



Department of Energy

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

POWER SERVICES

July 22, 2013

In reply refer to: PTL-5

Dear Interested Parties:

The Bonneville Power Administration ("BPA") Power Services is offering a limited 1-year Wind Smoothing and Intertie Service pilot designed to help wind plants located in the BPA balancing authority¹ obtain access to California load (or other loads as mutually agreed). The pilot will also smooth hour-to-hour wind schedules.

Under the terms of the offer, BPA will make available hourly firm energy from the CARB-ACS specified BPA System at a price based on a California Independent System Operator hourly index² in quantities equal to the difference between the capacity of the wind project taking this service and its scheduled generating, not to exceed 100MW/hr.³ BPA Power Services will also assign counterparty(s) a 1-year strip of firm transmission⁴ to cover the capacity of the wind project subject to this service (NTE 100MW). BPA is offering 100 MW in aggregate for all bidders. A full description of the product is provided in the attached Term Sheet. Additional information is also provided in the form of a Facts Sheet. Instructions for submitting the Request for Offers are included in Attachment 1.

Responses are due September 23, 2013. Questions and responses to this Request for Offers should be directed to Debra Malin at 503-230-5701 or djmalin@bpa.gov.

An informational meeting for bidders will take place on August 7th (10:00am PST) in the rates hearing room on the 2nd floor at 1201 Lloyd BLVD in Portland. The call in number is (888) 285-4585, participant code 292807.

Sincerely,

/s/ Debra J. Malin

Debra J. Malin

¹ Or currently scheduled on a long-term basis into the BPA balancing authority.

² Or the successor to the CAISO HASP. Examples of CAISO Locational Marginal Price indexes which reflect BPA delivery points are MALIN_5_N101 and SULMARDC_2_N501.

³ BPA Power Services is open to 30-minute or 15-minute wind schedules so long as the associated *hourly* schedules from the BPA System are fixed for the hour and fixed to the first persistence based wind schedule of the hour (See term sheet).

⁴ N-S Intertie transmission (John Day to Malin or Big Eddy to Sylmar) or Firm Point to Point transmission on the BPA network - as mutually agreed.

Attachment 1
Intertie Optimization Pilot
Request for Offers for a 1-year purchase of up to 100MW

Time Line:

July 22, 2013 - RFO released to bidders.

August 7, 2013 - Open conference call for Q & A (10:00am PST).

September 23, 2013 - RFO closes. Last day offers will be accepted.

September 30, 2013 - BPA notifies bidders of successful offers.

Product description:

See the attached Q & A and Term Sheet.

Information requested:

Please complete the following Table 1 and return to djmalin@bpa.gov by COB Sept. 23, 2013.

TABLE 1	
Legal Name of responding entity	
Contact information	
Name of Wind project	
Wind project Capacity subject to this service (NTE 100 MW) Note: This is also the Demand limit. As such it represents the maximum hourly amount of any BPA energy which may be provided pursuant to this RFO.	
Quantity and specific path of firm transmission (requested under this RFO). Examples: 100MW John Day to Malin, Big Eddy to Sylmar	
Offer Price (\$___/kw-mo). Price should reflect the value of the intertie, capacity associated with the provision of varying hourly amounts complementing BPA System power and the value of BPA's low carbon ACS-specified system mix.	

Regional Preference:

BPA will compare all offers and provide Northwest preference customers with an opportunity to match any offer priced above their own. BPA will conclude the transaction(s) based on offers accepted by BPA.

Confidentiality:

In the event that BPA is requested or required to disclose confidential and proprietary information provided under this RFO, BPA will provide the bidder with prompt notice of such a request or requirement in order to enable the bidder to i) seek an appropriate protective order or to remedy at its own expense; ii) consult with BPA with respect to taking steps to resist or minimize the scope of such a request or legal process. iii) waive compliance in whole or part with terms under this RFO.

Disclaimers:

While this RFO is intended to lead to a sale of surplus firm transmission and surplus Federal power, it is not a commitment by BPA to enter into a contractual agreement. BPA is under no obligation to pay for information solicited as a result of this RFO.

Failure to provide BPA-requested information pertaining to an offer may disqualify offers from selection.

Credit:

Counterparties who are rated below Baa1/BBB+ by Moody's or S&P or are not a distribution utility may have additional credit support requirements. For additional information on credit, please contact the Bonneville Power Administration's Credit Department.

How to Respond:

Respondents should complete Table 1 and send it to BPA (parcel post, fax or email) on or before September 23, 2013. Receipt of written offers will be acknowledged via email.

Debra Malin – PTL-5
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djmalin@bpa.gov
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