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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' Closing 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' CLOSING 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) appreciate the opportunity
3 to file these Closing Comments regarding Staff's proposed competitive bidding rules published
4 on April 18, 2018 (Proposed Rules). The Joint Utilities have already filed comprehensive
5 Rulemaking Comments on May 14, 2018, which included detailed proposals for revisions to the
6 Proposed Rules, and Supplemental Comments on June 7, 2018, addressing the rules for
7 screening utility personnel working on request for proposals (RFP) evaluation and benchmark or
8 affiliate bid teams. These Closing Comments are filed primarily to respond to the comments
9 filed by Northwest and Intermountain Power Producers Coalition (NIPPC) on May 29, 2018 and
10 to address several additional issues. Staff also filed Initial Comments on June 13, 2018 and
11 indicated that it would file additional comments before the close of the comment period, and the
12 Alliance of Western Energy Consumers (AWEC) filed comments on June 14, 2018.

13 In 1991, the Public Utility Commission of Oregon (Commission) first adopted competitive
14 bidding guidelines (Guidelines) designed to establish a "fair competitive bidding process and

1 determine whether a proposed project is consistent with the soliciting utility's least cost plan."¹
2 Since that time, the Commission has repeatedly revisited those Guidelines, each time
3 expanding their scope and adopting increasingly stringent requirements.² As a result, the Joint
4 Utilities believe that the Commission's current Guidelines are among the most robust and far-
5 reaching competitive bidding requirements in the country. Staff's Proposed Rules seek to add
6 to the current Guidelines by imposing additional filing requirements to enhance transparency,
7 enlarge the role of the independent evaluator (IE), and add new procedural steps—and lengthen
8 timelines—to ensure fairness and promote bidder confidence. The Joint Utilities support
9 enhancements to the Guidelines that promote transparency and fairness given that such
10 improvements further the fundamental goal of acquiring resources for customers at the lowest
11 cost/risk.

12 Despite the strength of the existing Guidelines, and the further reinforcement
13 recommended by Staff in the Proposed Rules, NIPPC argues that the Commission must adopt
14 several novel and ill-advised requirements. In particular, NIPPC argues that the Commission
15 must (1) confirm that there is “no need” for an IE when an RFP does not allow for utility
16 ownership options; (2) find that it is imprudence *per se* for a utility not to allow third-party bidders
17 to use utility-owned assets and sites when proposing new projects; and (3) require bids that
18 allow for utility ownership to undergo an independent project finance and engineering due
19 diligence review.

20 NIPPC's insistence on these additional provisions is based on its central theme: that
21 because the Commission has rejected some of NIPPC's proposals in the past, the current rules

¹ *In the Matter of an Investigation into Competitive Bidding by Investor-Owned Electric Utility Companies*, Docket No. UM 316, Order No. 91-1383 at 1 (Oct. 18, 1991) (Order No. 91-1383).

² See, e.g., Order No. 91-1383; *In the Matter of an Investigation Regarding Competitive Bidding*, Docket No. UM 1182, Order No. 06-446 (Aug. 10, 2006) (Order No. 06-446); *In the Matter of Pub. Util. Comm'n of Or. Investigation Regarding Competitive Bidding*, Docket No. UM 1182, Order No. 14-149 (Apr. 30, 2014) (Order No. 14-149); see also *In the Matter of Pub. Util. Comm'n of Or. an Investigation Regarding Performance-Based Ratemaking Mechanisms to Address Potential Build-vs.-Buy Bias*, Docket No. UM 1276, Order No. 11-001 (Jan 3, 2011).

1 are ineffective and “weak”, and that therefore the Commission must do something “bold” (read,
2 “drastic”) to ensure that independent power producers are selected more often in the future.
3 NIPPC’s complaint—which it repeats at length—is without merit.

- 4 • **First**, the Commission’s current Guidelines are anything but weak. Utility resource
5 procurements in Oregon are closely regulated by the Commission, and overseen by an
6 IE. Staff and other stakeholders have opportunities to engage in the development,
7 refinement, and approval of RFPs, and to review the RFP results. Given the robust
8 regulatory framework, these RFPs provide a fair and transparent process. Moreover,
9 the Proposed Rules, if adopted, will further strengthen the competitive bidding
10 framework. As noted above, the Commission’s efforts to improve its Guidelines have
11 resulted in a framework that is one of the most expansive and rigorous in the country.
- 12 • **Second**, contrary to NIPPC’s claims, the Commission has in fact adopted reasonable
13 proposals made or supported by NIPPC intended to enhance the effectiveness of its
14 Guidelines. In particular, the Commission adopted NIPPC’s proposal to require
15 mandatory shortlist approval in the 2014 update to the Guidelines³ and the Commission
16 has adopted numerous other proposals that have had NIPPC’s support.⁴
- 17 • **And finally**, the more extreme proposals made by NIPPC were rejected for sound
18 reasons—either because they were discriminatory, illegal, or poor public policy.⁵

19 As discussed at length throughout this docket, the Joint Utilities support changes to the
20 Commission’s current competitive bidding requirements that will improve transparency and
21 fairness. NIPPC’s proposals for additional changes are ill-advised and should be rejected.

II. RESPONSE TO NIPPC’S COMMENTS

A. The IE Provides Significant Value and Should be Required for All RFPs.

22 NIPPC urges that the main value of the IE is to guard against utility bias, and thus no IE
23 should be required if there is no utility ownership option and utility shareholders should be

³ Order No. 14-149 at 14.

⁴ Order No. 06-446 at 6, 14 (adopting Staff proposals—that NIPPC supported—to require IE participation in an RFP and to allow for acknowledgement of the final shortlist).

⁵ For example, the Commission declined to adopt NIPPC’s proposal for an IPP-only RFP, concluding that “NIPPC’s proposal is contrary to the goal underlying the IRP process that utilities obtain resources that are least risk and cost to ratepayers.” Order No. 14-149 at 16. The Commission also rejected NIPPC’s proposal to require a utility to offer its site locations for development by independent power producers, concluding “[w]e share Staff’s concerns, raised after consultation with the Department of Justice, whether this Commission has the legal authority to implement” such a proposal. Order No. 06-446 at 5-6.

1 required to pay for the IE in such RFPs.⁶ This position is contradicted by the Joint Utilities’
2 experience. First, the presence of an IE increases overall bidder confidence, which in turn
3 promotes the broadest participation in the solicitation process. Bidder confidence promotes
4 robust participation in all RFPs, not just RFPs where utility ownership is an option. Moreover,
5 the Joint Utilities have found that the IE often provides the Commission with critical technical
6 support in its review of the RFP and throughout the bidding process, often regarding matters
7 that are completely unrelated to ownership structure or any alleged utility bias.⁷ And frequently,
8 if there is a disputed issue in an RFP, the Commission will seek input from the IE as an impartial
9 technical advisor.⁸ Because the IE provides useful information to the Commission and to
10 stakeholders, and helps to ensure a fair and transparent process, an IE should participate in all
11 RFPs—including PPA-only RFPs—and it would be inappropriate to require utility shareholders
12 to bear IE expenses in such cases. Indeed, when the Commission added the IE requirement to
13 the Guidelines in 2006, the Commission acknowledged that “[w]hile an IE’s role is not as
14 involved for an RFP without ownership options or Affiliate Bidding, we find that using an IE has

⁶ NIPPC’s Rulemaking Comments at 6. AWEC also believes that an IE should not be required in PPA-only RFPs. AWEC’s Rulemaking Comments at 4.

⁷ In a recent PGE RFP, the IE report discussed certain issues that were specific to the presence of a utility bid, but the majority of the IE recommendations would apply equally to a PPA with no benchmark resource. *In the Matter of Portland Gen. Elec. Co., 2018 Request for Proposals for Renewable Energy Resources*, Docket No. UM 1934, IE’s Assessment of PGE’s Final Draft 2018 RFP (April 6, 2018). Similarly, in PacifiCorp’s recent RFP, Docket UM 1845, the IE report contained many recommendations that would apply regardless of whether there was a benchmark resource bidding in to the RFP. *In the Matter of PacifiCorp, dba Pac. Power, 2017R Request for Proposals*, Docket No. UM 1845, IE’s Assessment of PacifiCorp’s Final Draft 2017R RFP (Aug. 10, 2017).

⁸ For example, in PGE’s 2018 RFP, the Commission went beyond asking the IE for recommendations on PGE’s revised RFP and also asked the IE to weigh in on issues that parties had disagreed about—soliciting input on six specific issues. *In the Matter of Portland Gen. Elec. Co., 2018 Request for Proposals for Renewable Energy Resources*, Docket No. UM 1934, Notice (May 10, 2018). Similarly, the Oregon IEs for PacifiCorp’s 2012 All-Source RFP, were asked to opine on PacifiCorp’s request to amend and delay the 2012 RFP suggesting an alternative approach to PacifiCorp’s requested amendment and delay. *In the Matter of PacifiCorp’s Draft 2012 Request for Proposals*, Comments of the Oregon Independent Evaluators, Docket No. UM 1208 (Oct. 29, 2007).

1 value.”⁹ The Commission concluded that an IE should be used for *all* RFPs, and because an IE
2 “is useful to the process,” the costs associated with the IE “should be included in rates.”¹⁰

3 NIPPC disagrees with the Joint Utilities’ statement that inconsistent use of an IE will
4 diminish competition within an RFP, positing that perhaps the Joint Utilities believe that bidders
5 will not take a PPA-only RFP seriously.¹¹ However, NIPPC misunderstands the issue raised by
6 the Joint Utilities; simply put, the Joint Utilities are concerned that requiring an IE only for RFPs
7 that included a utility ownership option will result in harm to customers by causing market
8 confusion, reducing participation, and diminishing competition with the RFP.¹² NIPPC’s
9 proposal would discourage the utility from issuing an RFP that would allow for an ownership
10 option, thus reducing the pool of potential bid options and bidders, putting further downward
11 pressure on creative bids that may benefit customers. Customers benefit from robust
12 competition, as it will most likely result in the selection of the least-cost, least-risk resource.
13 Conversely, if competition is reduced, the RFP may produce costlier or riskier resources.

14 The Joint Utilities believe that the IE provides significant value to the Commission *and* to
15 customers, and is useful in all RFPs, and not just RFPs with the possibility of utility ownership.
16 For this reason, the Joint Utilities have argued that the Commission should either delete or
17 revise Staff’s proposed rule provision¹³ providing that an IE *may not* be required for RFPs with
18 no utility ownership.¹⁴ However, the Proposed Rule at least acknowledges that the participation
19 of an IE is the default position in all RFP processes, and requires affirmative analysis on the
20 Commission’s part before determining that an IE should not be required. Under no

⁹ Order No. 06-446 at 6.

¹⁰ Order No. 06-446 at 6-7.

¹¹ NIPPC’s Rulemaking Comments at 7.

¹² See Joint Utilities’ Opening Comments on Policy Issues at 4-6.

¹³ *Proposed OAR 860-089-200(7)*.

¹⁴ See Joint Utilities’ Rulemaking Comments at 9-10; see *also* Joint Utilities’ Rulemaking Comments, Attachment 1 at 7.

1 circumstances should the Commission accept NIPPC's position, which would deny all parties of
2 the benefits of IE participation in all RFPs where utility ownership is not an option.

B. The Commission Should Reject NIPPC's Proposal that a Decision to Not Allow Bidders to Use Utility Property Is *Per Se* Imprudence.

3 NIPPC claims that the proposed rule encouraging utilities to make their property¹⁵
4 available to third-party bidders will allow utilities to use their "assets to limit competition (and
5 increase ratepayer costs)" and thus encourages the Commission to determine that "any
6 decision by a utility not to allow bidders to use their utility-owned facilities should be considered
7 *per se* imprudence."¹⁶ Moreover, NIPPC argues that its policy should apply not only to utility
8 property that is included in customer rates, but also property that has been paid for by
9 shareholders.¹⁷ These proposals are misguided and should be rejected by the Commission.

10 The Commission's current policy of encouraging utilities to make their property available
11 to third-party bidders—as memorialized in Staff's Proposed Rules—is not new, and the Joint
12 Utilities believe there is no confusion regarding how this policy should be applied. In fact, in the
13 early stages of their RFP development, the Joint Utilities typically *do* consider whether to offer
14 an element of a benchmark resource or other utility property—and in some cases they may
15 elect to offer up their site or other property, depending on the particular resource needs and the
16 particular site or property at issue. But there are also many reasons why a utility may not offer
17 up its property—including operational or security concerns, or legal or contractual reasons.¹⁸
18 NIPPC's proposal ignores these practical impediments to making utility property available, and
19 is inappropriately punitive.

¹⁵ NIPPC appears to use the term "property" quite broadly to refer to both real property and other assets owned or held by the utilities, including transmission rights.

¹⁶ NIPPC's Rulemaking Comments at 8.

¹⁷ NIPPC's Rulemaking Comments at 8.

¹⁸ For additional discussion regarding reasons why a utility may not offer its property to a third-party bidder, please see the Joint Utilities' Reply Comments on Policy Issues at 10-11.

1 Moreover, NIPPC’s argument that shareholder-owned assets must be made available to
2 third parties is particularly egregious—ignoring entirely the risk that the utility shareholders
3 assume when purchasing property or making necessary investments to plan for new generation.
4 To be clear, building and owning generation is an important part of the utility business model. In
5 this respect, the utilities are in a similar position to the other RFP bidders—they invest in
6 property, seek permits, and develop plans for generation facilities, and make those investments
7 at risk. If the utility bid is not selected, the utility may never recoup that investment—let alone
8 earn a return. In this context, it makes no sense to argue that it is anticompetitive for
9 shareholders to decline to make this property available to third-party bidders.¹⁹ On the contrary,
10 it is NIPPC’s proposal that is seeking to impose inappropriate conditions on the utilities’ ability to
11 compete in an RFP.

12 Finally, the logical extension of NIPPC’s proposal reveals its absurdity. If utility
13 shareholders can be coerced (through a threatened imprudence finding) into providing third-
14 parties access to real property and transmission assets associated with benchmark bids, why
15 not require the utilities to turn over their permits, blueprints, due diligence, and other intellectual
16 property? And if utilities can be coerced into making their real, tangible and intellectual property
17 available to third-party bidders, then why not require third-party bidders to do the same, as a
18 condition to participation in the RFP? By NIPPC’s logic, this enforced “pooling of resources”
19 would be most likely to lead to the least-cost, least-risk result. In reality, this approach would
20 deprive the parties of the full benefits of their own investments and efforts, and discourage them
21 from making the investments necessary to participate in the RFP—thus undermining
22 competition and the Commission’s overarching goal of promoting the selection of least-cost,
23 least-risk resources.

¹⁹ See NIPPC’s Rulemaking Comments at 8.

1 Staff's Proposed Rule is an extension of the Commission's current policy of encouraging
2 utilities to make their property available, and strikes the right balance by appropriately allowing
3 the utilities to determine any potential disposition of utility property. The Joint Utilities
4 recommend the Commission retain this policy, with the rule refinements that were proposed in
5 the Joint Utilities' Rulemaking Comments.²⁰

C. NIPPC has Provided No Additional Clarity Regarding the Project Finance Due Diligence Proposal, and the Commission Should Decline to Adopt It.

6 In its policy guidance order, the Commission directed Staff to remove the project
7 financial due diligence proposal from the Proposed Rules, finding that the proposed rule
8 language lacked clarity, and indicated that the "proponents of this financial due diligence
9 provision are welcome to tighten its language and clarify its intent, then propose the provision
10 again" if desired.²¹ Because NIPPC has failed to provide the requested clarity, its renewed
11 proposal should be rejected.

12 NIPPC's latest proposal is still extremely vague, providing no greater clarity in
13 comparison with earlier proposals:

²⁰ See Joint Utilities' Rulemaking Comments at 11-13; see also Joint Utilities' Rulemaking Comments, Attachment 1 at 10. Note that NIPPC agrees in principle with the Joint Utilities' proposed addition to the rule language clarifying that utilities should be fairly compensated if they make their property available to third parties. NIPPC's Rulemaking Comments at 10.

²¹ Order No. 18-087 at 2. For reference, in Order No. 18-087, the Commission directed Staff to remove the following rule language because it lacked clarity: "For any bids on the final short list that provide for the possibility of electric company or affiliate ownership of the resource, the IE must conduct a project finance due diligence review. This review must make a determination of whether or not, subject to any conditions, the electric company or affiliate ownership resource would receive third-party project financing to construct and operate the proposed resource at the costs and bid prices submitted into the RFP. If a final bid selected for contract negotiation is a power purchase agreement without electric company ownership options, then the IE must perform a similar review for this bid. The IE must produce a comprehensive report on the cost and performance assumptions of any bids reviewed under this subsection. For a power purchase agreement subject to this review, the IE must, if necessary, propose any necessary adjustments to the bid price or performance assumptions used in the bid scoring or both that would be necessary to provide project financing for the construction and operation of the proposed resource. Additionally, the IE must propose to the electric company any necessary adjustments to the bid scoring for bids with the possibility of electric company or affiliate ownership of the resource. The IE must provide a final report of these analyses to the Commission Staff with a copy to the electric company and interested parties in the final short list acknowledgment proceeding."

1 For each Benchmark or each bid with utility ownership on the final short
2 list, the IE must conduct a project-finance due diligence evaluation of the
3 type utilized by financing institutions for purposes of securing financing
4 from reputable financing entities prior to extending project financing for
5 major generation facilities.²²

6 In fact, NIPPC's most recent proposal is even less specific than earlier proposals.²³ In short,
7 NIPPC has provided no detail as to what specific types of analyses should be performed, what
8 financial metrics should be employed, or how the results of the analysis should be presented.
9 Moreover, NIPPC has provided zero explanation of the impact its proposed rule would have on
10 the RFP process, or the costs it would impose. How many months would this proposal add to
11 the schedule? And how much additional expense would it add to RFP? Given the vagueness
12 of the proposal, and lack of meaningful detail in NIPPC's comments supporting its proposal,
13 NIPPC's proposal must be rejected.

14 NIPPC seeks to justify its skeletal proposal by arguing that any qualified IE should be
15 able to understand what type of analysis is being proposed.²⁴ This argument is unsupportable.
16 First, if the details of the proposed analysis were so obvious, why would NIPPC find them so
17 hard to articulate? Moreover, even accepting NIPPC's dubious claim that the IE will know what
18 is expected, the Commission cannot responsibly order the IE to perform an evaluation that has
19 never been explained to the Commission and that the Commission therefore does not
20 understand. The fact is that no party has ever provided any substantive detail on the due
21 diligence evaluation or the potential impacts on the RFP schedule or costs—despite there being

²² NIPPC's Rulemaking Comments at 13.

²³ Per NIPPC's Rulemaking Comments at 12, NIPPC originally proposed the following language: "[T]he Commission must retain a highly qualified consulting firm of the type utilized by financing institutions for purposes of obtaining a due diligence evaluation consistent with those required to secure financing from reputable financing entities prior to investment in major generation facilities. The Commission Staff will maintain a list of pre-qualified entities that meet the criteria of a highly qualified consulting firm, and at the time that the draft RFP is made available for comment, the Commission Staff will choose and contact an entity from the list to have the entity available for the analysis at the time of short-list evaluation." See also the Staff proposal in footnote 21 above.

²⁴ NIPPC's Rulemaking Comments at 14-15.

1 many opportunities to do so over the course of the informal and formal stages of this rulemaking
2 proceeding. NIPPC has failed to provide even a basic level of information that would be needed
3 for its proposal to be viable.

4 Finally, NIPPC's project finance due diligence proposal would apply only to Benchmark
5 resources or resources with the possibility of utility ownership—and not to PPA-bids—based on
6 the premise that this would help “level the playing field” for all types of bidders.²⁵ But NIPPC's
7 proposal does not level the playing field because NIPPC concedes that not all PPAs undergo
8 this type of due diligence.²⁶ Consistent with their earlier comments, the Joint Utilities believe
9 that the Commission's competitive bidding rules should be applied equally to all bids without
10 regard to ownership structure, as different treatment for certain types of bids will negatively
11 impact competition within an RFP. To the extent that the Commission is inclined to adopt any
12 sort of project finance due diligence requirement, it should not be applied in a discriminatory
13 manner.

14 In sum, NIPPC has not provided improved rule language or any meaningful detail to
15 support its proposal, and the Joint Utilities urge the Commission to decline to adopt NIPPC's
16 project finance due diligence proposal.

III. ADDITIONAL ISSUES

A. The 100 MW Major Resource Threshold Should be Reinstated.

17 The Joint Utilities have repeatedly urged that the proposed rule lowering the applicability
18 threshold for the competitive bidding rules to 50 MW²⁷ should be rejected, and the 100 MW
19 Major Resource threshold from the existing Guidelines should be reinstated. Between the time
20 that Staff filed the proposed rules on April 18, 2018 and the time of filing these closing

²⁵ NIPPC's Reply Comments on Policy Issues at 13.

²⁶ NIPPC's Rulemaking Comments at 14.

²⁷ *Proposed OAR 860-089-100(1)(a) and (c)*.

1 comments on June 15, 2018, no party has provided any rationale for lowering the major
2 resource threshold;²⁸ nor has any party affirmatively supported Staff's proposal to lower the
3 threshold. Indeed, even AWEC agrees that a 50 MW threshold is too low to justify the expense
4 of an RFP proceeding, and NIPPC did not take a position on this issue in its comments.²⁹

5 Additionally, the proposed 25 MWh threshold for energy storage resources is too low.³⁰
6 At the rulemaking hearing, Staff indicated that the 25 MWh threshold was intended to reflect that
7 energy storage systems may have greater costs and system impacts in comparison with other
8 capacity resources.³¹ AWEC also believes that a different threshold for energy storage should
9 be established, and proposes that a 70 MWh threshold would be appropriate "to recognize
10 additional costs associated with these resources."³² AWEC's 70 MWh threshold proposal is
11 based on its position in Docket UM 1856 that PGE's proposed 68-80 MWh (17-20 MW) Coffee
12 Creek energy storage project should be subject to competitive bidding.³³

13 The Joint Utilities, on the other hand, urge that the Commission should aim to establish
14 durable rules, and are concerned that any different threshold for energy storage based on
15 current cost assumptions will quickly become outdated as energy storage technology advances
16 and becomes less expensive. Accordingly, the Joint Utilities recommend that the Commission
17 decline to adopt any separate threshold for energy storage, and instead apply the 100 MW
18 threshold to all resource procurements. To the extent that the Commission desires to set a

²⁸ Staff indicated in its Initial Comments, filed on June 13, 2018, that it intends to file additional comments before the close of the comment period on June 15, 2018. To the extent that Staff provides a rationale for its proposed 50 MW threshold for the first time in its comments that will be filed on June 15, 2018, parties have had no opportunity to analyze or respond to Staff's rationale, and the Joint Utilities urge that basic principles of fairness in the rulemaking process require the Commission to decline to adopt Staff's proposal.

²⁹ AWEC's Rulemaking Comments at 3; AR 600, May 16, 2018 Rulemaking Hearing Audio Recording at 26:50 to 27:32.

³⁰ *Proposed OAR 860-089-100(3)*.

³¹ AR 600, May 16, 2018 Rulemaking Hearing Audio Recording at 5:23 to 5:34.

³² AWEC's Rulemaking Comments at 3.

³³ AWEC's Rulemaking Comments at 3.

1 separate threshold, the Joint Utilities believe that Staff and AWEC's proposed thresholds are too
2 low. Assuming that the primary concern is that energy storage resources are more costly than
3 traditional resources, any energy storage threshold should reflect a comparison of costs for
4 energy storage and other traditional capacity resources. Staff has provided no cost comparison
5 or other detail to support its proposed threshold, and AWEC's proposal for a 70 MWh threshold
6 is based on the Coffee Creek project, for which capital costs are projected to range between
7 \$30 and \$36 million. For purposes of comparison, a 100 MW generic capacity resource would
8 have an overnight capital cost of approximately \$65 million—nearly twice the projected costs for
9 the Coffee Creek project.³⁴ As described in the Joint Utilities' Rulemaking Comments filed on
10 May 14, 2018, an appropriately cost-comparable threshold for a 100 MW generic capacity
11 resource would be an energy storage resource of 240 MWh or (60 MW).³⁵ While the Joint
12 Utilities' primary recommendation is that the Commission treat all types of resources equally
13 and decline to adopt a separate threshold for energy storage, the Joint Utilities recommend in
14 the alternative that 240 MWh (60 MW) would be a more appropriate threshold.

B. The New Competitive Bidding Rules Should Apply Prospectively.

15 The Joint Utilities seek clarification from the Commission in its final order in this
16 proceeding that the competitive bidding rules will be applied prospectively, and that any
17 resource procurement efforts that are currently underway as of the effective date of the rules
18 should be concluded under the Guidelines.³⁶

³⁴ *In the Matter of Portland Gen. Elec. Co., 2016 Integrated Resource Plan*, Docket No. LC 66, 2016 IRP Update at 26 (Mar. 8, 2018) (Per Table 7, \$648/kWh x 1,000 kW/MW x 100 MW = \$64,800,000 for 100 MW). For reference, for PGE, this amount would represent about 0.6 percent impact to PGE's annual revenue requirement.

³⁵ Joint Utilities' Rulemaking Comments at 6-7.

³⁶ Currently there is only one utility resource procurement in progress meeting the threshold for the competitive bidding rules, which is PGE's RFP in Docket UM 1934. Assuming the Commission issues its order in this proceeding within the next few months, the Joint Utilities do not believe that any new resource procurements that would be subject to the rules will be initiated prior to the effective date of the rules.

IV. CONCLUSION

1 The Joint Utilities respectfully submit these closing comments.

Respectfully submitted this 15th day of June, 2018.



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