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BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON

UM 1378

IN THE MATTER OF IDAHO POWER  
COMPANY'S REQUEST FOR A PARTIAL  
WAIVER OF COMPETITIVE BIDDING  
GUIDELINES

MOTION TO WITHDRAW PETITION

8 Pursuant to OAR-860-013-0031, Idaho Power Company ("Idaho Power" or  
9 "Company") hereby requests the Public Utility Commission of Oregon ("Commission") issue  
10 an Order authorizing Idaho Power to withdraw its Petition for a Partial Waiver of Competitive  
11 Bidding Guidelines.

Procedural History

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13 On April 17, 2008, Idaho Power filed its Petition for a Partial Waiver of the  
14 Commissions Competitive Bidding Guidelines (the "Petition"). For the reasons addressed in  
15 more detail later in this Motion, the Petition requested expedited consideration.

16 In its Petition, the Company described the events and risk factors that caused the  
17 Company to accelerate its issuance of a Request for Proposals ("RFP") to acquire a base-  
18 load resource to meet anticipated loads in 2012 ("RFP resource"). The RFP resource, which  
19 is now limited to approximately 300 MW, replaces the 250 MW pulverized coal-fired  
20 generating resource that had been scheduled for 2013 in the Company's acknowledged  
21 2006 Integrated Resource Plan ("IRP").

22 In its Petition, the Company identified those areas in which its RFP would not be in  
23 strict compliance with the Guidelines issued by the Commission in Order No. 06-446  
24 ("Competitive Bidding Guidelines"). The Company also explained how it had structured its  
25 RFP so that it would be in substantial compliance with the Competitive Bidding Guidelines  
26 and would provide a fair and cost-effective competitive bidding process. As a part of that

1 explanation, the Company described the extensive review process the Idaho Commission  
2 would undertake.

3 During May and June 2008, Idaho Power responded to data requests from  
4 Commission Staff and participated in a number of discussions with Staff to explain the  
5 Company's filing and to provide Staff with additional information concerning the reasons  
6 underlying the filing of the Petition.

7 At a meeting held in Salem on June 2, 2008, Idaho Power and Staff discussed the  
8 timelines imposed on the Commission in the Guidelines and agreed it would be desirable for  
9 the Commission to temporarily suspend further action on the Petition to allow Idaho Power  
10 to address the RFP resource in the Company's upcoming filing of its 2008 update to the  
11 Integrated Resource Plan ("IRP").

12 The Company subsequently filed a request with the Commission asking that the  
13 Commission suspend further action on the pending Petition to allow the Company and the  
14 Staff to review the 2008 update to the Company's IRP and determine whether or not the  
15 update would resolve the Staff's concerns that the RFP resource is not included in an  
16 acknowledged IRP. On July 3, 2008, Administrative Law Judge Michael Grant granted  
17 Idaho Power's motion to temporarily suspend further action in the docket. He noted that at  
18 the conclusion of the IRP review, Idaho Power will consult with the parties to this proceeding  
19 to establish a procedural schedule to complete the processing of this application.

20 **The Passage of Time Has Rendered the Petition Moot**

21 Idaho Power's purpose in asking for the waiver was to comply with the Commission's  
22 Competitive Bidding Guideline No. 2. In so doing, the Company wished to apprise the  
23 Commission of the Company's changing plans and to give the Commission an opportunity  
24 to review and suggest changes to the Company's RFP process. In particular, the Company  
25 had hoped to solicit recommendations for changes to the RFP process at an early stage so  
26 that the recommendations could be incorporated into the bid evaluation process.

1 In filing the Petition, Idaho Power also hoped to obtain the Commission's  
2 concurrence with the Company's position that strict compliance with the Competitive Bidding  
3 Guidelines would compromise the Company's ability to move quickly enough to secure a  
4 needed resource required to meet expected demand and therefore strict compliance with  
5 the Competitive Bidding Guidelines would not be in the best interest of customers.

6 Finally, it was the Company's desire to utilize the Petition to make it clear to the  
7 Commission that the Company was cognizant of the Commission's Competitive Bidding  
8 Guidelines in structuring its RFP process. The Company believes that its RFP process  
9 substantially complies with the Competitive Bidding Guidelines and the Company was  
10 hopeful that any additional steps the Company could take to alleviate any concerns that the  
11 Commission might have had with the Company's RFP process could be elucidated in the  
12 processing of the Waiver Petition.

13 Staff has now advised the Company that, based on its review of the 2008 update to  
14 the Company's IRP and the Company's responses to the Staff's data requests, Staff has  
15 concluded that the Company has not provided the amount of information and depth of  
16 analysis that is equivalent to the information the Staff would require to support  
17 acknowledgement of the RFP resource if it had been presented in a formal IRP review  
18 process.

19 In light of the Staff's position, the next step in the Company's pursuit of the Waiver  
20 Petition would be a contested Commission case. A contested case will be time consuming  
21 and expensive. Because the Company will be opening bids in its RFP process in October,  
22 most of the benefits the Company had hoped to receive from the Petition process, i.e.,  
23 suggested changes to the Company's RFP process, will not be realized. From the  
24 Company's standpoint, the Petition has now become essentially moot.

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1                    **Company Will Address the 2012 RFP Resource in the 2009 IRP**

2                    Idaho Power has begun the process of developing its 2009 IRP. The Company met  
3 with its established IRP stakeholder group on August 7, 2008. The stakeholder group,  
4 known as the IRP Advisory Council or "IRPAC" includes representatives of customers,  
5 environmental groups, governmental agencies, and Staff from both the Idaho and Oregon  
6 Commissions.

7                    It is the Company's intention to utilize the 2009 IRP as the vehicle in which it obtains  
8 Oregon acknowledgement of the 2012 base load resource. During the informal discussions  
9 with Staff concerning the Waiver Petition, Staff made several suggestions as to how the  
10 Company can more closely align its RFP process with the Guidelines. Idaho Power will  
11 integrate these suggestions into its process to help ensure the fairness and efficiency of its  
12 RFP. The Company therefore looks forward to working with Staff and the Commission to  
13 demonstrate that its decision to use an RFP to acquire approximately 300 MWs of base-load  
14 generation in 2012 is consistent with prudent resource planning principles.

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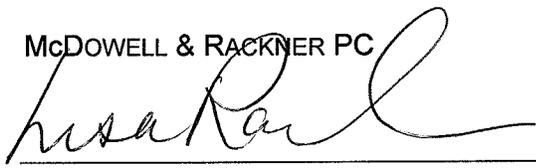
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**Conclusion**

For all of these reasons, Idaho Power Company respectfully requests that the Commission issue its Order allowing Idaho Power to withdraw its Petition for Partial Waiver of Competitive Bidding Guidelines.

Respectfully submitted this 26 of August 2008.

McDOWELL & RACKNER PC  
  
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**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing document in Docket UM 1378 was served on the following named person(s) on the date indicated below by e-mail and first-class mail addressed to said person(s) at his or her last-know address(es) indicated below.

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DATED: Aug 26 2008

  
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