

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

LC 70

In the Matter of

PACIFICORP, dba PACIFIC POWER

2019 Integrated Resource Plan

NORTHWEST AND
INTERMOUNTAIN POWER
PRODUCERS COALITION'S
OPENING COMMENTS

I. INTRODUCTION

The Northwest and Intermountain Power Producers Coalition (“NIPPC”) respectfully submits these Opening Comments for consideration by the Oregon Public Utility Commission (“Commission”) on PacifiCorp’s 2019 Integrated Resource Plan (“IRP”) and in response to the Administrative Law Judge (“ALJ”) Memorandum (“ALJ Memorandum”) dated December 13, 2019 regarding the interaction between PacifiCorp’s IRP and upcoming request for proposals (“RFP”). Overall, NIPPC supports PacifiCorp’s proposed action plan to retire coal units and issue an all source RFP in the near term. The electric supply landscape is rapidly changing in the Pacific Northwest and PacifiCorp appropriately concludes that it should obtain a mix of new renewable, storage, and dispatchable resources.

NIPPC is concerned, however, that PacifiCorp’s IRP does not provide enough information on the RFP as contemplated by the Commission’s recently adopted RFP rules. PacifiCorp has provided very limited information in this IRP in response to the Commission’s new RFP rules, which require a utility to include detailed information

regarding the upcoming RFP in the IRP. Given the level of detail PacifiCorp has provided in this IRP, PacifiCorp should not use a “fast track” process in its upcoming RFP. If PacifiCorp is allowed to not provide information in the IRP, but then use a more expedited RFP than has existed in the past, then PacifiCorp will put bidders in a worse position than if the Commission had not adopted new competitive bidding rules. This is the case, because bidders will not be provided meaningful information in the IRP, and will have less time to review the RFP once it is filed. NIPPC believes that requiring PacifiCorp to provide detailed information and adequate time are fundamental elements of a functional RFP.

IV. DISCUSSION

The ALJ Memorandum solicits stakeholder feedback on four questions:

1. Do PacifiCorp’s IRP filings contain design, scoring methodology, and associated modeling process as described in OAR 860-089-0250(2)(a)?
2. Does PacifiCorp plan to address specific RFP design items in its IE selection docket?
3. Do stakeholders seek specific RFP design items in the IE selection docket?
4. Does PacifiCorp’s RFP design information allow for long-lead time resources?¹

NIPPC agrees that the Commission’s task in this first implementation of the new competitive bidding rules is to determine how much RFP detail the utility must include in its IRP, if any, and how much detail is sufficient to skip the step in the independent evaluator (“IE”) selection docket where the utility would otherwise be required to file a proposal containing the RFP design, scoring methodology, and associated modeling. In

¹ ALJ Memorandum at 1 (Dec. 13, 2019).

the Commission’s order adopting the new competitive bidding rules, the Commission notes that:

Clearly expressing the system needs associated with a resource acquisition is an important objective reflected in these rules. Presenting those needs in detail and the scoring associated with an acquisition in the IRP will allow notice to prospective bidders and the opportunity for stakeholders to understand and, where necessary, for utilities and the Commission to improve the acquisition process.²

NIPPC does not believe that PacifiCorp has provided sufficient detail in its IRP or sufficient detail in order to take the “fast track” in the IE selection docket.

A. PacifiCorp’s IRP Does Not Contain RFP Design, Scoring Methodology and Associated Modeling

NIPPC can locate no section of PacifiCorp’s IRP that contains anything resembling the RFP design, scoring methodology, and associated modeling described in OAR 860-089-0250. Specifically, prior to preparing a draft RFP, a utility must “develop and file for approval in the electric company’s IE selection docket, a proposal for scoring and any associated modeling.”³ The company can skip this step if it “intends to use an RFP whose design, scoring methodology, and associated modeling process were included as part of the Commission-acknowledged IRP.”⁴

PacifiCorp’s IRP appears to only provide the very basic elements, which are that the RFP will be an “all-source” RFP for resources that can achieve commercial operation by the end of December 2023.⁵ The information provided is essentially the same as what

² *In re Rulemaking Re: Allowances for Diverse Ownership of Renewable Energy Resources*, Docket No. AR 600, Order No. 18-324 at 8 (Aug. 30, 2018).

³ OAR 860-089-0250(2)(a).

⁴ *Id.*

⁵ PacifiCorp 2019 IRP at 276.

PacifiCorp has provided in the past and does not provide any notice to prospective bidders and the opportunity for stakeholders to understand and, where necessary, for utilities and the Commission to improve the acquisition process.

B. PacifiCorp Should Provide Specific RFP Design Items in the IE Selection Docket

Since PacifiCorp has not provided any of its RFP design details, scoring methodology, or associated modeling in the IRP, it must do so in the independent evaluator (“IE”) selection docket. Specifically, the rule provides that:

Unless the electric company intends to use an RFP whose design, scoring methodology, and associated modeling were included as part of the Commission-acknowledged IRP, *the electric company must*, prior to preparing a draft RFP, develop and file for approval in the electric company’s IE selection docket, a proposal for scoring and any associated modeling.⁶

PacifiCorp has not included such detail in the IRP and so it must do so in the IE selection docket. If PacifiCorp provides the information later in this proceeding, it should still need to provide parties an opportunity to comment on and review the information in the IE selection docket, because there may be insufficient time to conduct discovery and comment on it in this proceeding.

C. The Commission Should Avoid an Outcome that Would Make the Competitive Bidding Process Worse Off Than it Was Before the New Rules

NIPPC believed that the Commission’s new competitive bidding rules would improve the RFP process by requiring that the utilities provide more information earlier in the process. What NIPPC hopes to avoid is a situation where the utility provides very limited information in its IRP and is then permitted to skip the step detailed in OAR 860-

⁶ OAR 860-089-0250(2)(a) (emphasis added).

089-0250(2)(a) where it would normally develop and file an RFP proposal in the IE selection docket including the design, scoring methodology, and associated modeling.

Therefore, when the Commission acknowledges PacifiCorp's IRP, it should indicate whether it thinks PacifiCorp has provided sufficient information to allow it to skip this step in the IE selection docket.

D. PacifiCorp's RFP Does Not Appear to Contemplate Long-Lead Time Resources

Notably, PacifiCorp's RFP appears to contemplate that agreements will be signed in the second quarter of 2022, with resources achieving commercial operations by year end 2023. This leaves less than two years to reach commercial operation and therefore, any resources requiring longer lead times appear to not be contemplated by this RFP. It is important for the Commission to recognize long-lead time resources in a manner that allows the utilities some flexibility to acquire these types of resources. The Commission should acknowledge when a utility has a need that may be filled with such a long-lead time resource and let the utility pursue such a resource through either an RFP that contemplates long-lead times, or through an appropriate RFP waiver, to the extent such a resource qualifies. NIPPC recommends that the Commission clarify and confirm that a utility plan to acquire a long-lead time resource satisfies the exception to the competitive bidding rules when the utility identifies an "alternative acquisition method [that] was proposed by the electric company in the IRP and explicitly acknowledged by the Commission."⁷

⁷ OAR 860-089-0100(3)(c).

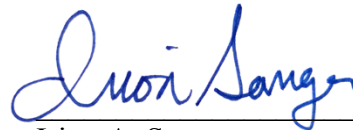
V. CONCLUSION

For the reasons articulated above, NIPPC recommends that the Commission acknowledge the IRP and offer guidance on whether NIPPC has met its burden under the RFP rules.

Dated this 10th day of January 2020.

Respectfully submitted,

Sanger Law, PC



Irion A. Sanger
Marie P. Barlow
Sanger Law, PC
1041 SE 58th Place
Portland, OR 97215
Telephone: 503-756-7533
Fax: 503-334-2235
irion@sanger-law.com