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June 7, 2018

VIA ELECTRONIC FILING

Attention: Filing Center
Public Utility Commission of Oregon
201 High Street SE, Suite 100
P.O. Box 1088
Salem, Oregon 97308-1088

Re: Docket No. AR 600, In the Matter of Rulemaking Regarding Allowances for Diverse Ownership of Renewable Energy Resources.

Attention Filing Center:

Attached for filing in the above-captioned docket is an electronic copy of the Joint Utilities' Supplemental Comments.

Please contact this office with any questions.

Sincerely,

Wendy McIndoo
Office Manager

Enclosures

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

AR 600

In the Matter of:

Rulemaking Regarding Allowances for
Diverse Ownership of Renewable Energy
Resources.

JOINT UTILITIES' SUPPLEMENTAL
RULEMAKING COMMENTS

I. INTRODUCTION

1 Portland General Electric Company (PGE), PacifiCorp d/b/a Pacific Power (PacifiCorp),
2 and Idaho Power Company (Idaho Power) (collectively, Joint Utilities) submit these supplemental
3 rulemaking comments to the Public Utility Commission of Oregon (Commission) regarding the
4 proposed competitive bidding rules published on April 18, 2018. These comments are intended
5 to supplement the comments filed by the Joint Utilities on May 14, 2018, and are limited in scope
6 to the proposed rule provision regarding utility personnel screening—*proposed* OAR 860-089-
7 0300(1)(a) and (b). The Joint Utilities also plan to file comments in response to issues raised by
8 other parties before the close of the comment period on June 15, 2018.

II. SUPPLEMENTAL COMMENTS

9 The Joint Utilities are concerned that the proposed rule regarding utility personnel
10 screening¹ between the benchmark bid preparation team and RFP design and scoring team is
11 inconsistent with current practices and will not provide the utilities with adequate flexibility given
12 the finite pool of labor and expertise available. In Attachment 1 to the Joint Utilities' Rulemaking
13 Comments filed on May 14, 2018, the Joint Utilities proposed to address this issue by clarifying
14 that only those utility personnel that are "significantly" involved in RFP or bid preparation activities

¹ *Proposed* OAR 860-089-0300(1)(a) and (b).

1 should be screened. The Joint Utilities are concerned, however, that even with the addition of
2 the qualifier “significantly,” that the rule language is not adequately specific.

3 Typically, utility subject matter experts perform a significant amount of background work
4 to help develop the basic framework and specifications for the RFP, and then are later assigned
5 to a team—the benchmark team, the affiliate team,² or the RFP evaluation team—and
6 subsequently walled off from the other team. This separation occurs prior to circulation of the
7 draft RFP. Once teams are established, the names and titles of team members are provided to
8 the IE, and no RFP-related contact or communication among members of different teams is
9 permitted unless the IE is also included. Additionally, there are certain personnel that are not
10 assigned to a team and have particular subject matter expertise that may be called upon by any
11 team to provide support on an independent basis (i.e., credit, technical, legal). These individuals
12 do not have any decision-making authority for the benchmark team, affiliate team, or the RFP
13 evaluation team and are prohibited from conveying information among the different teams.

14 The Joint Utilities aim to be transparent about these practices, and in prior RFPs, both
15 PGE and PacifiCorp have held workshops with Staff and stakeholders to explain the RFP
16 development process, assignments to benchmark or affiliate teams (if applicable), and RFP
17 evaluation teams, and subsequent screening.³ Thus, Commission Staff, parties to the RFP, and
18 IEs are aware of these practices, and to date, no party has ever objected to these practices.

19 The proposed rule, however, would prohibit any person involved in any of the initial work
20 of preparing the RFP from later contributing to the benchmark team or affiliate team, and would
21 not allow for legal or technical support to be shared among teams. To better reflect the current

² As a practical matter, utility personnel are only very rarely assigned to work on an affiliate bid, but the rule proposal is designed to ensure that all screening applicable to a benchmark resource would also apply to an affiliate bid.

³ Both PGE and PacifiCorp have adopted and adhered to specific processes to ensure the separation of the teams. PacifiCorp’s Code of Conduct Governing Intra-Company Relationships for RFP Process was provided as an Appendix to its 2017R RFP in Docket No. UM 1845, and is provided as attachment to this filing.

1 practices and processes for utility personnel screening, the Joint Utilities instead recommend
2 revising *proposed* OAR 860-089-0300(1) as follows:

3 (1)(a) If an electric company is submitting a benchmark or affiliate bid then, at the time it
4 issues a draft RFP, the electric company will establish and assign personnel to a
5 Benchmark Team (if a benchmark bid is being submitted), an Affiliate Team (if an
6 affiliate bid is being submitted) and an RFP Evaluation Team. The electric company will
7 disclose the names and titles of the individuals on each team to the IE in writing.

8 (b)(a) Any individual on the Benchmark Team or Affiliate Team who participates in the
9 preparation of an electric company or affiliate bid may not participate in ~~the development~~
10 ~~of the RFP or~~ the evaluation or scoring of bids on behalf of the electric company and
11 must be screened from that process.

12 (c)(b) Any individual on the RFP Evaluation Team who participates in ~~the development~~
13 ~~of the RFP or~~ the evaluation or scoring of bids on behalf of the electric company may not
14 participate in the preparation of an electric company or affiliate bid and must be
15 screened from that process.

16 (d) Any individual who is not assigned to the Benchmark Team, Affiliate Team, or RFP
17 Evaluation Team, and who provides support but does not engage in decision-making,
18 may provide support to any team. There shall be no communications regarding
19 Benchmark or Affiliate bid information or RFP evaluation information, either directly or
20 indirectly, between the Benchmark or Affiliate Team members and other RFP Evaluation
21 Team members until the final shortlist is determined, except in the presence of the IE.
22 The individuals providing shared support must not reveal any information received or
23 provided from their support to the RFP Evaluation Team to the Benchmark or Affiliate

1 Team, and must not reveal any information received or provided from their support to the
2 Benchmark or Affiliate Team to the RFP Evaluation Team.

III. CONCLUSION

3 The Joint Utilities respectfully submit these supplemental rulemaking comments. The
4 Joint Utilities also plan to file comments in response to issues raised by other parties in their oral
5 and written comments before the close of the comment period on June 15, 2018.

Respectfully submitted this 7th day of June, 2018.



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BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

AR 600

JOINT UTILITIES'
SUPPLEMENTAL COMMENTS

Attachment 1
RFP Appendix N – RFP Team Process

June 7, 2018

RFP APPENDIX N

Code of Conduct Governing PacifiCorp's Intra-Company Relationships for RFP Process

As part of the RFP process, PacifiCorp will commit to abide by a self-imposed code of conduct which will govern PacifiCorp's intra-company business relationships in order to ensure a fair and unbiased RFP evaluation and selection process. As part of the RFP process, PacifiCorp has identified various teams and employees who will be responsible for the evaluation of the bids and the development of any company benchmark resource. These employees and teams are also defined and described in Section 3.E of the 2017R RFP. The evaluation team and the benchmark team will have separate responsibilities and be required to adhere to the self-imposed code of conduct.

Bidders will provide an Intent to Bid Form that will not be blinded. The evaluation team and the benchmark team will comply with this code of conduct during the RFP evaluation process.

EVALUATION TEAM

The evaluation team will be made up of employees from several PacifiCorp departments. Consistent with PacifiCorp's identification of shared employees under FERC's Standards of Conduct,¹ the IRP work group will be treated as a shared resource to perform work for the evaluation team and the benchmark team. The IRP work group will not share any information it obtains from either team with the other team and the IRP work group will not share any non-public transmission system information with either team at any point in this process.

As set forth below in the information status, no members of the evaluation team will have contact or 2017R RFP-related communication with any bidder or the benchmark team unless the IE is included. If any bidder or member of the benchmark team attempts to contact a member of the Evaluation Team, such member of the evaluation team will only respond if the IE is included.

The roles and responsibilities of the members of the evaluation team are set forth below, along with the individual member's name and title and information status restrictions.

Evaluation Team: Origination, Structuring and Pricing, Environmental and Credit

1. Origination

Roles: Members of origination will be responsible for overall coordination of the RFP process, including bid process management for all proposals. Origination will have responsibility to coordinate with the IE and all of the evaluation team. Origination will perform the evaluation of the non-price components of the bid analysis. Origination will participate on the Intent to Bid team.

¹ See Appendix I

Individual Members and Titles: To be submitted to the IEs upon issuance of the RFP and updated if there are any changes.

Information Status: No members of the evaluation team will have 2017R RFP-related contact or communication with any bidder unless the IE is included.

2. Structuring and Pricing

Roles: Members of PacifiCorp's structuring and pricing will be responsible for the economic analysis and modeling for the initial shortlist including the validation on the inputs to the risk assessment of the bid and the initial evaluation of the benchmark resources.

Individual Members and Titles: To be submitted to the IEs upon issuance of the RFP and updated if there are any changes.

Information Status: No members of the evaluation team will have 2017R RFP-related contact or communication with any bidder unless the IE is included.

3. Environmental

Roles: Environmental will be responsible for evaluation of the applicable environmental, siting and facilities permits and other environmental reviews of the project bid.

Individual Members and Titles: To be submitted to the IEs upon issuance of the RFP and updated if there are any changes.

Information Status: No members of the evaluation team will have 2017R RFP-related contact or communication with any bidder unless the IE is included.

4. Credit

Roles: Credit will be responsible for credit screening, evaluation and monitoring throughout the entire RFP process.

Individual Members and Titles: To be submitted to the IEs upon issuance of the RFP and updated if there are any changes.

Information Status: No members of credit will have 2017R RFP-related contact or communication with any bidder unless the IE is included. Credit will also participate on the Intent to Bid team.

BENCHMARK TEAM

Benchmark Team Resource development, wind operations, financial

PacifiCorp's benchmark team prepares and submits PacifiCorp's benchmark bids into the 2017R RFP. The benchmark team is comprised of employees within PacifiCorp that are assigned to complete all the tasks associated with preparation of the proposals in compliance with the RFP requirements.

1. Resource Development

Roles: Members of resource development will be responsible for overall coordination of preparing the benchmark resource proposal. Resource development will have responsibility to coordinate with the IE and the evaluation team.

Individual Members and Titles: To be submitted to the IEs upon issuance of the RFP and updated if there are any changes.

Information Status: No members of the benchmark team will have 2017R RFP-related contact or communication with any evaluation team member unless the IE is included.

2. Financial

Roles: Members of PacifiCorp's financial department will be responsible for the economic analysis and modeling tasks associated with preparation of the proposals in compliance with the RFP requirements.

Individual Members and Titles: To be submitted to the IEs upon issuance of the RFP and updated if there are any changes.

Information Status: No members of the benchmark team will have 2017R RFP-related contact or communication with any evaluation team member unless the IE is included.

3. Wind Operations

Roles: Wind operations will be responsible for development of the applicable environmental, siting and facilities permits and other environmental studies associated with preparation of the proposals in compliance with the RFP requirements. Wind operations will also provide O&M costs for the benchmark submittals.

Individual Members and Titles: To be submitted to the IEs upon issuance of the RFP and updated if there are any changes.

Information Status: No members of the benchmark team will have 2017R RFP-related contact or communication with any evaluation team member unless the IE is included.