

Request for Proposals

For Environmental Mitigation Funds for Salmon Habitat Restoration In Connection with Mandated Renewable Energy Option

April 19, 2010

The following sets forth the minimum requirements and selection criteria by which PGE will evaluate offerings by not-for-profit providers for the environmental mitigation/habitat restoration component of the portfolio offerings mandated under Oregon Senate Bill 1149 for PGE customers.

PURPOSE

PGE invites non-profit organizations to provide proposals to apply for the Habitat Option funds provided by customers participating in the Habitat renewable energy option to restore native fish habitat and educate the community on the benefits of healthy rivers and streams.

Habitat restoration is broadly defined and can include (but is not limited to): watershed assessments and analysis; acquisition of conservation easements from private parties to protect anadromous species habitat; riparian planting, streambank stabilization, barrier removal, removing vegetation, monitoring activities, and public outreach and education efforts. Funds cannot be used for political advocacy, litigation, or acquisition of water rights.

Bids are being solicited for the period covering the execution of a contract between PGE and the winning bidder beginning January 1st 2011 and ending on December 31, 2012.

PGE is particularly interested in proposals that will (1) encourage projects in PGE's Oregon service area, (2) actively engage communities and diverse partners, and (3) include collaborative efforts, including promotion/marketing, between the submitting organization and PGE.

BACKGROUND

PGE began offering Salmon Friendly Power to customers with the Oregon non-profit For the Sake of Salmon in 2000. Since this time PGE has provided residential and small non-residential customers (less than or equal to 30 kWh demand) two renewable energy product options as well as the habitat "adder" which can be added to either renewable option.

This adder, which is only available to PGE's renewable power program, is called the Habitat Support option. It allows customers to make an automatic \$2.50 monthly donation via their PGE bill to support native fish habitat restoration. These funds are passed through to the chosen not-for-profit entity on a quarterly basis to support habitat restoration projects in PGE's service area.

The Oregon Public Utility Commission Final Order 03-208 dated April 3, 2003 requires that PGE continue to offer a habitat option during the 2011-2013 service term under the following terms and conditions.

- ♦ Proposed projects should involve restoration and enhancement efforts
- ♦ Environmental mitigation funds from the program options will be dedicated to salmon habitat restoration

PGE also maintains online support of its renewable portfolio options which includes Habitat Support at <http://www.PortlandGeneral.com/Renewable> and <http://www.GreenPowerOregon.com>.

Currently PGE has 9242 customers subscribing to this option. These customers contribute approximately \$300,000 for Habitat restoration per year.

Bidders should note that changes to the structure of PGE’s Habitat option are subject to review and approval by the Portfolio Advisory Committee.

MINIMUM REQUIREMENTS

All bidders are expected to meet the following requirements.

Meets PUC Order Terms. The offering must meet the terms of all applicable orders of the Oregon Public Utility Commission (OPUC). Please refer www.oregon.gov/PUC/electric_restruc/indices/recmnd04.pdf

1. Species and Habitat Restoration Activities. Order 01-337 requires that the effort be “directed toward threatened or endangered anadromous fish” that are “native species adversely affected by the production and transmission of electricity.” Anadromous means fish that hatch in fresh water, migrate to the ocean to grow and mature, and migrate back to fresh water to spawn. According to the Pacific States Marine Fisheries Commission, anadromous fish include Chinook Salmon, Coho Salmon, Chum Salmon, Pink Salmon, Coastal Cutthroat Trout, Sockeye Salmon, Steelhead, American Shad, Eulachon (Smelt), Green Sturgeon, White Sturgeon and Pacific Lamprey. Habitat restoration activities is broadly defined and can include (but is not limited to): watershed assessments and analysis; acquisition of conservation easements from private parties to protect anadromous species habitat; monitoring activities; and public outreach and education efforts including watershed restoration and school groups. However, preference will be given to activities that result in “on-the-ground” physical restoration of habitat for threatened or endangered species within the utilities service area.
2. Customer Education and Outreach Support. The selected organization should demonstrate an ability to provide or adequately support PGE’s education and outreach campaigns to increase awareness and understanding of this option as well as assist in efforts to communicate to participating customers about the projects they are funding and helping make happen. Further, the selected organization should be capable of communicating directly with customers with the highest standards of professionalism.
3. Demonstrate PGE Community Involvement. Mitigation projects and actions should benefit the communities in which the utility operates through habitat restoration and improvement and through education. Preference will be given to projects located in the utility’s service area.
4. Not-for-profit status. All monies collected from ratepayers choosing this option must go directly to a not-for-profit organization for Salmon habitat restoration projects.

5. **Reporting.** The selected organization must establish that it has systems in place to report to PGE twice a year on mitigation projects and outreach and education efforts, and once a year on financial receipts and expenditures on mitigation projects, outreach, education and administration. The organization must also meet reporting requirements set by regulators. All funds collected from ratepayers are appropriately used.
6. **Customer Confidentiality.** Information about PGE customers acquired through the course of this program must remain confidential. The selected organization must adhere to PGE's strict confidentiality standards. Any contract entered will require a non-disclosure agreement between the selected organization and PGE. Bidders are free to confirm their intent to bid to the press and should refer all press inquires about this process to PGE.

SELECTION CRITERIA

If a bidder meets the above requirements, it will be evaluated based on the following criteria.

1. **Roles and Responsibilities.** Outline roles and responsibilities in terms of working with PGE and Green Mountain Energy Company to offer consumers a Habitat adder to the renewable options. Indicate the level of staffing that would be dedicated to select projects, support the mitigation product and provide education and improve public awareness of the product. (see more information about public awareness in #5, below)
2. **Project Selection and Impact.** Identify potential projects that exist both with and outside PGE's service area in Oregon, and identify their benefits and potential impacts. Based on projected funding, indicate the timeline for implementing and completing these projects.

Alternatively, propose a project selection process that ensures technical credibility, meaningful habitat benefits, and some level of external stakeholder involvement. Include other participants, if any, and a typical timeline for project selection and implementation.
3. **Funding.** Identify the availability of matching money that would expand or accelerate the completion of projects. Identify the minimum level of funding required to fund and complete a typical restoration project. Indicate whether PGE customer contributions can qualify as a charitable contribution and therefore be tax deductible. Indication how your organization could assist customers in deducting their contributions from taxes owed (e.g., on-line forms).
4. **Accountability.** Spell out the collection of funds and accountability process in terms of how the funds are used (i.e. % spent on project selection, contracting, implementation, communications, and administration).

5. Marketing and Communications. Define the process to be used to communicate to PGE's Oregon customers on restoration projects in progress and completed so customers clearly understand where their mitigation money goes. Identify benefits including brand awareness and customer acceptance. If applicable, identify current organization membership levels within the PGE service area and how this may impact the success of the mitigation product. Identify joint (with PGE) or singular (on your own) marketing activities you can offer that will increase awareness of and customer participation in the program. Provide examples of community projects – for example, sample marketing materials, press releases, online presence or community presentations.
6. Experience. Describe the organization's experience working with mitigation projects and in communications and marketing on environmental issues (i.e., years, projects, staff experience, and relationships with other relevant organizations). Include documented information that demonstrates track record and benefits provided to surrounding communities and the environment as a result of these projects.

BIDDER APPLICATION DETAILS REQUIRED

The bidder must also provide the following information to PGE:

- ♦ Name of organization
- ♦ Address
- ♦ Phone
- ♦ Fax# and email address
- ♦ Contact person and title
- ♦ Mission of organization
- ♦ Date of organization founding
- ♦ Staff and organization structure
- ♦ Current year organizational budget
- ♦ Funding sources
- ♦ Financial statement
- ♦ Letters of reference

EVALUATION CRITERIA

Proposals will be evaluated based on ability to meet minimum level requirements, the proposal criteria, and thoroughness of the bidder application information.

RFP DEADLINE

Proposals must be delivered in electronic form or hard copy by 5:00 p.m. on June 15., 2010
Facsimiles and electronic copies will not be considered.

PGE

Attn: Thor Hinckley

121 SW Salmon Street

3WTC0407

Portland, OR 97204

Questions: Contact Thor Hinckley at thor.hinckley@pgn.com

AWARD DECISION DATE

June 15, 2010

Proposals will be reviewed by a team comprised of staff from various disciplines within PGE. The evaluation team may contact bidders during the evaluation process if additional information is required.

FUNDS AVAILABLE TO WINNING BIDDER

Funds collected from Healthy Habitat customers for the balance of 2010 will be provided to the current Habitat Support provider, The Nature Conservancy.