



## Department of Energy

Bonneville Power Administration  
P.O. Box 3621  
Portland, Oregon 97208-3621

FREEDOM OF INFORMATION ACT PROGRAM

December 31, 2015

In reply refer to: FOIA #BPA-2015-00475-F

Ben Tansey, Senior Contributing Editor  
Energy NewsData Publications  
3400 25<sup>th</sup> Avenue W, #401  
Seattle, WAS 98199

Mr. Tansey:

This is a partial response to your request for Bonneville Power Administration (BPA) records under the Freedom of Information Act (FOIA), 5 U.S.C. § 552. Your request was received in our office on January 8, 2015, with an acknowledgement letter sent to you on January 23, 2015.

### **You requested:**

1. Copies of each of the bilateral settlements BPA signed with eight parties regarding the parties' damages claims under BPA's Environmental Redispatch Policy. In an email sent to me Jan. 6, 2015, BPA spokesman Doug Johnson wrote: "We have reached agreement with all eight parties: Iberdrola, Cannon Power, NextEra, EDP Renewables, PacifiCorp, PGE, Puget Sound Energy and Eurus Energy." I request copies of each of these settlement agreements.
2. I also request copies of any material disclosing and/or detailing the total amount of damages each of these parties originally claimed during the settlement negotiations.

### **Response:**

After conducting a thorough search of paper and electronic records in General Counsel Office, in particular Barry Bennett and Allen Chan, we have located 455 pages of records responsive to your request for "(2) material disclosing and/or detailing the total amounts of damages of each of these settlement agreements negotiations" (First Partial Release). Please note that this includes 'cover pages' inserted to distinguish among the documents pertaining to each of the eight parties involved in those settlement agreements. We are releasing 16 pages in full and releasing 439 pages with redactions under Exemption(s) 4 and 5.

The Freedom of Information Act generally requires the release of all government records upon request. However, FOIA permits withholding certain, limited information that falls under one or more of nine statutory exemptions (5 U.S.C. §§ 552(b)(1-9)).

Exemption 4 protects “trade secrets and commercial or financial information obtained from a person and privileged and confidential” (5 U.S.C. § 552(b)(4)). The existence of Exemption 4 encourages businesses and other entities to voluntarily furnish useful commercial or financial information, and provides protection from competitive harm to submitters who are required to furnish information to the government.

Information is considered commercial or financial in nature if it relates to business or trade. Here, the information is confidential, and therefore must be redacted – if its release would impair BPA’s ability to obtain similar, necessary information in the future. The information is “obtained from a person” when it has been provided to the government by an individual or a wide range of entities including corporations and state and foreign governments. The information at issue in this request was provided by EDP Renewables North America LLC., Eurus Energy America Corporation, Iberdrola Renewables, PacifiCorp, Portland General Electric Company, and Puget Sound Energy Inc.

The information at issue in this case was voluntarily submitted to BPA. Information is considered to be voluntarily submitted when it is not required to be provided by statute, regulation or informal mandate. Here the information was submitted voluntarily in the settlement negotiations. Because the information was voluntarily submitted, it can be withheld under Exemption 4 if it would not customarily be released to the public by EDP Renewables North America LLC., Eurus Energy America Corporation, Iberdrola Renewables, PacifiCorp, Portland General Electric Company, and Puget Sound Energy Inc.’s has shown that this type of information is not generally made available to the public by itself or by similar businesses. Therefore, it is confidential, and we are withholding it under Exemption 4.

Exemption 5 protects “inter-agency or intra-agency memorandums or letters which would not be available by law to a party other than an agency in litigation with the agency” (5 U.S.C. § 552(b)(5)). In plain language, the exemption protects privileged documents. The deliberative process privilege protects the decision-making processes of government agencies. Records protected under this privilege must be (1) pre-decisional – created before the adoption of an agency policy or course of action, and (2) deliberative – making recommendations or expressing opinions on a legal or policy matter. In this case, we assert Exemption 5 to protect internal BPA deliberations about the financial information provided to BPA.

Records protected by Exemption 5’s pre-decisional and deliberative privilege may be discretionarily released. We considered discretionary release in accordance with the guidelines set forth in Attorney General Holder’s March 19, 2009, FOIA Memorandum. Agencies may decline to discretionarily release material when they reasonably foresee that disclosure would harm an interest protected by the statutory exemption. The deliberative process privilege protects the decision-making processes of government agencies, and Exemption 5 encourages open, frank discussions on matters of policy and protects against public confusion and the premature disclosure of proposed policies. Disclosure of the protected draft material and internal discussions would have a chilling effect on future BPA discussions and decisions, and we decline to discretionarily release this material.

BPA is anticipating a Second and Final Release on February 26, 2016 of records responsive to “(1) Copies of each of the bilateral settlements BPA signed with eight parties regarding the parties’ damages claims under BPA’s Environmental Redispatch Policy. In an email sent to me Jan. 6, 2015, BPA spokesman Doug Johnson wrote: ‘We have reached agreement with all eight parties: Iberdrola, Cannon Power, NextEra, EDP Renewables, PacifiCorp, PGE, Puget Sound Energy and Eurus Energy.’ I request copies of each of these settlement agreements).”

If you have any questions, please contact E. Thanh Knudson, Case Coordinator (DEA Onsite Contractor), at 503-230-5221.

Sincerely,

A handwritten signature in black ink, appearing to read "C. M. Frost", written over a horizontal line.

C. M. Frost  
Freedom of Information/Privacy Act Officer

Enclosure: Responsive documents

EDP Renewables North America LLC.  
Responsive Documents

**Knudson,Thanh (CONTR) - CGC-B1**

---

**From:** Bennett,Barry (BPA) - LT-7  
**Sent:** Thursday, August 07, 2014 2:38 PM  
**To:** Adler,David J (BPA) - LP-7; Chan,Allen C (BPA) - LT-7; Kerns,Steven R (BPA) - PGSP-5; Bartlett,Kristine L (BPA) - PGSP-5  
**Subject:** FW: Privileged & Confidential Communication -- EDPR NA Environmental Redispatch Claim information  
**Attachments:** EDPR NA ER Claim 20140807.pdf

Just got this in—EDPR's claim for damages.

A couple of interesting things and a couple of questions for Steve or Kristine at the end:

(b) (4), (b) (5)

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**From:** Chambers, Meredith [<mailto:Meredith.Chambers@edpr.com>]  
**Sent:** Thursday, August 07, 2014 2:19 PM  
**To:** Bennett,Barry (BPA) - LT-7  
**Cc:** Estes III, John N. ([John.Estes@skadden.com](mailto:John.Estes@skadden.com)); Walter, Ann; Hayes, Brian; Roberts, Roby  
**Subject:** Privileged & Confidential Communication -- EDPR NA Environmental Redispatch Claim information

Privileged & Confidential Communication Subject to Settlement Privilege & FRE 408

Mr. Bennett,

In preparation for the August 15, 2014 settlement discussions regarding the Environmental Redispatch protocol, attached to this email is a letter that outlines the claim of EDP Renewables North America LLC. A paper original of the letter is being sent to your office via overnight delivery.

We anticipate that Brian Hayes, Executive Vice President, Asset Operations; Ann Walter, Asset Manager, Western Region; and Roby Roberts, Director of Communications and Governmental Affairs will attend the meeting in person. Our outside counsel, John Estes, will participate via telephone.

Please let us know if you have any questions or require further information. I will be out of the office during the next two weeks, so I have included alternate contact information in the letter and have copied the anticipated attendees on this email so that my absence does not delay communication between EDPR and BPA.

Our team looks forward to working with you.

Regards,  
Meredith



**Meredith Berger Chambers**

EDP Renewables North America LLC

Associate General Counsel

808 Travis Street, Suite 700, Houston, Texas 77002

Direct 713.265.0327 Cell 832.289.8334 Fax 713.356.2500

[www.edpr.com](http://www.edpr.com) [www.horizonwind.com](http://www.horizonwind.com)

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**PRIVILEGED & CONFIDENTIAL COMMUNICATION SUBJECT TO THE SETTLEMENT PRIVILEGE AND  
SUBJECT TO FEDERAL RULE OF EVIDENCE 408**

August 7, 2014

Barry Bennett  
Office of the General Counsel  
Bonneville Power Administration  
905 NE 11<sup>th</sup> Avenue, LC-7  
Portland, OR 97232

bbennett@bpa.gov

Re: Settlement discussions regarding *Cannon Power Group, LLC, et al., v.  
Bonneville Power Admin*

Dear Mr. Bennett:

(b)(4)

Our team looks forward to visiting with you further on August 15 and working with BPA on this settlement matter.

If you have any questions or require further information, please feel free to contact me at the email or phone number below, or alternatively, Ann Walter, Asset Manager, Western Region, at [ann.walter@edpr.com](mailto:ann.walter@edpr.com) or (713) 265-0253.

Sincerely,

A handwritten signature in blue ink that reads "Meredith Berger Chambers". The signature is written in a cursive, flowing style.

Meredith Berger Chambers  
Associate General Counsel  
EDP Renewables North America LLC  
[Meredith.Chambers@edpr.com](mailto:Meredith.Chambers@edpr.com)  
Tel. 713-265-0327

cc: Brian Hayes  
Andrew Young  
John Estes  
Ann Walter

Eurus Energy America Corporation  
Responsive Documents

**CONFIDENTIAL SETTLEMENT COMMUNICATION**

**VIA E-MAIL (BBENNETT@BPA.GOV) AND FIRST CLASS MAIL**

November 4, 2014

Barry Bennett  
Office of General Counsel  
Bonneville Power Administration  
905 NE 11th Avenue  
Portland, OR 97232

Dear Barry:



(b)(4)

(b)(4)

(b) (4)

(b) (4)

Very truly yours,

**/s/ Jay T. Waldron**

Jay T. Waldron  
Schwabe, Williamson & Wyatt PC  
1211 SW Fifth Avenue, Suite 1900  
Portland, OR 97204  
Attorney for PacifiCorp

**/s/ David White**

David White  
Portland General Electric Company  
121 SW Salmon Street, 1WTC1301  
Portland, OR 97204  
Attorney for PGE

**/s/ Jason T. Kuzma**

Jason T. Kuzma  
Perkins Coie LLP  
10885 N.E. Fourth Street, Suite 700  
Bellevue, Washington 98004-5579  
Attorney for PSE

**/s/ Thomas J. McCormack**

Thomas J. McCormack  
Chadbourne & Parke LLP  
1301 Avenue of the Americas  
New York, NY 10019-6022  
Attorney for Eurus

**Knudson,Thanh (CONTR) - CGC-B1**

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**From:** Bennett,Barry (BPA) - LT-7  
**Sent:** Monday, November 17, 2014 1:52 PM  
**To:** 'Kobak, Sara'  
**Cc:** 'Waldron, Jay'; 'Erb, Jeff (Jeff.Erb@PacifiCorp.com)'; 'Cannon, Patrick (Patrick.Cannon@PacifiCorp.com)'; 'Apperson, John {Mkt Function}'; 'Kelly, Jennifer'; 'David White (David.White@pgn.com)'; 'Stefan Brown'; 'Kuzma, Jason (Perkins Coie)' (JKuzma@perkinscoie.com); 'Kari, Don (Perkins Coie)' (DKari@perkinscoie.com); 'cpignatelli@chadbourne.com'; 'McCormack, Thomas J.'; 'Syravong, Kay'; 'Carr, Kate B.'; Chan,Allen C (BPA) - LT-7; Adler,David J (BPA) - LP-7; Winner,Scott W (BPA) - PGST-5; Kerns,Steven R (BPA) - PGS-5; Stermer,Anna M (BPA) - PGSP-5  
**Subject:** RE: ER Damages - Joint Settlement Communication

Sara—

Thanks for the response. Here is where we are:

(b) (4)

(b)(4)

I will check on schedules for a meeting during the week of December 1.

Regards,

Barry Bennett

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**From:** Kobak, Sara [<mailto:SKobak@SCHWABE.com>]

**Sent:** Tuesday, November 04, 2014 8:51 AM

**To:** Bennett, Barry (BPA) - LT-7

**Cc:** Waldron, Jay; Erb, Jeff ([Jeff.Erb@PacifiCorp.com](mailto:Jeff.Erb@PacifiCorp.com)); Cannon, Patrick ([Patrick.Cannon@PacifiCorp.com](mailto:Patrick.Cannon@PacifiCorp.com)); Apperson, John {Mkt Function}; Kelly, Jennifer; David White ([David.White@pgn.com](mailto:David.White@pgn.com)); 'Stefan Brown'; 'Kuzma, Jason (Perkins Coie)' ([JKuzma@perkinscoie.com](mailto:JKuzma@perkinscoie.com)); 'Kari, Don (Perkins Coie)' ([DKari@perkinscoie.com](mailto:DKari@perkinscoie.com)); [cpignatelli@chadbourne.com](mailto:cpignatelli@chadbourne.com);

McCormack, Thomas J.; Syravong, Kay; Carr, Kate B.

**Subject:** ER Damages - Joint Settlement Communication

Hi Barry - Attached is a joint settlement letter on ER damages from PacifiCorp, PGE, PSE, and Eurus. Our apologies for the delay in getting back to you, and thank you for your continued efforts at helping us to resolve this matter. Please let us know when you have availability to meet to discuss our proposal. Thank you again - Sara

SARA KOBAK | Attorney

SCHWABE, WILLIAMSON & WYATT

1211 SW 5th Ave., Ste. 1900 Portland, OR 97204

Direct: 503-796-3735 | Fax: 503-796-2900 | Email: [skobak@schwabe.com](mailto:skobak@schwabe.com)

Assistant: Kate Carr | Direct: 503-796-2067 | Email: [kcarr@schwabe.com](mailto:kcarr@schwabe.com)

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# Iberdrola Renewables Responsive Documents

**Knudson,Thanh (CONTR) - CGC-B1**

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**From:** Bennett,Barry (BPA) - LT-7  
**Sent:** Friday, August 08, 2014 2:58 PM  
**To:** Chan,Allen C (BPA) - LT-7; Kerns,Steven R (BPA) - PGSP-5; Bartlett,Kristine L (BPA) - PGSP-5  
**Cc:** Adler,David J (BPA) - LP-7  
**Subject:** FW: ER Settlement discussions - confidential - for settlement purposes only  
**Attachments:** ER Settlement cover letter.PDF; ERD Data Summary (as sent to BPA 2014 08 08).xlsx

**(b)(4), (b)(5)**

**(b)(6)** in a few minutes so unless something else comes in immediately I will have to forward the rest Monday—though I see this one and the last one was also sent to either Allen or Dave.

---

**From:** Nguyen, Toan [<mailto:Toan.Nguyen@iberdrolaren.com>]  
**Sent:** Friday, August 08, 2014 2:49 PM  
**To:** Bennett,Barry (BPA) - LT-7; Adler,David J (BPA) - LP-7  
**Cc:** Skidmore, Lara L.; Hites, Jasmine C.; Lackey, Benjamin; Lynch, Kevin; Beane, Laura; Froese, Gerry; Kester, Erin; Fischer, Jon  
**Subject:** ER Settlement discussions - confidential - for settlement purposes only

FOR SETTLEMENT PURPOSES ONLY  
CONFIDENTIAL AND PRIVILEGED

Attached, please find Iberdrola Renewables' cover letter laying out our damage claims resulting from the Bonneville Power Administration's implementation of its Environmental Redispatch and Negative Pricing Policies. We are also the data summary to support the calculation of our damage claims. Please review this information and let us know if you have any questions or concerns. Thank you for your consideration of this matter.



**Toan Nguyen**  
**Senior Counsel**  
Office of the General Counsel  
1125 NW Couch St. Suite 700, Portland, OR 97209  
503-241-3204 Office; 503-478-6395 Fax.



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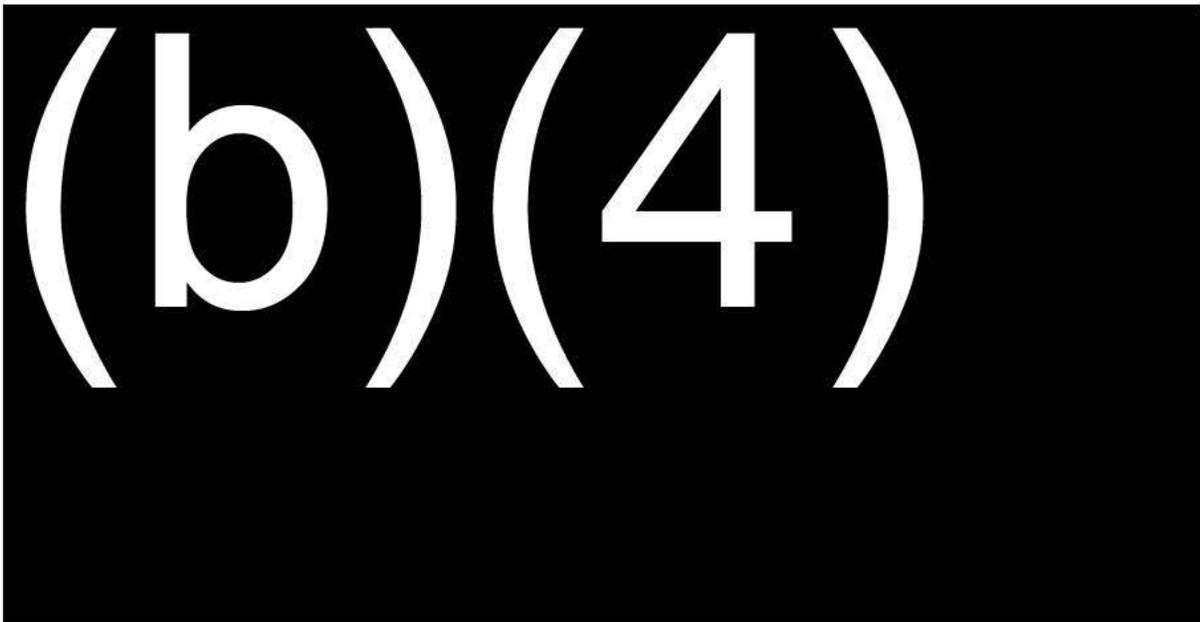
=====



Mr. Barry Bennett  
Bonneville Power Administration  
Office of General Counsel  
905 NE 11<sup>th</sup> Avenue, LC-7  
Portland, OR 97232

8th of August, 2014

Dear Barry,



Thank you for your time and consideration of this matter and we look forward to discussing this further with you at your convenience.

Sincerely,

IBERDROLA RENEWABLES, LLC

Toan Nguyen  
Senior Counsel

Iberdrola Renewables, LLC  
Enter address here, City, State 00000  
Telephone (000) 000-0000; Fax (000) 000-0000  
[www.iberdrolarenewables.us](http://www.iberdrolarenewables.us)



cc: W. B. Lackey, Iberdrola Renewables  
K. Lynch, Iberdrola Renewables  
G. Froese, Iberdrola Renewables  
L. Beane, Iberdrola Renewables  
J. Fischer, Iberdrola Renewables  
E. Kester, Iberdrola Renewables  
L. Skidmore, Troutman Sanders  
J. Hites, Troutman Sanders

**Iberdrola Renewables, LLC**  
Enter address here, City, State 00000  
Telephone (000) 000-0000; Fax (000) 000-0000  
[www.iberdrolarenewables.us](http://www.iberdrolarenewables.us)

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**Knudson,Thanh (CONTR) - CGC-B1**

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**From:** Bennett,Barry (BPA) - LT-7  
**Sent:** Tuesday, September 23, 2014 2:53 PM  
**To:** Chan,Allen C (BPA) - LT-7; Adler,David J (BPA) - LP-7  
**Subject:** Call from Iberdrola

FYI—

(b)(4), (b)(5)

## Knudson,Thanh (CONTR) - CGC-B1

---

**From:** Bennett,Barry (BPA) - LT-7  
**Sent:** Tuesday, September 23, 2014 11:36 AM  
**To:** Chan,Allen C (BPA) - LT-7  
**Subject:** FW: Interest on damages

FYI Lara's email below.

---

**From:** Bennett,Barry (BPA) - LT-7  
**Sent:** Thursday, September 11, 2014 4:15 PM  
**To:** 'Skidmore, Lara L.'  
**Cc:** 'Lynch, Kevin'; 'Lackey, Benjamin'; 'Froese, Gerry'; 'Hites, Jasmine C.'; Adler,David J (BPA) - LP-7  
**Subject:** RE: Interest on damages

Lara—

Thanks again for the email. I've reviewed the materials you cited and some additional material. Your email has really helped to frame this issue and move us forward.

However, our position on interest is unchanged. I do not believe interest is recoverable in litigation over environmental redispach, or that the REP situation is comparable.

To respond briefly to the points in your email:

(b) (4)

(b)(4)

(b)(4)

Regards,

Barry

---

**From:** Skidmore, Lara L. [<mailto:Lara.Skidmore@troutmansanders.com>]

**Sent:** Tuesday, September 09, 2014 6:28 PM

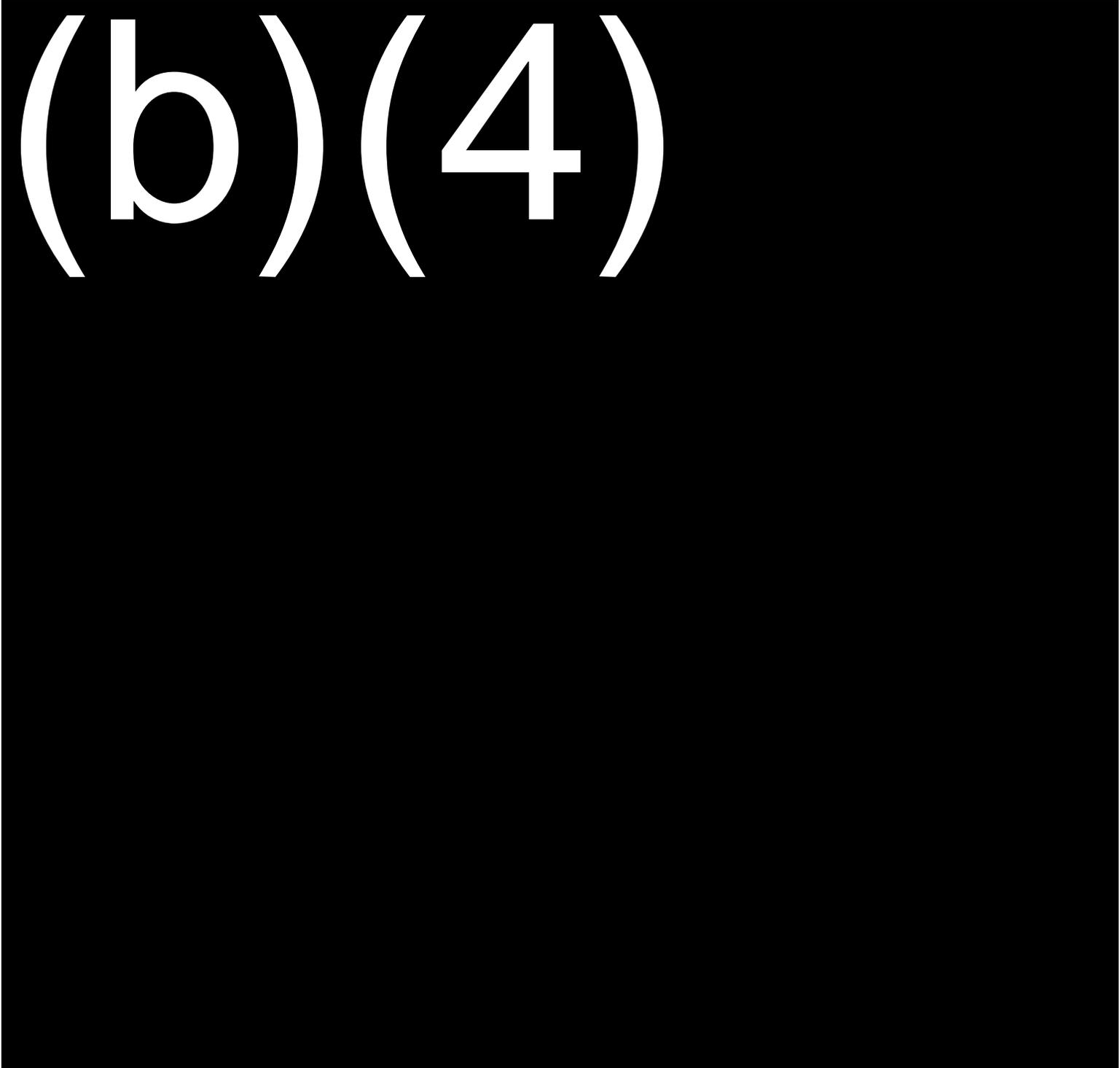
**To:** Bennett, Barry (BPA) - LT-7

**Cc:** 'Lynch, Kevin'; Lackey, Benjamin; Froese, Gerry; Skidmore, Lara L.; Hites, Jasmine C.

**Subject:** Interest on damages

*Privileged Settlement Communication/FRE 408*

Barry,



(b)(4)

(b) (4)

Thanks,  
Lara

*Lara L. Skidmore*  
*Troutman Sanders LLP*  
*805 SW Broadway, Suite 1560*  
*Portland, OR 97205-3326*  
*Ph: 503-290-2310*  
*Cell: 503-459-7970*  
[lara.skidmore@troutmansanders.com](mailto:lara.skidmore@troutmansanders.com)

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PacifiCorp  
Responsive Documents

## Knudson,Thanh (CONTR) - CGC-B1

---

**From:** Bennett,Barry (BPA) - LT-7  
**Sent:** Friday, August 08, 2014 11:57 AM  
**To:** Kerns,Steven R (BPA) - PGSP-5; Bartlett,Kristine L (BPA) - PGSP-5; Stermer,Anna M (BPA) - PGSP-5  
**Cc:** Adler,David J (BPA) - LP-7; Chan,Allen C (BPA) - LT-7  
**Subject:** FW: Confidential Mediation Submission - ER Damages  
**Attachments:** Mediation Letter.pdf; ER DATA FOR 2011\_8-06-2014.xlsx

PAC's claim. Looks like the same theory.

---

**From:** Kobak, Sara [<mailto:SKobak@SCHWABE.com>]  
**Sent:** Friday, August 08, 2014 11:31 AM  
**To:** Bennett,Barry (BPA) - LT-7; Adler,David J (BPA) - LP-7  
**Cc:** Waldron, Jay; 'Erb, Jeff ([Jeff.Erb@PacifiCorp.com](mailto:Jeff.Erb@PacifiCorp.com))'; 'Obenchain, Phil ([Phil.Obenchain@PacifiCorp.com](mailto:Phil.Obenchain@PacifiCorp.com))'; 'Kelly, Jennifer'; 'Apperson, John {Mkt Function}'; Carr, Kate B.; Syravong, Kay  
**Subject:** Confidential Mediation Submission - ER Damages

Hi Barry and Dave -

Attached is PacifiCorp's confidential mediation submission to BPA on its ER damages. We also will be sending this to Barry by U.S. First-Class mail. We look forward to our meeting on August 15, and please do not hesitate to contact Jay Waldron or me if you have any questions in advance of our meeting date.

Thank you - Sara

SARA KOBAK | Attorney  
SCHWABE, WILLIAMSON & WYATT  
1211 SW 5th Ave., Ste. 1900 Portland, OR 97204  
Direct: 503-796-3735 | Fax: 503-796-2900 | Email: [skobak@schwabe.com](mailto:skobak@schwabe.com)  
Assistant: Kate Carr | Direct: 503-796-2067 | Email: [kcarr@schwabe.com](mailto:kcarr@schwabe.com)  
Legal advisors for the future of your business(r)  
[www.schwabe.com](http://www.schwabe.com)

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and/or shred the materials and any attachments and are hereby notified that any disclosure, copying or distribution of this communication, or the taking of any action based on it, is strictly prohibited. Thank you.

**JAY T. WALDRON**  
Direct Line: 503-796-2945  
E-Mail: [jwaldron@schwabe.com](mailto:jwaldron@schwabe.com)

August 8, 2014

**CONFIDENTIAL MEDIATION STATEMENT**

**VIA E-MAIL ([BBENNETT@BPA.GOV](mailto:BBENNETT@BPA.GOV)) AND FIRST CLASS MAIL**

Barry Bennett  
Office of General Counsel  
Bonneville Power Administration  
905 NE 11th Avenue  
Portland, OR 97232

RE: PacifiCorp's Damages from ER Policy  
Our File No.: 123961-182988

Dear Barry:

(b) (4)

(b) (4)

Very truly yours,

/s/ Jay T. Waldron

Jay T. Waldron

JTW:fap

cc: Jeff Erb  
Phil Obenchain  
Jennifer Kelly  
John Apperson



(b)(4)

**CONFIDENTIAL SETTLEMENT COMMUNICATION**

**VIA E-MAIL (BBENNETT@BPA.GOV) AND FIRST CLASS MAIL**

November 4, 2014

Barry Bennett  
Office of General Counsel  
Bonneville Power Administration  
905 NE 11th Avenue  
Portland, OR 97232

Dear Barry:

(b) (4)

(b)(4)

(b)(4)

(b) (4)

(b)(4)

Very truly yours,

**/s/ Jay T. Waldron**

Jay T. Waldron  
Schwabe, Williamson & Wyatt PC  
1211 SW Fifth Avenue, Suite 1900  
Portland, OR 97204  
Attorney for PacifiCorp

**/s/ David White**

David White  
Portland General Electric Company  
121 SW Salmon Street, 1WTC1301  
Portland, OR 97204  
Attorney for PGE

**/s/ Jason T. Kuzma**

Jason T. Kuzma  
Perkins Coie LLP  
10885 N.E. Fourth Street, Suite 700  
Bellevue, Washington 98004-5579  
Attorney for PSE

**/s/ Thomas J. McCormack**

Thomas J. McCormack  
Chadbourne & Parke LLP  
1301 Avenue of the Americas  
New York, NY 10019-6022  
Attorney for Eurus

**Knudson,Thanh (CONTR) - CGC-B1**

---

**From:** Bennett,Barry (BPA) - LT-7  
**Sent:** Monday, November 17, 2014 1:52 PM  
**To:** 'Kobak, Sara'  
**Cc:** 'Waldron, Jay'; 'Erb, Jeff (Jeff.Erb@PacifiCorp.com)'; 'Cannon, Patrick (Patrick.Cannon@PacifiCorp.com)'; 'Apperson, John {Mkt Function}'; 'Kelly, Jennifer'; 'David White (David.White@pgn.com)'; 'Stefan Brown'; 'Kuzma, Jason (Perkins Coie)' (JKuzma@perkinscoie.com); 'Kari, Don (Perkins Coie)' (DKari@perkinscoie.com); 'cpignatelli@chadbourne.com'; 'McCormack, Thomas J.'; 'Syravong, Kay'; 'Carr, Kate B.'; Chan,Allen C (BPA) - LT-7; Adler,David J (BPA) - LP-7; Winner,Scott W (BPA) - PGST-5; Kerns,Steven R (BPA) - PGS-5; Stermer,Anna M (BPA) - PGSP-5  
**Subject:** RE: ER Damages - Joint Settlement Communication

Sara—

Thanks for the response. Here is where we are:

(b) (4)

(b)(4)

I will check on schedules for a meeting during the week of December 1.

Regards,

Barry Bennett

---

**From:** Kobak, Sara [<mailto:SKobak@SCHWABE.com>]

**Sent:** Tuesday, November 04, 2014 8:51 AM

**To:** Bennett, Barry (BPA) - LT-7

**Cc:** Waldron, Jay; Erb, Jeff ([Jeff.Erb@PacifiCorp.com](mailto:Jeff.Erb@PacifiCorp.com)); Cannon, Patrick ([Patrick.Cannon@PacifiCorp.com](mailto:Patrick.Cannon@PacifiCorp.com)); Apperson, John {Mkt Function}; Kelly, Jennifer; David White ([David.White@pgn.com](mailto:David.White@pgn.com)); 'Stefan Brown'; 'Kuzma, Jason (Perkins Coie)' ([JKuzma@perkinscoie.com](mailto:JKuzma@perkinscoie.com)); 'Kari, Don (Perkins Coie)' ([DKari@perkinscoie.com](mailto:DKari@perkinscoie.com)); [cpignatelli@chadbourne.com](mailto:cpignatelli@chadbourne.com);

McCormack, Thomas J.; Syravong, Kay; Carr, Kate B.

**Subject:** ER Damages - Joint Settlement Communication

Hi Barry - Attached is a joint settlement letter on ER damages from PacifiCorp, PGE, PSE, and Eurus. Our apologies for the delay in getting back to you, and thank you for your continued efforts at helping us to resolve this matter. Please let us know when you have availability to meet to discuss our proposal. Thank you again - Sara

SARA KOBAK | Attorney

SCHWABE, WILLIAMSON & WYATT

1211 SW 5th Ave., Ste. 1900 Portland, OR 97204

Direct: 503-796-3735 | Fax: 503-796-2900 | Email: [skobak@schwabe.com](mailto:skobak@schwabe.com)

Assistant: Kate Carr | Direct: 503-796-2067 | Email: [kcarr@schwabe.com](mailto:kcarr@schwabe.com)

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Portland General Electric Company  
Responsive Documents

## **Knudson,Thanh (CONTR) - CGC-B1**

---

**From:** David White <David.White@pgn.com>  
**Sent:** Friday, August 08, 2014 2:48 PM  
**To:** Chan,Allen C (BPA) - LT-7; Bennett,Barry (BPA) - LT-7  
**Cc:** Stefan Brown; Shawn Davis; Scott Seidman (scott.seidman@tonkon.com)  
**Subject:** ER Settlement Conference  
**Attachments:** Damages Calculation.docx; ER 2011 Damages Estimate.xlsx

### **Confidential Settlement Communication – Subject to Fed. R. Evid. 408**

Barry and Allen,

In preparation for the ER settlement conference next week, I am attaching an excel spreadsheet and summary document estimating Portland General Electric Company's damages in 2011 as a result of the environmental redispach policy.

**David White | Portland General Electric Company**  
503-464-7701 | C. 503-680-6382  
[david.white@pgn.com](mailto:david.white@pgn.com)

Settlement Communication – Subject to Federal Rule of Evidence 408

August 8, 2014

Portland General Electric Company – 2011 Environmental Re-dispatch Damages Estimate

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(b)(4)



**CONFIDENTIAL SETTLEMENT COMMUNICATION**

**VIA E-MAIL (BBENNETT@BPA.GOV) AND FIRST CLASS MAIL**

November 4, 2014

Barry Bennett  
Office of General Counsel  
Bonneville Power Administration  
905 NE 11th Avenue  
Portland, OR 97232

Dear Barry:

This letter is submitted jointly by PacifiCorp, Portland General Electric Company (PGE), Puget Sound Energy, Inc. (PSE), and Eurus Combine Hills II LLC (Eurus) concerning settlement of damages from BPA's implementation of its Environmental Redispatch (ER) program. The enclosed information is confidential and is being shared with BPA with the understanding that the information is subject to settlement privileges and confidentiality protections.

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After you have had a chance to review this settlement proposal, please let us how we best can resolve this matter. If you have any questions about the information in this letter, please also do not hesitate to contact us.

Very truly yours,

**/s/ Jay T. Waldron**

Jay T. Waldron  
Schwabe, Williamson & Wyatt PC  
1211 SW Fifth Avenue, Suite 1900  
Portland, OR 97204  
Attorney for PacifiCorp

**/s/ David White**

David White  
Portland General Electric Company  
121 SW Salmon Street, 1WTC1301  
Portland, OR 97204  
Attorney for PGE

**/s/ Jason T. Kuzma**

Jason T. Kuzma  
Perkins Coie LLP  
10885 N.E. Fourth Street, Suite 700  
Bellevue, Washington 98004-5579  
Attorney for PSE

**/s/ Thomas J. McCormack**

Thomas J. McCormack  
Chadbourne & Parke LLP  
1301 Avenue of the Americas  
New York, NY 10019-6022  
Attorney for Eurus

**Knudson,Thanh (CONTR) - CGC-B1**

---

**From:** Bennett,Barry (BPA) - LT-7  
**Sent:** Monday, November 17, 2014 1:52 PM  
**To:** 'Kobak, Sara'  
**Cc:** 'Waldron, Jay'; 'Erb, Jeff (Jeff.Erb@PacifiCorp.com)'; 'Cannon, Patrick (Patrick.Cannon@PacifiCorp.com)'; 'Apperson, John {Mkt Function}'; 'Kelly, Jennifer'; 'David White (David.White@pgn.com)'; 'Stefan Brown'; 'Kuzma, Jason (Perkins Coie)' (JKuzma@perkinscoie.com); 'Kari, Don (Perkins Coie)' (DKari@perkinscoie.com); 'cpignatelli@chadbourne.com'; 'McCormack, Thomas J.'; 'Syravong, Kay'; 'Carr, Kate B.'; Chan,Allen C (BPA) - LT-7; Adler,David J (BPA) - LP-7; Winner,Scott W (BPA) - PGST-5; Kerns,Steven R (BPA) - PGS-5; Stermer,Anna M (BPA) - PGSP-5  
**Subject:** RE: ER Damages - Joint Settlement Communication

Sara—

Thanks for the response. Here is where we are:

(b) (4)

(b)(4)

I will check on schedules for a meeting during the week of December 1.

Regards,

Barry Bennett

---

**From:** Kobak, Sara [<mailto:SKobak@SCHWABE.com>]

**Sent:** Tuesday, November 04, 2014 8:51 AM

**To:** Bennett, Barry (BPA) - LT-7

**Cc:** Waldron, Jay; Erb, Jeff ([Jeff.Erb@PacifiCorp.com](mailto:Jeff.Erb@PacifiCorp.com)); Cannon, Patrick ([Patrick.Cannon@PacifiCorp.com](mailto:Patrick.Cannon@PacifiCorp.com)); Apperson, John {Mkt Function}; Kelly, Jennifer; David White ([David.White@pgn.com](mailto:David.White@pgn.com)); 'Stefan Brown'; 'Kuzma, Jason (Perkins Coie)' ([JKuzma@perkinscoie.com](mailto:JKuzma@perkinscoie.com)); 'Kari, Don (Perkins Coie)' ([DKari@perkinscoie.com](mailto:DKari@perkinscoie.com)); [cpignatelli@chadbourne.com](mailto:cpignatelli@chadbourne.com);

McCormack, Thomas J.; Syravong, Kay; Carr, Kate B.

**Subject:** ER Damages - Joint Settlement Communication

Hi Barry - Attached is a joint settlement letter on ER damages from PacifiCorp, PGE, PSE, and Eurus. Our apologies for the delay in getting back to you, and thank you for your continued efforts at helping us to resolve this matter. Please let us know when you have availability to meet to discuss our proposal. Thank you again - Sara

SARA KOBAK | Attorney

SCHWABE, WILLIAMSON & WYATT

1211 SW 5th Ave., Ste. 1900 Portland, OR 97204

Direct: 503-796-3735 | Fax: 503-796-2900 | Email: [skobak@schwabe.com](mailto:skobak@schwabe.com)

Assistant: Kate Carr | Direct: 503-796-2067 | Email: [kcarr@schwabe.com](mailto:kcarr@schwabe.com)

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Puget Sound Energy Inc.  
Responsive Documents

## Knudson,Thanh (CONTR) - CGC-B1

---

**From:** Adler,David J (BPA) - LP-7  
**Sent:** Friday, August 08, 2014 4:32 PM  
**To:** Kerns,Steven R (BPA) - PGSP-5; Bartlett,Kristine L (BPA) - PGSP-5; Chan,Allen C (BPA) - LT-7  
**Cc:** Bennett,Barry (BPA) - LT-7  
**Subject:** FW: Settlement Communication Subject to Federal Rule of Evidence 408 - PSE Environmental Redispatch Estimated Damages  
**Attachments:** 2014.08.08 PSE Estimated Damages Calculation.pdf; 2014.08.08 PSE Estimated Damages Calculation Worksheet.xlsx

Attached are the docs just received from Puget identifying their damage claims.

---

**From:** Kuzma, Jason (Perkins Coie) [<mailto:JKuzma@perkinscoie.com>]  
**Sent:** Friday, August 08, 2014 4:28 PM  
**To:** Bennett,Barry (BPA) - LT-7; Adler,David J (BPA) - LP-7  
**Cc:** Kari, Don (Perkins Coie)  
**Subject:** Settlement Communication Subject to Federal Rule of Evidence 408 - PSE Environmental Redispatch Estimated Damages

Settlement Communication Subject to Federal Rule of Evidence 408

Barry and David,

Attached is the estimated damages to Puget Sound Energy, Inc. due to Environmental Redispatch. Please feel free to contact me if you have any questions regarding the attached documents.

Thanks,  
Jason

**Jason Kuzma** | Perkins Coie LLP  
The PSE Building  
10885 N.E. Fourth Street  
Suite 700  
Bellevue, WA 98004-5579  
PHONE: 425.635.1416  
FAX: 425.635.2416  
CELL: 206.499.2438  
E-MAIL: [jkuzma@perkinscoie.com](mailto:jkuzma@perkinscoie.com)

---

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**Settlement Communication  
Subject to Federal Rule of Evidence 408**

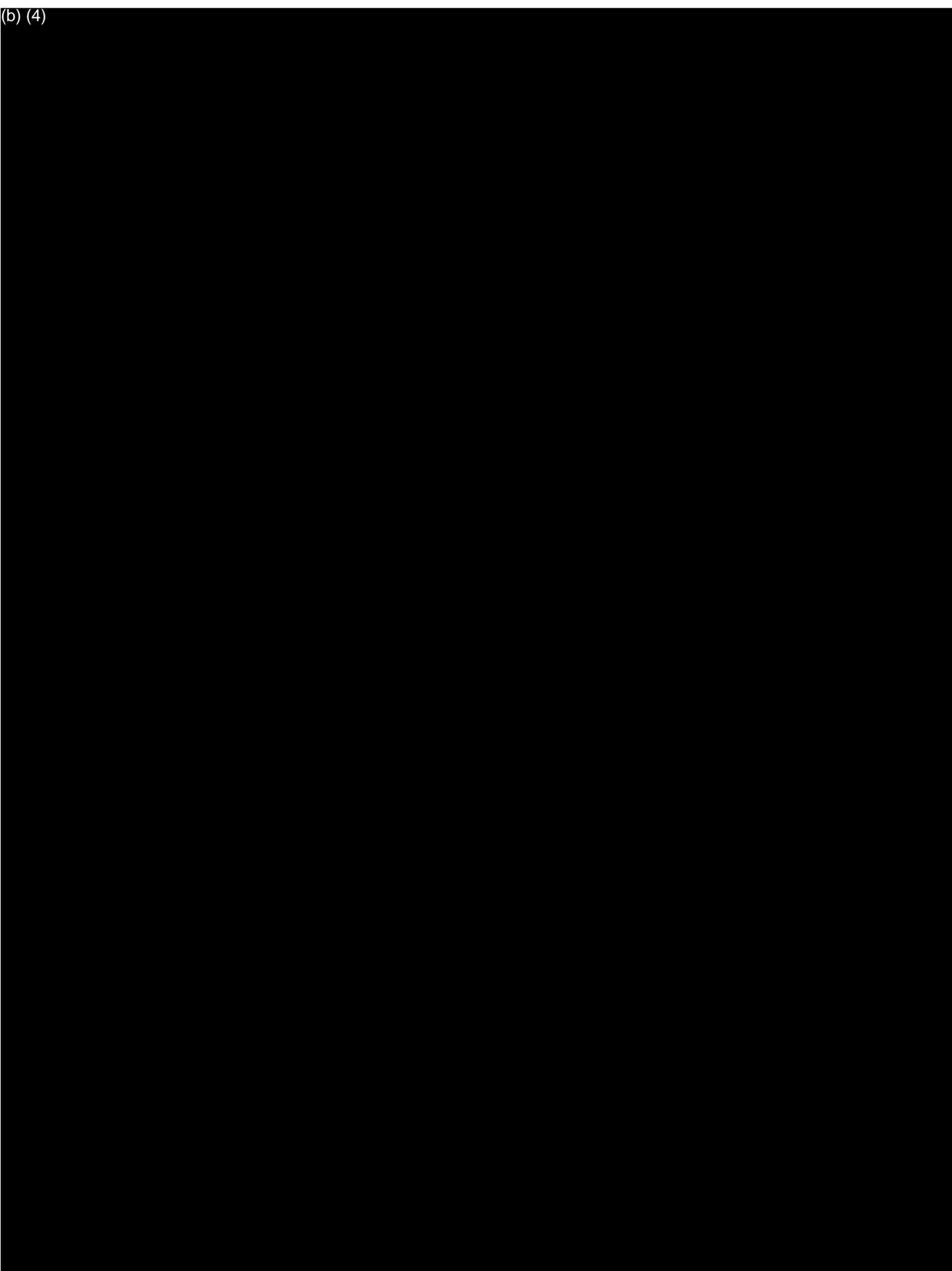
August 8, 2014

**Puget Sound Energy, Inc. – 2011 Environmental Re-dispatch Damages Estimate**

**(b) (4)**

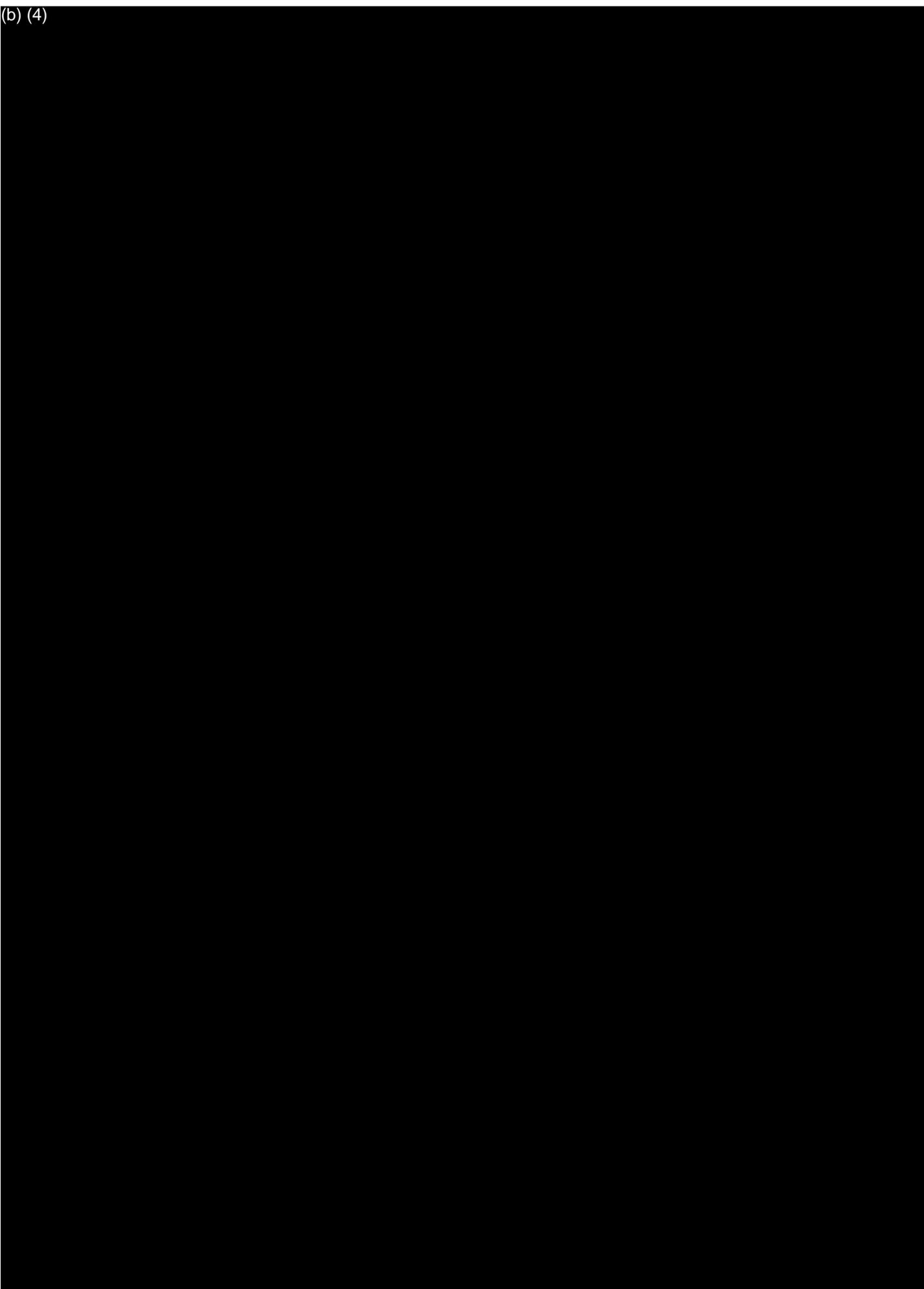
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(b)(4)

**CONFIDENTIAL SETTLEMENT COMMUNICATION**

**VIA E-MAIL (BBENNETT@BPA.GOV) AND FIRST CLASS MAIL**

November 4, 2014

Barry Bennett  
Office of General Counsel  
Bonneville Power Administration  
905 NE 11th Avenue  
Portland, OR 97232

Dear Barry:

(b) (4)

(b)(4)

(b)(4)

(b) (4)

(b) (4)

Very truly yours,

**/s/ Jay T. Waldron**

Jay T. Waldron  
Schwabe, Williamson & Wyatt PC  
1211 SW Fifth Avenue, Suite 1900  
Portland, OR 97204  
Attorney for PacifiCorp

**/s/ David White**

David White  
Portland General Electric Company  
121 SW Salmon Street, 1WTC1301  
Portland, OR 97204  
Attorney for PGE

**/s/ Jason T. Kuzma**

Jason T. Kuzma  
Perkins Coie LLP  
10885 N.E. Fourth Street, Suite 700  
Bellevue, Washington 98004-5579  
Attorney for PSE

**/s/ Thomas J. McCormack**

Thomas J. McCormack  
Chadbourne & Parke LLP  
1301 Avenue of the Americas  
New York, NY 10019-6022  
Attorney for Eurus

**Knudson,Thanh (CONTR) - CGC-B1**

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**Subject:** RE: ER Damages - Joint Settlement Communication

Sara—

Thanks for the response. Here is where we are:

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I will check on schedules for a meeting during the week of December 1.

Regards,

Barry Bennett

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McCormack, Thomas J.; Syravong, Kay; Carr, Kate B.

**Subject:** ER Damages - Joint Settlement Communication

Hi Barry - Attached is a joint settlement letter on ER damages from PacifiCorp, PGE, PSE, and Eurus. Our apologies for the delay in getting back to you, and thank you for your continued efforts at helping us to resolve this matter. Please let us know when you have availability to meet to discuss our proposal. Thank you again - Sara

SARA KOBAK | Attorney

SCHWABE, WILLIAMSON & WYATT

1211 SW 5th Ave., Ste. 1900 Portland, OR 97204

Direct: 503-796-3735 | Fax: 503-796-2900 | Email: [skobak@schwabe.com](mailto:skobak@schwabe.com)

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## Department of Energy

Bonneville Power Administration  
P.O. Box 3621  
Portland, Oregon 97208-3621

FREEDOM OF INFORMATION ACT PROGRAM

March 29, 2016

In reply refer to: FOIA #BPA-2015-00475-F

Ben Tansey, Senior Contributing Editor  
Energy NewsData Publications  
3400 25<sup>th</sup> Avenue W, #401  
Seattle, WAS 98199

Mr. Tansey:

This is a partial response to your request for Bonneville Power Administration (BPA) records under the Freedom of Information Act (FOIA), 5 U.S.C. § 552. Your request was received in our office on January 8, 2015, with an acknowledgement letter sent to you on January 23, 2015.

### **You requested:**

1. Copies of each of the bilateral settlements BPA signed with eight parties regarding the parties' damages claims under BPA's Environmental Redispatch Policy. In an email sent to me Jan. 6, 2015, BPA spokesman Doug Johnson wrote: "We have reached agreement with all eight parties: Iberdrola, Cannon Power, NextEra, EDP Renewables, PacifiCorp, PGE, Puget Sound Energy and Eurus Energy." I request copies of each of these settlement agreements.
2. I also request copies of any material disclosing and/or detailing the total amount of damages each of these parties originally claimed during the settlement negotiations.

### **Response:**

On December 31, 2015, we provided a first partial release of 455 pages of records responsive to item (2) of your request. This is a second partial and final response to item (1) of your request. After conducting a thorough search of paper and electronic records in General Counsel Office, we have located 25 pages of records responsive to your request for "(1) Copies of each of the bilateral settlements BPA signed with eight parties regarding the parties' damages claims under BPA's Environmental Redispatch Policy. In an email sent to me Jan. 6, 2015, BPA spokesman Doug Johnson wrote: "We have reached agreement with all eight parties: Iberdrola, Cannon Power, NextEra, EDP Renewables, PacifiCorp, PGE, Puget Sound Energy and Eurus Energy." I request copies of each of these settlement agreements." (Second and Final Release). We are releasing 25 pages of responsive documents in full.

The Freedom of Information Act generally requires the release of all government records upon request. However, FOIA permits withholding certain, limited information that falls under one or more of nine statutory exemptions (5 U.S.C. §§ 552(b)(1-9)).

**Appeal:**

You may still seek administrative appeal pursuant to Department of Energy FOIA regulations at 10 C.F.R. § 1004.8 if you feel the search was not adequate. If you choose to appeal, you must do so in writing within 30 days, and include the following information:

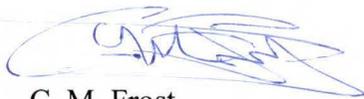
- (1) The nature of your appeal - denial of records, partial denial of records, adequacy of search, or denial of fee waiver;
- (2) Any legal authorities relied upon to support the appeal; and
- (3) A copy of this determination letter.

Clearly mark both your letter and envelope with the words "FOIA Appeal," and direct it to the following address:

Director, Office of Hearings and Appeals  
Department of Energy  
1000 Independence Avenue SW  
Washington DC 20585-1615

If you have any questions, please contact E. Thanh Knudson, Case Coordinator (DEA Onsite Contractor), at 503-230-5221.

Sincerely,



C. M. Frost  
Freedom of Information/Privacy Act Officer

Enclosure: Responsive documents

## SETTLEMENT AGREEMENT

This settlement agreement ("Settlement Agreement") is entered into between the United States of America, Department of Energy, acting by and through the Bonneville Power Administration ("Bonneville"), and Cannon Power Group, LLC ("Cannon").

WHEREAS, on May 13, 2011, the Bonneville Administrator issued a Final Record of Decision adopting Bonneville's *Interim Environmental Redispatch and Negative Pricing Policies* ("Final ROD");

WHEREAS, pursuant to the Final ROD, Bonneville limited generation from non-Federal generating facilities in Bonneville's balancing authority area and substituted Federal hydropower for the non-Federal generation during the spring and summer of 2011 ("2011 Curtailments");

WHEREAS, Cannon has alleged that the implementation of the Final ROD and 2011 Curtailments on its generating facilities caused it financial harm;

WHEREAS, on July 21, 2011, Cannon filed a petition for review of the Final ROD in the United States Court of Appeals for the Ninth Circuit ("Ninth Circuit") under the Pacific Northwest Electric Power Planning and Conservation Act, *Cannon Power Group, LLC, et al. v. Bonneville Power Admin.*, Case. No. 11-72059 (the "Pending Litigation");

WHEREAS, the parties desire to fully and finally resolve between themselves (i) the Pending Litigation and (ii) all other existing and possible claims and actions related to the Final ROD and 2011 Curtailments (collectively, the "Claims"); and

WHEREAS, the parties have agreed to settle and compromise the Claims on the terms, and in consideration of the promises, mutual agreements, covenants, and other undertakings, set forth in this Settlement Agreement.

NOW, THEREFORE, the parties agree as follows:

1. Recitals. The recitals above and the definitions and terms therein contained shall be deemed part of this Settlement Agreement.
2. Payment by Bonneville. In settlement of the Claims, Bonneville will pay Cannon one million two hundred and fifty thousand dollars (\$1,250,000) within 15 days of the execution of this Settlement Agreement by both parties.
3. Dismissal of Pending Litigation by Cannon. No later than 5 days after receipt of the settlement payment set forth in the preceding paragraph, Cannon will file a motion with the Ninth Circuit dismissing the Pending Litigation with prejudice or take other mutually agreeable action to dismiss the Pending Litigation.

4. Final Resolution of all Claims and Actions. This Settlement Agreement finally resolves the Claims, including any action that has been or may be brought in the Court of Federal Claims or in any other court arising from the Final ROD and 2011 Curtailments.
5. Defense of Agreement. If any third party files an action against Bonneville in the Ninth Circuit or in any other court challenging this Settlement Agreement or any of its provisions, Cannon will intervene in such action and take reasonable steps to support and defend this Settlement Agreement.
6. Retention of Rights in Other Litigation. This Settlement Agreement does not affect the rights of Cannon to participate as an intervenor in a set of consolidated cases, lead case *Northwest Requirements Utilities v. Federal Energy Regulatory Commission*, Ninth Circuit No. 13-70391, or in any other legal proceeding, challenging a set of orders that the Federal Energy Regulatory Commission ("FERC") issued concerning the Final ROD (*Iberdrola Renewables, Inc. v. Bonneville Power Admin.*, 137 FERC ¶ 61,185 (2011) ("Order Granting 211A Complaint"), *order on reh'g*, 141 FERC ¶ 61,233 (2012) ("First Rehearing Order"), *order on reh'g*, 143 FERC ¶ 61,274 (2013) ("Second Rehearing Order"))).
7. No Admission. This Settlement Agreement does not constitute an admission by Bonneville that it violated any statute or other law or breached any contract with Cannon with respect to the Claims.
8. Governing Law. This Agreement shall be interpreted, construed, and enforced in accordance with Federal law.
9. Costs. Each party shall bear its own costs, expenses, and fees related to the Pending Litigation.
10. Representations and Warranties. Each party represents that:
  - a. the individual executing this Settlement Agreement on its behalf has the authority to enter into a settlement containing all the terms and conditions set forth in this Settlement Agreement;
  - b. it has taken all necessary administrative, corporate and internal actions to duly approve the making and performance of this Settlement Agreement and no further approval is necessary;
  - c. the execution of this Settlement Agreement does not violate the party's respective articles of organization, incorporation or statutes of organization, charter or by-laws;
  - d. it has made such investigation of the facts pertaining to the settlement set forth in this Settlement Agreement and of all the matters pertaining thereto as it deems necessary;
  - e. it is not relying upon any representation, disclosure, or nondisclosure by any other party not explicitly stated in this Settlement Agreement; and

f. it has read the entire Settlement Agreement and has consulted legal counsel prior to the execution of this Settlement Agreement.

11. No Precedent. This Settlement Agreement is for the purpose of settling the Claims, and for no other purpose. Accordingly, this Settlement Agreement shall not bind the parties, nor shall it be cited or otherwise referred to, in any proceedings, whether judicial or administrative in nature, in which the parties have or may acquire an interest, except as necessary to effect the terms of this Settlement Agreement.

12. Integration. This Settlement Agreement shall constitute the entire agreement between the parties with respect to the subject matter hereof and shall supersede any and all prior or contemporaneous oral and written representations, agreements and discussions between or among any of them or their counsel. The parties hereto acknowledge and agree that there are no conditions, covenants, agreements or understandings between or among any of them except as set forth in this settlement Agreement. This Settlement Agreement may be amended only by a further writing signed by the parties hereto.

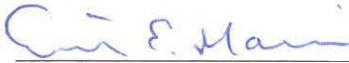
IN WITNESS WHEREOF, intending to be legally bound, the parties hereto have fully executed this Settlement Agreement in counterparts delivered by electronic means and effective as of the date both parties have signed.

UNITED STATES OF AMERICA

Cannon Power Group, LLC

Department of Energy

Bonneville Power Administration

By: 

By: 

Print Name: Elliot E. Mainzer

Print Name: Gary S. Hardke

Title: Administrator & CEO

Title: President

Date: 12/23/14

Date: December 11, 2014

## SETTLEMENT AGREEMENT

This settlement agreement ("Settlement Agreement") is entered into between the United States of America, Department of Energy, acting by and through the Bonneville Power Administration ("Bonneville"), and EDP Renewables North America LLC ("EDP Renewables").

WHEREAS, on May 13, 2011, the Bonneville Administrator issued a Final Record of Decision adopting Bonneville's *Interim Environmental Redispatch and Negative Pricing Policies* ("Final ROD");

WHEREAS, pursuant to the Final ROD, Bonneville limited generation from non-Federal generating facilities in Bonneville's balancing authority area and substituted Federal hydropower for the non-Federal generation during the spring and summer of 2011 ("2011 Curtailments");

WHEREAS, EDP Renewables has alleged that the implementation of the Final ROD and 2011 Curtailments on its generating facilities caused it financial harm;

WHEREAS, on July 29, 2011, EDP Renewables filed a petition for review of the Final ROD in the United States Court of Appeals for the Ninth Circuit ("Ninth Circuit") under the Pacific Northwest Electric Power Planning and Conservation Act, *EDP Renewables N. Am. LLC v. Bonneville Power Admin.*, Case. No. 11-72167 (the "Pending Litigation");

WHEREAS, the parties desire to fully and finally resolve between themselves (i) the Pending Litigation and (ii) all other existing and possible claims and actions related to the adoption or exercise of the Final ROD and 2011 Curtailments (collectively, the "Claims"); and

WHEREAS, the parties have agreed to settle and compromise the Claims on the terms, and in consideration of the promises, mutual agreements, covenants, and other undertakings, set forth in this Settlement Agreement.

NOW, THEREFORE, the parties agree as follows:

1. Recitals. The recitals above and the definitions and terms therein contained shall be deemed part of this Settlement Agreement.
2. Payment by Bonneville. In settlement of the Claims, Bonneville will pay one million two hundred eight thousand seven hundred forty one dollars (\$1,208,741) within 15 days of the execution of this Settlement Agreement by both parties.
3. Dismissal of Pending Litigation. No later than 5 days after receipt of the settlement payment set forth in the preceding paragraph, EDP Renewables will file a motion with the Ninth Circuit dismissing the Pending Litigation with prejudice or take other mutually agreeable action to dismiss the Pending Litigation.

4. Final Resolution of all Claims and Actions. This Settlement Agreement finally resolves the Claims, including any action that has been or may be brought in the Court of Federal Claims or in any other court arising from the adoption or exercise of the Final ROD and 2011 Curtailments.
5. Defense of Agreement. If any third party files an action against Bonneville in the Ninth Circuit or in any other court challenging this Settlement Agreement or any of its provisions, EDP Renewables will intervene in such action and take reasonable steps to support and defend this Settlement Agreement.
6. Retention of Rights in Other Litigation. This Settlement Agreement does not affect the rights of EDP Renewables to participate as an intervenor in a set of consolidated cases, lead case *Northwest Requirements Utilities v. Federal Energy Regulatory Commission*, Ninth Circuit No. 13-70391, or in any other legal proceeding, challenging a set of orders that the Federal Energy Regulatory Commission ("FERC") issued concerning the Final ROD (*Iberdrola Renewables, Inc. v. Bonneville Power Admin.*, 137 FERC ¶ 61,185 (2011) ("Order Granting 211A Complaint"), *order on reh'g*, 141 FERC ¶ 61,233 (2012) ("First Rehearing Order"), *order on reh'g*, 143 FERC ¶ 61,274 (2013) ("Second Rehearing Order"))).
7. No Admission. This Settlement Agreement does not constitute an admission by Bonneville that it violated any statute or other law or breached any contract with EDP Renewables with respect to the Claims.
8. Governing Law. This Agreement shall be interpreted, construed, and enforced in accordance with Federal law.
9. Costs. Each party shall bear its own costs, expenses, and fees related to the Pending Litigation.
10. Representations and Warranties. Each party represents that:
  - a. the individual executing this Settlement Agreement on its behalf has the authority to enter into a settlement containing all the terms and conditions set forth in this Settlement Agreement;
  - b. it has taken all necessary administrative, corporate and internal actions to duly approve the making and performance of this Settlement Agreement and no further approval is necessary;
  - c. the execution of this Settlement Agreement does not violate the party's respective articles of organization, incorporation or statutes of organization, charter or by-laws;
  - d. it has made such investigation of the facts pertaining to the settlement set forth in this Settlement Agreement and of all the matters pertaining thereto as it deems necessary;
  - e. it is not relying upon any representation, disclosure, or nondisclosure by any other party not explicitly stated in this Settlement Agreement; and

f. it has read the entire Settlement Agreement and has consulted legal counsel prior to the execution of this Settlement Agreement.

11. No Precedent. This Settlement Agreement is for the purpose of settling the Claims, and for no other purpose. Accordingly, this Settlement Agreement shall not bind the parties, nor shall it be cited or otherwise referred to, in any proceedings, whether judicial or administrative in nature, in which the parties have or may acquire an interest, except as necessary to effect the terms of this Settlement Agreement.

12. Integration. This Settlement Agreement shall constitute the entire agreement between the parties with respect to the subject matter hereof and shall supersede any and all prior or contemporaneous oral and written representations, agreements and discussions between or among any of them or their counsel. The parties hereto acknowledge and agree that there are no conditions, covenants, agreements or understandings between or among any of them except as set forth in this settlement Agreement. This Settlement Agreement may be amended only by a further writing signed by the parties hereto.

[signatures appear on next page]

IN WITNESS WHEREOF, intending to be legally bound, the parties hereto have fully executed this Settlement Agreement in counterparts delivered by electronic means and effective as of the date both parties have signed.

UNITED STATES OF AMERICA

EDP RENEWABLES NORTH AMERICA LLC

Department of Energy

Bonneville Power Administration

By: 

By: 

Print Name: Elliot E. Mainzer

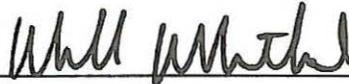
*js* Print Name: Steve Irvin  
Executive Vice President, Central Region

Title: Administrator & CEO

Title: \_\_\_\_\_

Date: 12/23/14

Date: 12-12-14

By: 

*js* Print Name: William Whitlock  
Executive Vice President, Eastern Region

Title: \_\_\_\_\_

Date: 12-12-14

## SETTLEMENT AGREEMENT

This settlement agreement ("Settlement Agreement") is entered into between the United States of America, Department of Energy, acting by and through the Bonneville Power Administration ("Bonneville"), and Eurus Combine Hills II LLC ("Eurus").

WHEREAS, on May 13, 2011, the Bonneville Administrator issued a Final Record of Decision adopting Bonneville's *Interim Environmental Redispatch and Negative Pricing Policies* ("Final ROD");

WHEREAS, pursuant to the Final ROD, Bonneville limited generation from non-Federal generating facilities in Bonneville's balancing authority area and substituted Federal hydropower for the non-Federal generation during the spring and summer of 2011 ("2011 Curtailments");

WHEREAS, Eurus has alleged that the implementation of the Final ROD and 2011 Curtailments on its generating facilities caused it financial harm;

WHEREAS, Eurus is an intervenor in a set of consolidated cases, lead case *Cannon Power Group, LLC, et al v. Bonneville Power Admin.*, Case No. 11-72059 (the "Pending Litigation");

WHEREAS, the parties desire to fully and finally resolve between themselves (i) the Pending Litigation and (ii) all other existing and possible claims and actions related to the adoption or exercise of the Final ROD and 2011 Curtailments (collectively, the "Claims"); and

WHEREAS, the parties have agreed to settle and compromise the Claims on the terms, and in consideration of the promises, mutual agreements, covenants, and other undertakings, set forth in this Settlement Agreement.

NOW, THEREFORE, the parties agree as follows:

1. Recitals. The recitals above and the definitions and terms therein contained shall be deemed part of this Settlement Agreement.
2. Payment by Bonneville. In settlement of the Claims, Bonneville will pay Eurus three hundred and forty five thousand dollars (\$345,000) within 15 days of the execution of this Settlement Agreement by both parties.
3. Withdrawal of Intervention by Eurus. No later than 5 days after receipt of the settlement payment set forth in the preceding paragraph, Eurus will withdraw its motion to intervene in the Pending Litigation or take other mutually agreeable action to withdraw its intervention in the Pending Litigation.

4. Final Resolution of all Claims and Actions. This Settlement Agreement finally resolves the Claims, including any action that has been or may be brought in the Court of Federal Claims or in any other court arising from the adoption or exercise of the Final ROD and 2011 Curtailments.
5. Defense of Agreement. If any third party files an action against Bonneville in the Ninth Circuit or in any other court challenging this Settlement Agreement or any of its provisions, Eurus will intervene in such action and take reasonable steps to support and defend this Settlement Agreement.
6. Retention of Rights in Other Litigation. This Settlement Agreement does not affect the rights of Eurus to participate as an intervenor in a set of consolidated cases, lead case *Northwest Requirements Utilities v. Federal Energy Regulatory Commission*, Ninth Circuit No. 13-70391, or in any other legal proceeding, challenging a set of orders that the Federal Energy Regulatory Commission ("FERC") issued concerning the Final ROD (*Iberdrola Renewables, Inc. v. Bonneville Power Admin.*, 137 FERC ¶ 61,185 (2011) ("Order Granting 211A Complaint"), *order on reh'g*, 141 FERC ¶ 61,233 (2012) ("First Rehearing Order"), *order on reh'g*, 143 FERC ¶ 61,274 (2013) ("Second Rehearing Order")).
7. No Admission. This Settlement Agreement does not constitute an admission by Bonneville that it violated any statute or other law or breached any contract with Eurus with respect to the Claims.
8. Governing Law. This Agreement shall be interpreted, construed, and enforced in accordance with Federal law.
9. Costs. Each party shall bear its own costs, expenses, and fees related to the Pending Litigation.
10. Representations and Warranties. Each party represents that:
  - a. the individual executing this Settlement Agreement on its behalf has the authority to enter into a settlement containing all the terms and conditions set forth in this Settlement Agreement;
  - b. it has taken all necessary administrative, corporate and internal actions to duly approve the making and performance of this Settlement Agreement and no further approval is necessary;
  - c. the execution of this Settlement Agreement does not violate the party's respective articles of organization, incorporation or statutes of organization, charter or by-laws;
  - d. it has made such investigation of the facts pertaining to the settlement set forth in this Settlement Agreement and of all the matters pertaining thereto as it deems necessary;
  - e. it is not relying upon any representation, disclosure, or nondisclosure by any other party not explicitly stated in this Settlement Agreement; and

f. it has read the entire Settlement Agreement and has consulted legal counsel prior to the execution of this Settlement Agreement.

11. No Precedent. This Settlement Agreement is for the purpose of settling the Claims, and for no other purpose. Accordingly, this Settlement Agreement shall not bind the parties, nor shall it be cited or otherwise referred to, in any proceedings, whether judicial or administrative in nature, in which the parties have or may acquire an interest, except as necessary to effect the terms of this Settlement Agreement.

12. Integration. This Settlement Agreement shall constitute the entire agreement between the parties with respect to the subject matter hereof and shall supersede any and all prior or contemporaneous oral and written representations, agreements and discussions between or among any of them or their counsel. The parties hereto acknowledge and agree that there are no conditions, covenants, agreements or understandings between or among any of them except as set forth in this settlement Agreement. This Settlement Agreement may be amended only by a further writing signed by the parties hereto.

IN WITNESS WHEREOF, intending to be legally bound, the parties hereto have fully executed this Settlement Agreement in counterparts delivered by electronic means and effective as of the date both parties have signed.

UNITED STATES OF AMERICA

Eurus Combine Hills II LLC

Department of Energy

Bonneville Power Administration

By:

Elliot E. Mainzer

By:

Satoshi Takahata

Print Name: Elliot E. Mainzer

Print Name: Satoshi Takahata

Title: Administrator & CEO

Title: President

Date: 12/23/14

Date: 12/17/2014

## SETTLEMENT AGREEMENT

This settlement agreement ("Settlement Agreement") is entered into between the United States of America, Department of Energy, acting by and through the Bonneville Power Administration ("Bonneville"), and Iberdrola Renewables, LLC ("Iberdrola").

WHEREAS, on May 13, 2011, the Bonneville Administrator issued a Final Record of Decision adopting Bonneville's *Interim Environmental Redispatch and Negative Pricing Policies* ("Final ROD");

WHEREAS, pursuant to the Final ROD, Bonneville limited generation from non-Federal generating facilities in Bonneville's balancing authority area and substituted Federal hydropower for the non-Federal generation during the spring and summer of 2011 ("2011 Curtailments");

WHEREAS, Iberdrola has alleged that the implementation of the Final ROD and the 2011 Curtailments on its generating facilities caused it financial harm;

WHEREAS, on August 9, 2011, Iberdrola filed a petition for review of the Final ROD in the United States Court of Appeals for the Ninth Circuit ("Ninth Circuit") under the Pacific Northwest Electric Power Planning and Conservation Act, *Iberdrola Renewables Inc. v. Bonneville Power Admin.*, Case. No. 11-72312 (the "Pending Litigation");

WHEREAS, the parties desire to fully and finally resolve between themselves (i) the Pending Litigation and (ii) all other existing and possible claims and actions related to the adoption or exercise of the Final ROD and the 2011 Curtailments (collectively, the "Claims"); and

WHEREAS, the parties have agreed to settle and compromise the Claims on the terms, and in consideration of the promises, mutual agreements, covenants, and other undertakings, set forth in this Settlement Agreement.

NOW, THEREFORE, the parties agree as follows:

1. Recitals. The recitals above and the definitions and terms therein contained shall be deemed part of this Settlement Agreement.
2. Payment by Bonneville. In settlement of the Claims, Bonneville will pay Iberdrola four million one-hundred thousand dollars (\$4,100,000) within 15 days of the execution of this Settlement Agreement by both parties.
3. Dismissal of Pending Litigation by Iberdrola. No later than 5 days after receipt of the settlement payment set forth in the preceding paragraph, Iberdrola will file a motion with the Ninth Circuit dismissing the Pending Litigation with prejudice or take other mutually agreeable action to dismiss the Pending Litigation.

4. Final Resolution of all Claims and Actions. This Settlement Agreement finally resolves the Claims, including any action that has been or may be brought in the Court of Federal Claims or in any other court arising from the adoption or exercise of the Final ROD and the 2011 Curtailments.
5. Defense of Agreement. If any third party files an action against Bonneville in the Ninth Circuit or in any other court challenging this Settlement Agreement or any of its provisions, Iberdrola will intervene in such action and take reasonable steps to support and defend this Settlement Agreement.
6. Retention of Rights in Other Litigation. This Settlement Agreement does not affect the rights of Iberdrola to participate as an intervenor in a set of consolidated cases, lead case *Northwest Requirements Utilities v. Federal Energy Regulatory Commission*, Ninth Circuit No. 13-70391, or in any other legal proceeding, challenging a set of orders that the Federal Energy Regulatory Commission ("FERC") issued concerning the Final ROD (*Iberdrola Renewables, Inc. v. Bonneville Power Admin.*, 137 FERC ¶ 61,185 (2011) ("Order Granting 211A Complaint"), *order on reh'g*, 141 FERC ¶ 61,233 (2012) ("First Rehearing Order"), *order on reh'g*, 143 FERC ¶ 61,274 (2013) ("Second Rehearing Order")).
7. No Admission. This Settlement Agreement does not constitute an admission by Bonneville that it violated any statute or other law or breached any contract with Iberdrola with respect to the Claims.
8. Governing Law. This Agreement shall be interpreted, construed, and enforced in accordance with Federal law.
9. Costs. Each party shall bear its own costs, expenses, and fees related to the Pending Litigation.
10. Representations and Warranties. Each party represents that:
  - a. the individual executing this Settlement Agreement on its behalf has the authority to enter into a settlement containing all the terms and conditions set forth in this Settlement Agreement;
  - b. it has taken all necessary administrative, corporate and internal actions to duly approve the making and performance of this Settlement Agreement and no further approval is necessary;
  - c. the execution of this Settlement Agreement does not violate the party's respective articles of organization, incorporation or statutes of organization, charter or by-laws;
  - d. it has made such investigation of the facts pertaining to the settlement set forth in this Settlement Agreement and of all the matters pertaining thereto as it deems necessary;

- e. it is not relying upon any representation, disclosure, or nondisclosure by any other party not explicitly stated in this Settlement Agreement; and
- f. it has read the entire Settlement Agreement and has consulted legal counsel prior to the execution of this Settlement Agreement.

11. **No Precedent.** This Settlement Agreement is for the purpose of settling the Claims, and for no other purpose. Accordingly, this Settlement Agreement shall not bind the parties, nor shall it be cited or otherwise referred to, in any proceedings, whether judicial or administrative in nature, in which the parties have or may acquire an interest, except as necessary to effect the terms of this Settlement Agreement.

12. **Integration.** This Settlement Agreement shall constitute the entire agreement between the parties with respect to the subject matter hereof and shall supersede any and all prior or contemporaneous oral and written representations, agreements and discussions between or among any of them or their counsel. The parties hereto acknowledge and agree that there are no conditions, covenants, agreements or understandings between or among any of them except as set forth in this settlement Agreement. This Settlement Agreement may be amended only by a further writing signed by the parties hereto.

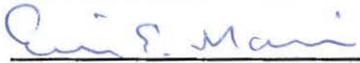
IN WITNESS WHEREOF, intending to be legally bound, the parties hereto have fully executed this Settlement Agreement in counterparts delivered by electronic means and effective as of the date both parties have signed.

UNITED STATES OF AMERICA

Iberdrola Renewables, LLC

Department of Energy

Bonneville Power Administration

By: 

By: 

Print Name: Elliot E. Mainzer

Print Name: Martin Múgica

Title: Administrator & CEO

Title: Authorized Representative LEGAL  
WBZ

Date: 12/23/14

Date: December 12, 2014

By: 

Name: Frank Burkhardt  
Title: Authorized Representative

Date: December 12, 2014

## SETTLEMENT AGREEMENT

This settlement agreement ("Settlement Agreement") is entered into between the United States of America, Department of Energy, acting by and through the Bonneville Power Administration ("Bonneville"), NextEra Energy Resources, LLC, FPL Energy Vansycle, LLC, and ESI Vansycle Partners, LP (collectively "NextEra").

WHEREAS, on May 13, 2011, the Bonneville Administrator issued a Final Record of Decision adopting Bonneville's *Interim Environmental Redispatch and Negative Pricing Policies* ("Final ROD");

WHEREAS, pursuant to the Final ROD, Bonneville limited generation from non-Federal generating facilities in Bonneville's balancing authority area and substituted Federal hydropower for the non-Federal generation during the spring and summer of 2011 ("2011 Curtailments");

WHEREAS, NextEra has alleged that the implementation of the Final ROD and the 2011 Curtailments on its generating facilities caused it financial harm;

WHEREAS, on August 10, 2011, NextEra filed a petition for review of the Final ROD in the United States Court of Appeals for the Ninth Circuit ("Ninth Circuit") under the Pacific Northwest Electric Power Planning and Conservation Act, *NextEra Energy Resources, LLC, et al v. Bonneville Power Admin.*, Case. No. 11-72331 (the "Pending Litigation");

WHEREAS, the parties desire to fully and finally resolve between themselves (i) the Pending Litigation and (ii) all other existing and possible claims and actions related to the adoption or exercise of the Final ROD and the 2011 Curtailments (collectively, the "Claims"); and

WHEREAS, the parties have agreed to settle and compromise the Claims on the terms, and in consideration of the promises, mutual agreements, covenants, and other undertakings, set forth in this Settlement Agreement.

NOW, THEREFORE, the parties agree as follows:

1. Recitals. The recitals above and the definitions and terms therein contained shall be deemed part of this Settlement Agreement.
2. Payment by Bonneville. In settlement of the Claims, Bonneville will pay NextEra one hundred and five thousand dollars (\$105,000) within 15 days of the execution of this Settlement Agreement by both parties.
3. Dismissal of Pending Litigation by NextEra. No later than 5 days after receipt of the settlement payment set forth in the preceding paragraph, NextEra will file a motion with the Ninth Circuit dismissing the Pending Litigation with prejudice or take other mutually agreeable action to dismiss the Pending Litigation.

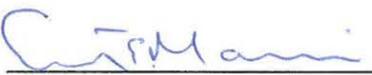
4. Final Resolution of all Claims and Actions. This Settlement Agreement finally resolves the Claims, including any action that has been or may be brought in the Court of Federal Claims or in any other court arising from the adoption or exercise of the Final ROD and the 2011 Curtailments.
5. Defense of Agreement. If any third party files an action against Bonneville in the Ninth Circuit or in any other court challenging this Settlement Agreement or any of its provisions, NextEra will intervene in such action and take reasonable steps to support and defend this Settlement Agreement.
6. No Admission. This Settlement Agreement does not constitute an admission by Bonneville that it violated any statute or other law or breached any contract with NextEra with respect to the Claims.
7. Costs. Each party shall bear its own costs, expenses, and fees related to the Pending Litigation.
8. Representations and Warranties. Each party represents that:
  - a. the individual executing this Settlement Agreement on its behalf has the authority to enter into a settlement containing all the terms and conditions set forth in this Settlement Agreement;
  - b. it has taken all necessary administrative, corporate and internal actions to duly approve the making and performance of this Settlement Agreement and no further approval is necessary;
  - c. the execution of this Settlement Agreement does not violate the party's respective articles of organization, incorporation or statutes of organization, charter or by-laws;
  - d. it has made such investigation of the facts pertaining to the settlement set forth in this Settlement Agreement and of all the matters pertaining thereto as it deems necessary;
  - e. it is not relying upon any representation, disclosure, or nondisclosure by any other party not explicitly stated in this Settlement Agreement; and
  - f. it has read the entire Settlement Agreement and has consulted legal counsel prior to the execution of this Settlement Agreement.
9. No Precedent. This Settlement Agreement is for the purpose of settling the Claims, and for no other purpose. Accordingly, this Settlement Agreement shall not bind the parties, nor shall it be cited or otherwise referred to, in any proceedings, whether judicial or administrative in nature, in which the parties have or may acquire an interest, except as necessary to effect the terms of this Settlement Agreement.

10. Integration. This Settlement Agreement shall constitute the entire agreement between the parties with respect to the subject matter hereof and shall supersede any and all prior or contemporaneous oral and written representations, agreements and discussions between or among any of them or their counsel. The parties hereto acknowledge and agree that there are no conditions, covenants, agreements or understandings between or among any of them except as set forth in this settlement Agreement. This Settlement Agreement may be amended only by a further writing signed by the parties hereto.

IN WITNESS WHEREOF, intending to be legally bound, the parties hereto have fully executed this Settlement Agreement in counterparts delivered by electronic means and effective as of the date both parties have signed.

UNITED STATES OF AMERICA  
Department of Energy  
Bonneville Power Administration

NextEra Energy Resources, LLC  
FPL Energy Vansycle, LLC  
ESI Vansycle Partners, LP

By: 

Print Name: Elliot E. Mainzer

Title: Administrator & CEO

Date: 12/23/14

By: 

Print Name: Matthew Schafer

Title: Vice President

Date: December 10<sup>th</sup>, 2014

## SETTLEMENT AGREEMENT

This settlement agreement ("Settlement Agreement") is entered into between the United States of America, Department of Energy, acting by and through the Bonneville Power Administration ("Bonneville"), and PacifiCorp.

WHEREAS, on May 13, 2011, the Bonneville Administrator issued a Final Record of Decision adopting Bonneville's *Interim Environmental Redispach and Negative Pricing Policies* ("Final ROD");

WHEREAS, pursuant to the Final ROD, Bonneville limited generation from non-Federal generating facilities in Bonneville's balancing authority area and substituted Federal hydropower for the non-Federal generation during the spring and summer of 2011 ("2011 Curtailments");

WHEREAS, PacifiCorp has alleged that the implementation of the Final ROD and 2011 Curtailments on its generating facilities caused it financial harm;

WHEREAS, on August 10, 2011, PacifiCorp filed a petition for review of the Final ROD in the United States Court of Appeals for the Ninth Circuit ("Ninth Circuit") under the Pacific Northwest Electric Power Planning and Conservation Act, *PacifiCorp v. Bonneville Power Admin.*, Case. No. 11-72319 (the "Pending Litigation");

WHEREAS, the parties desire to fully and finally resolve between themselves (i) the Pending Litigation and (ii) all other existing and possible claims and actions related to the adoption or exercise of the Final ROD and 2011 Curtailments (collectively, the "Claims"); and

WHEREAS, the parties have agreed to settle and compromise the Claims on the terms, and in consideration of the promises, mutual agreements, covenants, and other undertakings, set forth in this Settlement Agreement.

NOW, THEREFORE, the parties agree as follows:

1. Recitals. The recitals above and the definitions and terms therein contained shall be deemed part of this Settlement Agreement.
2. Payment by Bonneville. In settlement of the Claims, Bonneville will pay PacifiCorp five hundred and twenty five thousand dollars (\$525,000) within 30 days of the execution of this Settlement Agreement by both parties.
3. Dismissal of Pending Litigation by PacifiCorp. No later than 5 days after receipt of the settlement payment set forth in the preceding paragraph, PacifiCorp will file a motion with the Ninth Circuit dismissing the Pending Litigation with prejudice or take other mutually agreeable action to dismiss the Pending Litigation.

4. Final Resolution of all Claims and Actions. This Settlement Agreement finally resolves the Claims, including any action that has been or may be brought in the Court of Federal Claims or in any other court arising from the adoption or exercise of the Final ROD and 2011 Curtailments.
5. Defense of Agreement. If any third party files an action against Bonneville in the Ninth Circuit or in any other court challenging this Settlement Agreement or any of its provisions, PacifiCorp will intervene in such action and take reasonable steps to support and defend this Settlement Agreement.
6. Retention of Rights in Other Litigation. This Settlement Agreement does not affect the rights of PacifiCorp to participate as an intervenor in a set of consolidated cases, lead case *Northwest Requirements Utilities v. Federal Energy Regulatory Commission*, Ninth Circuit No. 13-70391, or in any other legal proceeding, challenging a set of orders that the Federal Energy Regulatory Commission ("FERC") issued concerning the Final ROD (*Iberdrola Renewables, Inc. v. Bonneville Power Admin.*, 137 FERC ¶ 61,185 (2011) ("Order Granting 211A Complaint"), *order on reh'g*, 141 FERC ¶ 61,233 (2012) ("First Rehearing Order"), *order on reh'g*, 143 FERC ¶ 61,274 (2013) ("Second Rehearing Order")).
7. No Admission. This Settlement Agreement does not constitute an admission by Bonneville that it violated any statute or other law or breached any contract with PacifiCorp with respect to the Claims.
8. Governing Law. This Agreement shall be interpreted, construed, and enforced in accordance with Federal law.
9. Costs. Each party shall bear its own costs, expenses, and fees related to the Pending Litigation.
10. Representations and Warranties. Each party represents that:
  - a. the individual executing this Settlement Agreement on its behalf has the authority to enter into a settlement containing all the terms and conditions set forth in this Settlement Agreement;
  - b. it has taken all necessary administrative, corporate and internal actions to duly approve the making and performance of this Settlement Agreement and no further approval is necessary;
  - c. the execution of this Settlement Agreement does not violate the party's respective articles of organization, incorporation or statutes of organization, charter or by-laws;
  - d. it has made such investigation of the facts pertaining to the settlement set forth in this Settlement Agreement and of all the matters pertaining thereto as it deems necessary;
  - e. it is not relying upon any representation, disclosure, or nondisclosure by any other party not explicitly stated in this Settlement Agreement; and

f. it has read the entire Settlement Agreement and has consulted legal counsel prior to the execution of this Settlement Agreement.

11. No Precedent. This Settlement Agreement is for the purpose of settling the Claims, and for no other purpose. Accordingly, this Settlement Agreement shall not bind the parties, nor shall it be cited or otherwise referred to, in any proceedings, whether judicial or administrative in nature, in which the parties have or may acquire an interest, except as necessary to effect the terms of this Settlement Agreement.

12. Integration. This Settlement Agreement shall constitute the entire agreement between the parties with respect to the subject matter hereof and shall supersede any and all prior or contemporaneous oral and written representations, agreements and discussions between or among any of them or their counsel. The parties hereto acknowledge and agree that there are no conditions, covenants, agreements or understandings between or among any of them except as set forth in this settlement Agreement. This Settlement Agreement may be amended only by a further writing signed by the parties hereto.

IN WITNESS WHEREOF, intending to be legally bound, the parties hereto have fully executed this Settlement Agreement in counterparts delivered by electronic means and effective as of the date both parties have signed.

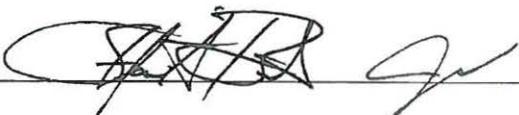
UNITED STATES OF AMERICA

PacifiCorp

Department of Energy

Bonneville Power Administration

By: 

By: 

Print Name: Elliot E. Mainzer

Print Name: Stefan A. Bird

Title: Administrator & CEO

Title: SVP, Commercial & Trading

Date: 12/23/14

Date: December 18, 2014

## SETTLEMENT AGREEMENT

This settlement agreement ("Settlement Agreement") is entered into between the United States of America, Department of Energy, acting by and through the Bonneville Power Administration ("Bonneville"), and Portland General Electric Company ("PGE").

WHEREAS, on May 13, 2011, the Bonneville Administrator issued a Final Record of Decision adopting Bonneville's *Interim Environmental Redispatch and Negative Pricing Policies* ("Final ROD");

WHEREAS, pursuant to the Final ROD, Bonneville limited generation from non-Federal generating facilities in Bonneville's balancing authority area and substituted Federal hydropower for the non-Federal generation during the spring and summer of 2011 ("2011 Curtailments");

WHEREAS, PGE has alleged that the implementation of the Final ROD and 2011 Curtailments on its generating facilities caused it financial harm;

WHEREAS, PGE is an intervenor in a set of consolidated cases, lead case *Cannon Power Group, LLC, et al v. Bonneville Power Admin.*, Case No. 11-72059 (the "Pending Litigation");

WHEREAS, the parties desire to fully and finally resolve between themselves (i) the Pending Litigation and (ii) all other existing and possible claims and actions related to the adoption or exercise of the Final ROD and 2011 Curtailments (collectively, the "Claims"); and

WHEREAS, the parties have agreed to settle and compromise the Claims on the terms, and in consideration of the promises, mutual agreements, covenants, and other undertakings, set forth in this Settlement Agreement.

NOW, THEREFORE, the parties agree as follows:

1. Recitals. The recitals above and the definitions and terms therein contained shall be deemed part of this Settlement Agreement.
2. Payment by Bonneville. In settlement of the Claims, Bonneville will pay PGE one million one hundred and sixty thousand dollars (\$1,160,000) within 15 days of the execution of this Settlement Agreement by both parties.
3. Withdrawal of Intervention by PGE. No later than 5 days after receipt of the settlement payment set forth in the preceding paragraph, PGE will withdraw its motion to intervene in the Pending Litigation or take other mutually agreeable action to withdraw its intervention in the Pending Litigation.

4. Final Resolution of all Claims and Actions. This Settlement Agreement finally resolves the Claims, including any action that has been or may be brought in the Court of Federal Claims or in any other court arising from the adoption or exercise of the Final ROD and 2011 Curtailments.
5. Defense of Agreement. If any third party files an action against Bonneville in the Ninth Circuit or in any other court challenging this Settlement Agreement or any of its provisions, PGE will intervene in such action and take reasonable steps to support and defend this Settlement Agreement.
6. Retention of Rights in Other Litigation. This Settlement Agreement does not affect the rights of PGE to participate as an intervenor in a set of consolidated cases, lead case *Northwest Requirements Utilities v. Federal Energy Regulatory Commission*, Ninth Circuit No. 13-70391, or in any other legal proceeding, challenging a set of orders that the Federal Energy Regulatory Commission ("FERC") issued concerning the Final ROD (*Iberdrola Renewables, Inc. v. Bonneville Power Admin.*, 137 FERC ¶ 61,185 (2011) ("Order Granting 211A Complaint"), *order on reh'g*, 141 FERC ¶ 61,233 (2012) ("First Rehearing Order"), *order on reh'g*, 143 FERC ¶ 61,274 (2013) ("Second Rehearing Order")).
7. No Admission. This Settlement Agreement does not constitute an admission by Bonneville that it violated any statute or other law or breached any contract with PGE with respect to the Claims.
8. Governing Law. This Agreement shall be interpreted, construed, and enforced in accordance with Federal law.
9. Costs. Each party shall bear its own costs, expenses, and fees related to the Pending Litigation.
10. Representations and Warranties. Each party represents that:
  - a. the individual executing this Settlement Agreement on its behalf has the authority to enter into a settlement containing all the terms and conditions set forth in this Settlement Agreement;
  - b. it has taken all necessary administrative, corporate and internal actions to duly approve the making and performance of this Settlement Agreement and no further approval is necessary;
  - c. the execution of this Settlement Agreement does not violate the party's respective articles of organization, incorporation or statutes of organization, charter or by-laws;
  - d. it has made such investigation of the facts pertaining to the settlement set forth in this Settlement Agreement and of all the matters pertaining thereto as it deems necessary;
  - e. it is not relying upon any representation, disclosure, or nondisclosure by any other party not explicitly stated in this Settlement Agreement; and

f. it has read the entire Settlement Agreement and has consulted legal counsel prior to the execution of this Settlement Agreement.

11. No Precedent. This Settlement Agreement is for the purpose of settling the Claims, and for no other purpose. Accordingly, this Settlement Agreement shall not bind the parties, nor shall it be cited or otherwise referred to, in any proceedings, whether judicial or administrative in nature, in which the parties have or may acquire an interest, except as necessary to effect the terms of this Settlement Agreement.

12. Integration. This Settlement Agreement shall constitute the entire agreement between the parties with respect to the subject matter hereof and shall supersede any and all prior or contemporaneous oral and written representations, agreements and discussions between or among any of them or their counsel. The parties hereto acknowledge and agree that there are no conditions, covenants, agreements or understandings between or among any of them except as set forth in this settlement Agreement. This Settlement Agreement may be amended only by a further writing signed by the parties hereto.

IN WITNESS WHEREOF, intending to be legally bound, the parties hereto have fully executed this Settlement Agreement in counterparts delivered by electronic means and effective as of the date both parties have signed.

UNITED STATES OF AMERICA

Portland General Electric Company

Department of Energy

Bonneville Power Administration

By: 

By:  DFW

Print Name: Elliot E. Mainzer

Print Name: James J. Piro

Title: Administrator & CEO

Title: President and CEO

Date: 12/23/14

Date: 12-19-2014

## SETTLEMENT AGREEMENT

This settlement agreement ("Settlement Agreement") is entered into between the United States of America, Department of Energy, acting by and through the Bonneville Power Administration ("Bonneville"), and Puget Sound Energy, Inc. ("PSE").

WHEREAS, on May 13, 2011, the Bonneville Administrator issued a Final Record of Decision adopting Bonneville's *Interim Environmental Redispatch and Negative Pricing Policies* ("Final ROD");

WHEREAS, pursuant to the Final ROD, Bonneville limited generation from non-Federal generating facilities in Bonneville's balancing authority area and substituted Federal hydropower for the non-Federal generation during the spring and summer of 2011 ("2011 Curtailments");

WHEREAS, PSE has alleged that the implementation of the Final ROD and 2011 Curtailments on its generating facilities caused it financial harm;

WHEREAS, PSE is an intervenor in a set of consolidated cases, lead case *Cannon Power Group, LLC, et al v. Bonneville Power Admin.*, Case No. 11-72059 (the "Pending Litigation");

WHEREAS, the parties desire to fully and finally resolve between themselves (i) the Pending Litigation and (ii) all other existing and possible claims and actions related to the adoption or exercise of the Final ROD and 2011 Curtailments (collectively, the "Claims"); and

WHEREAS, the parties have agreed to settle and compromise the Claims on the terms, and in consideration of the promises, mutual agreements, covenants, and other undertakings, set forth in this Settlement Agreement.

NOW, THEREFORE, the parties agree as follows:

1. Recitals. The recitals above and the definitions and terms therein contained shall be deemed part of this Settlement Agreement.
2. Payment by Bonneville. In settlement of the Claims, Bonneville will pay PSE three hundred and forty thousand dollars (\$340,000) within 15 days of the execution of this Settlement Agreement by both parties.
3. Withdrawal of Intervention by PSE. No later than 5 days after receipt of the settlement payment set forth in the preceding paragraph, PSE will withdraw its motion to intervene in the Pending Litigation or take other mutually agreeable action to withdraw its intervention in the Pending Litigation.

4. Final Resolution of all Claims and Actions. This Settlement Agreement finally resolves the Claims, including any action that has been or may be brought in the Court of Federal Claims or in any other court arising from the adoption or exercise of the Final ROD and 2011 Curtailments.
5. Defense of Agreement. If any third party files an action against Bonneville in the Ninth Circuit or in any other court challenging this Settlement Agreement or any of its provisions, PSE will intervene in such action and take reasonable steps to support and defend this Settlement Agreement.
6. Retention of Rights in Other Litigation. This Settlement Agreement does not affect the rights of PSE to participate as an intervenor in a set of consolidated cases, lead case *Northwest Requirements Utilities v. Federal Energy Regulatory Commission*, Ninth Circuit No. 13-70391, or in any other legal proceeding, challenging a set of orders that the Federal Energy Regulatory Commission ("FERC") issued concerning the Final ROD (*Iberdrola Renewables, Inc. v. Bonneville Power Admin.*, 137 FERC ¶ 61,185 (2011) ("Order Granting 211A Complaint"), *order on reh'g*, 141 FERC ¶ 61,233 (2012) ("First Rehearing Order"), *order on reh'g*, 143 FERC ¶ 61,274 (2013) ("Second Rehearing Order")).
7. No Admission. This Settlement Agreement does not constitute an admission by Bonneville that it violated any statute or other law or breached any contract with PSE with respect to the Claims.
8. Governing Law. This Agreement shall be interpreted, construed, and enforced in accordance with Federal law.
9. Costs. Each party shall bear its own costs, expenses, and fees related to the Pending Litigation.
10. Representations and Warranties. Each party represents that:
  - a. the individual executing this Settlement Agreement on its behalf has the authority to enter into a settlement containing all the terms and conditions set forth in this Settlement Agreement;
  - b. it has taken all necessary administrative, corporate and internal actions to duly approve the making and performance of this Settlement Agreement and no further approval is necessary;
  - c. the execution of this Settlement Agreement does not violate the party's respective articles of organization, incorporation or statutes of organization, charter or by-laws;
  - d. it has made such investigation of the facts pertaining to the settlement set forth in this Settlement Agreement and of all the matters pertaining thereto as it deems necessary;
  - e. it is not relying upon any representation, disclosure, or nondisclosure by any other party not explicitly stated in this Settlement Agreement; and

f. it has read the entire Settlement Agreement and has consulted legal counsel prior to the execution of this Settlement Agreement.

11. No Precedent. This Settlement Agreement is for the purpose of settling the Claims, and for no other purpose. Accordingly, this Settlement Agreement shall not bind the parties, nor shall it be cited or otherwise referred to, in any proceedings, whether judicial or administrative in nature, in which the parties have or may acquire an interest, except as necessary to effect the terms of this Settlement Agreement.

12. Integration. This Settlement Agreement shall constitute the entire agreement between the parties with respect to the subject matter hereof and shall supersede any and all prior or contemporaneous oral and written representations, agreements and discussions between or among any of them or their counsel. The parties hereto acknowledge and agree that there are no conditions, covenants, agreements or understandings between or among any of them except as set forth in this settlement Agreement. This Settlement Agreement may be amended only by a further writing signed by the parties hereto.

IN WITNESS WHEREOF, intending to be legally bound, the parties hereto have fully executed this Settlement Agreement in counterparts delivered by electronic means and effective as of the date both parties have signed.

UNITED STATES OF AMERICA

Department of Energy

Bonneville Power Administration

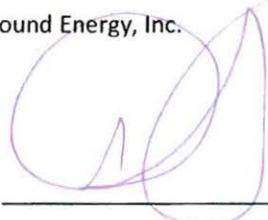
By: 

Print Name: Elliot E. Mainzer

Title: Administrator & CEO

Date: 12/23/14

Puget Sound Energy, Inc.

By: 

Print Name: David E. Mills

Title: Vice President, Energy Operations

Date: 12/22/14