



825 NE Multnomah, Suite 2000
Portland, Oregon 97232

April 28, 2009

***VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY***

Oregon Public Utility Commission
550 Capitol Street NE, Ste 215
Salem, OR 97301-2551

Attn: Filing Center

**RE: Docket UM __ - PacifiCorp's Application to Open Docket
Expedited Treatment Requested**

PacifiCorp d/b/a Pacific Power ("the Company"), submits for filing an Application to open a docket for a new matter in which the Company will file for approval of a solicitation process for a new renewable resource. To initiate the solicitation process, the Company requests expedited treatment for the appointment of Boston Pacific as the independent evaluator for this new solicitation. A copy of this filing has been provided to all parties on the service list for the Company's current on-going renewable resource solicitation in UM 1368, as indicated on the attached certificate of service.

PacifiCorp requests that all data requests regarding this application be sent to the following:

By email (*preferred*): datarequest@pacificorp.com

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, Oregon 97232

Informal questions may be directed to Joelle Steward, Regulatory Manager, at (503) 813-5542.

Sincerely,


Andrea L. Kelly
Vice President, Regulation

Enclosure

1 By regular mail: Data Request Response Center
2 PacifiCorp
3 825 NE Multnomah, Suite 2000
4 Portland, Oregon 97232

5 Informal questions may be directed to Joelle Steward, Oregon Regulatory Affairs
6 Manager at 503.813.5542.

7 **Renewable Resource Procurement Background**

8 3. The Commission issued competitive bidding requirements for new supply-
9 side resource acquisitions applicable to Oregon’s investor-owned utilities on August 10,
10 2006. *See* Order No. 06-446 (“RFP Order”).

11 4. On May 30, 2007, PacifiCorp filed its 2007 Integrated Resource Plan
12 (“2007 IRP”) with the Commission in Docket No. LC 42. The Commission later
13 acknowledged the 2007 IRP with exceptions and requirements for the next planning
14 cycle. *See* Order No. 08-232. PacifiCorp filed a 2007 IRP Update with the Commission
15 on June 11, 2008.

16 5. Action Item 1 of the 2007 IRP identifies 2,000 MW of renewable
17 resources to be acquired by 2013, including 1,400 MW of renewable resources outlined
18 in PacifiCorp’s Renewable Energy Action Plan. Under this plan, the Company seeks to
19 acquire 1,400 MW of new renewable resources by 2010, with an additional 600 MW in
20 place by 2013.

21 6. The 2007 IRP Update does not revise Action Item 1, other than to indicate
22 that “PacifiCorp has initiated two RFPs in 2008 to support this acquisition plan.” As
23 earlier indicated, the 2007 IRP was acknowledged by the Commission in Order No. 08-
24 232. Although certain of the Action Items contained in the 2007 IRP were excepted,
25 Action Item 1 was acknowledged by the Commission.

1 7. PacifiCorp is currently in the final drafting stages of its 2008 IRP, which is
2 anticipated to be filed with the Commission for approval in May 2009. Action Item 1 in
3 the draft 2008 IRP calls for the additional procurement of up to 500 MW of cost effective
4 renewable resources starting in the 2012 to 2018 time frame.

5 8. Consistent with Action Item 1 of the 2007 IRP, PacifiCorp issued its
6 2008R RFP on January 31, 2008 for renewable resources of less than 100 MW for
7 resources greater than five years in length, or greater than 100 MW for resources less
8 than or equal to five years in length. The 2008R RFP solicited renewable resources that
9 have a commercial operation date prior to December 31, 2009. On September 5, 2008,
10 PacifiCorp executed a 20-year power purchase agreement with Three Buttes Windpower,
11 LLC, for the entire output of the 99 MW Three Buttes project, located in Wyoming.

12 9. Also consistent with Action Item 1 of the 2007 IRP, PacifiCorp filed an
13 application with the Commission on March 4, 2008, requesting the Commission to (1)
14 open a docket for approval of a solicitation process for new renewable resources
15 (“2008R-1 RFP”); and (2) allow PacifiCorp to request and receive comments on the draft
16 request for proposal for appointment of an independent evaluator. The Commission
17 thereafter appointed Boston Pacific to serve as Oregon’s independent evaluator for the
18 2008R-1 RFP solicitation process. *See* Order No. 08-248.

19 10. The 2008R-1 RFP was subsequently issued to the market on October 6,
20 2008. Bids were due December 22, 2008. Because the acquisition of a successful
21 resource under the 2008R-1 RFP would not occur until 2009, PacifiCorp was required to
22 amend and re-issue the 2008R-1 to accommodate Utah resource procurement law. *See*
23 Utah Code Ann. § 54-17-502(2)(a)(i).

1 provide the Company with the necessary flexibility in the procurement process to allow
2 selection of the least-cost renewable resources. The 2009R RFP would aid in that
3 objective by allowing the Company to be proactive in a competitive procurement
4 environment and gain potential renewable generation and construction cost advantages
5 stemming from the current economic climate.

6 16. This type of overlapping procurement permits the Company to
7 continuously test the market during the current economy. For example, after the
8 completion of the Initial Shortlist for the 2008R-1 RFP, PacifiCorp was approached by a
9 bidder requesting to revise its initial price. The Company advised the bidder, however,
10 that because that the Initial Shortlist had already been determined and the Final Shortlist
11 selection was in process, PacifiCorp could not accommodate the request. The Company
12 submits that an overlapping procurement strategy allows PacifiCorp to react to this type
13 of market signal which ultimately provides the highest value to customers.

14 17. The 2009R RFP will not be duplicative of the 2008R-1 RFP; rather the
15 two requests for proposals differ in several respects. First, the 2008R-1 RFP solicits up
16 to 500 MW of renewable resources with commercial operation between 2009 and 2011;
17 whereas the 2009R will solicit up to 500 MW of renewable resources with commercial
18 operation between 2010 and 2012. This difference in commercial operation dates is
19 significant because the production tax credit had not been extended at the time the
20 2008R-1 RFP was issued. The extension of the production tax credit provides bidders the
21 ability to submit competitive proposals through the 2012 extension date under the 2009R
22 RFP.

1 18. The second difference between the two RFPs is that the Company will be
2 submitting a benchmark resource in the 2009R RFP. Although the Company originally
3 intended to submit a benchmark bid in the 2008R-1 RFP, it later determined to not submit
4 a benchmark.

5 **Request for Appointment of Independent Evaluator**

6 19. Pursuant to Guideline 5 of the RFP Order, “an IE must be used in each
7 RFP to help ensure that all offers are treated fairly.” *See* Order 06-446 at p. 6. Guideline
8 5 further states that, “Commission Staff, with input from the utility and interested parties,
9 will recommend an IE to the Commission, which will then select or approve an IE for the
10 RFP.” *Id.*

11 20. Pursuant to Guideline 5, Commission Staff sent an email to the parties in
12 Docket UM 1368 on April 21, 2009, requesting feedback on the potential of utilizing
13 Boston Pacific (the existing 2008R-1 RFP independent evaluator) as the independent
14 evaluator for the proposed 2009R RFP. Having received positive responses to its query,
15 Commission staff indicated its initial preference to utilize Boston Pacific for the 2009R
16 RFP.

17 21. PacifiCorp has no objection to Commission staff’s recommendation. The
18 Company submits that the appointment of Boston Pacific as the independent evaluator to
19 monitor the 2009R RFP will permit the parties to take advantage of the experience and
20 efficiencies established in the 2008R-1 RFP. This appointment would allow Boston
21 Pacific to incorporate lessons learned from the 2008R-1 RFP into the 2009R RFP.
22 Appointment of Boston Pacific would also facilitate the Company’s request for expedited
23 review in this proceeding by eliminating delays associated with soliciting and selecting

1 potential independent evaluators which ultimately benefits customers by reducing costs
2 associated with the process. Boston Pacific has indicated a willingness to perform this
3 function for the 2009R RFP, if appointed.

4 22. Once selected, the Company intends to work with the independent
5 evaluator to determine any additional enhancements to the structure of the 2009R RFP
6 that should be incorporated based on lessons learned on the 2008R-1 RFP. If appointed,
7 the Company would negotiate a new scope of work and agreement with Boston Pacific in
8 consultation with Commission staff.

9 **Request for Expedited Review**

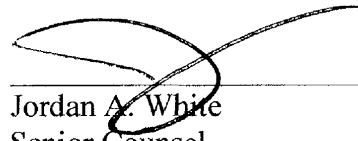
10 23. As discussed above, PacifiCorp desires to initiate the 2009R RFP
11 solicitation process as soon as possible in order to allow the Company to be proactive in a
12 competitive procurement environment and gain potential renewable generation and
13 construction cost advantages stemming from the current economic climate.

14 24. To assist parties in understanding the proposed timelines, the Company
15 includes a proposed timeline below.

Event	Estimated Timeline
Application filed	April 27, 2009
Independent Evaluator appointed	May 19, 2009 Public Meeting
File the final draft RFP	May 28, 2009
Commission meeting to approve the RFP	June 30, 2009 Public Meeting
Issuance of the 2009R RFP to the market	July 1, 2009

16 WHEREFORE, PacifiCorp respectfully requests that a new docket be opened to
17 process the 2009R RFP and that an order be issued appointing Boston Pacific as the
18 independent evaluator in this docket consistent with process outlined in this application.

DATED: April 28, 2009.

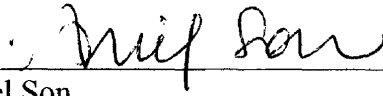


Jordan A. White
Senior Counsel
Pacific Power
PacifiCorp

CERTIFICATE OF SERVICE

I hereby certify that I served a true and correct copy of the foregoing document on the service list in Docket UM 1368 on the following named person(s) below by e-mail and U.S. mail addressed to said person(s) at his or her last-known address(es) indicated below:

DATED: April 28, 2009.



Ariel Son
Coordinator, Administrative Services

Docket UM 1368

Oregon Dockets
Pacific Power
825 NE Multnomah, Suite 2000
Portland, OR 97232
oregondockets@pacificorp.com

Robert Jenks (C) (W)
Citizens' Utility Board of Oregon
610 SW Broadway, Suite 308
Portland, OR 97205
bob@oregoncub.org

OPUC Dockets (W)
Citizens' Utility Board of Oregon
610 SW Broadway, Suite 308
Portland, OR 97205
dockets@oregoncub.org

Peter J. Richardson
Richardson & O'Leary
PO Box 7218
Boise, ID 83707
peter@richardsonandoleary.com

Melinda J. Davison (C)
Davison Van Cleve PC
333 SW Taylor, Suite 400
Portland, OR 97204
mail@dvclaw.com

Irion A. Sanger (C)
Davison Van Cleve PC
333 SW Taylor, Suite 400
Portland, OR 97204
ias@dvclaw.com

Randall J. Falkenberg
RFI Consulting, Inc.
PMB 362
8343 Roswell Road
Sandy Springs, GA 30350
consultrfi@aol.com

Natalie Hocken
Vice President & General Counsel
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, OR 97232
Natalie.hocken@pacificorp.com

Michael T. Weirich (C)
Assistant Attorney General
Department of Justice
1162 Court St NE
Salem, OR 97301-4096
Michael.weirich@doj.state.or.us

Ed Busch (C)
Oregon Public Utility Commission
P.O. Box 2148
Salem, OR 97308-2148
ed.busch@state.or.us

Ann English Gravatt (C) (W)
Renewable Northwest Project
917 SW Oak, Suite 303
Portland, OR 97205
ann@rnp.org

Ken Dragoon (C) (W)
Renewable Northwest Project
917 SW Oak, Suite 303
Portland, OR 97205
ken@rnp.org

John W. Stephens (C) (W)
Esler, Stephens & Buckley
888 SW Fifth Ave, Suite 700
Portland, OR 97204-2021
stephens@eslerstephens.com

Robert D. Kahn (W)
NW Independent Power Producers
1117 Minor Avenue, Suite 300
Seattle, WA 98101
rkahn@nippc.org

Frank Mossburg
Boston Pacific Company
1100 New York Ave. NW, Suite 490 E.
Washington DC 20005
fmossburg@bostonpacific.com

Craig Roach
Boston Pacific Company
1100 New York Ave. NW, Suite 490 E.
Washington DC 20005
croach@bostonpacific.com