



# Oregon

Theodore R. Kulongoski, Governor

## Public Utility Commission

550 Capitol St NE, Suite 215

**Mailing Address:** PO Box 2148

Salem, OR 97308-2148

**Consumer Services**

1-800-522-2404

Local: (503) 378-6600

**Administrative Services**

(503) 373-7394

October 21, 2005

***Via Electronic Filing and U.S. Mail***

OREGON PUBLIC UTILITY COMMISSION  
ATTENTION: FILING CENTER  
PO BOX 2148  
SALEM OR 97308-2148

RE: **Docket No. UM 1182** - In the Matter of Northwest Independent Power Producers Coalition Petition for an Investigation Regarding Competitive Bidding.

Enclosed for filing in the above-captioned docket is the Public Utility Commission Staff's Comments. This document is being filed by electronic mail with the PUC Filing Center.

*/s/ Lois Meerdink*

Lois Meerdink  
Regulatory Operations Division  
Filing on Behalf of Public Utility Commission Staff  
(503) 378-8959  
Email: Lois.Meerdink@state.or.us

cc: UM 1182 Service List - parties

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UM 1182**

In the Matter of an Investigation  
Regarding Competitive Bidding.

STAFF'S REPLY COMMENTS

**Introduction**

The Oregon Public Utility Commission staff appreciates the thorough review and constructive criticism of staff's straw proposal for updating the Commission's competitive bidding process provided by the parties to this investigation in their opening comments. Staff responds to questions and concerns raised by the parties in these reply comments. First, staff addresses the following issues: (1) Definition of a Major Resource; (2) Debt Imputation; (3) Bidding Fees; (4) Selection of Independent Evaluators; and (5) Bidding a Utility Site. Second, staff responds to the issues raised by the Public Interest Groups. Finally, staff briefly addresses the remaining issues raised by the parties.

**Definition of a Major Resource**

Portland General Electric (PGE), PacifiCorp, and the Public Interest Groups all proposed modifying Staff's 5-year and 50-MW definition of a Major Resource for competitive bidding purposes. PGE proposes a 10-year and 100 average megawatt (MWa) threshold; PacifiCorp a 10-year and 100-MW threshold, and the Public Interest Groups a 5-year and 100-MW threshold.<sup>1</sup>

PGE first argues for changing to a MWa basis to ensure that non-dispatchable, intermittent or energy limited resources with low expected capacity factors are treated comparably with other resources that have higher expected capacity factors. PGE then argues for changing the resource duration to 10 years in order to retain utility flexibility to act quickly to acquire mid-term resource opportunities. See PGE Opening Comments, pages 2-3.

PacifiCorp first argues for a higher size threshold in order to fairly compare market bids against a Benchmark Resource. Second, PacifiCorp argues for a higher threshold to limit the frequency of RFP filings and thereby limit regulatory time commitments. Finally, PacifiCorp argues that a 5-year and 50-MW

---

<sup>1</sup> The Public Interest Groups do not offer a justification for their proposed change.

threshold would impair its ability to actively hedge its position in liquid forward markets. See PacifiCorp Opening Comments, pages 3-4.

In setting the definition of a Major Resource for competitive bidding purposes, the Commission should avoid being too restrictive or too flexible in setting the requirement. All of the parties to this investigation agree that utility acquisition of long-term resources (i.e., those with durations greater than 10 years) should be subject to competitive bidding. All of the parties to this investigation also agree that utility acquisition of short-term resources (i.e., utility purchases in liquid forward markets) should be excluded from competitive bidding. The area of disagreement is confined to the treatment of mid-term resources.

Both PGE and PacifiCorp argue that a Major Resource definition set at 5-years and 50-MW would inappropriately include mid-term resources (i.e., resources with durations of 5-10 years) in the competitive bidding process. In our opening comments, Staff indicated that front office transactions to balance and manage energy risk are normally subject to a duration limit of up to 48 months. That is, transactions with delivery terms greater than 48 months normally require prior approval by senior management. See Staff Opening Comments, page 2. These duration limits are set to be consistent with product liquidity in western energy markets. Both PGE and PacifiCorp have been able to effectively manage and hedge their positions within the current limits included in their energy risk management policies.

PacifiCorp indicates that many of the front office transactions called for in its most recent Integrated Resource Plan (IRP) may have durations in the 5-10 year range. See PacifiCorp Opening Comments, page 4. Staff is willing to concede that there is a trend toward liquidity in trading for products with durations longer than 48 months. However, we note that despite PacifiCorp's interest in having more flexibility to acquire mid-term resources, the company did not model resource additions in the 5-10 year range in its IRP. See PacifiCorp's 2004 IRP, pages 52-53. In addition, PacifiCorp has objected to Staff's proposal in Docket UM 1056 that utilities compare resource durations in Integrated Resource Planning, stating that the competitive bidding process is the appropriate venue for this evaluation. See UM 1056, PacifiCorp Opening Comments, page 7 and Staff Reply Comments, page 3.

Mid-term resources not only allow utilities to hedge short-term system balancing risks, they also allow utilities to hedge long-term risks associated with irreversible investment in large baseload resources. Mid-term resources can add flexibility and optionality to the utilities' resource portfolio. Staff believes that the risks and rewards of mid-term resources should be considered and modeled in IRP and that mid-term resources should be explicitly solicited in the competitive bidding process.

PGE recommends that the output component of staff's proposed Major Resource definition be changed from megawatts (MW) to average megawatts (MWa) in order to ensure that expected low capacity factor resources, such as wind resources, are not inappropriately included in the Major Resource category. This is a reasonable concern. On the other hand, using a MWa metric could result in certain low capacity factor resources, such as capacity tolling agreements, being inappropriately excluded from the Major Resource category.

PacifiCorp recommends increasing the output component to 100 MW in order to fairly compare market bids against a Benchmark Resource. As staff indicated in its opening comments, resources with different sizes and durations can be fairly compared by calculating price scores based on real-levelized cost-to-market ratios. See Staff Opening Comments, page 5.

Overall, staff is not convinced that the duration component of its proposed Major Resource definition should be increased from 5 years to 10 years. At the same time, we recognize that utilities need flexibility to pursue mid-term resources in a timely manner. Staff recommends exception and waiver provisions be adopted as part of the RFP process in order to allow the utilities to respond to time-limited resource opportunities and emergency situations. See Staff Opening Comments, page 3. However, increasing the output component of the proposed Major Resource definition from 50 MW to 100 MW would allow for additional flexibility. Staff is not opposed to the Public Interest Groups' proposal to define Major Resources as those with durations greater than 5 years and quantities greater than 100 MW.

### **Debt Imputation**

PGE and PacifiCorp recommend expanding staff's proposal. Staff's proposal would allow for consideration of credit rating agency debt imputation associated with long-term purchase power agreements (PPAs) at the final stage of bid scoring and evaluation. PGE and PacifiCorp propose that debt imputation be consideration at all stages of bid scoring and evaluation. See PGE Opening Comments, pages 3-4; and PacifiCorp Opening Comments, pages 9-10. PGE also questions the desirability and feasibility of the Commission relying on outside entities to substantiate the utility's calculations of imputed debt. See PGE Opening Comments, page 4. PacifiCorp also recommends that the proposed guideline refer to both direct and imputed debt. See PacifiCorp Opening Comments, pages 9.

The Northwest Independent Power Producers Coalition (NIPPC) recommends against imputed debt being a consideration in bid scoring and evaluation. See NIPPC Opening Comments, page 11. As an alternative, if a utility ownership option or affiliate bid is being considered in the RFP, then NIPPC recommends that the Independent Evaluator make a comparable

evaluation of the impact of these resources on the utility's capital structure and costs. See NIPPC Opening Comments, pages 11-12.

The Industrial Customers of Northwest Utilities (ICNU) and the Public Interest Groups recommend that if debt imputation is considered, then the risks associated with utility ownership should also be considered. See ICNU Opening Comments, page 9; and Public Interest Groups Opening Comments, pages 4-5.

In its Memo Regarding Debt Imputation and Power Purchase Agreements, dated June 6, 2005, Staff emphasized that Standard and Poor's (S&P) formula for balance sheet debt imputation for long-term PPAs is heavily influenced by its perception of the likelihood of the utility being able to receive timely recovery of their costs. See Staff Opening Comments, Attachment B. If the likelihood of timely cost recovery is good, then the acquisition of a long-term PPA does not put downward pressure on the Company's credit ratings, and the amount of debt imputed by S&P or the other rating agencies is irrelevant. Staff indicated that regulated utilities appear to receive favorable treatment by S&P with respect to PPAs. We also indicated that there is no "one size fits all" approach to determining the balance sheet effect of a PPA. See Staff Opening Comments, page 7. Given our holistic view of debt imputation and credit ratings, Staff is reluctant to overemphasize debt imputation in RFP bid scoring and evaluation. This reluctance results in our two recommendations: (1) to reserve consideration of debt imputation for the selection of the final short list of bids; and (2) to have the utility substantiate its analysis by obtaining an advisory opinion from a credit rating agency, if requested by the Commission.

Staff is sympathetic to PGE's and PacifiCorp's arguments that failing to consider debt imputation at all stages of bid scoring and evaluation could result in resources that have imputed debt receiving an unfair advantage over resources that do not. However, staff notes that the selection of the initial short-list is not limited to a fixed number of bids. The utility is allowed considerable flexibility in selecting the number of bids for the initial short-list. Staff is not convinced that our proposal to reserve debt imputation for selection of the final short-list would, in practice, result in more economic bids failing to make the initial cut.

Staff also is not persuaded by PGE's argument that having a major credit rating agency provide an advisory opinion on the potential impacts of a PPA would be impractical. The advisory opinion would be limited in scope and would only be needed if there was a dispute about the choice of the final bids. Assuming the utilities provide substantive analysis explaining their final choices, an advisory opinion may not be necessary.

Staff believes both direct and imputed debt should be reserved for selection of the final short-list. Applying a simple formulaic approach for imputing debt in the initial stage would likely be inaccurate and insufficient. Reserving the analysis of imputed debt until a latter stage decreases the likelihood that a PPA

would be erroneously disqualified. The final analysis should consider both the benefits and the costs of the PPA, not simply an adder for debt imputation.

Staff addressed the ICNU and Public Interest Groups concerns regarding consideration of the risks of utility ownership in our opening comments. See Staff Opening Comments, pages 6 and 9. In particular, Staff recommends that the utility and Independent Evaluator evaluate the unique risks and advantages of any utility self-build or ownership option.

Overall, staff does not believe that its proposal related to debt imputation is flawed. While Staff believes that debt imputation does occur, Staff is not convinced that debt imputation can adequately be addressed with a simplistic formulaic approach. By reserving any consideration of debt imputation until the final selection, the analysis should be more rigorous and consider all the benefits and costs associated with the PPA. This more rigorous analysis would not be appropriate in the first rounds of bidding, but should be addressed before a final project is selected.

### **Bidding Fees**

Idaho Power Company (Idaho Power) argues that funding Independent Evaluator services through bidding fees is impractical because these services can be expensive, because high bidding fees can discourage bidder participation, and because the actual cost of the services may exceed the estimated cost and utility recovery of the difference may prove difficult. See Idaho Power Opening Comments, pages 4-5.

PacifiCorp does not agree with Staff's proposal to assess the utility the same fee as other bidders when the utility includes a Benchmark Resource in the RFP process. PacifiCorp also argues that any IE costs not funded via bid fees should be recoverable on a dollar for dollar basis in subsequent rate cases. See PacifiCorp Opening Comments, page 8.

Staff is persuaded by Idaho Power's arguments. Idaho Power's recommendation to include the costs associated with hiring the Independent Evaluator in utility rates is reasonable. Staff recommends the utilities use deferred accounting as the means to include these costs in rates. Staff believes the utilities will continue to use the RFP process on a sporadic basis. Therefore, establishing the expected cost for IE services in a future test year, in a general rate case, could prove difficult.

If the Commission disagrees with Idaho Power and staff, then staff continues to recommend that the utilities be assessed the same bid fee as other bidders when they include a Benchmark Resource in an RFP. PacifiCorp's argument that the Benchmark Resource is included in an RFP to protect ratepayers from

an excessive market response is one-sided. One could just as easily assert that it is the market response that is intended to protect ratepayers from the cost and other risks of the Benchmark Resource.

### **Selection of Independent Evaluators**

PacifiCorp and Idaho Power both argue that the qualified pool of competent and reputable specialists may be too small to limit the selection of Independent Evaluators to individuals or firms that have not recently provided consulting services to participants in western energy markets. See PacifiCorp Opening Brief, pages 7-8; and Idaho Power Opening Comments, page 4.

ICNU recommends modifying staff's proposal to give Commission staff sole discretion for the selection of Independent Evaluators. See ICNU Opening Comments, page 7.

Staff indicated in its opening comments that the purpose of the IE is to provide assurances that the RFP process is conducted fairly. We indicated that technical competence and independence should be paramount concerns when hiring the IE. We also identified a potential dilemma - many technically competent individuals work for consulting firms that provide services to energy market participants. See Staff Opening Comments, pages 4-5. Both PacifiCorp and Idaho Power emphasize the importance of expertise and independence, and recognize that each requirement is critical to selecting a qualified IE. The disagreement with staff's proposal is confined to staff's attempt to predetermine a partial solution to the potential dilemma in its proposed guideline. Both PacifiCorp and Idaho Power fear that limiting the selection of the IE to those who have not provided consulting services to participants in western energy markets will result in experience being sacrificed for independence. Staff is not opposed to PacifiCorp's suggested approach to addressing this dilemma as reflected in its mark-up of staff's proposed guideline.

Staff disagrees with ICNU's recommendation to have staff be solely responsible for the selection of the IE. Staff believes that the utility, and if time permits any non-bidding intervenors, should have input into the selection of the IE. The utility and non-bidding intervenors can provide valuable input regarding the expertise and independence of potential Independent Evaluators.

### **Bidding a Utility Site**

NIPPC and ICNU both recommend that independent power producers be allowed to submit a bid to construct a resource at the utility's site. See NIPPC Opening Comments, pages 12-13; and ICNU Opening Comments, page 9.

Staff initiated consultation with the Oregon Department of Justice (DOJ) regarding this issue. Staff questioned whether the Commission has the legal authority to require the investor-owned electric utilities to offer their site locations for development by independent power producers. Staff indicated that utility expenses associated with the acquisition and maintenance of site locations is normally excluded from the utility's revenue requirement. DOJ has advised staff that it is concerned that there are legal impediments to implementing the NIPPC and ICNU recommendation.

As a matter of policy, staff recommends that the Commission encourage the electric utilities to offer their sites for third party development. Staff believes this practice could provide value to ratepayers. PacifiCorp recently made this type of offer in its September 2005 draft request for proposals for flexible resources in 2009. See Docket UM 1208. Such a provision in a utility RFP may be viewed favorably by the Commission when they seek RFP approval and, if adopted by the Commission, acknowledge of the final list of bids with which the utility will pursue negotiations.

### **Response to the Public Interest Groups**

The Public Interest Groups indicate that they are at odds with staff in several important areas of competitive bidding. Staff does not believe the differences are as great as the Public Interest Groups' opening comments may suggest. Staff believes the differences stem from slightly different philosophical approaches to competitive bidding.

The fundamental philosophical difference becomes apparent when comparing the Public Interest Groups' stated goal of competitive bidding to staff's stated goal. The Public Interest Groups indicate that the subject of this proceeding, and the goal of the competitive bidding process, is the implementation of the utilities' IRP Action Plans. See Public Interest Groups Opening Comments, page 2. Staff, on the other hand, indicates that the RFP process is a means to promote and improve the resource actions identified in the utility's IRP Action Plan. See Staff Opening Comments, page 2. The Public Interest Groups emphasize Action Plan implementation, whereas staff emphasizes potential improvement towards attaining the portfolio of resources with the best combination of expected costs and risks. The difference is slight, but staff believes it accounts for the key differences between our positions on competitive bidding. The Public Interest Groups' focus on Action Plan implementation results in a resource-type approach to competitive bidding and an emphasis on comparing actual bid prices to IRP input assumptions.

The resource-type approach to competitive bidding is evident in several places in the Public Interest Groups' opening comments. For example, the Public Interest Groups indicate that the selection of the initial short-list of bids

should not be based on a comparison of resources of different fuel types. They prefer selection from pools of each type of resource. See Public Interest Groups Opening Comments, page 2. Staff does not recommend segregating short-list selection by resource type. First, staff recommends sorting all of the bids by total score (i.e., total score = price score + non-price score) and selecting a reasonable number of the best scoring bids for the initial short-list. Second, staff recommends improving short-list resource diversity (i.e., fuel type, resource duration, etc.) by dropping down the list and selecting lower scoring bids. This is the same approach to short-list selection used by PGE in its 2004 RFP. It is possible to achieve short-list resource diversity without selecting the same number of resources from separate pools of each type of resource. Thus, while staff and the Public Interest Groups both seek an initial short-list comprised of a diverse set of resources, staff recommends a different process.

The emphasis on comparing actual bid prices to IRP input assumptions is evident in the Public Interest Groups' two-path approach to competitive bidding. See Public Interest Groups Opening Comments, pages 3-4. These groups recommend drawing a bright line between implementing the IRP Action Plan (i.e., Path A) and implementing a revised IRP Action Plan (i.e., Path B). The switch from Path A to Path B occurs if, "the average bids in the initial short-list for each resource type are more than 20% above or below those modeled in the original IRP." See Public Interest Groups Opening Comments, page 4. This two-path approach to competitive bidding is unwise for two reasons. First, because it artificially establishes when bid prices are "significantly different" from IRP assumptions. A simple example illustrates this flaw. If natural gas resource bids are priced 19 percent higher, and renewable resource bids are priced 19% lower, in the RFP compared to the IRP, then this would not be considered a significant change. Second, it is unwise because it would allocate time and resources to the determination of whether any differences are significant, instead of allocating those resources to determining the best combination of actual bids. The two-path approach is indicative of the Public Interest Groups' view that competitive bidding is an Action Plan implementation process. Staff prefers to view competitive bidding as a search process aimed at finding the best combination of resources for ratepayers.

Again, the difference here is slight, but can have important ramifications. Staff believes competitive bidding should be viewed as more than Action Plan implementation. The utility and ratepayers should be open to the possibility that the competitive bidding process can provide a better combination of resources than was envisioned in the IRP Action Plan. Contrary to the Public Interest Groups' assertion, staff's recommended approach to competitive bidding emphasizes consistent decision criteria and the exercise of judgment over mechanical implementation or model crank-turning. See Staff Opening Comments, page 2. The Commission's prudence standard requires timely analysis and evaluation. As staff indicated in its opening comments, Commission acknowledgement of a final RFP short-list should require a showing by the utility

that it has evaluated a full range of resources and selected a final short-list of resources consistent with achieving the primary goal of IRP. See Staff Opening Comments, page 10.

### **Remaining Issues**

1. **NIPPC** suggests that staff's "Non-Standard RFP" is equivalent to its "Benchmark RFP." See NIPPC Opening Comments, page 7. This is not technically correct. Staff's "Non-Standard RFP" includes those that allow affiliate bidding, whereas NIPPC's "Benchmark RFP" does not specifically include this category of bidders.
2. **NIPPC** recommends that the Independent Evaluator report to the Commission or staff, not the utility. See NIPPC Opening Comments, page 7. Staff agrees. See Staff Opening Comments, page 4.
3. **ICNU** recommends that the Commission not restrict its ability to disallow the costs of resources acquired through an RFP by approving the proposed RFP or acknowledging the results of the RFP. See ICNU Opening Comments, pages 5-6. Staff agrees with ICNU that the Commission should not acknowledge the final negotiated bids. However, staff believes that the Commission's current practice of RFP approval, and staff's proposed acknowledgment process for the final list of bids with whom the utility will negotiate, would not restrict the Commission's ability to disallow the costs of resources acquired through an RFP. Staff also believes its proposed competitive bidding process maintains the traditional role of the Commission. See Staff Opening Comments, pages 9-10.
4. **ICNU** recommends that if bid updates are allowed, then all bidders, not only the utility or its affiliate, should be provided the same opportunity to update their bids. See ICNU Opening Comments, pages 6-7. Staff agrees. See Staff Opening Comments, page 8.
5. **ICNU** recommends that the Independent Evaluator "review" and not just "validate" the utilities' bid scoring. See ICNU Opening Comments, page 7. Staff agrees. See Staff Opening Comments, pages 8-9.
6. **ICNU** recommends that the IE be under no obligation to reconcile any differences between it's and the utilities' scoring. See ICNU Opening Comments, page 7. Staff believes it is important for the IE and the utility to attempt to resolve difference in bid scoring and evaluation. But, staff agrees with ICNU that compromise should not be required.
7. **ICNU** suggests that staff's proposed 45-day public review process is not vigorous enough to assure the RFP will be fair. See ICNU Opening

Comments, page 8. Staff recommends that the Commission, after the public review process, resolve any remaining disputes regarding RFP design, within a 45 day period. See Staff Opening Comments, page 3. Staff recommends at least a 60-day advance notice of the utility's intention to file an RFP. Staff also envisions the utility filing a draft RFP for public comment. The utility can request and the Commission can set a timeline for public review at the time of the filing of the draft RFP.

8. **ICNU** recommends that the Commission defer any decision on adopting RFP acknowledgment until it has been proven that the utilities are not biasing the results of the RFP process. See ICNU Opening Comments, pages 8-9. One of the goals of this proceeding is to develop RFP guidelines that will promote fair and unbiased results. RFP acknowledgment is an integral piece of staff's proposal. By providing for a timely review of the utility's selection of the final short-list, RFP acknowledgment has the potential to remedy any actual bias.
9. **PGE** argues that utilities should have the same opportunity as all other bidders to keep the transmission strategy for their proposed Benchmark Resource blinded from other bidders. See PGE Opening Comments, page 1. In Docket UM 1056, staff has recommended that electric utilities identify the transmission arrangements for "proxy" resources in their IRP. See UM 1056, Staff Opening Comments, page 21. Staff believes that if a utility plans to consider a utility-owned site, it should identify the likely transmission arrangements and provide a reasonable estimate of transmission costs in its IRP. In fact, the utility must do so in order to determine the delivered costs of energy and capacity for the proxy resource. Staff agrees with PGE that at the RFP stage, utilities should have the same opportunity as all other bidders to keep their final transmission strategy blinded from other bidders. The utility, however, should provide their final transmission strategy and final estimate of transmission costs to the Independent Evaluator and non-bidding intervenors under a protective order.
10. **Idaho Power** indicates that it seeks competitive bids on a resource-by-resource basis in conformance with the IRP Action Plan. See Idaho Power Opening Comments, page 2. As noted above in our response to the Public Interest Groups, we do not favor an Action Plan implementation approach to competitive bidding. However, we also believe that our proposed competitive bidding process is flexible enough to allow Idaho Power to continue its current practice.
11. **Idaho Power** indicates that competitive bidding may not be appropriate for large capital-intensive resources, such as a jointly owned thermal plant, because of project complexity, site-specific design and the involvement of multiple parties. See Idaho Power Opening Comments, page 3. Staff

agrees and recommends a RFP waiver process. See Staff Opening Comments, page 3.

12. **Idaho Power** states that public examination of the utility's bid scoring and evaluation criteria should be subject to a Commission protective order. See Idaho Power Opening Comments, page 6. Staff agrees.
13. **Idaho Power** is required to seek a Certificate of Convenience and Necessity from the IPUC prior to construction of new facilities. Commonly, IPC identifies a maximum not to exceed cost estimate for the project. See Idaho Power Opening Comments, page 6. Staff's proposed competitive bidding process is flexible enough to allow Idaho Power to continue this current practice.
14. **Idaho Power** requests the continued compatibility of competitive bidding guidelines between Idaho and Oregon. See Idaho Power Opening Comments, page 7. Staff believes that its proposed competitive bidding process achieves this important goal.
15. **PacifiCorp** recommends that utilities not be required to identify in their IRP Action Plans their acquisition strategy for each specific resource. PacifiCorp Opening Comments, pages 2 & 6 & 12. Staff disagrees. See UM 1056 Staff Opening Reply Comments, page 21. In those comments, staff noted that its recommendation that utilities identify in their IRP Action Plans their planned acquisition strategy for each resource, including whether they intend to use bidding and consider a utility-owned resource in that process, is consistent with previous Commission orders. Order No. 89-507 states that the resource plan must consider the role of bidding in resource planning and acquisition, and that the utility should identify how bidding may be used in carrying out the plan. Order 91-1983 states that the utility should indicate its intention to conduct a competitive bid in the IRP Action Plan for public review and Commission acknowledgement. In fact, the Commission stated as one of its two primary roles in competitive bidding is to determine whether a proposed project is consistent with the utility's resource plan. Further, staff understands that it is important for the utility to signal in the IRP its intention to conduct bidding to meet each resource need identified in the Action Plan so that independent power producers can be better prepared to respond to the forthcoming solicitation.
16. **PacifiCorp** recommends including self-build options as a potential solution to emergency situations. See PacifiCorp Opening Comments, page 5. Staff agrees.
17. **PacifiCorp** recommends more descriptive terms than Standard and Non-Standard RFP. See PacifiCorp Opening Comments, page 10. Staff agrees

and suggests the terms “RFP without Benchmark Resource or Affiliate Bidding” and “RFP with Benchmark Resource or Affiliate Bidding.”

18. **PacifiCorp** seeks clarification of staff’s proposed minimum bidder requirements. See PacifiCorp Opening Comments, pages 11-12. Staff’s proposal is not intended to alter the meaning of the principle articulated by the Commission in Order 91-1383. We also agree with PacifiCorp that the Independent Evaluator and other parties should be allowed to review the reasonableness of the proposed minimum bidder requirements and that the Commission should approve the requirements.
19. **PacifiCorp** does not support detailed bid scoring and evaluation results being made available to “non-bidding consumer advocates” and suggests that disclosure may require the use of heightened protective procedures. See PacifiCorp Opening Comments, page 12-13. Staff believes that such information should be made available to “non-bidding consumer advocates,” and believes the Commission can address the appropriate protective procedures in this docket or upon utility request in an RFP proceeding.

# CERTIFICATE OF SERVICE

UM 1182

I certify that I have this day served the foregoing document upon all parties of record in this proceeding by delivering a copy in person or by mailing a copy properly addressed with first class postage prepaid, or by electronic mail pursuant to OAR 860-13-0070, to all parties or attorneys of parties.

Dated at Salem, Oregon, this 21st day of October, 2005.

A handwritten signature in black ink, appearing to read "Mike Weirich", written over a horizontal line.

**Mike Weirich**

Assistant Attorney General  
Of Attorneys for Public Utility Commission's Staff  
1162 Court St NE  
Salem, Oregon 97301  
Telephone: (503) 378-6322

UM 1182  
Service List - Parties

NW ENERGY COALITION  
219 FIRST ST STE 100  
SEATTLE WA 98104  
steve@nwenergy.org

SUSAN K ACKERMAN  
NIPPC  
PO BOX 10207  
PORTLAND OR 97296-0207  
susan.k.ackerman@comcast.net

KATHERINE BARNARD  
CASCADE NATURAL GAS  
PO BOX 24464  
SEATTLE WA 98124  
kbarnard@cngc.com

PHIL CARVER  
OREGON DEPARTMENT OF ENERGY  
625 MARION ST NE STE 1  
SALEM OR 97301-3742  
philip.h.carver@state.or.us

MICHAEL EARLY  
INDUSTRIAL CUSTOMERS OF NORTHWEST  
UTILITIES  
333 SW TAYLOR STE 400  
PORTLAND OR 97204  
mearly@icnu.org

ANN L FISHER  
AF LEGAL & CONSULTING SERVICES  
2005 SW 71ST AVE  
PORTLAND OR 97225-3705  
energlaw@aol.com

ANN ENGLISH GRAVATT  
RENEWABLE NORTHWEST PROJECT  
917 SW OAK - STE 303  
PORTLAND OR 97205  
ann@rnp.org

ROBERT D KAHN  
NIPPC  
7900 SE 28TH ST STE 200  
MERCER ISLAND WA 98040  
rkahn@nipcc.org

RATES & REGULATORY AFFAIRS  
PORTLAND GENERAL ELECTRIC  
RATES & REGULATORY AFFAIRS  
121 SW SALMON STREET, 1WTC0702  
PORTLAND OR 97204  
pge.opuc.filings@pgn.com

STEPHANIE S ANDRUS  
DEPARTMENT OF JUSTICE  
REGULATED UTILITY & BUSINESS SECTION  
1162 COURT ST NE  
SALEM OR 97301-4096  
stephanie.andrus@state.or.us

LAURA BEANE  
PACIFICORP  
825 MULTNOMAH STE 800  
PORTLAND OR 97232-2153  
laura.beane@pacificorp.com

CAREL DE WINKEL  
OREGON DEPARTMENT OF ENERGY  
625 MARION STREET NE  
SALEM OR 97301  
carel.dewinkel@state.or.us

JASON EISDORFER  
CITIZENS' UTILITY BOARD OF OREGON  
610 SW BROADWAY STE 308  
PORTLAND OR 97205  
jason@oregoncub.org

TROY GAGLIANO  
RENEWABLE NORTHWEST PROJECT  
917 SW OAK, SUITE 303  
PORTLAND OR 97205  
troy@rnp.org

DAVID E HAMILTON  
NORRIS & STEVENS  
621 SW MORRISON ST STE 800  
PORTLAND OR 97205-3825  
davidh@norrstev.com

KATHERINE A MCDOWELL  
STOEL RIVES LLP  
900 SW FIFTH AVE STE 1600  
PORTLAND OR 97204-1268  
kamcdowell@stoel.com

DAVID J MEYER  
AVISTA CORPORATION  
PO BOX 3727  
SPOKANE WA 99220-3727  
david.meyer@avistacorp.com

ALEX MILLER  
NORTHWEST NATURAL GAS COMPANY  
220 NW SECOND AVE  
PORTLAND OR 97209-3991  
alex.miller@nwnatural.com

MONICA B MOEN  
IDAHO POWER COMPANY  
PO BOX 70  
BOISE ID 83707-0070  
mmoen@idahopower.com

JANET L PREWITT  
DEPARTMENT OF JUSTICE  
1162 COURT ST NE  
SALEM OR 97301-4096  
janet.prewitt@doj.state.or.us

LISA F RACKNER  
ATER WYNNE LLP  
222 SW COLUMBIA ST STE 1800  
PORTLAND OR 97201-6618  
lfr@aterwynne.com

JOE ROSS  
NORTHWEST NATURAL  
220 NW 2ND AVE  
PORTLAND OR 97209  
joe.ross@nwnatural.com

V DENISE SAUNDERS  
PORTLAND GENERAL ELECTRIC  
121 SW SALMON ST 1WTC1301  
PORTLAND OR 97204  
denise.saunders@pgn.com

JOHN W STEPHENS  
ESLER STEPHENS & BUCKLEY  
888 SW FIFTH AVE STE 700  
PORTLAND OR 97204-2021  
stephens@eslerstephens.com

JON T STOLTZ  
CASCADE NATURAL GAS  
PO BOX 24464  
SEATTLE WA 98124  
jstoltz@cngc.com

BONNIE TATOM  
PUBLIC UTILITY COMMISSION  
PO BOX 2148  
SALEM OR 97308-2148  
bonnie.tatom@state.or.us

S BRADLEY VAN CLEVE  
DAVISON VAN CLEVE PC  
333 SW TAYLOR, STE 400  
PORTLAND OR 97204  
mail@dvclaw.com

SARAH WALLACE  
ATER WYNNE LLP  
222 SW COLUMBIA STE 1800  
PORTLAND OR 97201-6618  
sek@aterwynne.com

STEVEN WEISS  
NORTHWEST ENERGY COALITION  
4422 OREGON TRAIL CT NE  
SALEM OR 97305  
weiss.steve@comcast.net

RICHARD T WINTERS  
AVISTA UTILITIES  
PO BOX 3727  
SPOKANE WA 99220-3727  
dick.winters@avistacorp.com