

April 6, 2020

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
201 High Street SE, Suite 100
Salem, OR 97301-3398

RE: UM 2059—PacifiCorp Application for Approval of 2020 All Source Request for Proposals

PacifiCorp d/b/a Pacific Power (PacifiCorp) submits this letter in response to the Public Utility Commission of Oregon (OPUC or Commission) Staff's Report issued on April 1, 2020, in the above-referenced docket (Report).¹ Staff's Report recommends selection of PA Consulting to act as the independent evaluator for PacifiCorp's 2020 All-Source Request for Proposals (2020AS RFP). As indicated in Staff's Report, PacifiCorp does not object to this recommendation or Staff's reasoning in support of this recommendation.

Staff's Report also seeks a waiver with respect to the Commission's competitive bidding rules, OAR 860-089-0100 et seq. Staff specifically seeks a waiver of the requirement set forth in OAR 860-089-0250(2)(a) that requires a two part review of the draft RFP; this two-part review includes a separate review for the draft RFP scoring and modeling. Staff is seeking a waiver that would allow one, comprehensive review of the draft RFP based on Staff's desire to have more time than is afforded by PacifiCorp's proposed 2020AS RFP schedule. The company does not object to this waiver request and finds that it is a reasonable way to accommodate Staff's desire for additional time and PacifiCorp's need to conclude the 2020AS RFP pursuant to a schedule that allows it to conduct interconnection studies beginning in October 2020.² This proposed timeline is intended to allow bidders to submit proposals that take advantage of expiring tax credits expected to provide benefits to the company's customers.

In addition to these two recommendations, Staff includes its initial thoughts regarding the RFP scoring and modeling.³ Without requesting Commission action at this time, Staff recommends that the company's initial bid screening proposal be expanded to consider 300 percent of the interconnection capacity identified in the 2019 integrated resource plan (IRP) preferred portfolio at each location and for each technology type. The company's current proposal would use the initial screening to eliminate all bids except for 150 percent of the capacity identified in the

¹ Staff's Report is dated March 30, 2020 but was not issued in this proceeding until April 1, 2020.

² The company takes no position on Staff's assertion that four months would be a reasonable time period for review of the RFP modeling in future RFP proceedings. A reasonable amount of time will be determined on a case-by-case basis and it would be premature to impose time constraints on a future proceeding without knowing any details regarding such proceeding. It is very likely that future RFPs would rely on similar modeling eliminating the need for any lengthy review process.

³ Staff Report at 11.

2019 IRP preferred portfolio for each location and technology type. Staff asserts that this screening is aggressive and has the potential to reduce the competitiveness of the RFP.

The company disagrees with this recommendation. Assuming a location with IRP preferred portfolio selections of 500 megawatt (MW) nameplate, for example, the screening limit would be 750 MW for each technology type at that location. Given six technology types (including solar, wind, pumped storage, solar plus battery, wind plus battery, stand-alone battery and thermals), this allows for a bid potential of up to seven times 150 percent of the IRP preferred portfolio limit, or 1050 percent at this example location. This is more than 10 times the resource selections of the preferred portfolio. The company considers the 150 percent by location and technology type limit more than sufficient to promote competition among many bids.

It is also important to note that even if Staff's recommendation was adopted, the initial short list selections by the model are still limited to 150 percent of the 2019 IRP resource by location. If, in the example above, the company modeled 300 percent of each technology type, the most that can be picked for the initial short list is 150 percent of the locational limit. This means that if 300 percent of wind resource were included in the technology group for wind, the additional 150 percent has little or no value as it cannot be selected by the model.

Accepting Staff's recommendation will therefore significantly increase the amount of time and work required without adding commensurate value to the RFP process.

Informal inquiries may be directed to Cathie Allen, Regulatory Affairs Manager, at (503) 813-5934.

Sincerely,



Michael Wilding
Director, Regulation