

July 19, 2017

Via Email

Chair Lisa Hardie
Commissioner Steve Bloom
Commissioner Megan Decker
Oregon Public Utility Commission
201 High St SE, Suite 100
Salem, Oregon 97301

RE: In the Matter of PACIFICORP, dba PACIFIC POWER, Request for Proposals of
an Independent Evaluator to Oversee the Request for Proposal Process
Docket No. UM 1845

Dear Commissioners:

The Northwest and Intermountain Power Producers Coalition (“NIPPC”) submits these comments in response to Staff’s proposed selection of an Oregon independent evaluator (“IE”) and PacifiCorp’s proposed schedule regarding its 2017 renewable request for proposal (“RFP”). NIPPC’s specific recommendations are that the Oregon Public Utility Commission (the “Commission”) should: 1) approve Staff’s selection of Bates White as the IE in the Company’s upcoming 2017 renewable RFP; 2) open a docket to review PacifiCorp’s RFP; and 3) decline to adopt PacifiCorp’s proposed schedule at this time. PacifiCorp should continue to move expeditiously forward with its proposed RFP to ensure that it has an opportunity to take advantage of the expiring production tax credit (“PTC”); however, the Commission should not approve a specific schedule until stakeholders have had an opportunity to review the draft RFP, which PacifiCorp plans to file in only a couple weeks. PacifiCorp can ensure that its RFP is reviewed in a timely manner by filing a clear and transparent RFP that provides all renewable generation and ownership types a fair opportunity to compete. NIPPC’s goal is not to delay the issuance of the RFP to the market, and believes that the Commission should eventually set a schedule that allows for execution of contracts consistent with PacifiCorp’s draft schedule (April 16, 2018) and issues the final RFP to the market about the time of PacifiCorp’s draft schedule (August 31, 2017).

NIPPC supports PacifiCorp’s identified resource need, and the Company’s efforts to take action to meet this need by issuing an RFP now. Given the considerable cost savings associated with the gradual phase out of the PTC, PacifiCorp should move forward and test the market to determine if it can achieve significant ratepayer savings. NIPPC believes that Wyoming wind generation could be the best economic option available to ratepayers and PacifiCorp should be commended for making efforts to potentially capture those savings. However, PacifiCorp’s assumptions should be

subjected to rigorous testing through a fair competitive process that allows all types of generation and ownership structures an opportunity to deliver low cost and reliable power to customers.

The July 20, 2017 public meeting was scheduled to approve Staff's selection for the IE in PacifiCorp's RFP. All parties support Bates White as the next IE, and the meeting was expected to be non-controversial.

On July 17, 2017, however, PacifiCorp filed comments requesting that the Commission adopt an expedited schedule to address its RFP. PacifiCorp's proposed schedule provides very little opportunity for stakeholder review, with the filing of the draft RFP on August 4, and the issuance of the RFP to the market on August 31. NIPPC notes that PacifiCorp had made internal company decisions to move forward with an RFP in late 2016, but did not file a request to open a proceeding regarding an RFP until June 1, 2017. PacifiCorp waited over half a year, and its delay should not result in a cursory and inadequate review of its RFP. NIPPC recommends that the Commission postpone consideration the adoption of a schedule until the next public meeting following PacifiCorp's release of its draft RFP, which PacifiCorp is planning to do shortly.

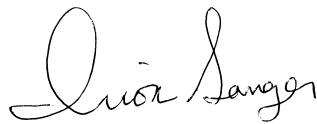
The time to review PacifiCorp's RFP will be contingent upon whether the draft RFP is consistent with the Commission's competitive bidding guidelines and the concerns raised by parties in other proceedings, including the Company's current integrated resource plan ("IRP") and competitive bidding rulemaking. Given that PacifiCorp is proceeding with this RFP before obtaining acknowledgement of its IRP, it is critically important to ensure that stakeholders have sufficient time to review it. PacifiCorp can ensure that its RFP is approved in an expedited manner, if it proactively designs it to be fair and balanced. Thus, it is incumbent upon PacifiCorp to design the RFP to avoid controversy and obtain quick approval rather than use the RFP as a tool to meet PacifiCorp's need for renewable resources with a fleet of mostly or entirely Company owned wind generation resources concentrated in small geographic areas to help justify the construction of a new transmission line. A non-exhaustive list of elements that NIPPC hopes to see in the filed RFP include:

- Open to all renewable generation types and not only wind;
- Open to renewable generation at any location that can cost effectively deliver the power to the Company's system;
- Inclusion of the costs of the Aeolus to Bridger/Anticline transmission line as part of the benchmark Wyoming wind generation: the full costs of Wyoming wind plus transmission should be compared to other economic resource opportunities;

- No bias in favor of the Company's owned generation, which is a major concern as the Company appears to have already identified and obtained many of the best sites along its proposed Aeolus to Bridger/Anticline transmission line;
- Inclusion of the 905 MW of repowering of its existing wind projects as benchmark resources to be compared against new greenfield wind;
- Incorporation of basic components NIPPC has recommended in the Commission's competitive bidding rulemaking, including subjecting all Company-owned bids to a rigorous due diligence review and a comparison of the unequal terms of power purchase agreements and utility owned generation with an "annuity methodology" rather than a "generic fill".

NIPPC looks forward to reviewing PacifiCorp's RFP and ensuring that it is issued in a timely manner to provide an opportunity to capture the full value of the expiring PTCs. PacifiCorp could have filed its RFP months earlier, and has the ability to design it in a way the reduces (if not eliminates) objections and controversy. It is pre-mature to set a schedule without the parties having an opportunity to review the RFP, and NIPPC recommends that the Commission adopt a schedule shortly after PacifiCorp formally files its RFP, which the Company is planning to do on August 4, 2017.

Sincerely,

A handwritten signature in cursive script that reads "Irion A. Sanger". The signature is written in black ink and is positioned centrally below the word "Sincerely,".

Irion A. Sanger