Arizona Public Service Co.

Proposal Certification and Summary

2007 Request for Proposal for Renewable Energy Resources March 5, 2007

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1. Proposal Certification

The undersigned is a duly authorized representative of the Respondent listed below with the authority to bind the company for the proposed offer. The Respondent has read, understands and agrees to be bound by the terms and conditions contained in this Request for Proposal.

The information contained in this offer or any part thereof, delivered or to be delivered to APS, is true, accurate and complete. This offer includes all information necessary to ensure that the statements therein do not in whole or in part mislead APS as to any material fact.

The Respondent understands and certifies that its proposed offer satisfies the terms outlined in the 2007 Renewable Energy Resources Request for Proposal dated March 5, 2007 and that APS, including potentially its officers, employees, consultants and agents, will review Respondent's proposed offer. The Respondent also understands that APS will rely on the accuracy and veracity of the proposed offer as part of this Request for Proposal. In addition, the Respondent understands that the Arizona Corporation Commission (ACC), including its staff, employees and agents may also review Respondent's proposed offer in connection with its evaluation of APS' compliance with its regulatory requirements, including the RES, and that an accurate evaluation by the ACC, which will directly impact APS' business, is similarly dependent upon the accuracy and veracity of the proposed offer.

Legal Name of Company:
Respondent (if different):
Signature: _____
Title:
Date Signed:

2. Proposal Summary

2.1. Respondent Information

Respondent Contact Information:

Name:

Title:

Company:

Address:

City:

State:

Zip:

Phone:

Fax:

Email:

2.2. Respondent Qualifications

The capability and experience of the Respondent must be demonstrated to provide assurance that the Respondent (or parties involved in the Proposal) has the capability to deliver on the Proposal. At a minimum the Respondent should include their:

- proposed technology experience,
- operating and maintenance experience,
- a list of other under-development and completed projects including project peak demand and average MWhs delivered.

2.3. Project Description

2.3.1 General Information

Name of Project / Facility:

Address (City, County, State):

Technology (check all that apply):

☐ Solar ☐ Biomass/Biogas

☐ Wind ☐ Geothermal

☐ Small Hydro (<10Mw) ☐ Other (specify):

Product (check all that apply):

☐ Firm ☐ Existing Facility

☐ As Available ☐ New Facility

☐ Dispatchable ☐ Other (specify):

Commercial Operation Date: (actual)

(scheduled, if under development)

Nameplate Capacity: MW

Net Capacity: (at APS Delivery Point)

MW (summer: June – Sept.)

MW (non-summer: all other months)

MW (Annual)

Projected Annual Capacity Factor: % (Net Capacity MW)

Projected Annual Energy: MWh (at Project Interconnection Point)

Projected Annual Delivered Energy: MWh (to APS System)

Heat Rate (if applicable): BTU/KWh (full load)

Primary Fuel Type (if applicable):

Project Interconnection Point (describe point in electrical system):

APS Transmission Delivery Point (describe point in electrical system):

Unit Electrical Control Features:

Automatic Generator Control: ☐ Yes ☐ No

VAR Control: ☐ Yes ☐ No

2.3.2 Specific Questions (Requires Completion)

2.3.2.1 Financial

2.3.2.1.1 Specify any existing Power Sale Commitments of the generating resource.

2.3.2.2 Technology

2.3.2.2.1 Describe the commercial viability of the proposed technology including a brief description of the history and applications.

2.3.2.2.2 Provide the nominal design life for all major components.

2.3.2.2.3 Describe the performance history of all major components.

2.3.2.3 Permitting

2.3.2.3.1 Describe any permits, licenses or authorizations that are necessary and/or required for the construction and operation of the generating resource. List all that have been received as well as those that have not yet been obtained.

2.3.2.4 Transmission

2.3.2.4.1 Provide a detailed description of the arrangements the Respondent has, or is proposing, related to how the proposed resource will provide firm delivery to the APS transmission system or distribution system along with a description of the delivery point on APS' system. If the proposed resource is not directly interconnected to APS' transmission or distribution system, Respondent shall provide a description on how the proposed resource will provide firm delivery to the APS system utilizing another transmission system.

2.3.2.4.2 Provide a description of and the costs associated with interconnecting the proposed resource to the transmission system. These transmission and interconnection related costs, including any wheeling costs, should be separately identified and broken out in the Proposal and any major assumptions related to these costs should be identified.

2.3.2.5 Fuel Supply

2.3.2.5.1 Describe all fuel supply resources and seasonal variations.

2.3.3 Asset Purchase Information

Purchase Price: $ Total Price

O&M Costs (2007$): $ /Year Fixed

$ /MWh Variable

Operating Requirements:

Minimum Net Generation Level: MW

Expected Equivalent Forced outage Rate: %

2.3.4 Purchase Power Agreement (PPA) Information

Delivery Term: Years (start date)

Expected Equivalent Forced Outage Rate: %

Expected Availability: % (Summer: June - Sept.)

% (Annual)

2.3.4.1 Capacity Payment: (for Dispatchable Resources only)

$ _____ /kW-mo (year one - based on Annual Net Capacity MW)

_____ % capital related (if applicable)

Annual Fixed Escalation: _____ % per year (Start year: _____)

Any capacity payment provision shall contain a penalty provision tied to a guaranteed availability.

Respondent specify: Guaranteed availability _____%

Penalty structure _____

2.3.4.2 Energy Payment: Complete the appropriate pricing provisions (See Notes 1 – 4 below).

1. Energy Delivered Prices with PTC/ITC:

a.

Summer On-Peak ($/MWh)	All other hours ($/MWh)	Fixed Escalation % per yr	Escalation Start date

b.

Annual Product ($/MWh)	Fixed Escalation % per yr	Escalation Start date

2. Energy Delivered Prices WITHOUT PTC/ITC:

a.

Summer On-Peak ($/MWh)	All other hours ($/MWh)	Fixed Escalation % per yr	Escalation Start date

b.

Annual Product ($/MWh)	Fixed Escalation % per yr	Escalation Start date

NOTES: (1) On-Peak defined: 7x8 Monday-Sunday – HE 1200 through HE 2000 (MST)
(2) Summer months defined as June-September.
(3) PTC=Production Tax Credit; ITC=Investment Tax Credit
(4) Prices based on delivered energy to APS transmission system.

2.3.5 Schedule

Provide the key project milestones dates.

2.3.6 Risk Assessment Plan

All bidders must submit a 1-2 page Risk-Assessment Plan which addresses the following items:

2.3.6.1 Identify project risks. (Include issues that may impact project schedule, budget, output or performance).

2.3.6.2 Explanation of how the risks will be avoided / minimized.

2.3.6.3 Propose any options that could increase the value of the project.

2.3.6.4 Explain the benefits of the proposed options.

2.3.7 Wind / Solar Generation Profile

Estimated Average Delivered MWh

Hours	Jan 31 days	Feb 28 days	Mar 31 days	Apr 30 days	May 31 days	Jun 30 days	Jul 31 days	Aug 31 days	Sep 30 days	Oct 31 days	Nov 30 days	Dec 31 days	Hourly Total MWh
1													0
2													0
3													0
4													0
5													0
6													0
7													0
8													0
9													0
10													0
11													0
12													0
13													0
14													0
15													0
16													0
17													0
18													0
19													0
20													0
21													0
22													0
23													0
24													0
Monthly Total MWh	0	0	0	0	0	0	0	0	0	0	0	0	

Annual Estimated Delivered GWh Production