

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UM 1773**

In the Matter of	)	
	)	
PORTLAND GENERAL ELECTRIC	)	SUPPLEMENTAL COMMENTS OF
COMPANY	)	THE NORTHWEST
	)	AND INTERMOUNTAIN POWER
	)	PRODUCERS COALITION
Petition for Partial Waiver of Competitive	)	
Bidding Guidelines and Approval of Request	)	
for Proposals (RFP) Schedule	)	
	)	
	)	
_____	)	

**I. INTRODUCTION**

The Northwest and Intermountain Power Producers Coalition (“NIPPC”) files these supplemental comments regarding Portland General Electric Company’s (the “Company” or “PGE”) Petition for a Partial Waiver of Competitive Bidding Guidelines and Approval of Request for Proposal (“RFP”) Schedule (“Petition”). NIPPC is not identifying additional substantive concerns with PGE’s RFP at this time because NIPPC has been focused on engaging in a timely dialogue with PGE to resolve its issues and concerns regarding the proposed RFP. NIPPC will submit additional substantive comments provided PGE’s revised RFP, which it will submit later this week, does not otherwise mitigate NIPPC’s major concerns.

NIPPC’s goal has been and continues to be for Oregon utilities to run competitive procurement processes that are fair to all independent power producers, protect the competitive market, and result in the acquisition of the least cost and risk resources. NIPPC, however, has significant concerns about the design and implementation of PGE’s

RFP as well as PGE's willingness to make the changes necessary to ensure that the RFP is fair to all bidders. NIPPC is, at this time, in the dark as to the content of the RFP that PGE apparently intends to re-file imminently. Therefore, NIPPC's lack of substantive commentary at this point should not in any way be construed as support for the current or final RFP, and NIPPC is likely to submit additional substantive comments after PGE re-files its RFP.

Finally, NIPPC remains concerned that there is no urgent time-sensitive need to abandon key procedural and substantive provisions of Oregon law and the Commission's competitive bidding guidelines that protect competitive markets and customers. A poorly designed or biased RFP will cost ratepayers and harm the competitive market far more than any potential savings associated with moving quickly to take advantage of the production tax credit ("PTC") that is gradually phasing out. While NIPPC has not been convinced that there are in fact any savings associated with an expedited RFP given that the Internal Revenue Service has provided guidance regarding how it will interpret the PTC phase out, NIPPC is supportive of moving forward with a renewable RFP provided it limits PGE's ability to bias the final results.

## **II. BACKGROUND**

On June 6, 2016, NIPPC submitted substantive comments identifying a number of major flaws in PGE's RFP. While NIPPC opposed numerous specific elements of PGE's proposed renewable RFP, NIPPC has also made it clear to the Commission and to PGE that it recognizes that PGE needs additional renewable resources to meet the state's expanded renewable portfolio standard requirements and supports additional, timely renewable procurement stemming from a properly structured and vetted RFP. PGE's

RFP, however, has significant deficiencies and omissions that allow PGE to favor ownership options over power purchase agreements that would be the least cost and risk resources for ratepayers.

On June 8, 2016, the Oregon Public Utility Commission (the “Commission”) issued an order that did not approve PGE’s Petition, but instead allowed “the parties to recommend future proceedings following the filing of public comments and informal discussions.”<sup>1</sup> PGE and stakeholders such as NIPPC were encouraged “to engage in timely dialogue with respect to any issues or concerns regarding the proposed RFP ...”<sup>2</sup>

NIPPC has taken the Commission’s direction to heart and worked in good faith to obtain PGE’s agreement to make changes so that there is an RFP that NIPPC can support. NIPPC provided PGE with detailed informal comments addressing its previously identified concerns as well as raising additional issues, held two three-hour meetings with PGE and the Independent Evaluator, and engaged in other informal discussions with the Company.

### III. COMMENTS

NIPPC believes it would be counter productive for it to re-raise or identify new issues before the Commission at this time. Instead of preparing comments, NIPPC has been focusing its efforts on requesting concrete improvements to PGE’s RFP. NIPPC strongly hopes that PGE will make changes that will allow NIPPC to support the renewable RFP.

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<sup>1</sup> Re PGE Petition for Partial Waiver of Competitive Bidding Guidelines and Approval of Request for Proposals (RFP) Schedule, UM 1773, Order No. 16-221 at 1 (June 8, 2016).

<sup>2</sup> Id.

PGE has agreed in principle to make some (but not all) of the changes requested by NIPPC, and provided informal responses and information to NIPPC. Immediately after the June 8, 2016 public meeting, NIPPC requested that PGE identify any factual errors in its comments, and PGE has yet to do so. While PGE has prosecuted its RFP expeditiously, PGE did not respond orally to NIPPC's concerns until June 22, 2016, and did not respond to some in writing until June 23, 2016. NIPPC expected to informally evaluate whether PGE's redrafted language addressed its concerns, but PGE has not provided redlines of key provisions. While PGE has verbally informed NIPPC that many of its issues are either not concerns or will be addressed, PGE has yet to take action that would be consistent with a fair RFP. Essentially, it would be premature for NIPPC to comment on issues that PGE has committed to correct because the Company has not yet provided specific revised RFP language that can be evaluated.

PGE has also elected to not keep NIPPC informed of its plans regarding how or whether it would proceed with this RFP. For example, it was not until today, when NIPPC contacted PGE about a different aspect of the RFP, that PGE told NIPPC that PGE intended to re-file a new RFP on June 30, 2016 rather than provide revised draft RFP language for NIPPC review. It is simply inexcusable for PGE not to take affirmative steps to communicate its plans to NIPPC, despite NIPPC's attempt to communicate with PGE on an almost daily basis regarding the RFP. In addition, NIPPC is disappointed that PGE would not even share portions of its revised RFP with NIPPC prior to either today's date for submitting comments or when PGE files its new RFP.

NIPPC intends to submit additional substantive comments after PGE submits an RFP later this week. Given that PGE elected not to share specific details of its changes

with NIPPC prior to releasing the revised RFP, NIPPC is doubtful that its concerns will be sufficiently addressed. Lacking assurance on several key issues, NIPPC is therefore skeptical it will support the new RFP without further revision. While the Commission set a date for interested stakeholders to submit comments, the Commission may eventually take up any revised RFP at a future public meeting.<sup>3</sup> Stakeholders have the right to submit comments on any item at a public meeting prior to or at the meeting. If one is scheduled, NIPPC will submit timely comments before and at any public meeting regarding PGE's RFP.

#### **IV. CONCLUSION**

NIPPC supports in concept PGE proceeding with an RFP to acquire new renewable resources in the near future, and is working with PGE to achieve changes in the Company's RFP that would allow NIPPC to support the RFP. NIPPC's willingness to support an RFP is conditional. NIPPC sees no evidence to rush approval of a flawed RFP based on an inaccurate assessment of the erosion of the value of the PTC for greenfield wind development. NIPPC may submit additional substantive comments, depending on how PGE elects to change its RFP.

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<sup>3</sup> NIPPC is unclear whether or when the Commission will schedule a public meeting to consider PGE's revised RFP. NIPPC does not support bringing the RFP for consideration at a public meeting if it does not have unanimous support of those stakeholders that support (in concept) PGE proceeding with a renewable RFP in the near future.

Dated this 28th day of June 2016.

Respectfully submitted,

A handwritten signature in black ink that reads "Irion Sanger". The signature is written in a cursive style with a large, looped initial "I".

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