2020 ALL-SOURCE RFP

for Peak Capacity Resources

May 4, 2020

PUGET SOUND ENERGY

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List of Exhibits

This All-Source Request for Proposals (" the All-Source RFP") seeks bids from qualified third parties ("respondents" or "bidders") to supply electric capacity resources to Puget Sound Energy, Inc. ("PSE" or "the Company"). It is an All-Source RFP, meaning that PSE will consider any electric generation or energy storage resource capable of providing a material capacity contribution consistent with the requirements described in this All-Source RFP. PSE is also planning to file a Demand Response RFP roughly in parallel with the All-Source RFP. Both the All-Source RFP and the Demand Response RFP will be available on PSE's web site at the following link: http://www.pse.com/RFP. The web site will also include a set of frequently asked questions ("FAQs") that may be of common interest to bidders.

This All-Source RFP process may or may not result in one or more transactions by PSE. PSE reserves the right to modify this All-Source RFP to comply with changes to regulatory policy, or federal, state, or local laws.

1. Resource Need

The integrated resource planning analysis, which evaluates and establishes the Company's capacity (physical reliability) and renewable energy (policy driven)[1] needs on a biennial basis, consistent with WAC 480-100-238, guides PSE's electric resource acquisition process. PSE's most recent *Integrated Resource Plan* (the "2017 IRP") included a discussion of the electric planning standard and described the methodology for analyzing the Company's resource needs. PSE filed an *IRP Progress Report (the "IRP Progress Report") in November 2019*.[2] The IRP Progress Report included an updated assessment of PSE's resource needs. Both the 2017 IRP and the IRP Progress Report can be found on PSE's web site at the following link: http://www.pse.com/irp.

The IRP Progress Report demonstrated a need for new resources to help meet PSE's peak capacity need. Given this objective, PSE's analysis of proposals will focus primarily on a resource's ability to meet this capacity need at the lowest reasonable cost to customers. PSE may source capacity from any commercially viable electric generation, storage, or other resource type or technology, provided that the resource complies with all applicable laws and regulations, and meets the minimum qualification requirements described in Section 4 of this All-Source RFP. Resources that offer both (i) a material capacity contribution and (ii) renewable attributes consistent with Washington state's Clean Energy Transformation Act ("CETA") and/or the Washington state

[1] *PSE has a legal obligation to meet the requirements of the Energy Independence Act, Chapter 19.285 RCW and the Clean Energy Transformation Act ("CETA"), Chapter 19.405 RCW. The Energy Independence Act, also known as Washington state's Renewable Portfolio Standards, requires PSE to acquire qualifying eligible renewable resources and/or renewable energy credits to meet 15 percent of its load. CETA sets statewide policy goals for the elimination of coal-fired resources by December 31, 2025, 80 percent carbon free generation and overall carbon neutral electricity by 2030, and 100 percent carbon free electricity by 2045.*

[2] *In October 2019, the Washington Utilities and Transportation Commission Staff filed a Petition for Exemption from WAC 480-100-238 pursuant to WAC 480-07-100 until December 31, 2020. In November 2019, the WUTC held an open meeting concerning the matter and subsequently issued Order 2, exempting PSE (and other investor owned utilities in Washington) from WAC 480-100-238. Pursuant to Order 2, PSE filed an IRP Progress Report on November 15, 2019.*

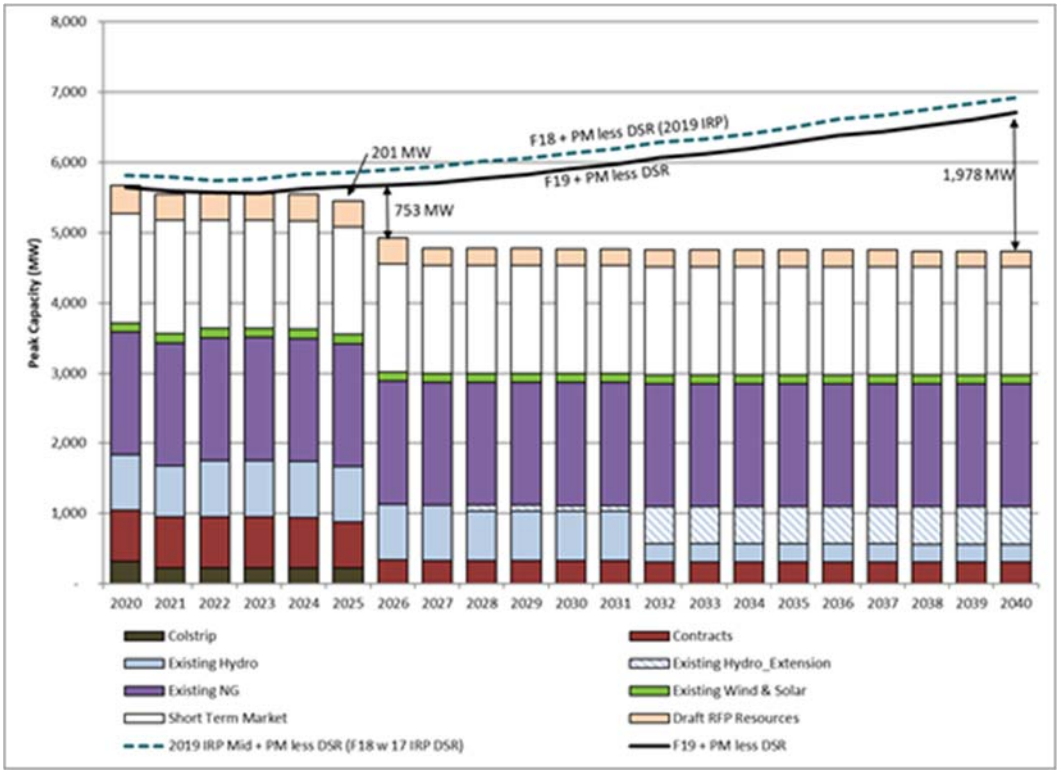
Renewable Portfolio Standard ("RPS") will receive the benefit of both value streams in PSE's analysis.

The IRP Progress Report further found that PSE has sufficient renewable resources to meet its RPS obligations through 2023. PSE's first CETA implementation plan and the next IRP are due to be filed in 2021. In the meantime, the WUTC has initiated a process to establish rules for implementing CETA. PSE is monitoring the rulemaking process and continues to work on its plan to meet the RPS and CETA obligations. Future RFPs will seek additional resources to meet RPS and CETA compliance needs.

PSE has a need for new capacity resources

PSE's demand forecast demonstrates a modest need for 82 MW of new electric resources in 2024 that is expected to increase to 753 MW in 2026. This forecast reflects PSE's F2019 normal peak load forecast. It also includes the impact of the potential sale of PSE's interests in Colstrip Unit 4, which is pending WUTC approval; the removal of Colstrip Unit 3 from PSE's portfolio after 2025; the expiration of the Centralia Power Purchase Agreement ("PPA"); and the addition of PSE's draft 2018 All-Source RFP short list resources.

Figure 1. ***Capacity need forecast***



Due to its pending status, PSE has included the potential impact of the announced sale of PSE's interests in Colstrip Unit 4 prior to 2025 as a separate line item in Table 1 (below). The sale is expected to result in a need for new capacity resources beginning in 2021. Due to the relatively small size of the deficit between 2021 and 2023 (less than 50 MW), PSE intends to issue a separate RFP for short-term resources to meet this need.

Table 1. ***Cumulative capacity need by year***

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Capacity need	(49)	(72)	(79)	(13)	106	753	935	997	1,048	1,133	1,198	1,310	1,362	1,442	1,534	1,630	1,683	1,788	1,867	1,978
Impact of pending Colstrip 4 sale	95	95	95	95	95															
Remaining capacity need	46	23	16	82	201	753	935	997	1,048	1,133	1,198	1,310	1,362	1,442	1,534	1,630	1,683	1,788	1,867	1,978

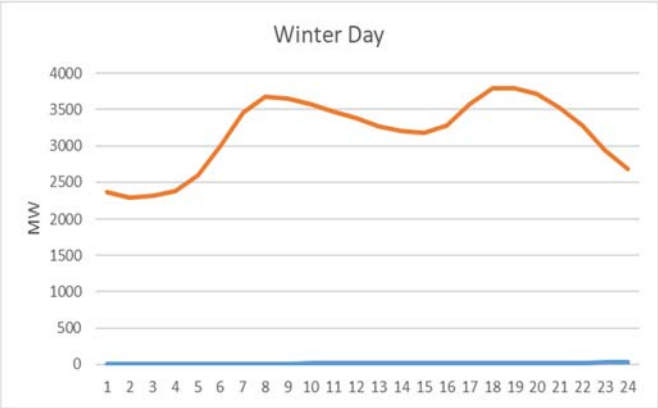
This All-Source RFP seeks resources to meet projected need beginning in 2024, 2025 and 2026. Given the large need for new resources in 2026 (753 MW), PSE has established a preferred glide path (shown in Table 2) to help ensure that PSE fulfills its reliability obligations to meet growing customer demand and to replace resources expiring or retiring from its portfolio. While this glide path demonstrates one way that PSE could successfully meet its capacity needs, PSE will consider any proposal consistent with requirements described in this All-Source RFP for a resource or combination of resources that help meet all or part of the identified resource needs.

Table 2. ***Preferred glide path for resource additions***

Year needed	2024	2025	2026
Resource additions	200	200	353
Operating/Available by	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2025

Although PSE will primarily assess a resource's contribution to capacity by its ability to meet PSE's winter peak (Figure 1 above), PSE also has seasonal and daily capacity needs. PSE's analysis will favor resources with production shapes that align well with PSE's load or that offer the ability to dispatch to meet load. Proposals that can help meet seasonal (Nov.-Feb., Dec.-Feb. or Nov.-Mar.), heavy load hour (HE 0700-2200), and super peak (HE 0700-1000 and 1800-2100, Nov.-Jan.) needs, while reducing surpluses off peak, will benefit in PSE's analysis. Figure 2 below illustrates PSE's typical monthly load shape and its hourly load shape for a typical winter day.

Figure 2. ***PSE's typical monthly and hourly shapes***



Evaluating the capacity contribution of resources

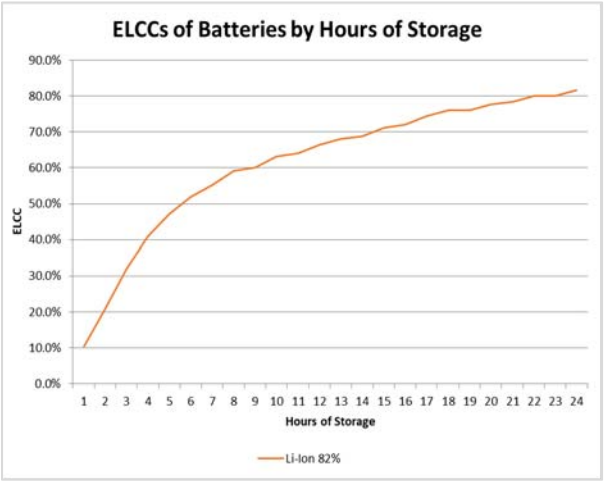
PSE's analysis expresses a resource's contribution to capacity as its effective load carrying capability ("ELCC"). ELCC is an approach to comparing the relative peak capacity contribution of resources with different operating characteristics. The ELCC, or peak capacity benefit, is the contribution of a resource to meeting a utility's coincident peak capacity need. Because ELCC values are highly dependent on the load characteristics and mix of resources owned by a utility, they are unique to each utility.

As an example, PSE has calculated the current ELCC values of generic resources located in certain areas. However, it should be noted that an individual project's ELCC will vary based on a variety of factors, such as exact location, generation shape, characteristics of the resource (ability to dispatch, duration of output, etc.), and the availability of firm delivery to PSE's load center. PSE will use an ELCC approach to determine how well a proposed resource aligns with PSE's capacity needs.

Figure 3. ***Generic ELCC Values by Resource Type and Location***

Peak Capacity Credit
Effective Load Carrying Capability (ELCC)

	Size MW	ELCC
Exsiting Wind	100	10%
Skookumchuck	100	36%
Montana Wind	100	45%
Washington Wind	100	6%
Solar	25	1%
Batteries 2 Hr	25	19%
Batteries 4 Hr	25	38%
Pumped Storage	300	43%



2. Resources Requested

Resource Characteristics

PSE will consider proposals for renewable and baseload electric generation, capacity-only resources, and storage resources from a wide variety of technologies and fuel sources.[3] PSE's capacity needs are greatest in winter; therefore, PSE will evaluate resources based on their ability to fill winter deficits while minimizing off-peak surpluses. Resources that are dispatchable, are shaped to meet winter peak needs, or with generation profiles that align well with PSE's load shape (Section 1) will perform best in PSE's analysis. PSE will consider the seasonality of the generation, the ability to control the project's output to match PSE's resource needs (up to and including real-time dispatch and displacement), and contractual mechanisms to shape project output to need. Proposals must be consistent with the evaluation criteria and proposal requirements described in Section 4 and in Exhibit A (Evaluation Criteria) and Exhibit B (Proposal Requirements) to this All-Source RFP. PSE encourages qualified respondents representing small projects (≥5 MW)[4] or large-scale projects to participate in this All-Source RFP.

Energy delivery

PSE's capacity need forecast currently accounts for all of PSE's available transmission rights as existing capacity paired with either a specific generation resource or market purchases. This All-Source RFP seeks incremental capacity (i.e., capacity in addition to these existing resources) to meet PSE's projected capacity need. With the possible exception of any potentially available Colstrip transmission, PSE currently has no other available transmission rights (i.e., from any point east of the Cascades or elsewhere) to pair with proposed resources. Given the transmission constraints associated with delivering peak capacity to PSE's load center, PSE strongly prefers proposals for resources that (i) are located on PSE's system (at PSE's load center in western Washington) or (ii) demonstrate that the project has secure long-term firm delivery to PSE's system at BPAT.PSEI.[5] Respondents that assume the use of the Colstrip Transmission System will be responsible for (i) confirming that there is sufficient available transmission capacity and (ii) demonstrating adequate rights to wheel resources west of Townsend, Montana.[6] Delivery risk, required studies, and any required upgrade costs will be the responsibility of the respondent. PSE may not consider resources that deliver to the project's busbar, to the Mid-C trading hub, or to any other delivery point outside PSE's contiguous system west of the Cascade Mountains.

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[3] PSE intends to file a separate Demand Response RFP, which is currently being developed by PSE's demand response team. Demand response programs will be considered through that process. Because the purpose of this All-Source RFP is to seek resources to help fill PSE's peak capacity need, PSE will not consider REC-only products or generation resources with very little capacity value (see Section 1).

[4] PSE encourages qualified facilities with nameplate capacities of 5 MW or less to sell power to PSE pursuant to electric tariff rate Schedule 91.

[5] BPAT.PSEI is a transmission scheduling point in BPA Transmission Service's ("BPAT") Open Access Same-time Information System ("OASIS"), which represents 24 separate interconnections between the balancing authority areas of PSE ("PSEI") and BPAT.

[6] Townsend, Montana is the transition point from the Colstrip Transmission System to the BPA network.

Operational status

PSE prefers existing and yet-to-be constructed resources with commercial operation dates aligned with the resource needs defined in Section 1. To minimize risk to customers and ensure that capacity resources will be online when needed, PSE prefers relatively mature development and construction stage resources for this All-Source RFP (see project status preferences and proposal requirements described in Section 4).

PSE will not consider conceptual projects. For the purposes of this All-Source RFP, conceptual projects are those that are in the ideation phase of development or that do not demonstrate sufficient progress to substantiate that the project is beyond a concept. PSE will expect respondents to demonstrate that resources can (i) meet certain key requirements to establish that the project is real, (ii) be developed and constructed as proposed by the proposed commercial operations date, and (iii) deliver capacity and energy to PSE's load. Such requirements include, but are not limited to, site control for the project lands; key discretionary permits in the applications phase; a reasonable and achievable transmission solution to deliver capacity and energy to PSE's system; the availability of a firm fuel supply and delivery (if applicable), or, for wind and solar, the availability of sufficient data to demonstrate that expected project output is reasonable.

Table 3. ***Resources Requested***

Resource	Description
As produced	[e.g., wind, biomass, hydroelectric, etc.]
Baseload	7x24, delivered as firm
Intermediate	Dispatchable
Dispatchable/On peak or heavy load hours	6x16 (Mon-Sat) (HE[7] 0700-2200); seasonal (Nov-Feb, Dec-Feb or Nov-Mar)
Super peak products	HE 0700-1000 and HE 1800-2100, Nov-Jan
Temporal exchanges	Temporal exchanges (e.g., year round, seasonal), November-February; 7x16, 7x24, or 6x16 product with delivery to PSE on west side of Cascades
Storage	[e.g., battery storage (lithium-ion, etc.), pumped hydro, etc.]
Resources with additional system benefits	[e.g., operational flexibility, shaping, reserves or other system benefits]

[7] *hour ending ("HE")*

Storage Resources

Energy storage encompasses a wide range of technologies capable of shifting energy usage from one time period to another. PSE will evaluate all proposed energy storage technologies on a lowest reasonable cost and best-fit basis, consistent with PSE's most recent IRP analysis, and based on the evaluation process and proposal requirements described in Section 4 in this All-Source RFP. Section 4 and Exhibits A (Evaluation Criteria) and Exhibit B (Proposal Requirements) of this All-Source RFP further describes PSE's evaluation criteria and minimum proposal requirements. Resources requested in this All-Source RFP include proposals for energy storage systems ("ESS") sized up to 100 MW (i.e., 25 MW, 50 MW or 100 MW). PSE will give strong consideration to energy storage proposals with the ability to dispatch over a longer period of time.

PSE is working to identify potentially favorable locations on PSE's contiguous system (west of the Cascades) for siting energy storage. As of the filing of this draft All-Source RFP, the study remains ongoing. PSE intends to post the findings on its web site when it issues the final All-Source RFP.

PSE's 2017 IRP modeled three energy storage alternatives: lithium-ion batteries, flow batteries and pumped hydro. The IRP generally described PSE's views with respect to the relative advantages and disadvantages of storage, and how PSE would quantitatively evaluate the costs and operational characteristics of generic storage resources. For more on the IRP analysis that informs PSE's All-Source RFP evaluation process, see IRP Chapters 4 and 6. Storage characteristics and assumptions are further detailed in IRP Appendix D. The IRP can be viewed online at http://www.pse.com/irp.

Contract Types

PSE will consider the acquisition of generation from proposals under the following mechanisms: (1) ownership arrangements, including co-ownership arrangements in which PSE retains adequate dispatchability and rights of control; (2) power purchase agreements of varying lengths greater than four years, including power bridging agreements defined as short-term "bridges" to long-lead resources; or (3) temporal exchange agreements.

With regard to either an ownership arrangement or a power purchase agreement, PSE is interested in alternatives wherein the respondent fully assumes the risk of fuel supply, fuel price, environmental cost and deliverability, and which quantify the cost for assuming those risk factors.

All proposals must comply with Washington's Emissions Performance Standards.[8] Additionally, Chapter 480-100 WAC prevents electric utilities in Washington state, including PSE, from entering

[8] *Washington's Emissions Performance Standards (Chapter 173-407 WAC, updated September 19, 2018) require new and modified baseload electric generation to meet a greenhouse gas limit of 925 pounds per megawatt hour (lbs/MWh). The Emissions Performance Standards apply to all baseload electric generation for which electric utilities enter into long-term financial commitments on or after July 1, 2008.*

into contracts of five or more years when the supply is from unspecified sources, coal generation, or other resources that emit above the greenhouse gas limit.

All proposals must be consistent with the *Clean Energy Transformation Act ("CETA")*, which sets statewide policy goals for the elimination of coal-fired resources by December 31, 2025, 80 percent carbon-free generation and overall carbon neutral electricity by 2030, and 100 percent carbon-free electricity by 2045.

Ownership

The PSE ownership mechanism anticipates a proposal pursuant to which PSE would ultimately own the resource or a significant interest therein. This may be accomplished at various stages of development or operation using a variety of approaches such as sale of development rights, joint development by the respondent and PSE, development by the respondent followed by transfer to PSE, initial purchase of power by PSE with transfer of ownership occurring later, or other approaches that may be mutually beneficial and result in PSE's ownership of the resource.[9] Although PSE is willing to consider a wide range of arrangements, the prototype term sheet included as Exhibit E to this All-Source RFP presumes that PSE would acquire its ownership interest in the project prior to the commencement of construction and would fund its ownership share on a pro rata basis.

Power Purchase Agreements

Any proposal for a power purchase agreement ("PPA") must specify the generation asset(s) underlying the agreement, and provide assurances of its commercial availability consistent with the resource needs defined in Section 1. PSE will consider contracts with terms greater than four (4) years for power from a specific generation facility. PSE will consider non-unit contingent capacity products with terms less than five years. Exhibit F to this All-Source RFP is a prototype term sheet for Gas Tolling Agreements, and Exhibit G to this All-Source RFP is a prototype term sheet for Clean Energy PPAs.

PURPA Qualifying Facility Agreements

Any agreement for the purchase and sale of power by PSE from a qualifying facility under PURPA will be subject to any federal enactments that apply to the purchase and sale of such power.

Temporal Exchange Agreements

PSE's obligations pursuant to any temporal exchange agreement will be subject to Federal Energy Regulatory Commission ("FERC") acceptance. Additionally, any transmission service component

[9] *To minimize risk to customers and ensure that capacity resources will be online when needed, PSE prefers relatively mature development and construction stage resources for this All-Source RFP.*

of the exchange would be pursuant to the applicable transmission provider's Open Access Transmission Tariff or reciprocal agreement and would be payable by the respondent.

3. Schedule and Process

The following schedule is subject to adjustment based on WUTC review and the actual pace of the evaluation process. Updates will be posted online at http://www.pse.com/RFP.

Table 4. *2020 All Source RFP Schedule*

Date	Milestone
May 4, 2020	Draft All-Source RFP filed with WUTC
July 6, 2020	Public comment period closes
August 5, 2020	WUTC expected to approve the All-Source RFP[10]
August 2020	PSE hosts respondent conference[11]
August 14, 2020	PSE issues the final All-Source RFP
August 21, 2020	Mutual Confidentiality Agreements due to PSE
September 4, 2020	Offers due to PSE
Q2 2021	PSE selects short list, notifies respondents
To follow	Post-proposal negotiations

Evaluation Process

PSE will follow a structured evaluation process designed to screen and rank individual proposals based on an evaluation of costs, risks, and benefits. PSE will consider a number of quantitative and qualitative factors to compare proposals with diverse attributes. PSE will evaluate each proposal based on its compliance with this All-Source RFP (including the term sheet and contractual provisions set forth in Exhibits E, F and G to this All-Source RFP) and according to the following set of criteria, which are described in detail in Exhibit A to this All-Source RFP.

- Compatibility with resource need
- Cost minimization
- Risk management
- Public benefits
- Strategic and financial considerations

[10] *The WUTC's Open Meeting is scheduled for July 30, 2020. A decision is likely to be issued by July 31, 2020.*

[11] *All-Source RFP respondents' conference details and registration instructions will be posted at www.pse.com/rfp as they become available.*

Initially, PSE will screen proposals based on the proposal's portfolio cost (a portfolio evaluation designed to assess the interaction of the resource within PSE's power portfolio) and the qualitative criteria described in Exhibit A to this All-Source RFP. Upon completing the initial screening, PSE will select the most favorable proposals for a more thorough due diligence evaluation. This process may require further interaction with the respondents and requests for additional information. The due diligence process will include more in-depth review based on the same five primary criteria, individual and portfolio risk analysis, and resource flexibility analysis. The portfolio risk analysis evaluates the interaction and risk levels of the most favorable resources and combinations of resources within PSE's power portfolio. PSE's All-Source RFP evaluation process and analytic tools are generally consistent with those used in the 2017 IRP and the IRP Progress Report.[12]

Respondents should be aware that the quantitative cost screening of proposals received in response to the All-Source RFP will include costs associated with delivering the energy to PSE's system as well as the costs associated with financial and accounting regulations. PSE's analysis will include a cost adder for PPAs, consistent with rules set forth by CETA and codified in Chapter 80.28.410 RCW, which states as follows:

> *(2)(b) For the duration of a power purchase agreement, a rate of return of no less than the authorized cost of debt and no greater than the authorized rate of return of the electrical company, which would be multiplied by the operating expense incurred by the electrical company under the power purchase agreement. (Chapter 80.28.410 RCW)*

PSE will place proposals that best meet its resource need at the lowest reasonable cost and least risk on a short list for further discussion with the respondent(s). Such discussions may lead to negotiations of the terms and conditions of definitive agreements.

Negotiations and Contracts

PSE may elect to negotiate price and non-price factors with any respondent whose proposal has been shortlisted. During negotiations, PSE will continue to update its economic and risk analysis on an as-needed basis to reflect any additional or revised factors that may impact the total cost of a proposed resource.

PSE has no obligation to enter into definitive agreements with any respondent to this All-Source RFP and may terminate or modify the All-Source RFP at any time without liability or obligation to any respondent. This All-Source RFP shall not be construed as preventing PSE from entering into any agreement that it deems appropriate at any time before, during, or after the All-Source RFP process is complete. PSE reserves the right to negotiate only with those respondents and other

[12] *The 2017 IRP can be found at http:///www.pse.com/irp. Three key sections of the 2017 IRP that describe PSE's Electric Resource analysis include Chapter 4 (Key Analytical Assumptions), Chapter 6 (Electrical Analysis) and Exhibit N (Electrical Analysis). Additional topics of interest (e.g., demand forecasting, wholesale market risk and operational flexibility) can be found in the 2017 IRP's Table of Contents.*

parties who propose transactions that PSE believes, in its sole opinion, to have a reasonable likelihood of being executed substantially as proposed.

4. Proposal Requirements

Confidentiality Agreement

Each respondent shall email a signed and scanned copy of the Mutual Confidentiality Agreement (Exhibit C to this All-Source RFP) to AllSourceRFPmailbox@pse.com no later than August 21, 2020. PSE will return one fully executed scanned Mutual Confidentiality Agreement to the respondent.

To the extent required by law or regulatory order, such as the requirements of WAC 480-107-035, PSE will make available to the public a summary of all proposals received and the final ranking of all such proposals.

Additionally, in accordance with the requirements of WAC 480-107-145, PSE will retain all information pertinent to this All-Source RFP process for a period of seven (7) years or until PSE concludes its next general electric rate case, whichever is later. Except to the extent required by law or regulatory order, PSE shall have no obligation under this All-Source RFP to provide the models and data used in its evaluation process to respondents or other third parties. PSE may provide such models and data to the extent consistent with its business needs.

All-Source RFP Proposal Requirements

To ensure that all proposals are thorough and complete, PSE has provided a checklist for respondents to complete in Tab 1 of Exhibit B (Proposal Requirements) of this All-Source RFP.

PSE expects respondents to provide complete information in their original submittals. Failure to provide all of the requested information will not necessarily disqualify a proposal, but may result in lower prioritization during the evaluation process. PSE will not consider proposals that provide insufficient information to substantiate the project or offer.

Table 5. *Proposal Content Checklist (Exhibit B, Tab 1)*

1. Proposal Content Checklist

Required for all RFP proposals. (Do not remove tab.)

Proposal Element	Required for	Section	Select Yes or No
Required proposal contents	**All proposals**	**Exhibit B**	
Proposal contents checklist	All proposals	Tab 1	
Offer and commercial detail	All proposals	Tab 2	
Facility detail	All unit-contingent proposals	Tab 3	
Variable energy output profile (8760)	Intermittent resource proposals	Tab 4	
Integration and transmission	All proposals	Tab 5	
Development projects detail	Development or construction project proposals	Tab 6	
Project capital costs	Proposals including asset sale offers	Tab 7	
Operating costs	Proposals including asset sale offers	Tab 8	
Transmission costs	All proposals	Tab 9	
Proposal certification and contacts	All proposals	Tab 10	
Mutual Confidentiality Agreement	All proposals	Exhibit C	
Prototype Term Sheet (by offer structure)	All proposals (or specify Schedule C)	Exhibit E, F and G	
PSE Transmission Customer Consent	Proposals for projects with a pending request for or agreement for PSE transmission or integration	Exhibit H	

Proposals must be substantially complete consistent with the requirements of this RFP.

Proposals that do not provide sufficient information to substantiate a project or offer will not be considered in this RFP.

Minimum qualifying criteria and proposal preferences

PSE considers a wide variety of evaluation criteria when making resource decisions, as described in Exhibit A to this All-Source RFP. PSE has also identified a series of minimum qualifying criteria and strong preferences to help respondents craft proposals designed to best meet the objectives. Proposals must meet minimum criteria for consideration in this RFP. Additionally, PSE considers the criteria described as preferences below to be central to its analysis.

For all proposals

- Proposals must be substantially complete, including the Proposal Requirements (Exhibit B to this All-Source RFP) and all required attachments indicated therein, the Mutual Confidentiality Agreement (Exhibit C to this All-Source RFP) and the term sheet (Exhibit E, F or G to this All-Source RFP). PSE has provided respondents with a proposal contents checklist (Exhibit B, Tab 1 to this All-Source RFP). PSE will not consider proposals that do not provide sufficient information to substantiate a project or offer.
- PSE prefers proposals with delivery dates aligned with the resource capacity needs defined in Section 1.

- PSE prefers long-term, fixed priced products.[13]
- Projects must provide a material capacity contribution. PSE will determine capacity contribution based on the project's ability to match PSE's winter peak load (as defined in Section 1), taking into account its monthly and hourly shape. See figures 2 and 3 (Section 1 of this All-Source RFP) for load shapes and examples of peak capacity contributions for generic resources.
- PSE will not consider projects with very little or only minimal winter peak capacity contribution relative to the overall project size. See Section 1, Figure 3 of this All Source RFP.
- PSE will consider those capacity proposals that also include renewable attributes to have additional value for the purposes of meeting PSE's obligations under the Washington state RPS and the CETA. PSE will take this additional renewable benefit into account in its analysis.
- Proposals (for all but baseload or dispatchable resources) must provide a robust 8760 energy profile (Exhibit B, Tab 4 to this All-Resources RFP) to provide insight into variable energy resources.
- PSE strongly prefers storage projects with the ability to dispatch over a longer period of time. See Section 1, Figure 3 of this All-Source RFP for battery storage ELCCs based on discharge duration.
- All else equal, PSE prefers operational projects first, projects under construction second and development projects third. PSE will not consider purely conceptual projects (as described in Section 2) in this All-Source RFP.
- All respondents must provide a well-developed, reasonable, and achievable plan for acquiring long-term, firm transmission to PSE's load center (west of the Cascades). PSE strongly prefers proposals for resources that (i) are located on PSE's system (at PSE's load center in western Washington) or (ii) demonstrate that the project has secure long-term firm delivery to PSE's system at BPAT.PSEI. PSE may not consider resources delivered to the project's busbar, to the Mid-C trading hub, or to any other delivery point outside PSE's contiguous system west of the Cascade Mountains. The Mid-C trading hub is not an acceptable delivery point to meet the incremental peak capacity needs in this All-Source RFP.
- PSE does not have any excess transmission to assign to any project.
- Respondents that assume the use of the Colstrip Transmission System will be responsible for confirming that there is sufficient available transmission capacity. Additionally, the respondent must demonstrate adequate rights to wheel resources west of Townsend,

[13] *System PPAs longer than five years are eligible to participate in this All-Source RFP; however, they must comply with the Emissions Performance Standards (Chapter 173-407 WAC) and Chapter 480-100 WAC, which require disclosure of the underlying resource or resource pool to verify compliance with the standards.*

Montana. Delivery risk, required studies, and any required upgrade costs will be the responsibility of the respondent.

- Respondent must specify interconnection and/or path to PSE's system and will be responsible for balancing costs for resources outside PSE's balancing authority.
- PSE prefers that the respondent has an executed interconnection agreement for the project.
- PSE requires a submitted transmission request(s) and issued system impact study, if applicable.
- Generation projects requiring fuel must have firm fuel arrangements. Gas-fired generation proposals must indicate that firm delivery transportation has been arranged. Biomass proposals must demonstrate a firm fuel supply.
- Proposals for renewable resources must include the environmental attributes[14] of the project.
- Proposals with pricing based on the assumed use of tax incentives must specify the incentive(s) and any related impact to pricing if the proposed delivery date is not achieved.
- All proposals must comply with all applicable laws and regulations, including environmental laws, such as the Emissions Performance Standards.
- PSE will not accept credit requirements imposed on PSE by the respondent.
- If selected for acquisition, the respondent will be responsible for meeting its scheduled deadlines. PSE will require the respondent to accept the risk and agree to pay liquidated damages for failing to meet contractual milestones. PSE may impose credit requirements based on the respondent's credit rating.

For development and construction proposals

In addition to the minimum qualifying criteria and proposal preferences for all proposals (above), PSE has identified the following additional criteria for development and construction proposals:

- Development and construction projects must include a detailed schedule for meeting the commercial operation date. PSE's intent is to minimize a variety of project execution risks, including the risk that a project(s) commercial operation date may be delayed or otherwise unable to deliver as promised to meet PSE's capacity needs.
- Proposals must demonstrate site control for both the project and any other project-related infrastructure (e.g., generation tie-line, etc.).

[14] *"Environmental attributes" means generally credits, benefits, reductions, offsets and other beneficial allowances with respect to fuel, emissions, air quality, or other environmental characteristics, resulting from the use of certain generation resources or the avoidance of emissions.*

- PSE does not have land available for 3rd party respondent projects.
- Proposals must identify required permits and approvals, their status, and provide a schedule for completion as part of the overall project schedule. PSE prefers proposals that further demonstrate a respondent's permitting acumen (e.g., providing a permitting plan or demonstrating progress, identifying required studies and status, successful outreach to lead agencies and stakeholders, indicating past success permitting other projects in the area). Discretionary permits should be in the application phase.
- Wind or solar project proposals must confirm that the project has three years of verifiable supporting data with historical wind generation and irradiance observations.
- Proposals must describe the respondent's labor plan, which should be constructed with high labor standards, including family-level wages, benefits and opportunities for local workers and businesses.
    - PSE strongly prefers projects that utilize a Project Labor Agreement or Community Workforce Agreement for major construction activities associated with the construction of the project. Respondents shall make commercially reasonable efforts to ensure that such Project Labor Agreement or Community Workforce Agreement is eligible to be certified by the Washington Department of Labor and Industries under the standards of the Washington State Clean Energy Transformation Act (RCW 19.405).
    - PSE strongly prefers projects that utilize apprenticeship labor during the construction phase of the project. Renewable projects that qualify for a one and two-tenths (1.2) multiplier of the environmental attributes generated from the project must indicate whether the additional renewable attributes resulting from the use of apprenticeship labor will accrue to PSE throughout the term of the PPA at the offer price specified in the proposal.
- Respondents must agree to adhere to all applicable safety laws, guidelines and industry practices. Respondents must provide a culture of safety.

Signatures and Certifications

Each proposal must contain the signature of a duly authorized officer or agent of the respondent submitting the proposal. The respondent's duly authorized officer or agent shall certify in writing that:

- The respondent's proposal is genuine; not made in the interest of, or on behalf of, any undisclosed person, firm, or corporation; and is submitted in conformity with any anti-competitive agreement or rules.
- The respondent has not directly or indirectly induced or solicited any other respondent to submit a false or sham proposal.

- The respondent has not solicited or induced any other person, firm, or corporation to refrain from proposing.
- The respondent has not sought to obtain for itself any advantage over any other respondent by collusion.

Tax-Incentive Risk

Each proposal shall acknowledge and state that PSE disclaims and shall not assume any risk associated with the potential expiration of (or the respondent's or other project entity's ability to utilize) any then applicable federal or state tax incentives, cash grant programs, or similar programs meant to support a relevant resource.

Environmental Attributes

All proposals must state that all environmental attributes associated with the proportionate share of the subject project, if any, will accrue to the ownership and beneficial use of PSE.

No Assignment

All proposals shall state that there will be no assignment of proposals during the evaluation or negotiation stage of this All-Source RFP and that, in the event the respondent and PSE negotiate and execute definitive agreements based on the respondent's proposal, the definitive agreements and obligations thereunder shall not be sold, transferred, or assigned, or pledged as security or collateral for any obligation, without the prior written permission of PSE. Any project lender who takes an assignment of the definitive agreements for security and exercises any rights under such agreements will be bound to perform such agreements to the same extent.

Eligibility and Conflict of Interest Disclosure

This All-Source RFP will accept proposals from all third-party project developers or owners, marketing entities, or other utilities that meet the project requirements and comply with the process guidelines described in this All-Source RFP. All respondents shall disclose in their proposals any and all relationships between themselves, the project and/or members of their project team and PSE, its employees, officers, directors, subsidiaries, or affiliates.

Self-build proposals

PSE may include one or more self-build proposals in the All-Source RFP. Consistent the requirements of WAC 480-107-135, PSE personnel involved in developing a self-build proposal will not participate in the evaluation or selection of proposals as part of this All-Source RFP. To facilitate this, a separate team within PSE will prepare and submit the self-build proposal in a

manner consistent with the process established for all other respondents. The All-Source RFP evaluation team will not disclose the contents of its All-Source RFP evaluation or competing proposals to anyone involved in developing PSE's self-build proposal prior to such information becoming publicly available. The All-Source RFP team will keep all All-Source RFP information in a secure location on its network drives and in a locked library. Personnel involved in developing PSE's self-build proposal will not have access to any of this All-Source RFP information.

Subsidiary or affiliate proposals

Subsidiaries or affiliates of PSE will also be eligible to submit proposals in response to this All-Source RFP. Each respondent in PSE's All Source RFP must disclose any subsidiary or affiliate relationship to PSE in its Exhibit B, Tab 2, to this All Source RFP. All respondents, including affiliates and subsidiaries of PSE, shall follow a consistent process for submittal. PSE will treat all respondents, including affiliates and subsidiaries of PSE, in a fair and consistent manner throughout the evaluation. Consistent with the requirements of WAC 480-107-135, the All-Source RFP evaluation team will neither give preferential treatment or special consideration to any subsidiary or affiliate of PSE, nor disclose the contents of its All-Source RFP evaluation or competing proposals to subsidiaries or affiliates of PSE prior to the information becoming publicly available.

Validity, Deadlines and Regulatory Approval

Each proposal shall specify the date through which the proposal is valid. Proposals must also state the dates by which (i) definitive agreements must be completed and approved by the boards of directors or other management bodies of PSE and the respondent and (ii) applicable regulatory approvals must be obtained to support the proposed project schedule.

Respondents should note that regulatory approvals for resources to be acquired may not be obtained until the latter half of 2021 or later. PSE may seek regulatory review of its anticipated resource purchases, exchanges, acquisitions, or costs associated therewith. Such regulatory review could include receipt by PSE from the WUTC of approvals and orders, as applicable, pertaining to and confirming the inclusion of the full amount of any asset purchase price plus PSE's transaction costs and other amounts allocable to the construction, start-up, testing and commissioning of the project, as applicable, in PSE's rate base. Such approvals and/or orders to be in form and substance satisfactory to PSE in its sole discretion. In this regard, no respondent may change any proposed price prior to the finalization of such agreements and approvals. PSE prefers that proposals remain valid for a period that would allow for negotiation of definitive agreements and applicable management and regulatory approvals.

In addition to being subject to the jurisdiction of the WUTC, PSE is also regulated by the Federal Energy Regulatory Commission ("FERC"). FERC's jurisdiction and authority over the activities of PSE are defined in the Federal Power Act and include certain aspects of the acquisition of electric power. In particular, Sections 203 and 205 of the Federal Power Act require, respectively, (i)

approval by FERC prior to transferring FERC-jurisdictional assets a value in excess of $10,000,000; and (ii) certain filings by PSE to support its authorization to sell power and related products at market-based rates.

Pursuant to Section 203 of the Federal Power Act, FERC has approval authority over any acquisition by PSE of public utility facilities subject to FERC jurisdiction with a value in excess of $10,000,000. In reviewing filings under Section 203 of the Federal Power Act, FERC considers the effect on competition, rates, and regulation. FERC's approval of such an acquisition will be based on a finding that it is "consistent with the public interest."

FERC has authorized PSE to sell power at market-based rates pursuant to Section 205 of the Federal Power Act. As a condition of its authority to sell power at market-based rates, PSE must demonstrate to FERC that it does not possess market power in the relevant markets. Acquisition by PSE of generation or power resources may require PSE to demonstrate that it continues to lack market power after the resource acquisition.

Accordingly, PSE will evaluate all proposals in light of the requirements of the Federal Power Act and the effect that such regulatory requirements and review may have on PSE's overall corporate position.

5. Credit Requirements

PSE will not accept collateral thresholds, credit ratings triggers, general adequate assurances language or similar language that might require PSE to provide performance assurance. However, PSE's credit risk department may require respondents to provide performance assurance. With few exceptions, PSE will expect respondents with sub-investment-grade credit ratings (or being of similar creditworthiness) to provide performance assurance acceptable to PSE.

In addition to any provisions included in the prototype term sheets for ownership agreements (Exhibit E to this All-Source RFP), gas tolling agreements (Exhibit F to this All-Source RFP), or clean energy power purchase agreements (Exhibit G to this All-Source RFP), PSE may require negative control provisions[15] in any definitive agreements.

[15] *"Negative control provisions" means covenants restricting respondent business practices that could jeopardize respondent's ability to perform its obligations.*

6. Contact Information and Proposal Submission Instructions

PSE is developing a tool for respondents to submit electronic proposals to this All-Source RFP confidentially. PSE will provide Instructions for proposal submissions in the final All-Source RFP and on the RFP web site (www.pse.com/rfp).

In the meantime, questions or comments about the draft All-Source RFP may be submitted to AllSourceRFPmailbox@pse.com.

Table 6. ***Deliverables and Deadlines***

Deliverable	Date Due	Format
Mutual Confidentiality Agreement *(Exhibit C)*	August 21, 2020	• Email one signed scanned copy to AllSourceRFPmailbox@pse.com
All-Source RFP Proposal *(See Section 4 and Exhibit B for Proposal Requirements)*	September 4, 2020	• One electronic copy of the proposal via PSE's confidential electronic proposal submission tool (instructions to be provided in the final All-Source RFP) o Proposal must include one complete Excel copy of the Exhibit B (Proposal Requirements) forms and all required attachments (as indicated therein)[16] o Proposal must also include a signed scanned copy of the Proposal Certification form (Exhibit B, Tab 10) in addition to the live version included in the Excel form

All costs to participate in the All-Source RFP process, including preparation of proposals, negotiations, etc., are the responsibility of the respondent.

[16] *Please do not add, remove or modify tabs in the Exhibit B (Proposal Requirements) file. PSE has designed this Excel file to be an input to PSE's All-Source RFP proposal database and models. The database and models may not function properly if respondents add, remove or modify tabs in the Exhibit B (Proposal Requirements) file. PSE will ask respondents who do not fully complete Exhibit B, or who return a modified Exhibit B that does not function as designed, to provide the required forms before their proposals will be considered in this All-Source RFP.*

PUGET SOUND ENERGY

2020 All-Source RFP for Peak Capacity Resources:

Exhibit A. Evaluation Criteria

Evaluation Criteria

PSE's evaluation of new long-term electric generation resources is based on an assessment of five primary criteria:

- Compatibility with resource need
- Cost minimization
- Risk management
- Public benefits
- Strategic and financial

PSE delineates each criterion into more detailed criteria elements, as described in the following tables. PSE applies the sub-criteria to its evaluation of proposals as applicable based on the resource need(s) established in the All-Source RFP document and the resource characteristics necessary to meet that need(s). See also Section 4 (Proposal Requirements) of the All-Source RFP document, which specifies certain minimum criteria required to qualify for this All-Source RFP and PSE's preferences for characteristics and attributes of particular value in this All-Source RFP.

1. Compatibility with Resource Need

Criteria Element	Description
1. Timing	PSE prefers proposals for resources that offer: • energy and/or capacity in a time frame consistent with PSE's needs, as define in Section 1 of the All-Source RFP • substantial assurance of being commercially available according to the schedule proposed • flexibility in development schedule and/or contract start date to accommodate PSE's timing needs
2. Alignment with capacity need – ownership and contracts.	PSE prefers proposals for resources that offer (i) generation from an underlying asset that closely matches or that is shaped to closely match PSE's annual capacity requirements or (ii) output that can be controlled.

EXHIBIT A. EVALUATION CRITERIA

Criteria Element	Description
3. Alignment with capacity need – contracts.	PSE prefers proposals for resources that provide a fixed annual price and closely match or are shaped to match PSE's annual capacity requirements. PSE strongly prefers proposals for resources that (i) either directly interconnect to or provide firm transmission capacity to PSE's contiguous system (west of Cascades) and (ii) closely match or are shaped to match PSE's annual capacity requirements.
4. Alignment with renewable resource needs	PSE prefers proposals for qualified renewable generation and/or RECs that closely align with PSE's renewable need as mandated by the Energy Independence Act, Chapter 19.285 RCW. PSE prefers proposals for qualified renewable and non-emitting generation and/or RECs that closely align with PSE's renewable need as mandated by the Clean Energy Transformation Act, Chapter 19.405 RCW.
5. Operational flexibility	PSE prefers proposals for resources that offer control of project output, whereby PSE may respond to seasonal and real-time fluctuations in load/resource balance and system reliability events. This includes, for example, dispatch or displacement of the project in real time and, for jointly-owned projects, the ability for PSE to elect to use generation output that would otherwise be displaced by the other owner for reliability purposes. Additionally, PSE prefers proposals for resources that provide the ability to carry operating reserves.
6. Performance within existing PSE generation portfolio	Analyses will include such factors as: • impact on system reliability • system dispatch and displacement • location with respect to the regional transmission system and PSE's electric system • impacts on system reserves, load following, integration costs and other factors

EXHIBIT A. EVALUATION CRITERIA

Criteria Element	Description
7. Resource mix/diversity	PSE will consider the diversity of resource technology and fuel types in a manner consistent with PSE's *Integrated Resource Plan*.[1] Specific considerations shall include: • technology type • fuel supply type • fuel supply source • fuel supply reliability, including control and deliverability

[1] *PSE's most recent Integrated Resource Plan can be found at www.pse.com/irp.*

2. Cost Minimization

Criteria Element	Description
1. Resource cost	PSE prefers proposals for resources that provide the lowest reasonable cost throughout the project life, taking into account the price of the proposal and other factors that impact PSE's overall cost. Such factors include, but are not limited to: • capital cost • financing cost • operation and maintenance cost • expected or potential carbon control or mitigation costs • fuel and fuel transportation cost • fixed and variable power purchase agreement cost • transmission cost • ancillary services • integration costs • transmission system upgrades • cost to rebalance debt/equity ratio for imputed debt and consolidated debt • cost of credit facilities • transaction costs and other management costs, etc. • cost to meet environmental compliance, including capital improvements and/or capacity limitations and restrictions • CETA provision allowing utilities to earn a return on PPAs • renewable energy credits or other environmental attributes
2. Transmission	PSE strongly prefers long-term firm delivery of energy to its service area. In the absence of the assurance of firm delivery at the time of the proposal, PSE prefers proposals for resources that provide a high likelihood of acquiring adequate transmission rights. Proposals that do not include long-term firm transmission to PSE's service area, that would produce congestion or increase PSE's transmission costs will be compared unfavorably with other proposals and/or will be assessed the additional cost to PSE as part of the evaluation process.

EXHIBIT A. EVALUATION CRITERIA

Criteria Element	Description
3. Portfolio cost impact	PSE prefers proposals for resources and combinations of proposals for resources that result in the lowest impact on PSE's revenue requirements and rates when included in PSE's existing generation resource portfolio.

3. Risk Management

Criteria Element	Description
1. Status and schedule	All else being equal, PSE prefers operating projects first, projects under construction second, and development projects third. With respect to development projects, PSE prefers proposals for resources from respondents with the experience and financial resources to complete the project that have made significant progress in securing necessary permits, property rights, equipment, regulatory approvals, water rights, wastewater and disposal rights, project agreements and all other rights or arrangements necessary for a completely commercially operational project within the time frame proposed for commercial operation.
2. Price volatility	PSE prefers proposals for resources that provide significant long-term control of fixed and variable costs.
3. Resource flexibility and stability	PSE prefers proposals for resources that provide flexibility for expansion to meet PSE's growing needs, as required. PSE prefers proposals for resources that include project agreements and all other rights and arrangements coterminous with power purchase delivery periods or project life.
4. Resource Technology	PSE prefers proposals for resources based on commercially-proven technology with demonstrated long-term reliability and performance history. PSE prefers proposals for resources based on technologies with controllable or dispatchable output.
5. Long-term flexibility	PSE prefers proposals for resources that offer the flexibility to adjust its position in a resource long term, up to and including termination.
6. Project risk	PSE prefers proposals for resources that minimize risk for timely plant completion within cost projections. PSE prefers proposals for resources that minimize exposure to environmental risk or other potential liability, including expected or potential carbon control or mitigation costs.

EXHIBIT A. EVALUATION CRITERIA

Criteria Element	Description
7. Impact on PSE's overall risk position	PSE will evaluate proposals and combinations of proposals to determine the impact of the proposal(s) on PSE's overall risk position with respect to its generation portfolio. Risk scenarios will include factors such as hydroelectric production variation, wind generation variability, fuel price volatility, carbon control costs, and power market price volatility. Additional risk scenarios will examine the correlation between fuel prices and power market prices, and alternative market price scenarios. Other considerations will include exposure to transmission congestion and costs. All else being equal, PSE prefers proposals for resources that result in lower generation portfolio performance risk.
8. Environmental and permitting risk	PSE's evaluation process will include an assessment of the following criteria: • status in acquiring needed permits • risk associated with future environmental regulation and taxes, including greenhouse gas emissions • compliance with state RPS • compliance with the state's CETA • compliance with regional generator performance standards and import standards
9. Respondent risk	PSE will consider information requested in Section 4 of the All-Resources RFP document and Exhibit B in determining the risk associated with the financial condition and performance of a respondent and any third parties relied upon by the respondent. PSE prefers proposals for resources from lower-risk respondents.
10. Ability to deliver as proposed	PSE will use the information provided in response to Exhibit B to evaluate the experience and qualifications of the project team, an important consideration when judging a respondent's ability to deliver a commercially operable project in the time frame proposed. PSE prefers respondents with proven track records.

EXHIBIT A. EVALUATION CRITERIA

Criteria Element	Description
	PSE will use information submitted in response to Exhibit B, which addresses project development status and schedule, to evaluate the respondent's ability to meet the proposed commercial operation date.
11. Status of transmission rights	PSE requires that proposals have the ability to transmit power from the project site to one or more points on PSE's electric system (particularly to points on the system where the deliveries may be used to serve load with limited or no transmission congestion). PSE will use information provided in Exhibit B and, if necessary, the PowerWorld software tools, to assess whether and to what extent the required transmission will be available, and whether and to what extent the necessary transmission paths are constrained.
12. Security and control	PSE prefers proposals for resources with a firm, fixed price fuel supply. PSE prefers proposals for resources that offer alternative methods of managing price volatility. PSE prefers proposals for resources that supply firm energy and capacity.
13. Federal regulatory approvals	PSE will consider the effect of any federal regulatory approvals that would result from accepting the proposal, including, but not limited to, requirements under Sections 203 and 205 of the Federal Power Act. PSE prefers proposals for resources that eliminate or minimize the effect of any such federal regulatory approvals.

4. Public Benefits

Criteria Element	Description
1. Environmental impacts	PSE prefers proposals for resources that minimize environmental impacts. Environmental impacts refer to the full range of issues evaluated in an environmental impact statement or environmental assessment. PSE will consider information supplied in response to Exhibit B in its evaluation of the environmental impacts of a proposed acquisition.
2. Resource location	PSE prefers proposals for resources located such that they provide benefits to the regional and PSE transmission systems, or require minimal or no transmission upgrades. PSE prefers proposals for resources that are not dependent upon constrained transmission or fuel transportation paths. PSE prefers proposals for resources located within PSE's service territory.
3. Community impacts	PSE prefers proposals for resources that demonstrate support from public, local, state, and federal government entities and Native American Tribes, if applicable, as well as other stakeholders.
4. Labor	For construction projects, PSE prefers projects that utilize a Project Labor Agreement or Community Workforce Agreement for major construction activities associated with the construction of the project. PSE prefers that such labor agreements are eligible to be certified by the Washington Department of Labor and Industries under the standards of the Washington State Clean Energy Transformation Act (RCW 19.405). PSE prefers projects that utilize apprenticeship labor during the construction phase of the project. For renewable projects that qualify for a one and two-tenths (1.2) multiplier of the environmental attributes generated from project resulting from the use of apprenticeship labor, PSE prefers proposals that state that these additional environmental attribute will accrue throughout the term of the PPA at the offer price specified in the proposal.

5. *Strategic and Financial*

Criteria Element	Description
1. Capital structure impacts	PSE's quantitative analysis will impute the anticipated equity cost needed to offset any adverse effects on its capital structure associated with accounting requirements (e.g., FASB ASC 810) that may require PSE to consolidate the respondent's balance sheet. All else being equal, PSE prefers proposals for resources that avoid risks associated with a requirement to consolidate a respondent's financials with PSE's financials (e.g., pursuant to FASB ASC 810). All else being equal, PSE prefers proposals for resources that would not increase PSE's exposure to adverse impacts on its financial position (e.g., by requiring PSE to impute debt, to account for the transaction as a capital lease (e.g., under FASB ASC 840), to account for or report the transaction as a financial derivative transaction (e.g., pursuant to FASB ASC 815), by otherwise adversely affecting PSE's financial leverage, operating leverage, credit rating, cash flow, income statement or balance sheet, or by imposing credit requirements or increasing liquidity risk).
2. Future exposure to environmental regulations and/or taxes	PSE prefers proposals for resources with lower potential exposure to future environmental regulations and/or taxes.
3. Guarantees and security	PSE will consider information provided in response to Exhibit B to determine whether it will require any additional guarantees or credit support pursuant to Section 5 of the All-Source RFP document. PSE's credit risk department may require the respondent to provide performance assurance. PSE will expect respondents with sub-investment-grade credit ratings (or being of similar creditworthiness) to provide performance assurance acceptable to PSE. PSE will not accept collateral thresholds, credit ratings triggers, general adequate assurances language, or similar language that might require PSE to provide performance assurance.

PUGET SOUND ENERGY

2020 All-Source RFP for Peak Capacity Resources:

Exhibit B. Proposal Requirements Forms

Exhibit B. Proposal Requirement Forms

Instructions for Respondents

The Proposal Requirement Forms enclosed (Exhibit B) are designed to capture the minimum information necessary for PSE to perform its preliminary review of the RFP proposals. Respondents should plan to provide all relevant information necessary to assess their proposals. PSE may also send additional data requests to respondents on an as-needed basis during the RFP process.

1. **To be eligible to participate in this RFP, the respondent must fully complete and include an Excel copy of the Exhibit B forms enclosed.** A downloadable copy of the forms template can be found at http://www.pse.com/RFP.

2. **Complete a separate set of forms for each proposal submitted**. You may submit up to four (4) offers for each proposal.

   For the purposes of this RFP, a **proposal** is defined as a bid containing one or more offer options for the same resource or resources. A respondent may submit as many proposals for different resources as desired. Proposals are not mutually

   For the purposes of this RFP, **offers** are defined as options within a single proposal for the same resource or resources (i.e., mutually exclusive). A respondent may submit up to four offers per proposal varying options such as capacity (MW), term, start or end dates, pricing structure, transmission delivery point, with or without storage, or other proposal elements.

3. **Respondents shall not modify any part of the Exhibit B template**. The enclosed forms are designed to be inputs into PSE's proposal database and models and may not function properly if altered. The entire, completed form template must be submitted in Excel format. If a tab indicates that it does not apply to the resource you are proposing, leave it blank, but do

4. Respondents who do not fully complete the Exhibit B forms or who return a modified Exhibit B that is no longer functional as an input to our proposal database and models will be asked to do so before their proposal will be considered.

5. **Have questions about the form?** Contact us at AllSourceRFPmailbox@pse.com.

1. Proposal Content Checklist

Required for all RFP proposals. (Do not remove tab.)

Proposal Element	Required for	Section	Select Yes or No
Required proposal contents	**All proposals**	**Exhibit B**	
Proposal contents checklist	All proposals	Tab 1	
Offer and commercial detail	All proposals	Tab 2	
Facility detail	All unit-contingent proposals	Tab 3	
Variable energy output profile (8760)	Intermittent resource proposals	Tab 4	
Integration and transmission	All proposals	Tab 5	
Development projects detail	Development or construction project proposals	Tab 6	
Project capital costs	Proposals including asset sale offers	Tab 7	
Operating costs	Proposals including asset sale offers	Tab 8	
Transmission costs	All proposals	Tab 9	
Proposal certification and contacts	All proposals	Tab 10	
Mutual Confidentiality Agreement	All proposals	Exhibit C	
Prototype Term Sheet (by offer structure)	All proposals (or specify Schedule C)	Exhibit E, F and G	
PSE Transmission Customer Consent	Proposals for projects with a pending request for or agreement for PSE transmission or integration	Exhibit H	

Proposals must be substantially complete consistent with the requirements of this RFP.

Proposals that do not provide sufficient information to substantiate a project or offer will not be considered in this RFP.

Minimum Proposal Criteria (as defined in RFP Section 4)		Select Yes or No
Does proposal start date substantially align with PSE's stated need as defined in the RFP? *See All Source RFP Section 1, Resource Need.*	1	
Does this resource provide material peak capacity contribution to PSE's load? *Source RFP Section 2.*	2	

See All

Projects must include a material capacity contribution to be considered eligible for this RFP. For the purposes of the RFP, peak load is defined as seasonal (Nov.-Feb., Dec.-Feb. or Nov.-Mar.), heavy load hour (HE 0700-2200) and super peak (HE 0700-1000 and 1800-2100, Nov.-Jan.). Capacity contribution will be determined based on the project's ability to meet winter peak load. Proposals that help meet winter peak need while minimizing surpluses off peak will benefit in PSE's analysis. Projects with very little or minimal winter peak capacity contribution (relative to the project's overall size) will not be considered.

Does this project have a completed interconnection agreement?	3	
If not, has the respondents submittted a request for interconnection?	4	
Has the project received an interconnection system impact study?	5	
Is the resource located within PSE's contiguous system (west of Cascades)?	6	
If not, has the respondents specified a transmission path to PSE's system (BPAT.PSEI west of Cascades)? *Mid-C delivery does not provide incremental peak capacity to PSE. See All Source RFP, Section 4.*	7	
Has the respondent submitted a transmission service request?	8	
Has the project received a transmission system impact study?	9	
Does this project provide a reasonable and achievable plan and schedule for acquiring long-term, firm transmission to PSE's system on the identified path?	10	
Has the respondent verified either through the TSR process or based on information publicly available on the transmission provider's OASIS site that the identified path has sufficient available transmission capacity (ATC)?	11	
If the resource is a generation facility requiring fuel, does the proposal include a firm fuel arrangements? *i.e., firm delivery transportation for natural gas-fired generation, firm fuel supply for biomass, etc.*	12	
Is the proposed resource a development or construction project?	13	

All else equal, PSE prefers operational projects first, projects under construction second, and development projects third.
PSE will not consider conceptual projects in this RFP.

If yes, did respondent include a detailed schedule for meeting the commercial operation date?	14	
Does project have (and does proposal demonstrate) site control for the project lands and any generation tie-line?	15	
Has the respondent submitted applications for discretionary permits?	16	
Does proposal identify permits and approvals required to develop, complete and operate the proposed project, their status and provide a schedule for completion?	17	
Does the proposal describe the respondent's labor plan (including family-level wages, benefits and opportunities for local workers and businesses)?	18	
For wind or solar resources, does respondent have at least 3 years of verifiable supporting data with historical wind generation and solar irradiance observations? *If selected for further due diligence in Phase 2, PSE will request this data.*	19	

Respondent agrees to adhere to all applicable safety laws, guidelines and industry practices, and to provide a culture of safety.	20	
Does pricing of this project assume the use of tax incentives? *Proposals with pricing contingent upon tax incentives must specify the incentives in the proposal. See RFP Section 4.*	21	
If yes, specify tax incentives.	22	
Does the proposal comply with all existing local, state and federal laws and regulations, including environmental laws? *(e.g., Wash. state's emissions performance standards, RCW 80.80 and rules set forth in WAC 173-407)*	23	
Respondent has read Section 5 of the RFP and acknowledges that PSE will not accept credit requirements imposed on PSE by respondents in the negotiation of contracts.	24	
Respondent has read sections 4 and 5 of the RFP and acknowledges that the respondent will be responsible for meeting all contractual milestones as scheduled and may be required to pay liquedated damages if they are missed. PSE may also impose credit requirements based on the respondent's credit rating.	25	

Additional proposal preferences (as stated in RFP Section 4 and Exhibit A)	**Select Yes or No**

The characteristics described below are strongly preferred in this All Source RFP for capacity resources. See Exhibit A for a detailed list of proposal criteria.

If a PPA, does this proposal offer a long-term fixed price product? *All else equal, PSE prefers proposals that include a long-term fixed price product option.*	25	

All resources must comply with Washington state's Emission Performance Standards (WAC 173-407). For non-unit contingent market PPAs, term limits must be less than 5 years unless the underlying resource (or pool of resources) is identified by the bidder and can demonstrate compliance with the standards.

Is the project a rewnewable or non-emitting resource?	26	

Proposals that offer a material capacity contribution and renewable attributes will be considered to have additional value to PSE for the purposes of meeting PSE's obligations under the Washington state RPS and the Clean Energy Transformation Act. This additional renewable benefit will be taken into account in PSE's analysis.

If yes, does the proposal and pricing include the environmental attributes of the project? *To be eligible for this RFP, renewable resources must include the environmental attributes of the project. RFP Section 4.*	27	
Does the proposed project have the capability to dispatch over a long period of time?	28	

Projects with the ability to dispatch over a long period of time will be considered to have particularly relevant value in this RFP. See Figure 3 in the All Source RFP, Section 2 for electric load carrying capability values ("ELCC") for batteries based on discharge duration.

If yes, how long? *specify units*	29	

2. Offer and Commercial Details

Required for all RFP proposals. (Do not remove tab.)

Respondent and offer summary

Respondent *seller/owner/developer*

Is the seller a subsidiary or affiliate of PSE? *see RFP Section 4*

If yes, please specify the subsidiary or affiliate

Examples of affiliates include: *PSE (aka. "self-build"), British Columbia Investment Management Corporation (BCIMC), Alberta Investment Management Corporation (AIMCO), Canada Pension Plan Investment Board (CPPIB), Ontario Municipal Employees Retirement System (OMERS), Dutch pension fund manager PGGM, or any of their affiliates and subsidiaries.*

Briefly describe any prior experience working with PSE
e.g., prior RFPs, prior projects/contracts, existing contracts

Proposed commercial arrangement *see RFP Section 2*

If other or multiple offers, describe commercial arrangements

All resources must comply with Washington state's Emission Performance Standards (WAC 173-407). For non-unit contingent market PPAs, term limits must be less than 5 years unless the underlying resource (or pool of resources) is identified and can demonstrate compliance with the standards.

Resource type

If other, explain

Briefly describe offer
e.g., 15-year wind PPA or 4-year winter-only sytem PPA

General facility information

Project/Facility name *(proposal name)*

Resource location

City / Town

County

State / Province

Latitude *if negative, please enter ="-123.456789°"*

Longitude *if negative, please enter ="-123.456789°"*

Resource status

Commercial operation date *mm/dd/yyyy*

Offer options

To ensure that all proposals receive due consideration and to support our evaluation schedule, PSE will consider up to 4 offer options per proposal. Please provide your best offer(s) below.

PSE will consider hybrid offers for generation paired with storage, if the bidder includes pricing for both resources in the table below.

	Offer capacity *(MW)*	Term start *(mm/dd/yyyy)*	Term end *(mm/dd/yyyy)*	1st yr energy price *($/MWh)*	Annual escalation *(%)*	1st year capacity price *($/kW-year)*	Annual escalation *(%)*	Start charges *($/MW per start)*	Contract heat rate *(Btu/kWh)*	Other charges *(explain in additional offer details field)*	Purchase price (asset sales only) *(in $USD)*
####											
####											
####											
####											

Additional offer details

Use the text field below to describe other relevant details about the four offers listed above that are not already specified in the table. For example, offers 1 and 2 may have different transmission delivery points than offers 3 and 4, or one or more of the offers may include generation paired with storage. Please do not use this field to provide a menu of additional offer options. PSE will only evaluate the four offers listed in the table above.

For PPAs, also include bidder's underlying fixed and variable cost of production. All else equal, PSE prefers a pricing structure that closely mirrors the actual cost structure of the project. In this way, the developer's and PSE's interests with respect to scheduling and dispatch would be aligned. For temporal exchange agreements, include start and end dates for delivery to PSE, start and end dates for delivery returned by PSE, energy volume (MWh) and price per MWh.

Proposals containing one or more ownership options (e.g., existing resource, turnkey, development assets) must also complete Tab 7. Project Capital Costs and Tab 8. Operating Cost. Specify below any financing costs and the associated estimated payment schedule dates, if included in the total capital cost (Tab 7). PSE may prefer to finance the construction.

If pricing is contingent upon receiving tax credits, specify the tax credits.
locked field populates from Tab 1

Production tax credit %

Investment tax credit %

Method of qualification for safe harbor and description of the work

If utilitizing safe harbor equipment:

What is the qualifying year of the equipment? qualifying year (yyyy)

When does the safe harbor provision for the equipment expire? expiration year (yyyy)

(i.e., date project must be online to receive them)

If pursuing safe harbor based on start of construction:

Project construction start year to qualify for the renewable tax credit qualifying year (yyyy)

Target completion date to qualify for the renewable tax credit completion date (yyyy)

Does pricing above include all environmental attributes?

Does pricing above include transmission to PSE's system?

defined as BPAT.PSEI or directly connected to PSEI.SYS (west of Cascades)

If pricing includes transmission service to another delivery point, specify:

Does pricing include balancing and integration charges?

Will the seller provide scheduling?

Does pricing above include operating reserves?

Does respondent assume all environmental risk?

Does pricing above include emission costs?

Legal and financial

Attach a deal diagram attachment that shows all contractual parties, listed by their legal names, and their relationship with the project.

Is the project dependent on another entity? *(e.g. fuel supplier or steam host)*

If yes, please describe.

Does the project have any known legal issues?

If yes, please describe. Include suits, disputes, administrative investigations, permitting issues and any other pertinent legal issues.

Attach additional documenttion, if needed.

If the project is a development project, how does the respondent plan to finance the project?

3. Facility Detail for Unit Contingent Offers

Not required for non-unit contingent System PPAs. Required for all other RFP proposals. (Do not remove tab.)

Resource information summary

Resource type 0 *locked field populates from Tab 2*

If other, explain 0 *locked field populates from Tab 2*

Describe technology *Attach additional supporting documentation, if needed.*

Specify make(s) and model(s) of generator unit(s), boiler units or panels. For each type, specify number of units and configuration (as appropriate), MW/unit and other relevant details. Include inverter make(s) and model(s) for solar and batteries.

Resource status 0 *locked field populates from Tab 2*

If Operating, provide remaining useful life. years

If project is in Development or Construction phase, complete Tab 4.

Nameplate offer capacity MW AC only

For solar, provide AC inverter output. For storage, provide max facility capacity (MW).

Nameplate capacity of the facility MW AC only

At ISO conditions? If not, specify ºF elevation (feet)

Additional capacity details:

Use "other" fields below to provide relevant capacity information not captured in the fields above; for example: DC panel capacity for solar resources, max storage capacity (MWh) for storage resources, duct firing for resources offering incremental capacity, etc.

Other:

Other:

Average Dec. temp at project location and corresponding capacity ºF MW AC only

For must-run and must-take resources, and renewables

Provide estimated net annual capacity factor *if applicable* % and select

Complete Tab 4. Energy Delivery (8760)

Attach five-minute dispatch data streams (at least one year). Provide a spreadsheet similar to Tab 4, but with 365x288 data points.

Has an independent resource assessment been performed? If yes, attach assessment report.

If solar, identify irradiation data source.

Nov to Feb availability *consistent with Tab 4. Variable Energy Output (8760)* %

If resource will be shaped by another balancing authority area (BAA) in region or with local batteries, provide a brief description of the shaping arrangement.

Will the plant automatically shape?

If so, describe how plant dispatches will result in shaped power.

Note: If proposal is selected to advance to Phase 2 of the RFP, PSE may ask the bidder to provide 5- and 15-minute dispatch, or hourly dispatch data as part of its due diligence review of the project.

Forced outage rate %

Forced outage rate should represent the expected annual forced outages excluding planned maintenance.

Expected average annual planned maintenance days per year

Expected timing of annual planned outages

Describe the estimated annual unit availability, any guaranteed minimum availability and level of production.

Nominal Heat Rate *required for thermal resources* Btu/kWh (HHV)

ISO conditions? If no, specify ºF elevation (feet)

Facility operating characteristics and limits

Minimum run time hours

Minimum down time hours

Minimum operating load MW

Minimum operating load allowable by permits *if applicable* MW

Maximum starts per

If other, explain

Describe cycling limitations *if applicable*

Include any full lifetime cycle limits and any daily cycle limits, as applicable and available.

Facility start-up time

Hot hours

Warm hours

Cold hours

Is facility ten-minute start capable?

Ramp rate *if applicable* % up % down

Specify amount of fuel consumed in during start-up cycle MMBtu

Specify amount of electricity consumed during start-up cycle MW

For solar proposals

Specify degradation by year

Specify panel orientation degrees from south facing

Supplemental data for battery storage and hybrid storage resources All other resources click here to skip ahead to site control.

Battery storage chemistry

Battery manufacturer

Inverter manufacturer

MVAr output available at rated MW capacity MVAr

Expected life of energy storage media *assume a full discharge and recharge at rated capacity for specified duration (within SOC limitations) each day*

Hours of run-time at rated capacity new hours

Hours of run-time at rated capacity at end of life hours

Describe augmentation plan, if any

Facility's minimum state of charge (SOC) or impoundment of energy in percent of maximum SOC or impoundment. % (in percent of maximum SOC or impoundment)

Define a "cycle" for the system.

Net electric round trip efficiency for storage medium given a full charge/discharge or impoundment/withdraw cycle from minimum SOC to maximum SOC and back. % beginning of life % end of life

For battery storage hybrid proposals

Does the plant need a schedule for state of charge?

Is the resource intended to time-shift for peack capacity?

If yes, describe how this will be controlled.

Can the batteries provide operational flexibility?

If yes, describe the services/operational modes the storage system can provide and discuss the impact on the expected life provided above.

Can the facility be curtailed via PSE's Energy Management System (EMS) or by CAISO Dispatch Operating Targets (DOTs)?

Real estate

Project size (in acreage) acres

Attach a map showing the project area and neighboring parcels.

Show anticipated layout of all project facilities including transmission tie lines and natural gas laterals, solar arrays or turbine strings. If applicable, show substations, roads, collection systems, met towers for wind resources, and service buildings. Indicate the location of the transmission line with which the project will interconnect.

Does the project have all necessary leases, easements or other ownership documents to operate the facility throughout the life of the project? *PSE may request this documentation, if the project advances to the second phase of the RFP.*

Development projects, see also Tab 6. Development Projects Detail, subpart Site Control.

Describe the land area controlled relative to project facilities. *Attach additional detail, as needed.*

Provide a general description of project and project site, and describe key project components. *Attach additional detail, as needed.*

Can the project be expanded?

If so, include a description of the potential scope and conditions for additional development at the site.

Facility emissions

Are there any known or likely operating limits due to permitting, legal, aesthetic, wildlife or other reasons?

If so, please describe.

Describe how the underlying facility or contract meets the obligations of Washington's Emissions Performance Standards (WAC 173-407).

Provide air emissions data for the following in tons/GWh or lbs/MMBtu.

Greenhouse gases		
Nitrogen oxides		
Sulfur		
Particulate matter		

Provide additional detail, as needed.

Development projects, see also Tab 6. Development Projects Detail, subparts Environmental Siting and Permitting.

Fuel supply

Primary fuel		
Backup fuel, if applicable		
Storage on site?		
For how long?		days
Has fuel supply been secured?		
Has fuel transportation been secured?		
Maximum hourly fuel requirements of the plant at rated capacity		lb/MMBtu
With duct firing, if applicable		lb/MMBtu
Maximum daily fuel requirements of the plant at rated capacity		lb/MMBtu
With duct firing, if applicable		lb/MMBtu
Describe fuel transportation method		

Public engagement

Is respondent aware of any community or environmental stakeholder concerns associated with the facility?

Discuss ongoing community relations and environmental stakeholder relations. Include any known public support for the project.

Attach supporting documentation or additional detail, as needed.

Development projects, see also Tab 6. Development Projects Detail, subparts Environmental Siting and Permitting.

4. Variable Energy Output Profile for Intermittent Resources (8760)

Not required for baseload or dispatchable resources. Required for all other RFP resources. (Do not remove tab.)

Project	0
Net Project Capacity (MW)	
Site Annual Generation (MWh)	
Gen-tie line loss	
Collection loss	
POI Annual Generation (MWh)	

Hour Ending	POI MW
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	
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5. Interconnection and Transmission

Required for all RFP proposals. (Do not remove tab.)

Delivery path

Point of interconnection ("POI")	
Point of receipt ("POR") *if different from the POI*	
Point of delivery ("POD")	
Are transmission and interconnection studies available?	
Does pricing include transmission to PSE's system? *locked field populates from Tab 2 defined as BPAT.PSEI or directly connected to PSE's contiguous system (west of Cascades)*	0

Interconnection

Interconnection provider	
Type of interconnection request	
Has interconnection been <u>secured</u> for the project?	
Has interconnection been <u>requested</u> for the project?	
If yes, provide LGIA queue number.	
Date of LGIA signing or expected signing.	
State any needed interconnection upgrades and associated costs.	
Expected completion date for interconnection upgrades.	

List in table below all available or in progress interconnection studies and status.

Study type	Study number	Status	Received/ Estimated completion date	Study performed by

Does the project require construction of a tie-line to the POI?		
If yes, how long?		miles
Expected completion date		

Attach a map showing the tie-line route relative to the project and the POI. Include the development, design and construction work as part of the attached detailed project development schedule described on Tab 6. Development Projects Detail.

Describe the location of the tie-line relative to the project and the POI. Include the development/construction status of the tie-line. Describe relevant permitting and land rights matters associated with the tie-line on Tab 6. Development Projects Detail in the site control and permitting sections.

Are there any other construction plans for any interconnection facilities?

If yes, describe below.

Transmission service

Transmission provider(s).

Proposed transmission plan

Complete table below as it pertains to each wheel required to deliver energy to PSE's contiguous system (west of Cascades).

Number of transmission wheels in developer transmission plan

Complete a column below for each wheel.

Transmission wheels *specified above*	1	2	3
Transmission provider for each wheel			
POR			
POD			
Sink			
Cost for each wheel *($/kW-month)*			
Has transmission been secured for the project?			
Has transmission been requested for the project?			
If yes, provide TSR queue number.			
When does respondent expect to have long-term firm transmission for the project?			
Respondent or PSE responsibility? *select one for each wheel*			

List in table below all available or in progress transmission studies and status.

Study type	Study number	Status	Received/ Estimated completion date	Study performed by

Describe any alternate solution(s) to firm the delivery of energy to PSE's system over the term of the proposal.

Ancillary services

Project balancing authority

For projects outside PSE's balancing authority area (BAA), provide the following:

Service	Party responsible	Included in price? *on Tab 2*
Operating reserves		
Resource integration (intermittent resources)		
Scheduling		
Regulating reserves		
Generation imbalance		
Other required ancillary service(s)		

Specify other

PURPA Qualifying Facilities

Is respondent proposing a QF resource located outside the Pacific Northwest as defined for the BPA in Section 3 of the Pacific Northwest Electric Power Planning Conservation Act (94 Stat. 2698; 16 U.S.C. Sec 839a)?

If yes, describe how electricity from the facility will be delivered to Washington state on a real-time basis without shaping, storage or integration services.

Does the owner/developer plan to pursue eligibility through the PURPA?

6. Development Projects Detal

Required for development and construction projects. Not required for operating projects or non-unit-contingent offers. (Do not remove tab.)

Experience and Qualifications

Is the respondent the owner of the facility?

If not, specify owner.

Describe owner's experience and specify other projects completed to date.

Is the respondent the developer of the facility?

If not, specify developer.

If developer is different from owner entity above, describe experience and specify other projects completed to date.

Schedule

Attach a detailed project development project schedule covering the period from the initiation of development activities through the project's proposed COD. *(e.g., Gantt chart)*

Include the most accurate estimates available for each of the following:

Project development	Construction	Iinclude any additional timelines applicable to the project that will demonstrate it's status and plans
Permitting	Startup	Include any actions taken to ensure the schedule is met (e.g., long-lead equipment orders)
Interconnection	Testing	Include any potential opportuntities to improve the schedule
Engineering	Commissioning	

Site control

Does the respondent have 100% site control of the project lands, including all leases easements or other ownership documents to develop, construct and operate the facility?

PSE may request this documentation, if the project advances to the second phase of the RFP.

If not, what portion of the site control remains to be secured? %

If the project requires a generation tie-line to interconnect to the high voltage transmission sysem, does the respondent have site control (as defined above) of the tie-line property?

Describe the leases, easements and/or other ownership documents demonstrating that the respondent has control of the intended project properties and the legal rights to construct, interconnect, operate and maintain the project as described thorughout the life of the project.

If proposal is selected for Phase 2 (due diligence) evaluation, PSE will request copies of these documents for review. Attach additional information, as needed.

All proposals, see also Tab 3. Facility (Unit Contingent) subpart Real Estate.

Environmental siting

Are there any known evironmental issues relative to the development and construction of the project?

If yes, briefly explain below and describe mitigations to be employed. Include impacts to air, water, flora and fauna, energy and natural resources, environmental health, shoreline use, housing, aesthetics, recreation, historic and cultural preservation, transportation, public service and utilties. Describe measures that will be taken to mitigate all impacts of the project.

Attach additional information, if necessary to fully respond.

Have any environmental studies or assessments been performed related to the site and project?

If yes, are the studies available, if requested?

Are any additional environmental studies or assessments in progress?

Attach a list of environmental studies completed, in progress and planned.

Include wildlife monitoring reports, biological assessments, environmental assessments, environmental impact statements, environmental media sampling reports (air, soil or groundwater), flood control measures or other risk mitigations identified at the site, and any other relevant studies.

Include in the list the status of each study, the person(s) or firm(s) responsible for conducting and completing the work, and their methodologies. For planned or in progress, describe the scope and schedule for completion.

Does respondent have a plan to engage the community and environmental stakeholders to support the proposed project?

If yes, discuss the plan and any ongoing community relations and environmental stakeholder relations.

Attach supporting documentation or additional detail, as needed.

All proposals, see also Tab 3. Facility (Unit Contingent) subpart Facility Emissions.

Permitting

Attach a permitting checklist for all permits and authorizations required to build and operate the project and, if applicable, the associated generation tie-line.

Include all project permits and any other local, state or federal government approval applications or authorizations required to build and operate the project and generation tie-line. Place specfial emphasis on key discretionary permits (such as a CUP, site cert and major air, wastewater and/or waste permit). Indicate the status and agency with jurisdiction for each permit or authorization required. For permits and approval applications planned or in progress, include the expected completion dates.

Does respondent have all discretionary permits required to begin construction on the facility?

If the project requires a generation tie-line to interconnect to the high voltage transmission sysem, does the respondent have all discretionary permits required to construct the tie-line?

Discuss the current status of applications and proceedings, and the schedule and approach to obtain the necessary permits and approvals.

Attach supporting documentation or additional detail, as needed to fullly respond.

Is the project located in an area that is ceded land, may have been historically used by a Native American Tribe, and/or that may impact tribal interests?

If yes, has the Tribe been consulted about the project?

Provide details in the space provided below. If the Tribe has not been consulted, state why not and describe any plans to consult the Tribe in future.

Is the respondent aware of any required tribal notifications, permit conditions or costs associated with any tribal agreement or promise?

If yes, please describe in the space below.

All proposals, see also Tab 3. Facility (Unit Contingent) subpart Facility Emissions.

Fuel supply

Are there any fuel supply agreements associated with this proposal?

If yes, specify the status of any fuel supply agreements (in place or in progress).

If generation project is fueled by an intermittent renewable resource (such as wind or solar), can respondent provide a third-party report substantiating the projected output?

If yes, attach report.

All proposals, see also Tab 3. Facility (Unit Contingent) subpart Fuel Supply.

Construction

Have any arrangements or commitments been made for the construction of the project?
(e.g., contracts, LOIs, MOUs)

Describe the contractual structure proposed for project design, procurement and construction, and any arrangements or commitments for project construction. *(e.g., turnkey; engineering, procurement and construction (EPC); multiple lump-sum purchase, etc.)*

Attach supporting documentation or additional detail, as needed to fully respond.

For any approach other than turnkey, attach information about the organization and individual responsible for project management during this phase.

Has the respondent established a labor plan?

If so, does it include:

- High labor standards?
- Family-level wages?
- Benefits?
- Opportunities for local workers and businesses?

Will the project utilize a Project Labor Agreement or Community Workforce Agreement for major construction activities associated with the construction of the project?

Does the respondent agree to make commercially reasonable efforts to ensure that such Project Labor Agreement or Community Workforce Agreement is eligible to be certified by the Washington Department of Labor and Industries under the standards of the Washington State Clean Energy Transformation Act (RCW 19.405)?

Will the project utilize apprenticeship labor during the construction phase of the project?

If the project is a renewable project that qualifies for a one and two-tenths (1.2) multiplier of the environmental attributes generated from the project, will the additional renewable attributes resulting from the use of apprenticeship labor accrue to PSE throughout the term of the PPA at the offer price specified in the proposal?

Briefly describe the labor plan.

If construction is completed, are there any open warranty issues?

If yes, attach a list of open warranty issues.

7. Project Capital Costs

Required for proposals containing asset sale offers. (Do not remove tab.)

Are costs in nominal dollars or real? **Assumed escalation rate?**

	A	B	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC
1	**Project buildout capital costs (as applicable)**		**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**	Additional Info
2	Land acquisition	$																										
3	Engineering	$																										
4	Permitting	$																										
5	Development fees	$																										
6	Other development costs	$																										
7	Generation facility	$																										
8	O&M building	$																										
9	Project substation	$																										
10	Generation equipment:																											
11	Wind turbines	$																										
12	Solar array(s)	$																										
13	Combustion turbine / generator	$																										
14	Batteries	$																										
15	Power control systems / inverters	$																										
16	Steam turbine	$																										
17	Spare parts	$																										
18	Pipeline build-out	$																										
19	Environmental management / containment	$																										
20	Remaining balance of plant construction	$																										
21	Other (taxes, insurance, etc.)	$																										
22	Contingency	$																										
23	Initial working capital	$																										
24	Start up power credit: sales of test power	$																										
25																												
26	**Ongoing capital costs during project operation (as applicable)**		**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**	Additional Info
27	Incremental capital needs *(please list)*	$																										
28	Major maintenance	$																										
29	Combustion inspection	$																										
30	Hot gas path	$																										
31	Turbine refurbishments	$																										
32	Plant upgrades	$																										
33																												
34																												
35																												
36	**Are sales taxes assumed to be included in each line item?**																											

8. Project Operating Costs

Required for proposals containing asset sale offers. (Do not remove tab.)

Are costs in nominal dollars or real? | **Assumed esclation rate?**

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB
1	**Generation statistics (as applicable per resource type)**		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	Additional Info.
2	Nameplate capacity (same as form)	MW																										
3	Forced outage rate	%																										
4	Planned outage rate	%																										
5	Annual availability factor	%																										
6	Net capacity factor	%																										
7	Net annual generation (AC)	GWh																										
8																												
9																												
10	**Fixed operating expenses (as applicable per resource type)**		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	Additional Info.
11	O&M - general	$/kW-yr																										
12	Transmission - electric to point of delivery (POD)	$/kW-yr																										
13	Insurance	$																										
14	Property tax	$																										
15	Asset management fee	$																										
16	Environmental monitoring	$																										
17	Outside services	$																										
18	Other	$																										
19	Fuel:																											
20	Primary fuel source	$/kW-yr																										
21	Secondary fuel source	$/kW-yr																										
22	Primary fuel transportation	$/kW-yr																										
23	Secondary fuel transportation	$/kW-yr																										
24	Service agreements:																											
25	Turbine / Generator O&M - service agreement	$/kW-yr																										
26	Remaining plant O&M - service agreement	$/kW-yr																										
27	Capacity payment	$/kW-yr																										
28	Water / Wastewater treatment	$/kW-yr																										
29	Spare parts	$/kW-yr																										
30	Parasitic power	MWh / yr																										
31	Permit requirements	$																										
32	O&M service agreement - wind	Total $																										
33	Development fee	$																										
34	Land leases	$																										
35																												
36																												
37																												
38	**Variable operating expense (as applicable per resource type)**		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	Additional Info.
39	O&M - general	$ / MWh																										
40	Transmission - electric to point of delivery (POD)	$ / MWh																										
41	Fuel:																											
42	Primary fuel transportation	$ / MMBtu																										
43	Secondary fuel transportation	$ / MMBtu																										
44	Service agreements:																											
45	Turbine / Generator O&M - service agreement	$ / MWh or $/FFH																										
46	Remaining plant O&M - service agreement	$ / MWh or $/FFH																										
47	Chemicals	$ / MWh																										
48	Production payments to developer	$ / MWh																										
49	Landowner royalties	$ / MWh																										
50	Fuel cost per unit	$ / Bone Dry Ton																										
51	Emissions cost	$ / MWh																										
52																												
57	**Are sales taxes assumed to be included in each line item?**																											

9. Transmission Costs (if not included in price)

Required for all RFP proposals. (Do not remove tab.)

Transmission Path

Which delivery options are included in price? Check (X) boxes below.

		Additional Description (wheels, substation for point of connection, etc)
Busbar		Not applicable for this RFP to meet incremental capacity needs
Mid-C		Not applicable for this RFP to meet incremental capacity needs
To PSE		
Other 1		
Other 2		

Annual Transmission Cost Detail

		Description	2018	2019	2020	2021	2022	Ongoing
Integration Costs	$/kW-yr							
Fixed Charges (also shown in (2) Opex)	$/kW-yr							
Variable Charges (also shown in (2) Opex)	$/MWh							
Ancillary Services 1 (please describe)	$							
Ancillary Services 2 (please describe)	$							
Ancillary Services 3 (please describe)	$							
Ancillary Services 4 (please describe)	$							
Other 1 (please describe)	$							
Other 2 (please describe)	$							

Additional Transmission Description

Please use the space below to describe all additional transmission assumptions or issues.

(Examples could relate to specifics of substation connection, ancillary services, non-firm transmission, interconnection requests filed, etc)

10. Proposal Certfication and Contacts Sheet

Required for all RFP proposals. (Do not remove tab.)

Proposal Certfication

The respondent hereby certifies that this proposal is genuine; not made in the interest of, or on behalf of, any undisclosed person, firm or corporation; and is submitted in conformity with any anti-competitive agreement or rules. The respondent has not directly or indirectly induced or solicited any other bidder to submit a false or sham proposal. The respondent has not solicited or induced any other person, firm or corporation to refrain from proposing. The respondent has not sought by collusion to obtain for itself any advantage over any other respondent.

Proposal name *locked field populates from proposal Tab 2*	
Submitted by *full legal name of entity*	
Name of respondent entity *if different from above*	
Signature of an Officer of respondent entity *or other duly authorized agent*	
Name of Officer	
Title	
Date signed	

Please provide a signed copy of Tab 10 (hard copy or scanned), along with the complete live excel proposal form.

Do not remove Tab 10 (or any other tab) from the Exhibit B proposal file.

Primary Contact

Contact Name	
Contact Title	
Name of Company	
Mailing Address	
City	
State/Province	
Zip Code	
Primary Phone	
Email	

Alternate Contact	
Contact Name	
Contact Title	
Name of Company	
Mailing Address	
City	
State/Province	
Zip Code	
Primary Phone	
Email	

PUGET SOUND ENERGY

2020 All-Source RFP for Peak Capacity Resources:

Exhibit C. Mutual Confidentiality Agreement

EXHIBIT C. MUTUAL CONFIDENTIALITY AGREEMENT

Mutual Confidentiality Agreement

This Agreement, dated as of , 2020, is entered into between Puget Sound Energy, Inc. ("PSE") and _____ ("_____"). PSE and _____ are sometimes referred to in this Agreement as "Party," and collectively as "Parties."

1. The Parties intend to enter into discussions regarding one or more potential transactions between the Parties involving the acquisition of electrical generation output or an interest in power generation facilities in _____ (or both). In the course of these discussions, each Party may disclose Confidential Information to the other. For the purposes of this Agreement, "Confidential Information" means any information or data disclosed in connection with such discussions in any form or media whatsoever by either Party (the "Disclosing Party") to the other Party (the "Receiving Party") which (a) if in tangible form, or other media that can be converted to readable form, is clearly and conspicuously marked as proprietary, confidential or private on each page thereof when disclosed; or (b) if oral or visual, is identified in writing as proprietary, confidential or private at the same time it is disclosed. "Confidential Information" includes all originals, copies, notes, correspondence, conversations and other manifestations, derivations and analysis of the foregoing.

2. Confidential Information shall not include information that (a) is or becomes generally available to the public other than by reason of the Receiving Party's breach of this Agreement; (b) the Receiving Party can reasonably demonstrate (i) was known by the Receiving Party, prior to its disclosure by the Disclosing Party, without any obligation to hold it in confidence, (ii) is received from a third party free to disclose such information without restriction, (iii) is independently developed by the Receiving Party without the use of Confidential Information of the Disclosing Party; (c) is approved for release by written authorization of the Disclosing Party, but only to the extent of such authorization; or (d) is related to the transmission of power, including but not limited to, any information which must be disclosed to the transmission function of a Party as part of any transmission request or information exchange that is required to be made public pursuant to Federal Energy Regulatory Commission or other governmental rules and regulations. Notwithstanding anything to the contrary set forth in this Agreement, the Receiving Party shall not be obligated to keep confidential any Confidential Information that (A) is required by law or regulation to be disclosed (including, without limitation, any summary or ranking of any proposal by the Disclosing Party constituting Confidential Information that PSE is required by law or regulation to make available to the public), but only to the extent and for the purposes of such required disclosure or (B) is required to be disclosed in response to a valid order or request of a court or other governmental authority having jurisdiction or in pursuance of any procedures for discovery or information gathering in any proceeding before any such court or governmental authority, but only to the extent of and for the purposes of such order, provided that the Receiving Party, who is subject to such order or discovery, gives the Disclosing Party reasonable advance notice (e.g., so as to afford the Disclosing Party an opportunity to appear, object and obtain a protective order or other appropriate relief

regarding such disclosure). The Receiving Party, who is subject to such order or discovery, shall, at the Disclosing Party's expense, use reasonable efforts to assist the Disclosing Party's efforts to obtain a protective order or other appropriate relief; provided, that the Disclosing Party acknowledges and agrees that the Receiving Party shall have no obligation or responsibility to appear before, or to make any showing to, any court or any other governmental authority in connection with protecting any Confidential Information from disclosure by such court or governmental authority, and such responsibility shall be solely that of the Disclosing Party.

3. The Parties acknowledge that PSE is a public utility regulated by the Washington Utilities and Transportation Commission ("Commission") and that its decisions regarding one or more potential transactions between the Parties involving the acquisition of electrical generation output or an interest in power generation facilities, together with related Confidential Information, may be subject to review by the Commission. Notwithstanding the provisions of Section 2, in the event that such PSE decisions are at issue in a proceeding before the Commission, PSE will seek, at its own expense, a protective order from the Commission with "highly confidential provisions" to protect against the disclosure of Confidential Information to competitors and the public. Disclosure of Confidential Information by either of the Parties to the Commission, its staff, counsel for the Commission or Public Counsel in the Attorney General's Office, or their internal advisors, in connection with any such proceeding will not violate this Agreement.

4. Each party acknowledges and agrees that it has no proprietary or exclusive right to any tax matter, tax idea, tax structure or tax treatment related to any potential transaction or transaction between the Parties and that no such tax matter, tax idea, tax structure or tax treatment shall be deemed to be the Confidential Information of either Party.

5. The Receiving Party shall, subject to the other provisions of this Agreement, (a) use the Confidential Information only for purposes of evaluating one or more potential transactions between the Parties involving power generation facilities or the output thereof; (b) restrict disclosure of the Confidential Information only to employees, advisors, contractors, agents, representatives and active or potential investors or lenders of the Receiving Party and affiliates ("Representatives") with a "need to know"; (c) advise such Representatives of the confidential nature of the Confidential Information and their obligation to keep such information confidential; and (d) copy the Confidential Information only as necessary for those Representatives who are entitled to receive it, and ensure that all confidential notices are reproduced in full on such copies. A "need to know" means that the Representatives require the Confidential Information to perform their responsibilities in evaluating or pursuing one or more potential transactions between the Parties involving power generation facilities or the output thereof.

6. Confidential Information shall be deemed to be the property of the Disclosing Party. This Agreement shall not be interpreted or construed as granting any license or other right under or with respect to any patent, copyright, trademark, trade secret or other proprietary right. The Receiving Party shall, within 30 days of a written request therefor by the Disclosing Party, either return all of the Disclosing Party's Confidential Information (or any designated portion thereof) to the Disclosing Party or destroy all such Confidential Information (or any designated portion thereof) and provide an officer's certificate as to the destruction of such Confidential Information; provided, that PSE, as a Receiving Party, shall not be obligated to return to the Disclosing Party any proposal by the Disclosing Party, or any information related thereto, constituting Confidential Information, and PSE will retain all such proposals and information for the period set forth in Washington Administrative Code 480-107-145(1), which requires PSE to retain such materials for a period of at least seven (7) years from the completion of the RFP process, or the conclusion of PSE's next general electric rate case, whichever is later.

7. Neither this Agreement nor any discussions or disclosure hereunder shall (a) be deemed a commitment to any business relationship or contract for future dealing with another Party or (b) prevent either Party from conducting similar discussions with any third party, so long as such discussions do not result in the use or disclosure by the Receiving Party of Confidential Information protected by this Agreement. If the Parties elect to proceed with any transaction, then all agreements, representations, warranties, covenants and conditions with respect thereto shall be only as set forth in a separate written agreement to be negotiated and executed by the Parties.

8. Each of the Parties acknowledges that the Confidential Information received from another Party constitutes valuable confidential, commercial, business and proprietary information of the Disclosing Party and serious commercial disadvantage or irreparable harm may result for the Disclosing Party if the Receiving Party breaches its nondisclosure obligations under this Agreement. In such event or the threat of such event, the Disclosing Party shall be entitled to injunctive relief, specific performance and other equitable relief without proof of monetary damages. In any action to enforce this Agreement or on account of any breach of this Agreement, the prevailing Party shall be entitled to recover, in addition to all other relief, its reasonable attorneys' fees and court costs associated with such action.

9. This Agreement may not be assigned by either Party without the prior written consent of the other Party. No permitted assignment shall relieve the Receiving Party of its obligations hereunder with respect to Confidential Information disclosed to it prior to such assignment. Any assignment in violation of this Paragraph 9 shall be void. This Agreement shall be binding upon the Parties' respective successors and assigns.

10. This Agreement shall be deemed to be effective as of the date first above written, and shall continue thereafter for a period of seven (7) years or, if later, upon the conclusion of PSE's next general electric rate case.

11. No Party shall be liable to another Party for any consequential, indirect, incidental, special, exemplary or punitive damages arising out of or related to this Agreement.

12. This Agreement shall be interpreted, construed and enforced in accordance with the laws of the state of Washington, without regard to such state's choice of law principles to the contrary. Each of the Parties irrevocably consents to the exclusive jurisdiction and venue of any state or federal court located in King County, Washington, with regard to any legal or equitable action or proceeding related to this Agreement.

13. This Agreement represents the entire understanding between the Parties with respect to the confidentiality, use, control and proprietary nature of any information disclosed by the Disclosing Party to the Receiving Party and the subject matter hereof and supersedes all prior communications, agreements and understandings relating thereto. The provisions of this Agreement shall not be modified, amended or waived, except by a written instrument duly executed by both of the Parties.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of , 2020.

PUGET SOUND ENERGY, INC.

By _____

Its _____

[OTHER PARTY]

By _____

Its _____

PUGET SOUND ENERGY

2020 All-Source RFP for Peak Capacity Resources:

Exhibit D. Schedule of Estimated Avoided Cost

Schedule of Estimated Avoided Cost

This schedule of estimated avoided cost, as prescribed in WAC 480-106-040 and filed with the WUTC in Docket No. UE-190665, identifies the estimated avoided cost and does not provide a guaranteed contract price for electricity. The schedule only identifies general information to potential respondents about the avoided costs. The schedule of estimated avoided costs includes the following two tables:

- **Table 1:** 2019-2039 Avoided Energy Costs based on the Company's forecast of market prices for the Mid-C Market in PSE's 2019 Integrated Resource Plan Progress Report as of November 15, 2019, pursuant to WAC 480-106-040(a).

- **Table 2:** 2019-2038 incorporates the avoided capacity costs as estimated in the Company's 2017 Integrated Resource Plan ("IRP") by resource type with the January 12, 2018 correction filed with WUTC under Dockets UE-160918 and UG-160919. The 2017 IRP was acknowledged by WUTC on July 8, 2019. Pursuant to WAC 480-106-040(b)(ii), the 2017 IRP results for 2019-2022 is replaced with the "projected fixed costs of a simple-cycle combustion turbine".

1. 2019 IRP Progress Report Forecast of Mid-C Market Prices

(Nominal $/MWh)													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg. Annual
2019	32.32	32.31	23.64	19.78	13.31	16.52	22.66	24.54	25.87	24.56	24.79	27.48	23.98
2020	25.94	26.26	21.04	17.86	13.07	14.56	20.47	23.30	24.06	23.82	23.61	24.97	21.58
2021	23.41	24.05	19.17	15.62	10.92	12.37	19.40	22.33	23.71	24.41	23.52	24.65	20.30
2022	22.37	23.22	17.52	14.61	9.40	9.94	17.85	21.53	23.04	23.15	22.14	24.19	19.08
2023	21.22	22.30	15.50	13.99	10.21	9.65	17.91	21.41	23.38	23.10	21.97	24.02	18.72
2024	21.38	23.73	15.65	14.99	8.37	10.02	18.22	22.43	25.39	25.22	23.81	25.65	19.57
2025	22.18	24.74	15.64	16.00	9.01	11.43	18.30	24.12	27.54	26.57	24.81	27.13	20.62
2026	23.48	26.52	17.43	17.39	10.22	11.45	19.42	26.02	28.95	28.87	26.17	28.65	22.05
2027	25.07	27.79	17.62	17.30	10.09	11.08	21.51	27.23	30.92	30.70	28.12	30.59	23.17
2028	25.21	27.81	16.86	17.36	10.26	11.59	22.96	27.96	31.49	30.87	27.71	31.63	23.48
2029	24.36	29.53	17.06	19.66	10.30	10.95	22.08	29.15	33.17	29.94	25.99	32.39	23.72
2030	25.09	29.38	16.58	18.18	9.85	11.24	22.29	28.79	33.89	32.34	28.98	33.05	24.14
2031	25.49	29.93	17.28	18.10	10.51	11.78	23.12	30.02	35.11	31.46	28.03	33.80	24.55
2032	25.67	30.75	17.65	20.12	12.56	11.98	25.41	31.25	34.87	34.97	31.55	36.27	26.09
2033	26.83	32.50	18.68	19.59	12.34	12.72	28.22	32.20	37.21	37.65	35.36	38.45	27.65
2034	28.59	34.47	19.43	20.56	13.72	13.79	31.58	34.50	40.27	39.42	35.53	42.03	29.49
2035	30.76	38.55	20.22	24.47	15.43	15.35	33.43	38.87	44.40	39.88	34.61	42.97	31.58
2036	31.01	39.11	20.78	22.75	13.80	14.85	32.56	40.71	45.64	43.11	38.46	45.97	32.39
2037	32.88	41.05	21.12	22.42	14.17	15.15	33.71	41.55	47.79	43.60	36.45	48.28	33.18

2038	35.52	43.49	23.28	25.76	16.86	15.78	37.41	43.41	51.69	47.17	40.27	50.54	35.93
2039	36.88	45.29	22.84	24.74	15.37	15.77	38.15	42.47	53.51	51.72	43.46	52.70	36.91

2. *2017 IRP Forecast of Avoided Capacity Costs (with January 12, 2018 correction described above)*

(Nominal $/MW)			
	Baseload Resource	Wind Resource	Solar Resource
2019	$8.26	$4.41	$0.64
2020	$8.26	$4.41	$0.64
2021	$8.24	$4.40	$0.63
2022	$8.26	$4.41	$0.64
2023	$8.26	$4.41	$0.64
2024	$10.62	$5.66	$0.82
2025	$10.59	$5.65	$0.81
2026	$9.13	$4.87	$0.70
2027	$9.13	$4.87	$0.70
2028	$9.19	$4.90	$0.71
2029	$9.16	$4.89	$0.70
2030	$9.19	$4.90	$0.71
2031	$9.19	$4.90	$0.71
2032	$9.61	$5.12	$0.74
2033	$9.58	$5.11	$0.74
2034	$9.61	$5.12	$0.74
2035	$10.08	$5.38	$0.78
2036	$10.08	$5.38	$0.78
2037	$10.37	$5.53	$0.80
2038	$10.40	$5.55	$0.80
2039	$10.40	$5.55	$0.80

PUGET SOUND ENERGY

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Exhibit E. Prototype Ownership Term Sheet

Prototype Ownership Term Sheet

Background

This Prototype Ownership Term Sheet ("Term Sheet") sets forth the current requirements that PSE wants the Respondent to address or incorporate into any proposal made to PSE that contemplates the ultimate ownership of Respondent's project by PSE. It is intended to identify certain, but not all, of the elements of a potential transaction that would be embodied in Definitive Agreements (defined below).

PSE has endeavored to identify in this Term Sheet those provisions that would be applicable generally to all Respondents and relevant to any potential transaction arising out of a proposed PSE ownership arrangement involving the sale of a project to PSE. PSE recognizes, however, that the particular facts and circumstances relevant to Respondent's project may vary from the transaction structure described in this Term Sheet, so certain proposals may not incorporate all elements of a PSE ownership arrangement outlined in this Term Sheet.

PSE also recognizes that Respondent may have other reasons (whether legal, regulatory or relating to financing) that may cause Respondent to propose that PSE purchase equity interests (such as limited liability company interests or limited partnership interests) in a project company that owns a generation project, rather than sell the project outright to PSE.

PSE prefers proposals consistent with the sort of ownership arrangement described in this Term Sheet. Nevertheless, PSE is willing to review and evaluate alternative ownership structures on the basis set forth in the RFP, taking into consideration the different or additional economic, legal, regulatory, tax, risk management, financing, credit support, contractual and other implications presented by such alternative proposals.

By submitting its proposal, Respondent acknowledges that the RFP, including this Term Sheet, has been prepared by PSE as part of PSE's ongoing process of integrated resource planning and that PSE is considering alternative arrangements for the procurement of generation resources. This Term Sheet is an integral part of, and subject to, the terms and conditions of the RFP. This Term Sheet shall not be interpreted as an offer, agreement or commitment by PSE to acquire any generation resource. Also, this Term Sheet shall not limit, restrict or obligate PSE with regard to the conduct of its integrated resource planning process, the

potential implementation of any plan or program of resource procurement or the actual procurement of any generation resources.

PSE reserves the right to reject any and all proposals received in response to the RFP, request the submission of different proposals for other generation resources and/or seek to acquire generation resources from one or more parties other than any Respondent. PSE may also modify, change, supplement or delete any and all provisions of this Term Sheet, or withdraw and cancel the RFP.

General Ownership Structure

"PSE ownership arrangement" means a proposal pursuant to which PSE would ultimately own the resource. Ownership could be transferred to PSE at various stages of development and using a variety of approaches. Possibilities include, for example, joint development by Respondent and PSE, development by Respondent followed by the transfer to PSE, an initial purchase of power by PSE from a generation resource with transfer of ownership later, or other mutually beneficial approaches. Although PSE is willing to consider a variety of arrangements, this Term Sheet presumes that PSE would acquire an ownership interest in a Project (as defined below under "*Respondent and the Project*") either (i) prior to the commencement of its construction or (ii) after it has already commenced commercial operations.

This Term Sheet sets forth certain terms and conditions which would be embodied in a purchase and sale agreement (the "PSA") pursuant to which PSE would acquire 100% of all assets, properties and rights of the Project from Respondent.[1]

If Respondent's proposal contemplates a PSE ownership arrangement, in addition to containing the other submissions required by the RFP, Respondent will need to set forth in its proposal substantial additional details. PSE will need to review supporting documents, information and data regarding the timing, price, terms and conditions of a proposed sale of the Project to PSE and, in the case of a Project under development, a budget, schedule and other information regarding the funding of construction, operation and maintenance of the Project.

1 These assets, properties and rights of the Project would include all of the associated real and personal property, tangible and intangible property, assets, equipment, components, facilities, interconnections, systems, spare and replacement parts, permits, intellectual property, and contractual, expansion and other rights currently held or acquired in the future that are necessary, useful, held for use or appropriate for the ownership, planning, development, permitting, design, engineering, construction, interconnection, transmission, use, operation, maintenance, repair and expansion of the Project.

EXHIBIT E. PROTOTYPE OWNERSHIP TERM SHEET

Respondent and the Project

This Term Sheet assumes that Respondent is the owner of a generation project currently operating or under development and having a nameplate capacity of not less than 5 MW (the "Project").

In its response to the RFP, in addition to the other submissions that should accompany a proposal that contemplates the sale of all of the Project to PSE, Respondent needs to specify the date by which the Project can be placed in service, which shall be no later than [ ] (consistent with Section 1 of the RFP). PSE prefers Projects that can be placed in service by [ ]. At the placed in service date, the Project shall be in full compliance with all technical, performance and operating criteria and standards and the requirements of the RFP, applicable laws, regulations, permits and governmental authorities having jurisdiction over the parties or the Project.

Certain Definitive Agreements

PSE expects that the agreements necessary to complete the potential transaction described in this Term Sheet (the "Definitive Agreements") would include, among others: (1) a PSA for the sale by Respondent to PSE of all of the Project, and (2) if PSE deems it necessary due to the credit position of Respondent, a guaranty by a creditworthy affiliate of Respondent acceptable to PSE (the "Guarantor"), which would guaranty Respondent's obligations and those of Respondent's affiliates under the Definitive Agreements (the "Respondent Guaranty").

The execution and delivery of the Definitive Agreements would be subject, among other things, to PSE's completion of due diligence to its satisfaction and the approval of the transaction by each party's board of directors (or other appropriate management body).

Closing

The Closing would occur after receipt by the parties of all consents, authorizations and approvals and the satisfaction or waiver of conditions precedent specified in the Definitive Agreements. At the Closing, PSE would purchase the Project from Respondent, free and clear of all liens, charges, encumbrances, and conflicting or competing claims.

Transaction Taxes

Respondent would be responsible for the payment of all sales, conveyance, transfer, excise, real estate excise, business and occupation or similar transaction taxes assessed with respect to or imposed on either party relating to PSE's purchase of the Project or otherwise in connection with a potential transaction. PSE would agree to cooperate with Respondent to minimize the parties' respective transaction taxes.

EXHIBIT E. PROTOTYPE OWNERSHIP TERM SHEET

Regulatory Approvals

PSE expects that the following regulatory approvals, among others, might be required prior to Closing to implement a proposed transaction:

Receipt of FERC approval under Section 203 of the Federal Power Act; and Expiration of any waiting period (or obtaining of any approval required) under Hart-Scott-Rodino.

Representations, Covenants & Warranties

The Definitive Agreements would contain representations, covenants and warranties of each party that are customary for similar transactions

Terms and Conditions For Projects Under Development

If Respondent's proposal involves an unbuilt Project, PSE is willing to consider contracting to either (i) transfer to PSE the responsibility for its completion, start-up and commissioning, or (ii) having Respondent keep responsibility for its completion, start-up and commissioning pursuant to a separate engineering, procurement and construction or similar contract arrangements (collectively, "EPC") that would be put in place at the Closing under the PSA.

In either case, the Definitive Agreements would include detailed schedules showing the Project's design, engineering and construction status. These schedules will need to include:

- performance and technical specifications of the Project;
- performance guarantees;
- major equipment and systems and vendors;
- major subcontractors;
- the status of permit applications;
- the status of contractors' and vendors' obligations and warranties; and,
- the schedule for completion of the Project and other related information and data.

The Definitive Agreements would also require Respondent to provide access to the Project to certain designated PSE employees, representatives and agents so that they can observe and monitor the manufacture, fabrication, assembly, installation, construction, start-up, testing and commissioning of the Project and any parts or components of it. PSE's employees, representatives and agents would also be permitted access to the premises of contractors, vendors and consultants and attend meetings

and review and copy information, data and documents in connection with PSE's due diligence review. PSE's employees, representatives and agents would be required to observe Respondent's (and Respondent's contractors') rules regarding safety, security and confidentiality and would not interfere with or hinder the construction of the Project.

In the event that Respondent plans to retain responsibility for the completion, start-up and commissioning of the Project pursuant to an EPC arrangement, PSE expects that the following additional terms and conditions would apply to the proposed transaction:

Installment Payments

The consideration allocable to the cost of completion of the Facility would be payable in predetermined installment amounts through Final Completion (as defined below) as set forth in a funding schedule to be incorporated in the Definitive Agreements, with the first payment due at Closing. The Definitive Agreements would also set forth the procedure for invoicing and payment of all remaining amounts due.

Respondent's Completion of the Project

Subject to certain approval rights of PSE, Respondent would be responsible for the direction of, and the cost and expense necessary, incidental to or appropriate for, the construction, completion, start-up and commissioning of the Project, including mobilization, design, engineering, procurement, supply, supervision, and testing expenses (with the exception of such expenses related to fuel for certain tests as set forth below). Guarantor would unconditionally guarantee Respondent's payment, performance, warranty and other obligations with respect to the design, engineering, construction and completion of the Project in accordance with the criteria set forth in the Definitive Agreements. Respondent would cause construction of the Project to be performed or supervised by an EPC contractor experienced in the design, engineering and construction of electric generating facilities similar to the Project and in accordance with applicable laws, regulations, permits, the standards and criteria of original equipment manufacturers, good industry practices and insurance requirements.

Change Orders: In completing the construction of the Project, Respondent would notify PSE, in writing, prior to making any proposed change order or any other modification to the design, component parts or equipment or operational characteristics of the Project that (A) (i) involves individually an

amount in excess of $[_____][2] or (ii) is proposed after the aggregate value of prior change orders or modifications is $[_____][3], or (B) which would reasonably be expected to adversely affect the operational characteristics, reliability or costs of operation and maintenance of the Project. PSE would have ten (10) days to notify Respondent in writing that PSE does not consent to the proposed change order or modification described by Respondent in such notice; otherwise PSE would be deemed to concur with the proposed change order or modification.

Otherwise, Respondent shall have the right, without PSE's consent, to make such substitutions of parts, materials and/or equipment in completing the construction of the Project as would not be reasonably expected to adversely affect the operational characteristics, reliability or costs of operation or maintenance of the Project. Respondent agrees to provide PSE with a list of such substitutions on a monthly basis and at Substantial Completion and Final Completion (each as defined below). In the event Respondent fails to provide timely notice to PSE of any proposed change order or modification of the nature or effect described above, and such change order or modification results in a material adverse change to the operational characteristics, reliability or costs of operation and maintenance of the Project, the Definitive Agreements would set forth mutually agreed upon rights and remedies.

For purposes of this Term Sheet, "Substantial Completion" means the completion of the Project, the completion of the facilities necessary to interconnect the Project to the electric grid and to receive water, fuel supplies and other supplies and services, and the delivery of all permits, interim manuals sufficient for interim operations during the period between Substantial Completion and Final Completion, and other deliverables necessary for PSE to operate the Project on a commercial basis in accordance with the requirements of the Definitive Agreements at an electrical output not less than and, if applicable, a heat rate not greater than certain "Minimum Performance Guarantees" to be agreed to in the Definitive Agreements. "Final Completion" shall mean the final completion by Respondent of all items of work remaining at Substantial Completion, delivery of all outstanding deliverables, including manuals and lien releases from contractors and vendors, clean-up of the site and removal of all equipment.

No later than at Final Completion, Respondent would provide PSE with statutory lien releases from the EPC contractor and its subcontractors

[2] *Amount to depend on facts pertaining to the particular Project, including but not limited to the Project's size and cost.*
[3] *Amount to depend on facts pertaining to the particular Project, including but not limited to the Project's size and cost.*

furnishing services, equipment or goods used in the design, engineering, equipping, construction and completion of the Project, evidencing that all amounts due to such parties have been paid or bonded around, such that PSE and the Project would not be liable for payment of any such amounts owed.

Subsequent to Closing, PSE would be the owner of and receive one hundred percent (100%) of all energy products produced in connection with the start-up, testing and commissioning of the Project.

Liquidated Damages and Performance Bonuses

Respondent would be liable for scheduled liquidated damages if Respondent fails to achieve Substantial Completion of the Project by an agreed upon date, as well as performance liquidated damages for failure to meet the Minimum Performance Guarantees agreed to in the Definitive Agreements.

Additional Representations, Warranties and Covenants of Respondent

PSE expects that the Definitive Agreements would include the following additional representations, warranties and covenants in the event that Respondent retains responsibility for the completion, start-up and commissioning of the Project:

(1) Respondent would cause the Project to be designed, engineered, equipped and constructed in accordance with the provisions of the Definitive Agreements so as to meet the Minimum Performance Guarantees and other criteria set forth in the Definitive Agreements and be Substantially Complete and commercially operable on or before a guaranteed Substantial Completion date;

(2) Respondent will provide a full “wrap” of obligations with respect to the Project and all equipment warranties and cause Guarantor to guarantee Respondent's obligations;

(3) Respondent would at all times maintain sufficient rights and entitlements to such services and facilities as may be necessary to develop, construct and complete the Project so that upon Substantial Completion the Project may be operated on a commercial basis;

(4) Respondent would obtain and maintain during the construction of the Project, at Respondent's cost and expense, builder's risk insurance, the

terms, conditions, limits of coverage and other provisions of which are normal and customary;

(5) Respondent, with PSE's commercially reasonable cooperation and assistance, would at Respondent's cost be responsible for applying for, obtaining and maintaining and complying with all permits and other governmental authorizations necessary or appropriate for the construction, start-up, testing, ownership, occupancy, use, operation and maintenance of the Project; and

(6) Respondent would cause all equipment warranties (the terms and conditions of which PSE will have the right to approve) to be in full force with the respective contractors and vendors and fully assignable to PSE, and Respondent will assign such warranties to PSE as of Substantial Completion of the Project.

Project Managers and Independent Engineer

Each of the parties would designate a construction project manager no later than the date of Closing. Notices, correspondence and other communication required or contemplated by the Definitive Agreements relating to the construction of the Project would be made through the parties' respective construction project managers, except as otherwise agreed.

An independent engineer would be retained, at Respondent's expense, to verify Respondent has achieved the performance levels and other criteria required to meet Substantial Completion and Final Completion under the Definitive Agreements. PSE and Respondent would select the independent engineer from a mutually agreed list of qualified engineers included in the Definitive Agreements.

Respondent Guaranty Requirements

If PSE determines that Respondent alone is not sufficiently creditworthy, PSE will require Respondent to have Guarantor provide PSE with the Respondent Guaranty, pursuant to which Guarantor would guarantee the performance by Respondent and Respondent's affiliates of Respondent's obligations to or for the benefit of PSE under the Definitive Agreements. The Guarantor would also guaranty the payment of any damages, losses, liabilities, costs and expenses incurred by PSE and payable by Respondent or Respondent's affiliates) under the Definitive Agreements. The parties would address in the Definitive Agreements the circumstances, if any, in which PSE might require adequate assurance by Respondent or Guarantor

of Respondent's performance under the Definitive Agreements, and the nature of such assurance.

Limitations on Liability

The Definitive Agreements shall provide that notwithstanding anything to the contrary, in the event of a breach of the obligations of one of the parties or otherwise, such party would be liable for direct damages only, and under no circumstances shall such party be liable to the other party for consequential (including, without limitation, lost profits, business interruption and the like), incidental, punitive, exemplary or similar damages.

Indemnification

The Definitive Agreements would also set forth provisions by which each party would indemnify, hold harmless and defend the other party and its affiliates, directors, officers, employees, representatives and agents from and against certain losses with respect to false or inaccurate representations and warranties or breaches of covenants and obligations under the Definitive Agreements.

Due Diligence

For a specified period commencing on the date PSE notifies Respondent that Respondent's proposal has been selected as a potential transaction (this period, and any extensions to it that the parties may agree upon, the "Due Diligence Period"), PSE would be entitled to conduct an in-depth due diligence review of the Project, Respondent, Guarantor and any affiliate of Respondent that would be a party to a Definitive Agreement. Respondent agrees to fully cooperate (and cause Respondent's affiliates to fully cooperate) with PSE and to facilitate this process.

PSE expects that PSE's due diligence would include a review of the following, among other things:

- all technical matters relating to the Project;
- construction, engineering and transmission agreements, and any other commercial arrangements relating to the Project;
- legal and regulatory matters (including the availability and terms of all required permits and licenses);
- information systems, human resources (subject to applicable legal confidentiality and other restrictions), insurance matters; and
- any other matters associated with the development, permitting, design, engineering, construction, interconnection, start-up, commissioning, operation and maintenance of the Project.

PSE agrees that its due diligence review shall not unreasonably disrupt Respondent's (or Respondent's affiliates') business or the business of Respondent's directors, officers, employees and agents. The Due Diligence Period would terminate automatically in the event of the termination of the Term Sheet by either party.

During the Due Diligence Period, Respondent and Respondent's affiliates would provide access to the Project to certain designated PSE employees, representatives and agents so that they could observe and monitor the manufacture, fabrication, assembly, installation, construction, start-up, testing and commissioning of the Project and any of its parts or components. PSE's employees, representatives and agents would also be permitted access to the premises of contractors, vendors and consultants, attend meetings and review and copy information, data and documents in connection with PSE's due diligence review. PSE would be subject to and would be required to observe Respondent's (and Respondent's contractors') rules regarding safety, security and confidentiality and PSE would not interfere with or hinder the construction of the Project.

Dispute Resolution

The Definitive Agreements would contain provisions for the resolution of disputes, and the exclusive forum for the resolution of any dispute arising under or in connection with this Term Sheet or the Definitive Agreements would be King County, Washington.

Expenses

Each party would bear its own legal, accounting, regulatory and other professional fees and expenses and other costs associated with the RFP and a potential transaction, regardless of whether a transaction is consummated.

Assignability

The parties would not be permitted to assign the Definitive Agreements or their respective rights and obligations under them without the prior written consent of the other party, such consent not to be unreasonably withheld or delayed.

PUGET SOUND ENERGY

2020 All-Source RFP for Peak Capacity Resources:

Exhibit F. Prototype Natural Gas Tolling Agreement Term Sheet

Prototype Natural Gas Tolling Agreement Term Sheet

Background

This Prototype Natural Gas Tolling Agreement Term Sheet ("Term Sheet") sets forth the current requirements that PSE wants the Respondent to address or incorporate into any proposal made to PSE that contemplates generating energy products for PSE from a natural gas-fired electric generating facility. It is intended to identify certain, but not all, of the elements of a potential transaction that would be embodied in a definitive Tolling Agreement.

PSE prefers proposals consistent with the terms described in this Term Sheet. However, PSE will consider pricing structures that are different from the structure contained in this Term Sheet, if proposed.

By submitting its proposal, Respondent acknowledges that the RFP, including this Term Sheet, has been prepared by PSE as part of PSE's ongoing process of integrated resource planning and that PSE is considering alternative arrangements for the procurement of energy products. This Term Sheet is an integral part of, and subject to, the terms and conditions of the RFP. This Term Sheet shall not be interpreted as an offer, agreement or commitment by PSE to acquire any energy product. Also, this Term Sheet shall not limit, restrict or obligate PSE with regard to the conduct of its integrated resource planning process, the potential implementation of any plan or program of resource procurement or the actual procurement of any energy product.

PSE reserves the right to reject any and all proposals received in response to the RFP, request the submission of different proposals for other energy products and/or seek to acquire energy products from one or more parties other than any Respondent. PSE may also modify, change, supplement or delete any and all provisions of this Term Sheet, or withdraw and cancel the RFP.

Parties

Puget Sound Energy, Inc. ("Buyer") and [_____] ("Seller").

Generating Facility

A natural gas-fired electric generation facility with a [planned] nameplate capacity of [____] MW to be [developed and] owned by Seller and located [_____].

EXHIBIT F. PROTOTYPE NATURAL GAS TOLLING AGREEMENT TERM SHEET

Transaction	Seller shall provide to Buyer the Tolling Services beginning [_____][1] (the "Delivery Date") through the expiration of the Term whereby Buyer shall deliver fuel to the Generating Facility at the Gas Delivery Point, the fuel shall be converted into energy at the Generating Facility by the Seller and the energy generated shall be delivered to Buyer at the Energy Delivery Point pursuant to a Tolling Agreement. Buyer prefers to be the exclusive recipient of Tolling Services from the Generating Facility, but will consider non-exclusive arrangements.[2] All ancillary services from the Generating Facility, as further described and defined below, as well as any associated electrical capacity rights shall accrue to Buyer.
Term	The Tolling Agreement shall be effective when signed and shall terminate [____] years from the Delivery Date (the "Term").
Gas Delivery Point	[_____] ("Gas Delivery Point").
Energy Delivery Point	[_____] ("Energy Delivery Point").
Contract Price	The Contract Price, and the components thereof, are set forth in Schedule I attached hereto. The Contract Price includes the Monthly Capacity Payment, Variable O&M Charge, Start-Up Charge and Heat Rate Adjustment (as described in "Guaranteed Heat Rate" and Schedule II).
Gas Arrangements	Buyer will be responsible for making arrangements and paying all costs associated with fuel supply and transportation to the Gas Delivery Point.
Guaranteed Heat Rate	[_____] MMBtu/MWh. Seller shall be entitled to an adjustment if the Facility exceeds or fails to meet the Guaranteed Heat Rate in any month during the Term after the Delivery Date, as calculated pursuant to Schedule II attached.

[1] If the Generating Facility is under development, the Delivery Date shall be the Commercial Operation Date.

[2] For purposes of this template, PSE has assumed that it will be the exclusive toller. If Respondent has an alternative proposal, it should cover scheduling issues between the multiple offtakers.

Ancillary Services	All commercial products produced by or related to the Generating Facility, including but not limited to spinning reserves, operating reserves, black start capability, balancing energy, reactive power and regulation service.
Test Power; Test Fuel	Buyer and Seller shall, as part of the negotiation of the definitive agreements, mutually decide how to allocate responsibilities with respect to test fuel and test power, including, among other things, the provision of test fuel to the Generating Facility by Seller, the purchase of test power by Buyer or third parties, or other appropriate arrangements.
Commercial Operation[3]	Commercial Operation shall mean, with respect to the Generating Facility, that date designated by Seller and confirmed by Buyer that the Generating Facility has been placed in commercial operation, as evidenced by an officer's certificate of Seller and a confirmation from Buyer (which confirmation shall not be unreasonably withheld or delayed), but such date shall be no earlier than the date upon which the following have occurred: (i) the interconnection agreement for the Generating Facility has been executed, (ii) the Generating Facility has been satisfactorily tested and (iii) all related facilities and rights have been completed or obtained, including all interconnection facilities and substations, to allow for continuous operation of the Generating Facility and the sale of energy, capacity and Ancillary Services therefrom ("Commercial Operation"). Seller shall provide a Guaranteed Commercial Operation Date for the Generating Facility. The Guaranteed Commercial Operation Date shall be extended for delays caused by Buyer or force majeure events, subject to compliance by Seller of its obligation to mitigate such delays. In the event Seller fails to achieve Commercial Operation on or before the Guaranteed Commercial Operation Date, Seller shall be required to pay to Buyer liquidated damages for each day of delay beyond the Guaranteed Commercial Operation Date in the amount per day of $[___] per MW of the Generating Facility's expected nameplate capacity. If the Commercial Operation Date has not been achieved within [____] days after the Guaranteed Commercial Operation Date, Seller shall be in default under the Tolling Agreement and Buyer shall be entitled to terminate the Tolling Agreement and seek damages or exercise other remedies at law or equity.

[3] *To be included if the Generating Facility is under development or construction.*

Development Milestones[4]	Seller shall use commercially reasonable efforts to achieve the agreed upon Development Milestones for the Generating Facility, which shall include "interim" major milestones, such as receipt of all necessary permits, achieving financial closing, the commencement of physical construction, etc. The guaranteed Development Milestone dates shall be subject to extension for delays caused by Buyer or force majeure events, subject to compliance by Seller of its obligation to mitigate such delays. In the event Seller fails to achieve the agreed upon major Development Milestones on or before the prescribed guaranteed date therefore, Seller shall be required to pay to Buyer "interim" liquidated damages for each day of delay beyond the prescribed date in the amount per day of $[___] per MW of the Generating Facility's expected nameplate capacity. If the Guaranteed Commercial Operation Date ultimately is achieved despite Seller's failure to satisfy one of more of the other major Development Milestones, Buyer shall refund such interim liquidated damages to Seller.
Standard of Operation	Seller shall operate the Generating Facility in accordance with the practices, methods, acts, guidelines, standards and criteria of relevant system operators or reliability councils, and all applicable Laws. Seller shall obtain all certifications, permits, licenses and approvals necessary to construct, operate and maintain the Generating Facility and to perform its obligations under the Tolling Agreement.
Transmission Services; Interconnection	During the Term, Seller shall be responsible for delivery of the energy generated by the Generating Facility (less applicable transmission losses) to the Energy Delivery Point and Buyer shall be responsible for arranging, at Buyer's expense, all transmission services from the Energy Delivery Point. Seller shall be responsible for all costs of interconnection of the Generating Facility and any associated network upgrades required by Buyer's transmission function or any other transmission provider. It shall be the specific responsibility of Seller to have secured transmission necessary to deliver the energy to Buyer's system. Buyer shall consider arrangements whereby Seller secures such transmission rights from the Generating Facility to Buyer's system and assigns those transmission rights to Buyer, with Buyer taking on responsibility for the costs of transmitting such energy to Buyer's system.
Capacity Tests	Prior to the Delivery Date, Seller shall establish the tested capacity (the "Tested Capacity") of the Generating Facility pursuant to a performance test conducted in accordance with procedures to be agreed upon by the

[4] *To be included if the Generating Facility is under development.*

Parties. Each Party shall have the right to request a limited number of additional performance tests at the expense of the requesting party to redetermine the Generating Facility's Tested Capacity. If as the result of any performance test, the Tested Capacity of the Generating Facility is less than [____] MW (the "Minimum Capacity"), the Monthly Capacity Payment shall be appropriately reduced until such time that Seller shall have demonstrated, to Buyer's reasonable satisfaction, that the Tested Capacity shall have been restored.

Metering

Subject to the requirements of the interconnection agreement for the Generating Facility, Seller shall be responsible for the provision, maintenance, reading and testing of all electric and natural gas metering equipment in conformance with all applicable regulatory requirements, with Buyer having rights to inspect, observe tests and conduct its own tests in its reasonable discretion.

Scheduling Coordinator;

Imbalances

Buyer shall be responsible for arranging all scheduling services necessary to ensure compliance with applicable regional power scheduling regulations and protocols. Buyer and Seller shall prepare and put in place certain mutually acceptable scheduling protocols to be followed by Buyer, including the nature and extent of information to be utilized to prepare schedules and the policies and practices to be applied to such information by Buyer in connection therewith ("Agreed Scheduling Practices").

Seller shall arrange and be responsible for any transmission services required to deliver energy to the Energy Delivery Point and shall schedule or arrange scheduling services with its transmission providers to so deliver the energy to the Energy Delivery Point. Buyer shall arrange and be responsible for transmission services at and from the Energy Delivery Point and shall schedule or arrange for scheduling services with its transmission providers to receive energy at the Energy Delivery Point.

Buyer shall arrange and be responsible for the costs of any fuel transportation required to deliver fuel to the Gas Delivery Point and shall schedule or arrange scheduling services with its fuel transporters to so deliver the fuel to the Gas Delivery Point.

Buyer shall be responsible for all transmission charges, ancillary service charges, electrical losses and any other transfer-related charges (collectively, "Charges") attributable to or assessed for energy delivered to Buyer at and after the Energy Delivery Point. Seller shall be responsible for

all Charges applicable to the Generating Facility's output prior to the Energy Delivery Point.

Buyer shall be obligated to pay, or reimburse Seller for the payment of, any pipeline imbalance charges related to an imbalance of natural gas scheduled to be delivered to the Gas Delivery Point except to the extent that such imbalance was caused by the operation of the Generating Facility, the failure of the Generating Facility to operate or Seller's failure to comply with the Agreed Scheduling Practices. Seller shall be obligated to pay, or reimburse Buyer for the payment of, any generation imbalance charges related to the over-generation or under-generation of energy scheduled to be generated by the Generating Facility to the extent that such imbalance was caused by the operation of the Generating Facility, the failure of the Generating Facility to operate or Seller's failure to comply with the Agreed Scheduling Practices.

Taxes

Seller shall be responsible for and shall pay all taxes incurred by Seller or Buyer on the energy, capacity and Ancillary Services produced and sold prior to the Delivery Point. Buyer shall be responsible for and shall pay all taxes incurred by Seller or Buyer on energy, capacity and Ancillary Services produced and sold at and beyond the Delivery Point. Buyer shall be responsible for and shall pay all taxes incurred by Seller or Buyer associated with the acquisition and delivery of fuel to the Facility.

Operation and Maintenance

Seller and Buyer shall endeavor to develop written operating procedures ("Operating Procedures") for the Generating Facility before the Delivery Date which shall set forth the protocol under which the Parties shall perform their respective obligations under the Tolling Agreement and shall include, without limitation, procedures concerning the following: (i) the method of day-to-day communications, (ii) key personnel lists for Seller and Buyer, including an appointed authorized representative for each Party, and (iii) forced outage and planned outage reporting.

During the Term, the Generating Facility shall be operated and maintained by Seller or its designee in accordance with those practices, methods, and acts, that are commonly used by a significant portion of the natural gas powered electric generation industry in prudent engineering and operations to design and operate such electric equipment lawfully and with safety, dependability, efficiency, and economy, including any applicable practices, methods, acts, guidelines or standards and criteria of governing regulatory bodies and reliability councils and all applicable requirements of law.

Outages	No later than ninety (90) days prior to the beginning of each calendar year during the Term, Seller shall provide Buyer with a non-binding detailed planned outage schedule for the forthcoming year and Seller shall be excused from providing electricity during any planned outage. Seller shall furnish Buyer with as much advance notice as practicable of any proposed or necessary maintenance outages. The Parties shall work to plan such outage to mutually accommodate, as practicable, the reasonable requirements of Seller and the reasonable requests of Buyer, taking into account the desire of Buyer to have the Generating Facility available during peak periods. Seller shall promptly provide written notice to Buyer, to the extent information is available, of the reason, timing, expected duration and the impact upon the energy output of any forced outage. Seller also shall provide to Buyer, in a form reasonably acceptable to Buyer, a monthly report of forced outages.
Availability Guarantee	Seller shall provide Buyer with a guarantee that the Generating Facility availability shall be no less than the percentages indicated on Schedule III for each month after the Delivery Date (the "Minimum Monthly Availability"). Generating Facility availability shall be calculated using a methodology agreed to by the Parties that is generally consistent with the method prescribed by the Generating Facility's equipment manufacturers. If the Generating Facility fails to meet the Minimum Monthly Availability in any month after the Delivery Date, the Monthly Capacity Payment for such month shall be reduced as determined pursuant to Schedule III.
Credit Support	Upon execution of the Tolling Agreement, if Buyer deems it necessary due to the credit position of Seller, Seller shall provide Buyer with a guaranty, cash collateral and/or letter of credit in forms and amounts acceptable to Buyer. In addition to the foregoing security, Seller shall furnish Buyer with a lien on its interest in the Generating Facility to secure Seller's obligations to Buyer. Buyer shall agree to subordinate such lien as may be reasonably necessary to accommodate Seller's first lien construction and/or permanent financing of the Generation Facility. Buyer shall not be required to provide credit support or performance assurance of any kind to Seller.
Default	The Tolling Agreement shall include customary events of default ("Events of Default") including for failure to make payments when due, failure to

perform a material obligation, breach of representation or warranty, bankruptcy, failure to maintain required credit support, etc.

In addition to customary Events of Default, the following shall be additional Events of Default:

Subsequent to the Delivery Date, Seller fails to achieve the Minimum Monthly Availability for any [_____] consecutive contract months or for any [_____] contract months during the Term.

The Generating Facility fails to demonstrate a Tested Capacity at least equal to the Minimum Capacity in three successive capacity tests performed after the Delivery Date; provided that Seller is provided a reasonable period of time after any failure to achieve the Minimum Capacity in any capacity test to resolve the problem prior to conducting a subsequent capacity test.

Each Party shall have a duty to mitigate damages and covenants that it shall use commercially reasonable efforts to minimize any damages it may incur as a result of the other Party's default or non-performance of the Tolling Agreement.

Termination

Buyer may terminate the Tolling Agreement if Seller fails to achieve Commercial Operation by [_____].[5]

If an Event of Default shall have occurred, the non-defaulting Party shall have the right to terminate the Tolling Agreement and, in such case, each Party shall pay the other all amounts due for all periods prior to termination. In addition, if applicable, the defaulting Party shall make a termination payment to the non-defaulting party.

Any termination payment under the Tolling Agreement shall be based on a comparison of the net present value of the payments that the non-defaulting Party reasonably expects to be applicable in the market under a replacement contract covering the same services to the net present value of the then remaining payments under the Tolling Agreement, plus the reasonable transactional costs of the non-defaulting Party entering into a new tolling arrangement. Any such calculations shall be based on reasonable assumptions as to future Generating Facility operations, differences between a replacement contract and the Tolling Agreement, discount rate and similar considerations, as reasonably determined by the non-defaulting Party.

[5] *To be included if the Generating Facility is under development*

Indemnification	The Tolling Agreement shall include customary indemnification obligations between the Parties including for liabilities related to fuel prior to delivery to Seller at the Gas Delivery Point and energy once delivered to Buyer at the Energy Delivery Point.
Limitation of Liability	Unless expressly provided in the Tolling Agreement, a Party's liability shall be limited to direct actual damages only, which direct actual damages shall be the sole and exclusive remedy and all other remedies or damages at law or equity are waived. Neither Party shall be liable to the other Party for consequential, incidental, punitive, exemplary or indirect damages, lost profits or other business interruption damages, whether such damages are allowed or provided by statute, in tort, under any indemnity provisions or otherwise except and only to the extent that any actual or liquidated damages expressly provided for in the Tolling Agreement include an element of profit or other type of damages which are otherwise disclaimed and except to the extent required through indemnification on account of third party claims.
Title; Risk of Loss	Buyer shall retain title to fuel provided by Buyer to Seller to be converted to energy. The title to all energy generated by the Generating Facility as a result of the conversion of such fuel to energy in the Generating Facility shall vest in Buyer immediately upon generation thereof. Notwithstanding the foregoing, risk of loss of fuel supplied by Buyer shall transfer from Buyer to Seller at the Gas Delivery Point and Seller shall bear the risk of loss of energy generated at the Generating Facility until it is transferred from Seller to Buyer at the Energy Delivery Point.
Dispute Resolution	Certain specified technical disputes shall be referred to a single technical expert (to be designated by the parties in the Tolling Agreement) for expedited, binding resolution; other disputes shall proceed through judicial resolution. The Parties shall waive their rights to jury trial, and shall consent to jurisdiction in King County, Washington.
Governing Law	The Tolling Agreement shall be governed by the laws of the State of Washington, without regard to conflicts of laws principles. Venue shall be in King County, Washington.
Assignment	Neither Party shall assign any of its rights or obligations under the Tolling Agreement without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed, except that either Party may, without the other Party's consent, (i) transfer, sell,

pledge, encumber or assign the Tolling Agreement or the revenues or proceeds thereof in connection with any financing, (ii) transfer or assign the Tolling Agreement to an affiliate or (iii) transfer or assign the Tolling Agreement to any person or entity succeeding to all or substantially all of the assets of such Party; provided that in the case of clauses (ii) or (iii) above, the assignee agrees to be bound by all terms and conditions and, in the case of an assignment by Seller, either the assignee or its guarantor possesses the same or better credit rating as Seller or provides credit support reasonably acceptable to Buyer.

Schedule I
Contract Price[6]

Monthly Capacity Payment	**Variable O&M Charge**	**Start-Up Charge**	**Renewal Monthly Capacity Payment**	**Renewal Variable O&M Charge**	**Renewal Start-Up Charge**
($ per MW of Tested Capacity	($ per MWh)	($ per start)	($ per MW of Tested Capacity	($ per MWh)	($ per start)

[6] *Illustrative pricing structure only. Respondent may propose an alternative structure.*

Schedule II
Heat Rate Adjustment Calculation[7]

[7] *To be provided by Respondent.*

Schedule III
Availability Guarantee and Liquidated Damages[8]

[8] *To be provided by Respondent.*

PUGET SOUND ENERGY

2020 All-Source RFP for Peak Capacity Resources:

Exhibit G. Prototype Clean Energy PPA Term Sheet

Prototype Clean Energy[1] PPA Term Sheet

Background

This Prototype Clean Energy PPA Term Sheet ("Term Sheet") sets forth the current requirements that PSE wants the Respondent to address or incorporate into any proposal made to PSE that contemplates the sale of clean energy products to PSE, either on a unit-contingent or not unit-contingent basis. It is intended to identify certain, but not all, of the elements of a potential transaction that would be embodied in a definitive power purchase agreement ("PPA").

PSE prefers proposals consistent with the terms described in this Term Sheet. However, PSE will consider product structures that are different from the structure contained in this Term Sheet, if proposed.

By submitting its proposal, Respondent acknowledges that the RFP, including this Term Sheet, has been prepared by PSE as part of PSE's ongoing process of integrated resource planning and that PSE is considering alternative arrangements for the procurement of energy products. This Term Sheet is an integral part of, and subject to, the terms and conditions of the RFP. This Term Sheet shall not be interpreted as an offer, agreement or commitment by PSE to acquire any energy product. Also, this Term Sheet shall not limit, restrict or obligate PSE with regard to the conduct of its integrated resource planning process, the potential implementation of any plan or program of resource procurement or the actual procurement of any energy product.

PSE reserves the right to reject any and all proposals received in response to the RFP, request the submission of different proposals for other energy products and/or seek to acquire energy products from one or more parties other than any Respondent. PSE may also modify, change, supplement or delete any and all provisions of this Term Sheet, or withdraw and cancel the RFP.

Parties

Puget Sound Energy, Inc. ("Buyer") and [_____] ("Seller").

Generating Facility

For unit-contingent agreements:

A clean energy electric generating facility [and/or a storage facility] with a planned nameplate capacity of [____] MW [and with a storage capacity of

[1] Clean energy means energy produced by a renewable or non-emitting generating facility.

	[__] MW x [__] hours] to be developed by Seller and located [_____].[2] [The anticipated inverter load ratio (DC/AC) is [___].]
	For non-unit-contingent agreements:
	A shaped clean energy alternative product.
Product	For unit-contingent agreements:
	Clean electrical energy from the Generating Facility as delivered to the Point of Delivery and all Green Attributes associated with the generated energy, as further described and defined below, as well as any associated electrical capacity rights shall accrue to Buyer.
	For non-unit-contingent agreements:
	The shaped 8760 clean energy alternative product is as follows: [__].
Term	The PPA shall be effective when signed and shall terminate [10/12/15/20][3] years from the Commercial Operation Date (as defined below under "Commercial Operation") (the "Term").
Point of Delivery	The Bonneville Power Administration ("BPA") contract point BPAT.PSEI in e-tag scheduling documentation ("Point of Delivery").
Contract Quantity	100% of the net electrical output of the Generating Facility, and any capacity rights, as well as all Green Attributes (as described below).
Contract Price	$[____] per MWh of energy delivered to the Point of Delivery and all Green Attributes (defined below) associated therewith (the "Contract Price"). The Contract Price shall (i) become applicable on the Commercial Operation Date, (ii) remain in effect for the Term and (iii) not be subject to change by Seller or Buyer for any reason.
Green Attributes	All environmental, renewable energy or green attributes of any kind or nature, current or future, whether in the form of renewable energy credits

[2] This Term Sheet generally contemplates offers for clean energy generation from facilities to be constructed; however, Buyer also shall entertain offers from existing facilities and non-unit-contingent offers and, in such case, certain provisions of this Term Sheet pertaining, for example, to construction obligations of Seller, shall not apply.

[3] Non-unit contingent market PPAs must comply with Washington State's emission performance standards. PPAs with term lengths five years or longer must specify the associated resource or pool of resources and demonstrate compliance with the standards.

	or certificates ("RECs"), green tags, emissions credits or allowances or other credits or allowances similar to the foregoing ("Green Attributes") shall be conveyed to Buyer and are included in the Contract Price.
Electrical Output	Buyer agrees to buy all of the energy delivered by Seller to the Point of Delivery in accordance with the PPA (the "Delivered Energy"), subsequent to the Commercial Operation Date and also as stipulated in the "Test Power" section below.
Test Power and Green Attributes	Subsequent to the commissioning of the first [wind turbine generator/PV module] included in the Generating Facility, but before the Commercial Operation Date, Buyer shall purchase the electric power (and associated Green Attributes) produced by the Generating Facility prior to the Commercial Operation Date (collectively, "Test Products"). The price for such Test Products shall be equal to 70% of the applicable Intercontinental Exchange Mid-Columbia day ahead index price for power at the time of purchase.
Commercial Operation	Commercial Operation shall mean, with respect to the Generating Facility, that date designated by Seller and confirmed by Buyer on which at least ninety-five percent (95%) of the nameplate capacity constituting the Generating Facility have been placed in commercial operation, as evidenced by an officer's certificate of Seller and a confirmation from Buyer (which confirmation shall not be unreasonably withheld or delayed), but such date shall be no earlier than the date upon which the following have occurred: (i) the interconnection agreement for the Generating Facility has been executed, (ii) the Generating Facility has been satisfactorily tested and commissioned, and (iii) all related facilities, governmental approvals, permits and land rights have been completed or obtained, including all interconnection facilities and substations, to allow for continuous operation of the Generating Facility at its expected output and the sale and delivery of energy and Green Attributes therefrom ("Commercial Operation"). The "Commercial Operation Date" shall be the date that the Generating Facility achieves Commercial Operation. Seller shall use commercially reasonable efforts achieve Commercial Operation for any remaining [wind turbines/PV modules] as soon as reasonably possible thereafter. Seller shall provide a Guaranteed Commercial Operation Date for the Generating Facility. The Guaranteed Commercial Operation Date shall be extended for delays caused by Buyer or force majeure events (with extensions for force majeure events not to exceed 180 days in the

aggregate), subject to compliance by Seller of its obligation to mitigate such delays. In the event Seller fails to achieve Commercial Operation on or before the Guaranteed Commercial Operation Date, Seller shall be required to pay to Buyer liquidated damages for each day of delay beyond the Guaranteed Commercial Operation Date in the amount per day of $[___] per MW with respect to each [wind turbine/PV module] that does not achieve Commercial Operation by such date. If the Commercial Operation Date has not been achieved within 180 days after the Guaranteed Commercial Operation Date, it shall be an Event of Default under the PPA and Buyer shall be entitled to terminate the PPA and seek damages or exercise other remedies at law or equity.

Development Milestones

Seller shall use commercially reasonable efforts to achieve the agreed upon Development Milestones for the Generating Facility, which shall include "interim" major milestones, such as the receipt of all applicable permits, commencement of physical construction, completion of construction of foundations, etc. The guaranteed major Development Milestone dates shall be subject to extension for delays caused by Buyer or force majeure events, subject to compliance by Seller of its obligation to mitigate such delays. In the event Seller fails to achieve a major Development Milestone on or before the guaranteed date therefor, Seller shall be required to pay to Buyer "interim" liquidated damages for each day of delay beyond the applicable guaranteed date in an amount to be agreed upon in the definitive agreements. If such major Development Milestone has not been achieved within 180 days after the guaranteed date therefor, it shall be an Event of Default under the PPA and Buyer shall be entitled to terminate the PPA and seek damages or exercise other remedies at law or equity. Interim liquidated damages shall be credited against the amount of any delay liquidated damages payable for a failure to achieve the Commercial Operation Date by the Guaranteed Commercial Operation Date and if any such credits are not fully utilized as of the Commercial Operations Date, Buyer shall refund such remaining amount of interim liquidated damages to Seller.

Labor

To the extent possible and subject to any collective bargaining agreement of Seller or its affiliates, if any, Seller shall make a good faith effort given its commercial requirements to hire local workers (such as local unionized workforce) during construction of the Generating Facility and as permanent employees for the operation of the Generating Facility and performance of Seller's obligations under the terms of the PPA. Seller shall use commercially reasonable efforts to use apprenticeship labor to meet the Washington State Apprenticeship and Training Council requirements

	so as to allow Purchaser to qualify for the statutory one and two-tenths (1.2) multiplier for quantifying the Attributes from the Generating Facility.
Standard of Operation	Seller shall operate the Generating Facility in accordance with the practices, methods, acts, guidelines, standards and criteria of relevant system operators or reliability councils, and all applicable laws. Seller shall, at its sole cost and expense, obtain all certifications, permits, licenses and approvals necessary to construct, operate and maintain the Generating Facility and to perform its obligations under the PPA.
Curtailments	Under no circumstances shall Buyer have any liability or owe any damages to Seller due to any curtailment of the Generating Facility; provided, however, that if Buyer requests Seller to curtail energy deliveries for economic reasons, Buyer shall pay to Seller the Contract Price for the lost energy production based on actual availability data during the period of curtailment. Seller shall use reasonable efforts to sell energy and Green Attributes generated by the Generating Facility during any such curtailment at the best price reasonably available in the market at the time of sale in order to minimize negative financial impacts to Buyer. Seller may sell the energy at a negative prices in Seller's sole discretion; provided that in no event will Buyer be required to credit or true-up Seller for any costs or losses associated with the sale of energy at a negative price. Any amounts received by Seller as a result of such mitigation sale shall be credited to the account of Buyer and applied as a credit in favor of Buyer in the invoice for the immediately succeeding month. Notwithstanding the foregoing, in the event that Seller is required to curtail energy deliveries from the Generating Facility in response to a force majeure event, an "emergency condition," or any other event or circumstance declared by BPA or any other transmission provider (including the transmission function of Buyer), Buyer shall have no liability to Seller on account of any such curtailment.
Transmission Services; Interconnection	During the Term, Seller shall be responsible for delivery of the energy to the Point of Delivery and Buyer shall be responsible for arranging, at Buyer's expense, all transmission services from the Point of Delivery. Seller shall be responsible for all costs of interconnection of the Generating Facility and any associated network upgrades required by BPA, Buyer's transmission function or any other transmission provider. It shall be the specific responsibility of Seller to have secured transmission necessary to deliver the energy to Buyer's system. Buyer shall consider arrangements whereby Seller secures such transmission rights from the Generating Facility to Buyer's system and assigns those transmission rights to Buyer,

	with Buyer taking on responsibility for the costs of transmitting such energy to Buyer's system. Buyer shall also consider alternative arrangements where the Point of Delivery shall be at an appropriate point on Buyer's system.
Metering	Subject to the requirements of the interconnection agreement for the Generating Facility, Seller shall be responsible for the provision, maintenance, reading and testing of all metering equipment in conformance with all applicable regulatory requirements, with Buyer having rights to inspect, observe tests and conduct its own tests in its reasonable discretion.
Scheduling Coordinator; **Imbalances; and Integration Charges**	Seller shall be responsible for arranging all scheduling services necessary to ensure compliance with applicable regional power scheduling regulations and protocols. Seller shall prepare and put in place certain mutually acceptable scheduling protocols to be followed by Seller, including the nature and extent of information to be supplied to Buyer in connection with the scheduling of the Generating Facility. Seller shall arrange and be responsible for any transmission services required to deliver energy to the Point of Delivery and shall schedule or arrange scheduling services with its transmission providers to so deliver the energy to the Point of Delivery. Buyer shall arrange and be responsible for transmission services from the Point of Delivery and shall schedule or arrange for scheduling services with its transmission providers to receive energy at the Point of Delivery. Seller shall be responsible for all charges for transmission or wheeling services, ancillary services, imbalance, control area services, congestion, location marginal pricing differentials, electrical losses, and any other transfer-related charges (collectively, "Charges") attributable to or assessed for energy delivered to Buyer at the Point of Delivery. Buyer shall be responsible for all Charges from and after the Point of Delivery. Seller shall be obligated to pay, or reimburse Buyer for the payment of (in the event any obligation is imposed in this respect on Buyer), any generation imbalance charges related to the over-generation or under-generation of energy scheduled to be generated by the Generating Facility, except if such charges directly result from the unexcused failure of Buyer to receive scheduled energy. Seller shall be responsible for and obligated to pay any integration charge or similar charge imposed by BPA or any other transmission provider,

	including charges resulting from or attributable to the integration of resources into the transmission system of such transmission provider.
Taxes	Purchaser shall pay all Washington State sales and use taxes arising out of or with respect to the purchase or sale of energy and/or Green Attributes that are imposed by any taxing authority at or after the Point of Delivery (regardless of whether such Washington State sales and use taxes are imposed on Purchaser or Seller). Seller shall pay all other taxes, including taxes arising out of or with respect to the purchase or sale of energy and/or Green Attributes that are imposed by any taxing authority prior to the Point of Delivery, taxes based on or measured by net income, business and occupation taxes, public utility taxes, property taxes, replacement taxes and/or special assessments that may be levied upon the Generating Facility as well as state or local sales taxes applicable to the construction, maintenance, repair or operation of the Generating Facility.
Operation and Maintenance	Seller shall develop written operating procedures ("Operating Procedures") for the Generating Facility before the applicable initial delivery date which shall set forth the protocol under which the Parties shall perform their respective obligations under the PPA and shall include, without limitation, procedures concerning the following: (i) the method of day-to-day communications, (ii) key personnel lists for Seller and Buyer, including an appointed authorized representative for each Party and (iii) forced outage and planned outage reporting. During the Term, the Generating Facility shall be operated and maintained by Seller or its designee in accordance with those practices, methods, and acts that are commonly used by a significant portion of the clean energy powered electric generation industry in prudent engineering and operations to design and operate such electric equipment lawfully and with safety, dependability, efficiency, and economy, including any applicable practices, methods, acts, guidelines or standards and criteria of governing regulatory bodies and reliability councils and all applicable requirements of law.
Outages	No later than ninety (90) days prior to the beginning of each calendar year during the Term, Seller shall provide Buyer with a non-binding detailed planned outage schedule for the forthcoming year. Seller shall furnish Buyer with as much advance notice as practicable of any proposed or necessary maintenance outages. The Parties shall work

to plan such outage to mutually accommodate, as practicable, the reasonable requirements of Seller and the reasonable requests of Buyer.

Except to the extent necessary or advisable in accordance with prudent operating practices, no planned outages or routine maintenance shall be scheduled during the months of November, December, January, or February.

Seller shall promptly provide written notice to Buyer, to the extent information is available, of the reason, timing, expected duration and the impact upon the energy output of any forced outage. Seller also shall provide to Buyer, in a form reasonably acceptable to Buyer, a monthly report of forced outages.

Availability/ Output Guarantees

For unit-contingent offers from wind projects:

Seller shall provide Buyer with a guarantee that the overall Generating Facility production-based availability shall be no less than [__]% (the "Minimum Annual Availability"). Seller shall pay to Buyer liquidated damages if the Generating Facility fails to meet the Minimum Annual Availability in any contract year after the Commercial Operation Date. Annual wind turbine availability shall be calculated using a methodology agreed to by the Parties.

For unit-contingent offers from solar projects:

Seller shall provide Buyer with an annual output guarantee (the "Minimum Annual Output") in an amount equal to [_____] MWh. Seller shall pay to Buyer liquidated damages if the Generating Facility fails to meet the Minimum Annual Output in any contract year after the Commercial Operation Date.

For all unit-contingent offers:

In addition to the availability/output guarantee described above, Seller shall provide Buyer with an output guarantee during the months of November, December, January, and February (the "Guaranteed Winter Period Output") in an amount equal to [_____] MWh. Seller shall pay to Buyer liquidated damages if the Generating Facility fails to meet the Guaranteed Winter Period Output in any contract year after the Commercial Operation Date.

Credit Support

Upon execution of the PPA, if Buyer deems it necessary due to Seller's credit position, Seller shall provide Buyer with a guaranty, cash collateral and/or letter of credit in forms and amounts acceptable to Buyer. Buyer shall not be required to provide credit support or performance assurance of any kind to Seller.

Default

The PPA shall include customary events of default ("Events of Default") including for failure to make payments when due, failure to perform a material obligation, breach of representation or warranty, bankruptcy, failure to maintain required credit support, etc.

In addition to customary Events of Default, the following shall be additional Events of Default:

Failure to achieve a major Development Milestone within 180 days after the guaranteed date therefor (as described above).

Failure to achieve the Commercial Operation Date within 180 days after the Guaranteed Commercial Operation Date (as described above).

Subsequent to the Commercial Operation Date, Seller fails to achieve the Minimum Annual Availability/Minimum Annual Output for any [__] consecutive contract years or for any [__] contract years during the Term.

Subsequent to the Commercial Operation Date, Seller fails to achieve the Guaranteed Winter Period Output for any [__] consecutive contract years or for any [__] contract years during the Term.

Each Party shall have a duty to mitigate damages and covenants that it shall use commercially reasonable efforts to minimize any damages it may incur as a result of the other Party's default or non-performance of the PPA.

Termination

Buyer may terminate the PPA if Seller fails to achieve Commercial Operation by the date that is 180 days after the Guaranteed Commercial Operations Date.

If an Event of Default shall have occurred, the non-defaulting Party shall have the right to terminate the PPA and, in such case, each Party shall pay the other all amounts due for all periods prior to termination. In addition, the defaulting Party shall make a termination payment to the non-defaulting party.

	Any termination payment under the PPA shall be based on a comparison of the net present value of the payments that the non-defaulting Party reasonably expects to be applicable in the market under a replacement contract covering the same products (e.g., energy and Green Attributes) to the net present value of the then remaining payments under the PPA, plus the reasonable costs of the non-defaulting Party arising as a result of such Event of Default, including the costs of entering into a new supply or sales arrangement. Any such calculations shall be based on reasonable assumptions as to future Generating Facility operations, differences between a replacement contract and the PPA, discount rate and similar considerations, as reasonably determined by the non-defaulting Party.
Indemnification	The PPA shall include customary indemnification obligations between the Parties including for liabilities related to energy once delivered to Buyer at the Point of Delivery.
Insurance	Seller shall be expected to maintain insurance in an amount customary for the industry.
Limitation of Liability	Unless expressly provided in the PPA, a Party's liability shall be limited to direct actual damages only, which direct actual damages shall be the sole and exclusive remedy and all other remedies or damages at law or equity are waived. Neither Party shall be liable to the other Party for consequential, incidental, punitive, exemplary or indirect damages, lost profits or other business interruption damages, whether such damages are allowed or provided by statute, in tort, under any indemnity provisions or otherwise except and only to the extent that any actual or liquidated damages expressly provided for in the PPA include an element of profit or other type of damages which are otherwise disclaimed and except to the extent required through indemnification on account of third party claims.
Dispute Resolution	Disputes shall proceed through judicial resolution. The Parties shall waive their rights to jury trial, and shall consent to jurisdiction in King County, Washington.
Governing Law	The PPA shall be governed by the laws of the State of Washington, without regard to conflicts of laws principles. Venue shall be in King County, Washington.
Assignment	Neither Party shall assign any of its rights or obligations under the PPA without the prior written consent of the other Party, which consent shall

not be unreasonably withheld, conditioned or delayed, except that either Party may, without the other Party's consent, (i) transfer, sell, pledge, encumber or assign the PPA or the revenues or proceeds thereof in connection with any financing, (ii) transfer or assign the PPA to an affiliate or (iii) transfer or assign the PPA to any person or entity succeeding to all or substantially all of the assets of such Party; provided that in the case of clauses (ii) or (iii) above, the assignee agrees to be bound by all terms and conditions. In addition, with respect to any proposed assignment by Seller: (a) either the assignee or its guarantor must possess the same or better credit rating as Seller, or provide credit support reasonably acceptable to Buyer; and (b) the assignee or its affiliates must have a minimum of three (3) years' experience in the clean energy generation and operation business, including owning, controlling or operating for at least three (3) years a minimum of five hundred (500) MW of clean energy generation capacity.

PUGET SOUND ENERGY

2020 All-Source RFP for Peak Capacity Resources:

Exhibit H. PSE Transmission Customer Consent Letter

EXHIBIT H. PSE TRANSMISSION CUSTOMER CONSENT LETTER

PSE Transmission Customer Consent Letter

_____ ("Customer") hereby voluntarily authorizes Puget Sound Energy's ("PSE") transmission department ("PSE Transmission") to share interconnection and transmission information with PSE's marketing function employees, including but not limited to those in Energy Supply Merchant ("PSE Merchant"):

All information, including both transmission and interconnection information, related to Customer's existing or proposed generating facility, as well as its integration into PSE transmission system.

PSE Transmission has not provided any preferences, either operational or rate-related, to Customer in exchange for Customer's authorization and consent to share transmission and interconnection information.

Customer understands that this authorization and consent shall be posted on PSE's OASIS website (https://www.oasis.oati.com/psei/index.html).

Customer

By: _____

Its: _____

Date: _____