

**City of Seattle, City Light Department
Renewable Resources Request for Proposal
Response to Data Requests**

Q1. Assuming pricing is consistent with SCL goals, does SCL have a preference concerning the length of a power purchase contract? Are longer-term or shorter-term agreements preferred?

A1. No. City Light has no preference.

Q2. Does SCL have a preference concerning the method of pricing? Are fixed rates or variable rates more desirable? Are seasonal rates structures preferred or not?

A2. No. We expect to see a variety of price structures and will balance those with the terms and conditions.

Q3. Please define the periods considered to be on-peak and off-peak hours within the SCL service territory.

A3. Off-peak is defined as hour ending 0100 through hour ending 0600 and hour ending 2300 through hour ending 2400, Monday through Saturday, and 24-hours on Sundays and NERC holidays. On-peak is everything else.

Q4. Under Section I, B of the RFP, 4th paragraph, does SCL have a preference on the business structure attributes identified? What attributes are more, as well as less desirable or important to meet SCL's balancing of risks and rewards?

A4. As noted in the paragraph, City Light will consider a broad range of business structures.

Q5. Does SCL have a preferred or optimum project size in relation to the entire RFP aMW?

A5. Because City Light is interested in diversification of resources, our preferred project size is less than 100 aMW.

Q6. Are any of the selection criterion identified in Section IV of the RFP given a higher or lower weight of significance in the selection process or are each of the six criteria given equal weight? If significance is afforded, what is the order of significance of the criteria?

A6. We have not made that determination.

Q7. Please provide additional information on SCL's expected monthly energy and monthly peak hour surpluses and deficiencies forecasts for the next 20-year period.

A7. This level of information is not available. Generally City Light is surplus in May-July.

Q8. Please provide a list (and map if available) of all of SCL's existing points of interconnection with BPA and adjacent utility systems.

A8. City Light has points of interconnection with BPA at Boundary, Covington, Snohomish, Maple Valley, SnoKing, Scootney, Ringold, Glade, Bothell, La Grande, John Day. City Light has points of interconnection with Puget Sound Energy at Bothell, Talbot Hill, Cedar Falls, South Fork Tolt. City Light also has points of interconnection with Avista at Stratford, Bell, Box Canyon. Seattle also has an interconnection with Idaho Power at the Lucky Peak sub and Grant County PUD at Midway.

Q9. Please provide information concerning any seasonal constraints placed on SCL's system concerning limits on transmission, where the limits are typically located, and what the typical limits are?

A9. There are no seasonal transmission constraints on City Light's system.

Q10. What does SCL define as a "new" renewable resource? Is it a facility brought online post-2000, or could facilities brought online at earlier dates qualify as well? (In other words, has a specific year been established as a benchmark for new renewable resources?)

A10. A new renewable resource is defined as a resource that comes on-line after April 20, 2000.

Q11. Is SCL familiar with Canadian guidelines for green power, e.g., TerraChoice and/or EcoLogo (which has been replaced by TerraChoice)? If yes, would a facility certified according to these guidelines meet the desired SCL environmental characteristics for a renewable resource?

A11. Renewable resources are defined for this RFP as biomass, geothermal, hydroelectric, solar, landfill and wastewater treatment gas, or wind generation resources.

Q12. What technologies/processes are included under "biomass"? Or more in particular, would any technologies/processes not qualify because of undesirable environmental characteristics?

A12. Renewable resources with undesirable environmental characteristics will be evaluated accordingly.

Q13. Could copies of Seattle City Light's "fish first" policy and environmental policies be made available to BC Hydro? Or could you provide the environmental standards by which Seattle City Light would assess hydro projects?

A13. City Light policy is generally outlined in our licensing agreements. Fish first means that in setting flows on the Skagit River we first work to meet the needs of salmon and steelhead by setting flows to protect redds (keeping them watered) and preventing juvenile fish from being stranded. City Light environmental policy statement is as follows:

Seattle City Light is committed to operating in a manner that is compatible with the long-term sustainability of the ecosystems which we affect. Because of this, environmental stewardship is one of our core organizational objectives and the responsibility of all Seattle City Light employees. We believe that sound environmental performance is a key component of sound business performance and, as such, it represents a value-added benefit to our citizen-owners and our community. Our commitment is demonstrated in the following policy statement.

- Comply with all applicable environmental laws and regulations, and corporate policies.
- Manage our operations to avoid or minimize impacts to the ecosystems we depend upon.
- Identify environmental objectives and targets, which represent performance beyond strict regulatory compliance, and strive to meet or exceed them.
- Monitor our environmental performance through regular evaluations and reset targets and objectives periodically.
- Reduce the quantity and toxicity of materials used and waste generated from our facilities and operations through source reduction, reuse, or recycling.
- Promote and support the efficient use of materials and resources, including water and electricity, in all phases of a facility's life.
- Promote our superior environmental performance to maximize strategic business advantages where applicable.
- Consider environmental costs, risks, and impacts when making planning, contracting, purchasing, and operating decisions.
- Seek the commitment of all employees to environmental stewardship through communication, training and support for employee leadership.
- Be a leader on regional environmental issues, working cooperatively with other organizations to promote common environmental objectives.
- Communicate this policy and our environmental performance to employees, citizen-owners, and the public.
- Involve our employees and citizen-owners in improving our environmental performance.
- Continuously improve the effectiveness of our environmental management program.

We evaluate potential new energy resources both with qualitative assessments and with environmental externality values (monitized values). High impacts that relate to hydro

include net impacts on anadromous fish; net impacts on threatened or endangered species; net impact to unique resources such as pristine areas, wetlands, wilderness areas, National Parks, etc.; sited in a "protected area;" and loss of significant cultural/archeological resources.

Q14. What does Seattle City Light mean by "direct and indirect" environmental impacts and "direct and indirect" environmental benefits in the RFP – particularly for small hydro? Could specific examples or standards be given to elaborate?

A14. "Direct and indirect environmental impacts" are the impacts associated with the project. For hydro, they include fish impacts, wildlife impacts including loss of habitat, recreation, cultural/archeological, changes in hydrology, water quality, erosion, aesthetic, etc. Indirect impacts can be related to fuel extraction or production (e.g., biomass), but there could be indirect hydro impacts. Benefits might include mitigation and enhancement done for the project or an alteration that benefits the environment such as a landfill gas project that burns methane that might otherwise have been released to the atmosphere.

Q15. Can City Light accept the full 100 aMW by December 31, 2001? This corresponds with the expiration date of the Production Tax Credit (PTC) for wind power. If not, then how many aMW can City Light accept by that date, and would the balance be accepted over what period of years?

A15. There is nothing that precludes City Light from contracting for 100 aMW of wind or any other resource by December 31, 2001.

Q16. Section II k, Transmission. We would like more information about City Light's preferred interconnection path. Could you supply a transmission map with optimum locations for interconnection? Can City Light interconnect with the PacifiCorp grid or would it be in conjunction with the BPA grid? Does City Light already have interconnection agreements with BPA? Where would City Light prefer to take delivery?

A16. City Light interconnects with the Bonneville Power Administration and Puget Sound Energy. City Light can negotiate interconnection agreements with others. City Light can take delivery wherever there is assurance of delivery to Seattle's service territory.

Q17. If 100 megawatts of solar power were available on either a daytime mode only, or a dispatchable (24-hour) basis, what price would Seattle be willing to pay? Would Seattle be willing to pay any premium for power over any portion of the day and if so, what would that be?

A17. The market price for power during heavy-load periods is typically higher than for light-load periods.

Q18. We want to deliver power to the eastern end of the BPA system. BPA has told us that there is no firm path to move power from the east to Seattle because the firm

transmission capacity has been committed to others. Does Seattle have a firm transmission commitment to move power from eastern BPA to Seattle which bidders can utilize?

A18. The eastern end of the BPA system is in Montana. We do not have any BPA firm transmission rights in Montana or Idaho. Seattle only has commitments for transmission to transmit power from our existing resources. There generally are periods when the transmission is not being fully utilized.