

# REQUEST FOR PROPOSAL #2026-CCS-01

## Carbon Capture Pilot Project – Industrial Boiler Flue Gas

### Questions and Responses

**1. Can CO<sub>2</sub> be transported to another state for offtake and be mineralized or sequestered there?**

Yes. Bidders may propose transportation to another state for permanent sequestration or mineralization. The proposal should clearly describe the proposed pathway, location, and associated costs.

**2. Would above-ground mineralization into concrete or aggregate materials be acceptable as an offtake method?**

Alternative permanent carbon sequestration pathways are acceptable as long as they comply with the CPP. Bidders should demonstrate permanence and describe the proposed monitoring and verification approach.

**3. Would in-ground mineralization (turning CO<sub>2</sub> into rock rather than sequestering in storage wells) be accepted?**

Alternative permanent carbon sequestration pathways are acceptable as long as they comply with the CPP. Bidders should demonstrate permanence and describe the proposed monitoring and verification approach.

**4. The RFP mentions inclusion of other credits, grants, and incentives. Is that a must-have or nice-to-have?**

The inclusion of grants, incentives or credits is not required, but encouraged where applicable. Any assumptions regarding these or other incentives should be clearly identified.

**5. For qualifications for subcontractors, do you require all subcontractors (such as construction companies and EPCs) to be listed, or can that be determined after the award process?**

It is not necessary to list every subcontractor at the time of proposal submission. Bidders should provide sufficient information to demonstrate the qualifications and experience of the proposed project team, including key subcontractors where applicable. Additional subcontractors may be identified as the project is further developed.

- 6. What level of detail regarding MRV is expected in the application for both the capture process and the offtake process? For example, the amount of carbon captured can be measured with sensors and recorded for audits and verification, but the MRV protocol for sequestration/mineralization has not yet been developed by the state. Is it sufficient to briefly describe the stages at which capture and sequestration/mineralization will be measured and verified?**

Bidders should describe their proposed MRV approach for capture and permanent sequestration or mineralization. A conceptual description of where measurement and verification will occur is sufficient at this stage. Final MRV requirements will be developed during project implementation in coordination with NW Natural and applicable regulatory agencies.

- 7. For offtake partner revenue and cost assumptions, can one cost model be presented covering capture through mineralization/sequestration, or does it need to be broken down into capture and offtake?**

Bidders should provide an itemized cost breakdown for the major project components, including capture, transportation and permanent sequestration along with the total proposed price per metric ton of CO<sub>2</sub>.

- 8. The RFP references a two-year pilot phase. How is that different from the 15-year project term? What happens after the two-year pilot phase?**

The initial two years are intended to demonstrate project performance, gather operational learnings, and assess the potential scalability of similar projects at other customer sites. The anticipated project term is up to 15 years, subject to the terms of the definitive service agreement.

- 9. Is there a target \$/tonne of CO<sub>2</sub> for this project?**

NW Natural has not established a final target price per metric ton. Cost competitiveness is an important evaluation criterion; however, proposals will be evaluated based on overall value, including technical feasibility, project performance, commercial structure, project risk, and experience.

- 10. What does success look like for NW Natural for this project? Are there specific key performance metrics?**

Success includes delivering a safe, technically feasible project that advances decarbonization through meaningful, verifiable emissions reductions while demonstrating cost effective, commercial viability, and scalability.

**11. Will NW Natural accept a teaming or consortium proposal in which the capture technology provider, the project owner/operator, and the permanent sequestration operator are distinct entities? If so, which entity must be the DaaS contract counterparty?**

While multiple organizations may participate in the project, NW Natural will contract with a single entity under the DaaS agreement. That entity will be responsible for delivery of the complete CCS solution, including coordination with its consortium partners.

**12. Is NW Natural open to commercially separating the capture island from transportation and sequestration, for example by having NW Natural or the host facility contract transportation and sequestration directly rather than requiring a single fully integrated bidder?**

NW Natural is seeking a turnkey, end-to-end CCS solution. The selected bidder will be responsible for the integrated delivery of capture, transportation, and permanent sequestration or mineralization under a single DaaS agreement.

**13. The scope places all development, capital, performance, and permitting risk on the bidder. Is NW Natural open to host-site contributions (such as electrical infrastructure, site preparation, or steam/thermal integration), or to sharing regulatory and storage permitting risk that lies outside the bidder's control?**

Bidders should prepare proposals consistent with the responsibilities outlined in the RFP. The host facility will provide site access and reasonable support during project development, permitting and operation; however, the selected bidder will be responsible for delivering the complete CCS solution, including any required site modifications. The definitive service agreements will establish the detailed commercial terms, including termination rights, stranded asset treatment, force majeure, applicable change-in-law provisions, and other commercial terms.

**14. Has NW Natural pre-identified or pre-qualified any permanent sequestration site, mineralization/basalt partner (for example, Columbia River Basalt pathways), or transportation and sequestration provider, or is the bidder expected to source storage independently?**

NW Natural has not pre-qualified a permanent sequestration site, transportation and sequestration provider, or other storage partner. Bidders are responsible for proposing complete transportation and permanent sequestration or mineralization solutions.

**15. Given that no permitted Class VI storage or CO2 transportation infrastructure currently exists in Oregon, will NW Natural accept a phased pathway in which pilot-phase CO2 uses**

**an interim qualified pathway while permanent geologic sequestration or mineralization is being permitted? What is the latest acceptable date to transition to permanent storage?**

The proposed solution must provide for the permanent sequestration or mineralization of captured CO<sub>2</sub> upon commencement of project operation. Permanent geologic sequestration, mineralization, or other surface permanent storage pathways are acceptable. The captured CO<sub>2</sub> must not be re-emitted to the atmosphere through end uses.

**16. Does the preferred 2028 in-service date apply to capture commissioning only, or to fully permitted permanent sequestration as well?**

The preferred 2028 in-service date applies to the complete CCS solution, including capture, transportation, and permanent sequestration or mineralization. Bidders should identify any assumptions or schedule dependencies that could affect achieving this timeline.

**17. NW Natural intends to retain all environmental attributes and carbon removal claims. The federal 45Q tax credit accrues to the party that owns the capture equipment and disposes of the CO<sub>2</sub>. Please clarify whether the bidder/owner is expected to monetize 45Q (as suggested by the RFP's instruction to maximize tax credits), or whether 45Q is considered part of the environmental attributes retained by NW Natural. This materially affects the proposed \$/tonne pricing and should be clarified to avoid double counting.**

The selected bidder is expected to monetize available tax credits, including 45Q, and reflect those benefits in the proposed pricing.

**18. Is there a \$/tonne budget envelope or ceiling that NW Natural and the OPUC consider reasonable for a compliance pilot of this scale?**

NW Natural has not established a final target price per metric ton. Cost competitiveness is an important evaluation criterion; however, proposals will be evaluated based on overall value, including technical feasibility, project performance, commercial structure, project risk, and experience.

**19. What electrical capacity is available at the point of interconnection? What PGE tariff schedule and demand charge structure apply? Is on-site or behind-the-meter generation permitted?**

Less than 1 MW of electrical capacity is currently available at the site. For proposal development, respondents may use PGE Schedule 85 – Large Nonresidential Standard Service (201–4,000 kW) to estimate applicable electric service costs. Respondents may propose alternative electrical supply solutions consistent with the site characteristics, available footprint, and project economics.

**20. Given the 15-year project term, what mechanisms exist for technology refresh or price reopeners? What termination-for-convenience and stranded asset provisions would apply if the regulatory basis for the project changes during the contract term?**

The RFP does not contemplate automatic technology refresh mechanisms or price reopeners during the project term. Respondents should incorporate any related assumptions into their proposal and proposed pricing.

The definitive agreements will establish customary provisions governing termination (including termination for convenience), default, and changes in applicable law. In the event of a default, the defaulting party will compensate the non-defaulting party in accordance with the definitive agreements. NW Natural will retain responsibility for changes affecting applicable regulatory compliance programs, while the selected respondent will retain responsibility for changes affecting 45Q and other project incentives included in its proposal.

**21. Can you confirm if this RFP expects developers to request funds from NW Natural for the feasibility study, or if the entire project development is expected to be zero cost to NW Natural and the host site?**

NW Natural will not fund a separate feasibility study. Any feasibility, project development, engineering, permitting, or other development activities should be incorporated into the respondent's proposed commercial approach and reflected in the proposed price per metric ton of CO<sub>2</sub> captured and permanently sequestered.