



Staff agrees that the time is right to revisit Commission Order No. 91-1383, the Competitive Bidding Order.<sup>1</sup> Opening this investigation is consistent with the Commission's objective to investigate competitive bidding matters. Also, the last round of Integrated Resource Plan (IRP) filings from Portland General Electric (LC 33) and PacifiCorp (LC 31), and the subsequent resource acquisition strategies followed by the utilities, raised many questions regarding competitive bidding guidelines and requirements. Numerous issues, such as whether a utility should be allowed to include a self-build resource alternative in a competitive bid, whether an independent monitor should be used in the bidding process, and how to evaluate the risks associated with various bids, should be investigated.

Staff agrees with NIPPC's assertion that IRP policy and Request for Proposal (RFP) policy are interrelated. Many of the competitive bidding issues that are ripe for reconsideration are also intertwined with IRP requirements that are to be considered in UM 1056. Therefore, staff supports NIPPC's recommendation that the Least Cost Planning Investigation, UM 1056, and the Competitive Bidding Investigation, UM 1182, be conducted in tandem. Several issues would be best addressed in joint UM 1056/UM 1182 workshops, while other issues are unique to the individual dockets.

Staff recommends that an investigation, docketed as UM 1182, be opened and that a joint UM 1056/UM 1182 prehearing conference be scheduled as soon as practicable after the UM 1066 order is issued. At the prehearing conference, a schedule should be set that includes an opportunity for participants to submit a list of UM 1056 specific issues, a list of UM 1182 specific issues, and a list of issues that relate to both dockets.

#### **PROPOSED COMMISSION MOTION:**

An investigation into competitive bidding requirements, docketed as UM 1182, be opened in response to the Northwest Independent Power Producers Coalition's December 2, 2004 petition. A joint UM 1182/UM 1056 prehearing conference is to be held as soon as practicable after an order is issued in UM 1066.

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<sup>1</sup> Staff believes that a new competitive bidding order, rather than new administrative rules, may be advisable. This matter should be considered during the investigation.