

# ESLER, STEPHENS & BUCKLEY

ATTORNEYS AT LAW

MICHAEL J. ESLER  
JOHN W. STEPHENS  
KIM T. BUCKLEY\*

700 PIONEER TOWER  
888 SW FIFTH AVENUE

PORTLAND, OREGON 97204-2021

GARY N. HARDIMAN  
SENIOR LEGAL ASSISTANT

\*ADMITTED IN OREGON AND WASHINGTON

FACSIMILE (503) 294-3995  
TELEPHONE (503) 223-1510

JOHN W. STEPHENS  
Email: [STEPHENS@ESLERSTEPHENS.COM](mailto:STEPHENS@ESLERSTEPHENS.COM)  
DIRECT DIAL: (503) 935-5393

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Via Electronic and First Class Mail

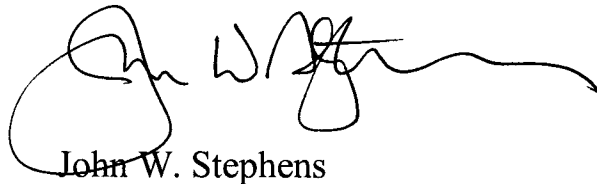
Filing Center  
Public Utility Commission  
P.O. Box 2148  
Salem, Oregon 97308-2148

Re: Request for an Open Docket and Appointment of an Independent  
Evaluator of a 2009 Request for Proposals and Supply-side Renewable  
Resources, PUC Docket No. UM 1429

Dear Filing Center:

Enclosed for filing is an original Comments of Renewable Northwest  
Project.

Yours truly,



John W. Stephens

JWS/mec  
cc: Service List  
Enclosure

BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON

UM 1429

In the Matter of )  
 )  
PACIFICORP, dba PACIFIC POWER ) COMMENTS OF RENEWABLE  
 ) NORTHWEST PROJECT TO PACIFICORP  
 ) FINAL DRAFT 2009R RFP  
Request for an Open Docket and )  
Appointment of an Independent Evaluator )  
of a 2009 Request for Proposals and )  
Supply-side Renewable Resources. )

Renewable Northwest Project (“RNP”) is a non-profit coalition of public interest organizations and renewable energy companies. RNP appreciates the opportunity to comment on PacifiCorp’s Final Draft of the 2009R RFP (2009R RFP). RNP urges the Commission to delay the approval of the 2009R RFP until PacifiCorp has completed negotiations with bidders in the 2008R-1 RFP.

RNP’s primary concern is PacifiCorp’s request to run the 2008R-1 RFP in parallel with the 2009R RFP and to overlap negotiations with short-listed bidders in the 2008R-1 RFP with the receipt and evaluation of bids in the 2009R RFP. PacifiCorp did not respond to this issue in the Final Draft RFP, which leads RNP to question why the company raised the issue initially.

RNP disagrees with PacifiCorp’s assertion that the proposed overlap will ensure customers receive the least cost resource. As stated by the IE, the RFP is “based on a tested design that attracted a large number of qualify bids.” The 2008R-1 RFP amendment on January 26, 2009 and the revised bidder due date of February 27, 2009 provided the opportunity for existing and new bidders to refresh their pricing to reflect the extended federal Production Tax Credit (PTC) and other benefits associated with the PTC and related renewable energy incentives in the American Recovery and Reinvestment Act of 2009 (ARRA). Original bid prices were submitted with and without the PTC, which gave PacifiCorp the opportunity to evaluate PTC

benefits associated with bids. Finally, according to RNP's members in the renewable energy industry, the economic downturn had already impacted the industry beginning in the 3<sup>rd</sup> and 4<sup>th</sup> quarters of 2008. Prices for renewable energy projects had already dropped significantly by the time the January 26, 2009 amendment was released and certainly by revised due date of February 27, 2009.

RNP has strong concerns about the impact of PacifiCorp's proposed overlap on the ability to attract a large number of competitive, qualifying bids for future RFPs. PacifiCorp's proposed overlap will set a bad precedent of throwing the entire RFP process into question. Essentially, the company is changing the fundamental rules of the game with the game already in progress (and in the case of the 2008R-1 RFP, the game is nearly over). RNP is particularly concerned that PacifiCorp seeks to compare the 2008R-1 RFP short list to PacifiCorp's self-build option that was not offered previously. RNP shares the IE's conclusion that this may lead to the idea that "RFP's are simply a way for the Company to 'test the market' and not a way to seriously consider offers."

RNP agrees with the IE's conclusion regarding the validity of concerns from bidders that PacifiCorp may be deliberately delaying negotiations with 2008R-1 RFP bidders in order to receive bids in the 2009 RFP. Delays in executing a contract with PacifiCorp will also increase risk costs. Delays in project development and construction in turn delay the completion date of the project. For example, if the project is being developed in Wyoming, a delay may push the completion date to 2012 instead of 2011, preventing the developer from taking advantage of the Wyoming sales tax exemption, which expires in 2011. Another risk cost is the fact that there is only a short time horizon to take advantage of the economic downturn. Improvements in the economy and ability of companies to better take advantage of the PTC and other benefits in the ARRA will likely cause demand and associated prices to increase in mid-late 2009.

Development and construction contracts (*e.g.* turbine purchases) must be secured quickly to take advantage of the current drop in prices.

In addition, RNP does have concerns with the change in credit requirements. Increasing the net worth requirement from one to ten billion dollars does not seem like a small change, and will likely result in excluding the participation of local banks which have largely been outside the poor business practices feeding the current economic problems. This seems unwise and unproductive. Similarly, the requirement to have ratings from both credit rating organizations seems unnecessary, without any demonstration that the “and” provision affords additional credit protection to the company. It seems to primarily add an additional layer of burden on bidders.

In conclusion, RNP urges the Commission to delay approval of the 2009R RFP until PacifiCorp has completed negotiations with bidders in the 2008R-1 RFP. RNP believes this delay is essential to ensure PacifiCorp works in good faith and on an appropriate timeline to conclude negotiations with the short-listed bidders in the 2008R-RFP. RNP would consider alternatives to delaying the 2009R RFP approval, but only if those alternatives do not impact the timely conclusion of negotiations with the short-listed bidders in the 2008R-1 RFP.

Respectfully submitted,

Suzanne Leta Liou  
Senior Policy Advocate  
Renewable Northwest Project

Esler Stephens & Buckley

By: /s/ John W. Stephens  
John W. Stephens, OSB No. 773589  
Of Attorneys for Renewable Northwest  
Project

## CERTIFICATE OF SERVICE

I hereby certify that I served the foregoing **COMMENTS OF RENEWABLE NORTHWEST PROJECT TO PACIFICORP FINAL DRAFT 2009R RFP** on the following persons on June 25, 2009, by hand-delivering, faxing, e-mailing, or mailing (as indicated below) to each a copy thereof, and if mailed, contained in a sealed envelope, with postage paid, addressed to said attorneys at the last known address of each shown below and deposited in the post office on said day at Portland, Oregon:

Irion A. Sanger, Esq.  
[ias@dvclaw.com](mailto:ias@dvclaw.com)  
Davison Van Cleve, P.C.  
333 S.W. Taylor, Suite 400  
Portland, Oregon 97204

- by hand-delivery
- by facsimile
- by first class mail
- by e-mail

PacifiCorp Oregon Dockets  
[oregondockets@pacificorp.com](mailto:oregondockets@pacificorp.com)  
825 N.E. Multnomah, Suite 2000  
Portland, Oregon 97232

- by hand-delivery
- by facsimile
- by first class mail
- by e-mail

Jordan White  
[jordan.white@pacificorp.com](mailto:jordan.white@pacificorp.com)  
Pacific Power & Light  
825 N.E. Multnomah, Suite 1800  
Portland, Oregon 97232

- by hand-delivery
- by facsimile
- by first class mail
- by e-mail

Randall J. Falkenberg  
[consultrfi@aol.com](mailto:consultrfi@aol.com)  
RFI Consulting, Inc.  
PMB 362  
8343 Roswell Road  
Sandy Springs, Georgia 30350

- by hand-delivery
- by facsimile
- by first class mail
- by e-mail

Suzanne Liou  
[suzanne@rnp.org](mailto:suzanne@rnp.org)  
Ken Dragoon  
[ken@rnp.org](mailto:ken@rnp.org)  
Renewable Northwest Project  
917 S.W. Oak, Suite 303  
Portland, Oregon 97205

- by hand-delivery
- by facsimile
- by first class mail
- by e-mail

