request even if security is not required because the total dollar value of the proposal is under \$100,000.

If Respondent has any questions regarding its information, Respondent is encouraged to call Carolyn Stone, Clark Public Utilities at 360-992-3052 or via email at cstone@clarkpud.com.

Submit one emailed form of the Company Information preferably by September 15, 2011, and **no later than 11:00 a.m. PPT, September 19, 2011**. Note that the company information must be signed by an authorized representative of your company. Please be sure the document is signed and provided in Adobe PDF format.

All proposals, including Company Information, submitted in response to this RFP must be sent to RECRFP2011@Clarkpud.com.

The file name should be: **COMPANY_DATE_Company_Info.pdf**.

Any information received after the above date and time shall be deleted without consideration. Respondent is solely responsible for the timely delivery of any submission for this RFP. Proposals which are incomplete or otherwise do not satisfy all requirements of this RFP shall not be considered.

ALL PARTIES MUST COMPLETE THE FOLLOWING INFORMATION:

I. General Information

Full Legal Name of Respondent: _____

Type of Organization (please check one):

____ Corporation ____ Corporate Subsidiary ____ Partnership ____ Other

State of Incorporation: _____

D&B DUNS #: _____

Internet Web Site, URL Address: _____

Years in Business: _____

Credit Risk Contact, Full Name and Business Title: _____

Full Mailing Address: _____

E-Mail Address: _____

Telephone Number: _____ Facsimile Number: _____

Full Legal Name of Parent Company of Respondent: _____

Will another party be providing a parental guarantee? _____

If so, name party: _____

Contact person: _____ Phone: _____

Is the respondent and/or its parent company operating under federal bankruptcy laws or bankruptcy laws in any other jurisdiction?

Respondent: ____ Yes ____ No Parent Company: ____ Yes ____ No

Is the respondent and/or parent company subject to pending litigation or regulatory proceedings (in state court, or in federal court, or from regulatory agencies, or in any other jurisdiction) which could materially impact on the applicant's and/or parent's financial condition?

Respondent: ____ Yes ____ No Parent Company: ____ Yes ____ No

Is the respondent and/or parent company subject to collection lawsuits or outstanding judgments that could impact solvency?

Respondent: ____ Yes ____ No Parent Company: ____ Yes ____ No

For all questions marked "YES" above, please explain further here.

Respondents are required to provide a statement below disclosing existing, pending, or past adverse rulings, judgments, litigation, contingent liabilities, revocations of authority, administrative, regulatory (State, FERC, SEC, or DOJ, etc.) investigations and any other matters relating to financial or operational status for the past three years that have arisen from Respondent’s renewable resource projects or Respondent’s sale or purchase of RECs.

Clark Public Utilities will treat all financial statements provided by respondent in a confidential manner. Respondent will notify Clark Public Utilities if any financial or credit information changes. Respondent certifies that the information herein is complete and accurate to the best of Respondent’s knowledge, information and belief, and that the individual signing below is an authorized Representative of the Respondent or, where applicable, the parent company.

Only execution of an agreement by both Clark Public Utilities and the Respondent will constitute a “Winning Proposal”.

IF PARTY IS RATED BY ONE OF THE STANDARD CREDIT AGENCIES, COMPLETE PART II OF THE CREDIT APPLICATION. IF NOT, PLEASE COMPLETE PART III OF THE CREDIT APPLICATION.

II. Credit Information

Standard & Poor's Credit Rating Senior Unsecured Debt: _____ (if unavailable, please provide Corporate Issuer Rating)

Moody's Credit Rating Senior Unsecured Debt: _____ (If unavailable, please provide Corporate Issuer Rating)

Attach (check if available and submitted with this application):

2 Years of Financial Statements _____

Annual Reports _____

SEC Form 10-K _____ SEC Form 10-Q _____

Audited Annual and/or Quarterly Financial Information _____

What is the total net worth of your company (or your parent corporation if parent corporation is providing a guarantee)? _____

IF RESPONDENT IS NOT RATED BY ONE OF THE STANDARD CREDIT RATING AGENCIES, OR RESPONDENT MAY NOT HAVE AN ADEQUATE RATING TO SUPPORT THE AMOUNT OF ITS PROPOSAL, THEN THE RESPONDENT MUST COMPLETE THE FOLLOWING PART III OF THE CREDIT APPLICATION AND THE ATTACHED CERTIFICATION AGREEING TO PROVIDE SECURITY APPROPRIATE TO THE AMOUNT OF THE PROPOSAL IF SELECTED. (NOTE: THIS CERTIFICATION IS NOT REQUIRED IF TOTAL VALUE OF RESPONDENT PROPOSAL IS LESS THAN \$100,000.)

Bank Information

Bank Reference Name: _____
Bank Reference Contact, Full Name: _____
Mailing Address: _____
Telephone Number: _____

Credit Reference Information

First Credit Reference Name: _____
Contact, Full Name: _____
Contact Telephone Number: _____
Second Credit Reference Name: _____
Contact, Full Name: _____
Contact Telephone Number: _____
Third Credit Reference Name: _____
Contact, Full Name: _____
Contact Telephone Number: _____

Clark Public Utilities is hereby authorized to obtain any information that may be required relative to this proposal from any source, including Respondent's bank and credit references. Respondent hereby authorizes each source to provide such information.

Legal Name of Respondent: _____
Signature of Authorized Representative: _____
Name (please print): _____
Title: _____
Date: _____

To be eligible for an Unsecured Credit Line (UCL), the applicant must submit **audited** financial statements for the previous **2 (two) years**. If these financial statements are evaluated as acceptable, Clark Public Utilities will establish a UCL for the Respondent. If the financial statements are not available or are evaluated as unacceptable, the Respondent will be required to post security.

Are **audited** financial statements for the previous 2 years attached? ____ Yes ____ No

Legal Name of Respondent: _____

Signature of Authorized Representative: _____

Name (please print): _____

Title: _____

Date: _____

(For unrated respondents, please sign above and on the next page indicating consent with the Agreement.)

(NOTE: THIS CERTIFICATION IS NOT REQUIRED IF TOTAL VALUE OF RESPONDENT PROPOSAL IS LESS THAN \$100,000.)

The following Agreement is required from all Respondents who do not have credit ratings per Section II of this Application, or have not attached 2 years of Audited Financial Statements per Section III of this attachment, and respondent's proposal has a total value of over \$100,000.

Successful Respondent's Agreement to Provide Security for Winning Proposal

Respondent, _____, certifies that if it is a successful Respondent and its proposal is selected as a Winning Proposal in this RFP it will provide, upon notification of selection and within 3 business days, a Letter of Credit in the form approved by Clark Public Utilities, cash, or other security acceptable to Clark Public Utilities in the amount of 10% of the total value of the proposal. Failure to provide such security, if selected, will result in disqualification of the proposal, and may result in additional legal action.

Authorized Representative Signature _____

Title _____

Respondent (company name) _____

Date _____

ATTACHMENT 2 – Acceptable Pricing Format

Due: October 6, 2011 11:00 am Pacific Standard Time

Respondent will specify in its Pricing Proposal(s) a contract amount of RECs to be delivered to Clark Public Utilities (the "Contract Amount") in the applicable delivery year with a single, fixed price for each delivered REC. Prices should be expressed in US dollars per REC. RECs should be expressed in whole megawatts. Volumes should be expressed in average MW's per year.

The first delivery period shall be calendar year 2012 through calendar year 2015.
The second delivery period shall be calendar year 2016 through calendar year 2025.

Respondents may submit a proposal(s) for one, several or all contract date terms; and Clark may select any or all or no terms. The completed Pricing Proposal forms must be submitted **no later than 11:00 am PST on October 6, 2011**.

Phase 1 Evaluation requirement: In order to submit this Pricing Proposal Form, a proposal in response to this RFP, a Respondent must have already completed the Phase 1 Evaluation process.

Phase 2 Pricing Offer:

- Submit one email on or before October 6, 2011 at 11:00 am to RECRFP2011@clarkpud.com with an attachment for:
 - Pricing Proposal (File name: COMPANY_DATE_Pricing Proposal)

Any proposal(s) received after the above dates and times shall be deleted without consideration. Respondent is solely responsible for the timely delivery of any submission for this RFP. Proposals which are incomplete or otherwise do not satisfy all requirements of this RFP shall not be considered. Submission of a proposal constitutes a Respondent's agreement to accept the terms and conditions of this RFP.

Pricing Proposals must conform to delivery and vintage periods, targeted annual amounts, acceptable contract terms and minimum contract quantities of RECs in this RFP outlined in Table 1 of the Bidding Rules. Respondents may submit a proposal(s) for one, several or all contract date terms; and Clark may select any or all or no terms.

<i>Lot #</i>	<i>Delivery and Vintage Period(s)</i>	<i>(\$/REC)*</i>	<i>Amount (Average MWs per year)</i>	<i>Total Notional Cost per lot</i>
1				
2				
3				
4				
5				

***All prices must be valid through October 12, 2011.**

ATTACHMENT 3 - Renewable Energy Credit Agreement

SERVICE SCHEDULE R RENEWABLE ENERGY CERTIFICATE TRANSACTIONS WITHOUT ENERGY

R-1 Introduction. This Service Schedule R states terms and conditions applicable to REC Transactions under the Agreement.

R-2 Product Definitions.

R-2.1 Commitment to Provide REC. A REC Transaction may be a purchase and sale of a REC separately from the purchase and sale of electric energy or capacity. A REC Transaction may be designated in the Confirmation as one of the products described in Section R-2.1.1 .

R-2.1.1 Firm REC.

(a) A Firm REC is purchased and sold in a REC Transaction which does not include the purchase and sale of energy or capacity. The Seller has a firm obligation to Deliver the REC pursuant to the Confirmation and a remedy for non-performance is available under Section R-13, subject only to Uncontrollable Force.

(b) The Confirmation shall include the Contract Quantity, Contract Price, and Vintage, and may include additional terms to which the Parties agree. The Confirmation shall also identify the State(s) or region(s) in which the Environmental Attributes must originate, and shall designate one or more Applicable Programs. Specific Renewable

Energy Facility(ies) or Renewable Energy Source(s) may be identified, and must be identified if a designated Applicable Program requires.

R-2.2 Environmental Attributes Contained In The REC. A Confirmation shall specify the Environmental Attributes covered by the REC, including “All Attributes,” “Program Attributes,” or as the Parties otherwise may specify in the Confirmation.

R-2.2.1 All Attributes. An “All Attributes” REC conveys, pursuant to the Confirmation, all Environmental Attributes of any Renewable Energy Facility(s) and Renewable Energy Source(s) designated in the Confirmation, one or the other of which must be designated in order for the All Attributes designation to apply. Seller warrants that the conveyed Environmental Attributes include all Environmental Attributes required by any Applicable Program(s) designated in the Confirmation. The conveyed Environmental Attributes also include any and all additional Environmental Attributes of the designated Renewable Energy Facility(s) and Renewable Energy Source(s), provided, that Seller makes no warranty that any additional Environmental Attributes, if any, fulfill the requirements of any Applicable Program. To establish the Environmental Attributes conveyed in an All Attributes REC Transaction, the Confirmation may include a specification thereof.

R-2.2.2 Program Attributes. A “Program Attributes” REC conveys, pursuant to the Confirmation, the Environmental Attributes required by

Applicable Program(s), if any, designated in the Confirmation. The REC conveys no other Environmental Attributes, the rights to which are retained by the Seller. If a Confirmation is not designated as Program Attributes or state some other limitation upon the Environmental Attributes conveyed, the REC Transaction shall be All Attributes.

R-3 Contract Documents. The Confirmation, this Service Schedule R, and the Agreement comprise a contract for a REC Transaction. In the event of a conflict between the Confirmation and this Service Schedule R or the Agreement, the Confirmation shall control. In the event of a conflict between the Agreement and this Service Schedule R, this Service Schedule R shall control. In the event of conflicts between definitions contained in Annex 1 or Section 14, and definitions contained in the Agreement, the definitions set forth in Annex 1 or Section 14 shall control.

R-4 Rules of Construction.

R-4.1 General Rules. Annex 1 and Annex 2 are hereby incorporated into and made a part of this Service Schedule R as though set forth fully herein. The word “including” shall mean “including but not limited to.” Use of phrases such as “as the Parties may otherwise agree” shall not be construed to imply that the Parties cannot vary terms of this Service Schedule R where such phrase is not used. Sections refer to sections of this Service Schedule R unless otherwise indicated and include all subparts thereof.

R-4.2 Designation of Applicable Program. An Applicable Program shall be deemed applicable to a REC Transaction only if the Parties have designated that

Applicable Program in the Confirmation. Without prejudice to the immediately preceding sentence, no Applicable Program shall be deemed applicable by implication.

R-5 Confirmation. Each REC Transaction under this Service Schedule R shall be documented in a Confirmation in the form provided in Annex 2, together with Exhibit A as applicable, or in such other form to which the Parties may agree. Any agreements to modify terms and conditions stated in this Service Schedule R shall be stated in the Confirmation. A Confirmation shall be given legal effect only if a Documentary Writing.

R-6 Delivery.

R-6.1 REC Transactions. In a REC Transaction for a Firm REC or REC, “Delivery(ies)” or “Delivered” means the transfer from Seller to Purchaser of the Contract Quantity. If a Tracking System is designated in the Confirmation, Delivery occurs in accordance with the rules of the Tracking System, and if the rules do not specify a Delivery time, then upon the initiation by the Tracking System of the deposit of the REC into the account of the Purchaser. If a Tracking System is not designated in the Confirmation, Delivery occurs upon the delivery by Seller to Purchaser of an Attestation substantially in the form of Exhibit A to Annex 2. Title to the REC shall pass from Seller to Buyer upon Delivery.

R-6.3 Actions By Parties To Assure Delivery.

R-6.3.1 Provision of Information; Notice. If a Tracking System is designated in the Confirmation, Seller shall timely and promptly take all actions and do all things necessary and appropriate to cause the Tracking System to issue the REC, including timely and promptly providing all required

information and documents in the required forms, and paying any and all fees. If a designated Tracking System provides for issuance of forward transfer certificates (a WREGIS option) or other expedition of issuance or passage of title, and the Confirmation so provides, Seller shall timely and promptly request the Tracking System to implement the designated option. If no Tracking System is designated in the Confirmation, then Seller shall timely and promptly, after creation of the REC, issue and deliver to Purchaser the Attestation of Delivery.

R-6.3.2 Failure to Issue REC. In the event a Tracking System designated in the Confirmation declines to Deliver a REC for any reason, each Party will provide the other Party with all documents sent to or received from the Tracking System that pertain to the REC, including the information Seller provided to the Tracking System, the request for issuance of the REC and the decision to decline issuance. The Parties will cooperate, each at its own expense, to assure the completion of all actions and items required for issuance of the REC, and will promptly complete any and all uncompleted actions and items. If following such efforts the Tracking System does not issue the REC for reasons beyond the Seller's control, the Seller will cause Delivery by providing an Attestation to Purchaser substantially in the form of Exhibit A to Annex 2. The obligations under this Section R-6.3.2 shall not be construed to diminish the Seller's obligation to effect Delivery or any of the Parties'

other respective rights and obligations under the Agreement, this Service Schedule R, and the Confirmation.

R-7 Charge and Payment. The charge shall be an amount equal to: (a) the Contract Price multiplied by (b) the Delivered Contract Quantity. Billing and payment shall be as stated in the Agreement except as the Parties may otherwise agree.

R-8 Credit and Collateral. (This section will reflect the successful bidder's creditworthiness. This will be determined during the pre-qualification process)

R-9 Government Action; Governing Law; Regulatory Matters.

R-9.1 Change in Law.

R-9.1.1 Definitions And Default Designation.

- (a) "Change in Law" means any addition or amendment to any laws or regulations that apply to an Applicable Program, or issuance of a decision or order by a Governmental Authority, that (a) occurs after the Effective Date and (b) materially affects the performance of either Party in a REC Transaction.
- (b) "Regulatorily Continuing" means a REC Transaction in which, as of the Effective Date and Delivery, the REC and Environmental Attributes conform to the requirements of an Applicable Program designated in the Confirmation as such requirements exist on both the Effective Date and the Delivery Date or earlier actual date of Delivery. If the REC Transaction is Not Regulatorily Continuing, as may be specified in the Confirmation, then a Change in Law that occurs after the

Effective Date shall not relieve Purchaser and Seller of their respective obligations in accordance with the Confirmation.

- (c) “Not Regulatory Continuing” means a REC Transaction in which the REC and Environmental Attributes conform to the requirements of an Applicable Program designated in the Confirmation as such requirements exist on the Effective Date, but not necessarily thereafter.
- (d) A REC Transaction that includes designation of an Applicable Program shall be Regulatorily Continuing unless the parties specify in the Confirmation that it is Not Regulatorily Continuing. A REC Transaction that does not include designation of an Applicable Program includes no representation or warranty concerning legal compliance.

R-9.1.2 Effect Of Change In Law In Regulatorily Continuing REC Transaction. If the REC Transaction is Regulatorily Continuing, as may be specified in the Confirmation, then, in the event a Change in Law occurs after the Effective Date and prior to Delivery of the REC, and if the Change in Law has the effect of nullifying compliance of the REC with the Applicable Program, then Seller shall be obligated to make commercial reasonable efforts to attain compliance with Applicable Program, and if compliance cannot reasonably be obtained with

commercially reasonable efforts, which efforts may be subject to a maximum cost specified in the Confirmation, then

- **Option A for discussion (Damages):** Purchaser shall not be required to accept Delivery of the REC and, if Purchaser declines Delivery of the REC due to the Change in Law, Seller shall be liable for damages under Section R-13.
- **Option B for discussion (No Damages):** Purchaser shall not be required to accept Delivery of the REC and, if Purchaser declines Delivery of the REC due to the Change in Law, Seller shall not be liable for damages under Section R-13.

R-9.1.3 Amendment To Address Change In Law. Nothing in this Section R-9.1 shall be construed to preclude the Parties from agreeing to amend the Confirmation to permit a Party affected by a Change in Law to perform its obligations.

R-9.2 Governing Law. Section 24 of the Agreement applies except as follows. If an Applicable Program is designated in the Confirmation and was created by the laws of a single State, the creation, issuance, transfer, tracking and retirement of RECs shall be governed by the laws, rules and regulations of such State, and if created by the Federal government of the United States, the creation, issuance, transfer, tracking and retirement of RECs shall be governed by the laws, rules and regulations of the United States. Further, the authority of the Purchaser to enter

into and perform under each of the Contract Documents as that term is defined in R-2.2 shall be governed by and construed in accordance with the laws of the State of Washington.

R-10 Seller Representations and Warranties. In each REC Transaction, Seller represents and warrants to Purchaser the following:

R-10.1 As of Delivery, Seller has all right, title, interest and Reporting Rights in and to the REC and Environmental Attributes underlying the REC, free and clear of any liens, security interests, or other encumbrances.

R-10.2 As of Delivery, the REC and Environmental Attributes shall conform to the requirements of this Service Schedule R and the Confirmation.

R-10.3 If the REC Transaction is Regulatorily Continuing (and an Applicable Program is designated in the Confirmation), as of Delivery that the REC and Environmental Attributes conform to the requirements of an Applicable Program designated in the Confirmation as such requirements exist as of both the Effective Date and the Delivery Date.

R-10.4 If the REC Transaction is Not Regulatorily Continuing (and an Applicable Program is designated in the Confirmation), as of Delivery that the REC and Environmental Attributes conform to the requirements of an Applicable Program designated in the Confirmation as such requirements existed as of the Effective Date.

R-10.5 SELLER HEREBY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

R-11 Records; Confidentiality

R-11.1 Correction of Records. If any statement, charge or computation is inaccurate, the Parties promptly shall make any adjustments to records as reasonably necessary to correct such inaccuracy, and make any adjustment of payments required to correspond to the corrected records, provided, that Purchaser shall not be required to pay a higher Contract Price or accept a higher Contract Quantity than the Confirmation specifies.

R-11.2 Exception to Confidentiality. Purchaser has the right to disclose any information necessary to demonstrate its compliance with the Applicable Program to any Governmental Authority having jurisdiction. With respect to a REC, Purchaser also has the right to disclose to any customer or affiliate of Purchaser that is participating in any voluntary or mandatory renewable energy compliance program, the following: the fuel or Renewable Energy Source (whether biomass, wind, solar, etc.), the location of any Renewable Energy Facility designated in the Confirmation, and monthly generation quantities pertinent to the REC.

R-12 Uncontrollable Force. The following is substituted for the first sentence of the second paragraph of Section 10 of the Agreement:

The following shall not be considered “Uncontrollable Forces”: (i) Seller’s cost of producing or obtaining the REC (or ability to sell the REC at a price greater than the Contract Price); (ii) the loss or failure of Seller’s supply, including materials or equipment; or (iii) Purchaser’s inability economically to use or resell the REC.

R-13 Remedies for Non-Performance.

R-13.1 Availability of Injunctive Relief. The following is an exception to the waiver of “other damages or remedies” stated in Section 21.1 of the Agreement. In the event of non-performance of a REC Transaction, the performing Party is likely to suffer irreparable harm and, consequently, shall be entitled to seek and obtain temporary, preliminary, and permanent injunctive relief, to compel performance by the non-performing Party, which performance may include replacement of a REC that is not Delivered in accordance with the Confirmation; provided, that RECs replaced shall be treated as RECs delivered for purposes of determining damages pursuant to Section 13.2.

R-13.2 Damages. Section 21.3 of the Agreement applies to REC Transactions as modified herein.

R-13.2.1 Failure to Receive or Deliver Firm RECs. Section 21.3(a)(3) and (5) are inapplicable to such REC Transactions. Section 21.3(a)(1) is modified as follows:

If the Purchaser refuses to accept Delivery of RECs in accordance with the Confirmation, then the Purchaser shall be liable to the Seller for the product of (i) and (ii) where (i) is the amount, if any, by which the Contract Price exceeded the Resale Price and (ii) is the quantity of refused RECs attempted to be Delivered, subject to any limitations stated in the Confirmation.

21.3(a)(2) is modified as follows:

If the Seller fails to Deliver RECs in accordance with the Confirmation, then the Seller shall be liable to the Purchaser for: (a) the product of (i) and (ii) where (i) is the amount, if any, by which the Replacement Price exceeded the Contract Price and (ii) is the amount by which the quantity of RECs Delivered in accordance with the Confirmation was less than the Contract Quantity; plus (b) the amount, if any, of penalties and alternative compliance payments a Governmental Authority required Purchaser to pay due to Seller's non-performance, and which penalties or alternative compliance payments are no longer subject to judicial review, subject to any limitations stated in the Confirmation.

R-14 Other Modifications Of the Agreement For This Service Schedule R.

R-14.1 Definitions. Definitions are set forth in Annex 1. Additionally, for purposes of REC Transactions, Section 4 of the Agreement is revised as follows:

- (a) Section 4.1f, Contract Quantity: insert "RECs" phrase "The amount of" and before "capacity and/or energy".
- (b) Section 4.14, Power Marketer: insert "RECs" after "takes title to" and before "electric energy, transmission and/or other services".
- (c) Section 4.14a, Physically Settled Option: insert "a REC or" in subsection (i) after "to buy" and in subsection (ii) after "to sell".

- (d) Section 4.16a, Replacement Price: insert inserting “RECs or” before each appearance of the phrase “capacity and/or energy”.
- (e) Section 4.16b, Resale Price: insert “RECs or” before each instance of the phrase “capacity and/or energy”.

R-14.2 Notices. Section 12.2 of the WSPP Agreement is revised by inserting “RECs or” before the phrase “capacity and/or energy”.

Service schedule R

Annex 1 - definitions

“All Attributes” has the meaning given in Section R-2.2.1.

“Applicable Program” means (a) the Renewable Portfolio Standard (RPS) adopted by the State of Washington and codified as Revised Code of Washington (RCW) 19.285.010, *et seq.*, and all laws and regulations that pertain thereto, or (b) a voluntary program for reporting, crediting or attributing RECs, and all standards and procedures adopted by the administering organization that pertain thereto.

“Attestation” means the Seller’s certification that Delivery of the REC has occurred, which is executed and certified as true and correct by an authorized officer of Seller, and notarized, substantially in the form of Exhibit A to Annex 2, and which shall include an identification of the Confirmation.

“Change in Law” has the meaning given in Section R-10.1.

“Compliance Period” means a one year period, and the immediately preceding and immediately subsequent one year periods during which the REC is required to be produced to meet the requirements of RCW 19.285.040, as may be specified in the Confirmation

“Delivered” or “Delivery” has the meaning given in Section R-6.

“Delivery Date” means the date, as may be specified in the Confirmation, no later than which the production of energy associated with the REC is required to be reported to the Tracking System informed thereof, or, if no Tracking System is designated in the Confirmation, the date by which the Attestation must be provided.

“Effective Date” means the date both Parties have executed the Confirmation, or which the Parties otherwise specify in the Confirmation.

“Environmental Attribute” means an environmental characteristic associated with the production by a Renewable Energy Facility of a particular megawatt hour of electric energy (but not the electric energy itself), which characteristic is (a) recognized under the Applicable Program, and if no Applicable Program is designated in the Confirmation, which may be, in such production, the use of a Renewable Energy Source or an environmental detriment avoided; and (b) capable of being measured, verified or calculated, or otherwise quantified as agreed by the Parties. By way of example and not limitation, an Environmental Attribute may include avoided emissions of CO₂ or greenhouse gas, or avoided water use (but not water or other rights or credits required under an Applicable Program to site and develop the Renewable Energy Facility itself). Environmental Attributes do not include production tax credits or other direct third-party subsidies for generation of electric energy by a Renewable Energy Facility. The term includes “non-energy attributes” under Oregon law and “non-power attributes” under Washington law.

“Firm REC” has the meaning given in Section R-2.1.1(a).

“Fuel Impediment” means the inability of a wind or solar Renewable Energy Facility to produce a REC due to, in the case of solar, insufficient sunlight or, in the case of wind, insufficient or excessive wind, or as the Parties otherwise may agree.

“Forced Outage” means the removal from service availability of a generating unit, transmission line, or other facility for emergency reasons, or the condition in which the equipment is unavailable due to unanticipated failure (such unanticipated failure does not include a Fuel Impediment).

“Governmental Authority” means any governmental body of the United States, State, municipality, or county, including any department or agency thereof, with jurisdiction over a Party or the REC Transaction.

“Not Regulatorily Continuing” has the meaning given in Section R-9.1.1.

“Program Attributes” has the meaning given in Section R-2.2.2.

“Regulatorily Continuing” has the meaning given in Section R-9.1.1.

“REC” or “Renewable Energy Credit” or “Renewable Energy Certificate” means, unless otherwise specified in the Confirmation, a credit or certificate representing the generation of one (1) megawatt hour of electricity by a Renewable Energy Source that meets the requirements of an Applicable Program designated in the Confirmation, and if no Application Program is designated, that conveys Environmental Attributes of the Renewable Energy Facility to the extent provided in the Confirmation.

“REC Product” means the particular type of REC (Firm REC or other product specified in the Confirmation), subject to a REC Transaction.

“REC Transaction” means the purchase and sale of any REC Product, under the Agreement, this Service Schedule R, and a Confirmation.

“Renewable Energy Facility” means an electric generation unit or other facility or installation capable of producing or emitting electric energy exclusively using a Renewable Energy Source.

“Renewable Energy Source” means (a) any energy source deemed a renewable energy source under a an Applicable Program designated in the Confirmation, or (b) if the Applicable Program does not define a renewable energy source, an energy source that does not utilize fossil carbon-based, non-renewable or radioactive fuel, and which may include solar, wind, biomass, geothermal, landfill gas or wave, tidal, thermal ocean technologies, and hydroelectric power.

“Reporting Rights” means the right to report and register the exclusive ownership of the Environmental Attributes in compliance with Federal, State, or local law, and to a Federal or State agency or any other party at the Purchaser’s discretion, and include those Reporting Rights accruing under Section 1605(b) of the Energy Policy Act of 1992, and any present or future Federal, State, or local law, regulation or bill, and international or foreign emissions trading program.

“RPS” means a renewable portfolio standard under an Applicable Program that requires that a stated amount or minimum proportion or quantity of electric energy, for sale or use by specified persons, be produced by Renewable Energy Facilities or through use of Renewable Energy Sources.

“Tracking System” means the entity, if any, the Parties designate in the Confirmation that will perform REC tracking and accounting functions including receiving evidence of generation of the REC and crediting the resulting REC to the Purchaser’s account.

“Unforced Outage” means an outage scheduled to perform the necessary normal maintenance on a generating unit, transmission line, or other facility to preserve overall system reliability.

“Vintage” means the Compliance Periods, as may be specified in the Confirmation, in which the REC Product must be created by the Renewable Energy Facility or Renewable Energy Source.

**Form of
REC TRANSACTION Confirmation**

TRANSACTING PARTIES

Name of Seller:

Name of Purchaser:

Public Utility District no. 1 of Clark County
d/b/a Clark Public Utilities
1200 Fort Vancouver Way
Vancouver, WA 98668

Seller Information:

Contact

Tom Haymaker

Contact

**Seller Generation Information
System (GIS) #:**

Tel: _____

Tel: 360-992-3227

E-mail: _____

E-mail: thaymaker@clarkpud.com

Fax: _____

Fax: 360-992-3140

Contact information is subject to change by notice.

TRANSACTION INFORMATION

Contract Quantity, Vintage, Delivery Dates Price, REC Product

# RECs					Total
Compliance Period(s)					
Delivery Date					
REC Product (Firm, As-Run, Other – describe on separate sheet)	FIRM				

Environmental Attributes (Check One)

- Program Attributes
- All Attributes

ATTACHMENT 3 – Renewable Energy Credit Agreement

Regulatorily Continuing (Check One)

Yes If Yes, cap, if any, on maximum expenditure to conform REC to revised legal requirements:
\$ _____

No

Applicable Program(s) (if any) (complete all that apply) (if no Applicable Program is designated, no warranties are given that the REC will fulfill regulatory compliance requirements)

Applicable State RPS Program(s) (assure adequate legal description, which may include a citation(s) to applicable statutes or regulations:

Washington State _____

[List other applicable state programs] _____

Other Applicable Program (including, e.g., voluntary program:

Identification of Renewable Energy Source for generation of REC (whether wind, solar, etc.):

Tracking System(s) if any: (if none specified, then Delivery occurs by Attestation and not by Tracking System crediting)

WREGIS
 Other _____

DAMAGES

Agreed maximum, if any, on reimbursable penalties or compliance assessments:
\$ _____

The Parties agree to the REC Transaction set forth herein as of _____, 20__
("Effective Date")

Seller
Signed: _____
Name: _____

Purchaser
Signed: _____
Name: _____

EXHIBIT A

Form of Attestation

**Attestation Of [insert name of REC Generator] (“REC Generator”)
Of Sale, Transfer, and Delivery Of Renewable Energy Credit to
[insert name of Purchaser] “Purchaser”**

Number of RECs (each REC for each megawatt hour generated):

I, [name of attesting officer], the [title] of REC Generator, declare and certify that REC Generator hereby sells, transfers and delivers to Purchaser the following REC in accordance with the Confirmation entered into between REC Generator and Purchaser dated _____ **[or other identifying information]** associated with the generation and delivery of energy from a Renewable Energy Source as more specifically identified below, in the amount of one REC for each megawatt hour generated, and that each REC sold hereunder:

1. Was generated by the Renewable Energy Facility (“REF”) designated below and sold, transferred and delivered, subject to receipt of payment, to Purchaser;
2. Conforms to the requirements of the Confirmation
3. Is solely and exclusively owned by REC Generator;
4. Has not been used by REC Generator or any third party to meet the RPS or other Applicable Program requirements of any person or entity other than Purchaser;
5. Is associated with electricity delivered into the **[insert delivery area]** in compliance with applicable energy delivery rules;
6. Was not sold to any end-use customer or other wholesale provider other than Purchaser during the calendar/Reporting Year; and

REF Name or Designation	Technology Type	Fuel Type (Renewable Energy Source)	REF	EIA #	REC Product (Firm, etc.)	Start and End Dates

As an authorized representative of REC Generator, I state that the above statements are true and correct to the best of my knowledge, and based on my duly diligent inquiry. This Attestation may serve as a Bill of Sale to document, in accordance with the Confirmation, the transfer from Generator to Purchaser of all of Seller’s right, title and interest in and to the REC and environmental attributes it represents, as set forth above.

Either Party may disclose this Attestation to others, including a Tracking System, public utility commissions and other regulatory bodies having jurisdiction over Purchaser, and administrators

of voluntary green energy programs, to substantiate and verify the accuracy of the Parties' compliance, advertising and public claims.

If a designated Applicable Program contemplates certification by Green-e or other Applicable Program making use of materials provided by the Center for Resource Solutions, or other voluntary program or protocol, users should consult the most current form of attestation required by such program.

Signature:

Date _____

Print Name:

Notarization that the above individual certified and attested that the contents of this Attestation are true and correct to the best of knowledge:

Notary

Jurisdiction: _____

Commission Expires: _____

ATTACHMENT 4 – RFP Timeline

TIMELINE FOR Clark Public Utilities 2011 REC RFP

MILESTONE	DATE
POST ALL DOCUMENTS TO WEBSITE	September 6, 2011
ISSUE PRESS RELEASE NOTICES	September 6, 2011
WEB POSTED QUESTIONS AND ANSWERS	September 6 – September 16, 2011
COMPANY INFORMATION DUE	September 19, 2011
RFP RESPONSES DUE	October 6, 2011
REVIEW RESULTS WITH BOARD OF COMMISSIONERS	October 11, 2011
CONTACT SELECTED BIDDERS	October 11, 2011
FINALIZE CONTRACTS & CREDIT	October 12, 2011
EXECUTE CONTRACTS	October 13, 2011
ISSUE PRESS RELEASES ANNOUNCING WINNING BIDDERS	October 14, 2011