

## **2025 All-Source Request for Proposal**

### **Exhibit B-1**

### **Initial Proposal Outline**

Initial Proposals must be prepared and submitted using the following outline. In addition, each proposal should include a completed Preliminary Information Template, which is provided in Exhibit B-2. Italicized text in this outline provides instructions to you, the Bidder, and may be deleted from the completed Initial Proposal. Suggestions for the length of sections are advisory only and proposals may exceed the suggested length as needed.

Initial Proposals must be submitted in accordance with the RFP schedule provided in Section VII of the RFP. In addition, the Non-Disclosure Agreement must be completed and Bid Fees paid by the proposal submission deadline. Both of these may be completed ahead of time.

#### **I. Cover Letter**

*The cover letter should include a summary of the proposals and options included as part of the overall Initial Proposal, contact information, submittal date, a statement that the Bidder agrees to abide by the terms of this RFP, and the signature of an authorized representative.*

#### **II. Company Overview**

*Please provide 1-2 paragraphs for each of the following subsections:*

- a) History of Company
- b) Credit Requirements: Describe the company's creditworthiness and any plans to augment creditworthiness through different financial mechanisms. For clarity, Avista will require at least one of the following of any successful proposal:
  - Bidder has a long-term debt rating of at least BBB- (or its equivalent) from Standard and Poor's, Moody's, Fitch, Dominion Bond Rating Service or Canadian Bond Rating Service.
  - The Bidder's parent company has a long-term rating of at least BBB- (or its equivalent) from Standard and Poor's, Moody's, Fitch, Dominion Bond Rating Service or Canadian Bond Rating Service and is willing to provide a corporate guarantee to the counterparty guaranteeing performance under the PPA.

- The Bidder is willing to post a letter of credit from a domestic bank (or a domestic branch of a foreign bank) that has a senior debt rating of at least “A-“(or its equivalent) from Standard and Poor's, Moody's, Fitch, Dominion Bond Rating Service or Canadian Bond Rating Service. Credit requirements will include \$45/kW of nameplate capacity for delay security (due by end of day PPA is signed) during the construction period, if any, and operating security equal to \$25/kW per contract year (by end of day of commercial operation date (COD)).
- The Bidder is willing to post a performance bond from a domestic bank (or a domestic branch of a foreign bank) or insurance company that has a senior debt rating of at least “A-” (or its equivalent) from Standard and Poor's, Moody's, Fitch, Dominion Bond Rating Service or Canadian Bond Rating Service. Credit requirements will include \$45/kW of nameplate capacity for delay security (due by end of the day the PPA is signed), to be maintained during the construction period, if any, and operating security equal to \$25/kW per contract year (due by end of day of COD), to be maintained during operations.
- Bidder is willing to post a cash deposit with Avista of \$45/kW of nameplate capacity for delay security (due by end of day PPA is signed), to be maintained during the construction period, if any, and \$25/kW per contract year (due by end of day of COD), to be maintained during operations. Delay security, if not utilized, will be returned after COD or can be put towards operations security.

c) Insurance Requirements

- Builders Risk (Course of Construction): “All Risk” (Special Perils) coverage form, with limits equal to the completed value of the Project and no coinsurance penalty provisions.
- Property Insurance: "All Risk" (Special Perils) coverage form at full replacement cost with no coinsurance penalty provision for repair or replacement of the facility. The policy shall include Boiler and Machinery, Earthquake, Flood, and Wind/Hail coverage. The deductible(s) shall not exceed the Seller's financial ability to fund the costs of losses and shall not be greater than prevailing practices for similar operations in the state in which the Facility is located.
- Commercial General Liability: Insurance coverage, on an occurrence basis, with a limit of \$2,000,000/\$4,000,000 per occurrence. The coverage must include: (i) Bodily Injury and Property Damage Liability, (ii) Contractual Liability, including coverage for the indemnity obligations under this Agreement and (iii) Products and Completed Operations Liability. Policy shall be endorsed to name Avista as an Additional Insured. The deductible shall not exceed the Seller's financial ability to cover

claims and shall not be greater than prevailing practices for similar operations in the state in which the Facility is located.

- Business Automobile Liability: Insurance coverage with a minimum single limit of \$2,000,000/\$4,000,000 per claim for bodily injury and property damage with respect to Project operator's use of vehicles whether owned, hired or non-owned, assigned to, or used in the performance of the Work. Policy shall be endorsed to name Avista as an Additional Insured.
- Excess general liability policy –Minimum limit of \$25 million. Policy shall be endorsed to name Avista as an Additional Insured.
- Pollution liability – Minimum limit of \$5 million. Policy shall be endorsed to name Avista as an Additional Insured. This amount is subject to environmental requirements associated with physical location and may change.
- Cyber Insurance/Errors and Omissions – Minimum limit of \$5 million to cover 1<sup>st</sup> party damage related to a cyber related loss and third party damage related to failure to provide service and/or to fulfill contract or obligations. The amount of \$5.0 million may need to be increased based on contractual needs.
- Workers Compensation/Employer's Liability: Insurance coverage with respect to all persons performing the Work, in accordance with the applicable laws of the state in which the Work is to be performed.

All required insurance policies that name Avista as an additional insured must include provisions that such insurance is primary insurance with respect to the interests of Avista and that any other insurance maintained by Avista is excess and not contributory insurance with the required insurance. Owner/Operator shall notify Avista within 30 days of any cancellation or change in limits of liability of any required insurance policy.

Owner/Operator shall ensure that any policy of insurance that operator or any subcontractor carries as insurance against property damage or against liability for property damage or bodily injury (including death) shall include a provision providing a waiver of the insurer's right to subrogation against Avista as the additional insured. To the extent permitted by the policies of insurance, Owner/Operator hereby waives all rights of subrogation against Avista as the additional insured.

d) Defaults and Litigations for last five years.

- e) Developer's Experience and Qualifications, including but not limited to:
- Experience developing projects of a similar technology and size.
  - Experience financing similar projects.

- Experience working with or using diverse businesses.
- Compliance with labor standards of RCW 82.08.962 and 82.12.962.

### **III. Project Summary**

*Please provide 1-2 paragraphs for each sub-section including location, project type, sizing, timing and any other pertinent high-level information. Indicate how the project(s) complies with and meets the requirements as outlined in the RFP Solicitation including the following subsections:*

a) **Project Site Overview**

*Please provide overview of the project including location, size, site control, or any other relevant information.*

b) **Financial Plan**

*Outline your funding sources, financing strategies, and any assumptions made in your financial projections. Please identify the amount of the financial plan that is based on federal or state production tax credits, import/federal tariffs, or other fees.<sup>1</sup>*

c) **Pricing Risk**

*Describe your ability to meet the price(s) quoted in your response given potential fluctuations in fuel costs, supply chain disruptions, import/federal tariffs, company profitability, and other identified risk factors.*

d) **Project Risks and Mitigations**

*Describe your approach to risk mitigation, including contingency plans. Describe specific measures you will implement to minimize the probability and impact of potential supply chain disruptions, cost overruns, and project delays.*

e) **Procurement Plan**

*Provide a high-level sourcing plan for your proposed generation assets or demand response resource. Include information on how you will ensure timely delivery of equipment and materials, manage potential supply chain risks, and optimize costs.*

f) **Environmental Permitting and Studies**

*Describe steps taken to comply with local, state, and federal permitting requirements and future plans for meeting permitting requirements.*

g) **Transmission and Interconnection Plan**

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<sup>1</sup> Avista acknowledges the challenges inherent in bidding projects given the potential impacts of tariffs in the current political environment. To address these challenges and potential differences in pricing, Avista encourages bidders to provide pricing with and without these impacts. In addition, those bids selected for short list will be provided the opportunity to price refresh as part of that second-round scoring.

*Describe the project's proposed interconnection and transmission plan and any new interconnection facilities that would need to be built. Describe any uncertainty in the interconnection and transmission pricing and how these costs were included in the proposal pricing included in the Initial Proposal Template. Avista will review proposals utilizing either Network Resource Interconnection Service or Energy Resource Interconnection Service, however, the responsibility to demonstrate the project's ability to deliver power to Avista's system will ultimately be the duty of the bidder.*

h) Project Schedule

*Include overall schedule, key milestones, and deliverables.*

i) Project Organization (including management structure)

*Describe how your organizational structure will facilitate effective communication, decision-making, and project execution. Additionally, explain how your team's expertise and experience align with the project requirements and how you will ensure seamless collaboration with our organization throughout the project lifecycle.*

j) Social and Community

*Identify non-energy benefits and burdens to highly impacted communities and vulnerable populations, short-term and long-term public health, environmental impacts, resiliency and energy security impacts, or other information relevant to each project bid. Where applicable, please describe how the project may impact relevant metrics and indicators tracked by Avista (customer benefit indicator).<sup>2</sup>*

k) Demand Response<sup>3</sup>

*Please describe*

- How the demand response resource is dispatched or called upon (e.g., tied to economic conditions, reliability events, or at the utility's discretion)*
- Any limitations or constraints on the proposed demand response resource (e.g., maximum number of events per year, event duration limits)*
- What types of customers or end-uses will be targeted for participation in the demand response program*

*Provide a brief overview of how the performance of the demand response resource will be measured and evaluated.<sup>4</sup>*

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<sup>2</sup> Avista's Customer Benefit Indicators can be found in the Company's 2021 Clean Energy Implementation Plan located here: <https://www.myavista.com/-/media/myavista/content-documents/about-us/ceip/appendix/e/benefit-area-matrix.xlsx>; Appendix E – Benefit Area Matrix.

<sup>3</sup> Applicable to Demand Response projects only.

<sup>4</sup> Please see the Company's 2025 Integrated Resource Plan, "Electric DR Input Generator" spreadsheet, for indicative stacked benefits and costs. <https://www.myavista.com/about-us/integrated-resource-planning>

#### **IV. Technology Description**

*Overview of technical specifications of the project in 1-2 paragraphs*

*Describe how your technology qualifies as commercially-proven technology, with sufficient operational, maintenance, and performance data to support its reliability and suitability for the intended role. Include information on the project's ability to provide ancillary services, operate in base load and/or load-following roles, and meet any specific requirements such as automatic generation control (AGC) functionality. Additionally, outline how your proposed technology aligns with industry standards, its scalability, and its compatibility with existing systems.*

#### **V. PPA Template/Contract Structure**

*Summarize any material changes to the PPA Template provided in Exhibit G with an explanation of why such changes are required. A redline version of Exhibit G may be provided with the Initial Proposal in order to provide clarity of the requested changes.*

*For Initial Proposals that include an asset sale to Avista, please describe in detail the nature of the transaction proposed and provide all pertinent information needed to properly evaluate the proposal. Transaction pricing and expected operating costs should be provided in the Preliminary Information Template in the Project Pricing Tab. Information regarding expected staffing levels (including the title and description of all positions), operating permits, permit limits, site remediation requirements, and all other pertinent information should be included in this section of the Initial Proposal.*

#### **VI. Preliminary Information Template**

*A completed Preliminary Information Template, Exhibit B-2, must be included with your Initial Proposal.*