



POWER RESOURCE OFFERING

EXCHANGE AND SALE OF SURPLUS OUTPUT OF THE LUCKY PEAK HYDROELECTRIC PLANT

PROJECT DESCRIPTION: The Lucky Peak hydroelectric generating plant is a three-unit, 101 MWp capacity hydroelectric project (Lucky Peak) located on the Boise River at the Lucky Peak Dam which is used for flood control and irrigation. A detailed project description and historical record of project performance is available by request.¹ Lucky Peak is interconnected with Idaho Power Company (IPCO) and geographically located near Boise, Idaho, with access to all major western trading hubs (Mid-C, COB, PV, Mead, Four Corners) under current Open Access Transmission Tariff (OATT) service.

Seattle City Light (SCLM) holds contractual rights to the net project output and seeks to optimize the value of the Lucky Peak resource through this energy exchange and sale of output as described below.

EXCHANGE AND SALE PRODUCT: The Buyer will receive the total output of the Lucky Peak.² Buyer will also be assigned transmission as described in the Transmission Section below for the term of the Exchange Agreement. In exchange for Lucky Peak output, SCL will receive a fixed amount of firm energy from the Buyer at Mid-Columbia (COLUMBIAMKT) in the amounts specified by the Bidder in the table below. The exchange quantity must be a minimum of 236,814 MWh per year.³

In order for the SCL Lucky Peak Exchange to meet BPA Firm resource definition, Buyer must supply a minimum of 177,416 MWh in the January to March time frame. The remainder of the firm energy shall be offered in the Q4 period. The Buyer will also pay SCL twelve or twenty-four equal monthly payments as defined in the Exchange Agreement depending the Term.

Historically, SCLM has received 100 MW RTC for January and February with 100 MW of HLH in March and 50 MW HLH in Q4. This year, the energy return pattern is up to each individual bidder. The only limitation is a 150 MW cap on HLH or LLH for any one month term.

TERM: Bidders may choose to bid on either a one-year term: January 1, 2016, through December 31, 2016, or a two-year term: January 1, 2016, through December 31, 2017. Bidders may submit two separate bids, one for each of these terms.

¹ Lucky Peak is not dispatchable outside of irrigation requirements. The historical record of project performance does not guarantee future project output, and specifically does not guarantee any minimum level of project output for calendar years 2016 or 2017.

² Plant output net of plant station service load.

³ 236,814 MWh is the Firm Output from the Lucky Peak Plant as specified in Section 2.1(12)(C) – Lucky Peak Project Specified Resource Amounts - BPA Contract No. 09PB-13102.

EXCHANGE and SALE AGREEMENT: SCL and the Buyer will enter into two concurrent WSPP transactions: one for the exchange of the Firm Output of Lucky Peak, and a second for the sale of electrical energy in excess of the Firm Output. An example of the Exchange and Sale transaction confirmations is attached.

DELIVERY POINTS:

To Buyer: Lucky Peak Service Point on the IPCO Transmission System (LYPK).

To SCL: Mid-Columbia (COLUMBIAMKT) or as may be mutually agreed by both parties in preschedule.

DELIVERY RATE:

To Buyer: Various, as decided by local irrigation requirements. The Buyer will take all megawatt hours produced by the project for calendar year 2016 and/or 2017.

To SCL: Average MW during the Term in the amounts described below:

SCL requires that the exchange energy delivered to SCL be shaped into the months of Jan – Feb and Nov – Dec. Bidders shall provide the shaped quantities of the exchange energy (in aMW) delivered to SCL in the tables below. Bidders may offer more than one returned shape.

TERM:	2016 and/or 2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
	HLH												
	LLH												

Heavy Load Hours (HLH) defined as Hours Ending 0700 through 2200 Monday through Saturday excluding NERC Holidays. Light Load Hours (LLH) defined as Hours Ending 0100 through 0600 and Hours Ending 2300 and 2400 Monday through Saturday and all day Sundays and NERC Holidays.

SCHEDULING: Buyer shall assume all obligations for scheduling the output of the Lucky Peak generation and scheduling of transmission. Buyer shall schedule the Lucky Peak generation and transmission in accordance with Idaho Power Company’s Open Access Transmission Tariff (OATT) and Business Practices.

DESIRED PRICE STRUCTURE: Bids should be expressed as a fixed annual payment that will be made in equal monthly payments to SCL for each month during the Term for purchase of energy in excess of the Firm Output, defined as Unplanned Output in the Confirmation Agreement.

TRANSMISSION: SCL has reserved 101 MW of yearly firm Point-to-Point (PTP) transmission service from Idaho Power with a Point of Receipt at Lucky Peak (LYPK) and a Point of Delivery at LaGrande substation. Concurrent with the Exchange and Sale transactions, SCL intends to reassign this

reservation as a Resale TSR on the IPCO OASIS as described in the IPCO business practices.⁴ Buyer will be responsible for any necessary redirects to alternate PORs and PODs. SCL expects to assign this transmission reservation at the IPCO tariff rate (currently \$1.95250/kW-month) during the Term of the Exchange and Sale.⁵ Bidders must certify that they understand that this assignment is part of the Exchange and Sale Agreement; subject to the selection of Transmission Strategy below.

As the Assignee, Buyer will be responsible for compliance with all applicable terms of the Idaho Tariff and the Idaho Business Practices that arise from SCL's reassignment of the Idaho Power firm Point-to-Point (PTP) transmission service to the Buyer and arise out of Buyer's use of the reassigned Idaho Power firm Point-to-Point (PTP) transmission service. Buyer will be responsible for: (1) acquiring and/or returning and/or payment of real power losses, and (2) acquisition and payment for all ancillary services associated with generation from the Lucky Peak project and Buyer's use of the reassigned Idaho Power firm PTP Transmission capacity. This includes but is not limited to: (1) Regulation and Frequency response, (2) Operating Reserve – Spinning Reserve Service, (3) Operating Reserve – Supplemental Reserve Service, and (4) Generation Imbalance Service.

Transmission Strategy: Seattle understands that the Idaho Transmission rates are currently in a state of flux and may change during the term of this Agreement. To evaluate potential bids, Seattle is asking each Bidder to choose one of three positions. 1) Bidder will pay all Idaho tariff transmission charges through the term of this Agreement, as filed and/or as changed. 2) Bidder will pay the existing rate on file today, for the term of this Agreement, plus half of any changes, positive or negative for the term of this Agreement. 3) Bidder will pay the existing rate on file today, for the term of this Agreement, but will not pay any tariff price changes throughout the term of this Agreement.

CREDIT: All proposals and structured arrangements are subject to SCLM credit and Risk Operating Committee approval and acceptance.

Environmental Attributes: All Environmental Attributes associated with Lucky Peak are being sold or included in this transaction. These EA are only for the duration of this exchange.

DUE DATE: Bids are due by 12:00 noon PPT on November 17, 2015 and must be valid through final execution of the Agreement. Winning bid will be notified by 5:00 pm PPT November 25, 2015. Proposals, using the attached worksheet, should be sent via e-mail to cory.anderson@seattle.gov. Questions can also be directed to Cory Anderson (cory.anderson@seattle.gov). An executed hard copy must be received by November 17, 2015 at 5:00 PM at one of the following addresses:

- Mailing address: P.O. Box 34023, Suite 3200, Seattle, WA 98124-4023
- Shipping address: 700 5th Avenue, Suite 3200, Seattle, WA 98104

⁴ [Section 11 – Resale or Transfer of Transmission Reservations](#) dated February 23, 2010. Please see the specific requirements of this business practice at 11.2: “The Assignee must have a valid resale service agreement (Idaho Power Tariff Attachment A-1) prior to scheduling the purchased transmission rights.”

⁵ Please note that IPC, as of the date of this RFP (date of release), has filed a request for clarification at FERC on the methodology of their formula rate calculation. The resulting FERC Order, once decided, may impact IPC's transmission rate for the current and future transmission rate periods. The FERC docket number is ER15-2292.

Lucky Peak Exchange and Sale Bidders Worksheet

Due Date: November 17, 2015
Please Return to Cory Anderson at
cory.anderson@seattle.gov
or fax (206) 386-4555

Bidder Company Name: _____

Bidder NERC Code: _____

Contact Person: _____

Contact email: _____

Contact phone: _____

Term (12 or 24 months): _____

Bid Price for Unplanned Output (\$/month): _____

Total Payment to SCL for Unplanned Output (total \$ for term): _____

Bidders shall state the shaped quantities of the exchange energy (in aMW) delivered to SCL in the tables below. The exchange quantity must be a minimum of 236,814 MWh per year. No energy returns in Q2-Q3. No period may use more than 150 MW for the exchange.

TERM:	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
	HLH												
	LLH												

TERM:	2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
	HLH												
	LLH												

