

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 1182

In the Matter of)
)
)
NORTHWEST INDEPENDENT POWER)
PRODUCERS COALITION)
Petition for an Investigation Regarding)
Competitive Bidding)

OPENING COMMENTS
OF THE
CITIZENS' UTILITY BOARD OF OREGON

March 31, 2011



**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
UM 1461**

In the Matter of)	
)	
NORTHWEST INDEPENDENT POWER)	OPENING COMMENTS OF THE
PRODUCERS COALITION)	CITIZENS' UTILITY BOARD OF
Petition for an Investigation Regarding)	OREGON
Competitive Bidding)	

I. Introduction

CUB appreciates the opportunity to comment on issues raised in the Commission's recent order in UM 1276 that resulted in the reopening of this docket. In Order No. 11-001, the Commission requested that Parties submit comments on three issues that were part of the guidelines issued in the previous iteration of docket UM 1182.¹ These comments will briefly address CUB's position on each issue.

II. Commission Issues

A. Guideline 1

Guideline 1 established the requirement that utilities issue RFPs to solicit bidders for resources with a generating capacity greater than 100 MW that will be in use for at least five years, and subsequently hire an independent evaluator (IE) to evaluate the bids. The Commission also stated that utilities could opt to solicit bids on a resource-by-

¹ See OPUC Commission Order No. 06-446.

resource basis rather than on an all-resource basis.² This loophole has, on several occasions, permitted utilities to game the system to avoid this requirement by building multiple adjacent generation facilities that approach but do not exceed the 100 MW threshold. CUB suggests that the Commission require that bids be solicited on an all-resource basis so as to close this loophole and ensure that the spirit of Guideline 1 is followed.

B. Guideline 10(d)

Guideline 10(d) requires an evaluation of the costs, benefits, and risks associated with a utility's Benchmark Resource. CUB agrees with the Commission's stance in Order No. 11-001 that previous evaluations of this sort have lacked the depth necessary to make a fully valid comparison when bids have been under evaluation. CUB, however, lacks the necessary technical expertise to make recommendations on the additional requirements that should be included in this guideline. CUB looks forward to reviewing the suggestions of the other Parties.

C. Guideline 11

Guideline 11 requires that the IE provide its final report after a short-list of bidders has been selected by a utility that has issued an RFP. CUB generally embraces the idea that an IE's involvement should continue beyond the short list approval stage and that the IE should also oversee the final bid selection. The continued involvement of an IE would generally not be a burden on the process, would not compromise confidential material from either the utility or the bidders, and would not impose significant additional costs on the utility.

² OPUC Commission Order No. 06-446, page 4.

III. Conclusion

CUB remains supportive of the involvement of independent evaluators in the RFP process, and is generally supportive of an expansion of the role of the IE. CUB, prompted by the comments of other Parties in this proceeding, will likely present a more in-depth analysis of these issues in its Closing Comments.

Respectfully Submitted,
March 31, 2011

A handwritten signature in black ink, appearing to read 'Gordon Feighner', with a long horizontal line extending to the right.

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UM 1182– CERTIFICATE OF SERVICE

I hereby certify that, on this 31st day of March, 2011, I served the foregoing **OPENING COMMENTS OF THE CITIZENS' UTILITY BOARD OF OREGON** in docket UM 1182 upon each party listed in the UM 1182 PUC Service List by email and, where paper service is not waived, by U.S. mail, postage prepaid, and upon the Commission by email and by sending one original and one copy by U.S. mail, postage prepaid, to the Commission's Salem offices.

(W denotes waiver of paper service)

(C denotes service of Confidential material authorized)

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