ITEM NO. 1

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: June 7, 2016

REGULAR X **CONSENT** ____ **EFFECTIVE DATE** **UPON APPROVAL**

DATE: May 31, 2016

TO: Public Utility Commission

FROM: John Crider JC

THROUGH: Jason Eisdorfer and Michael Dougherty JE MD

SUBJECT: PORTLAND GENERAL ELECTRIC:
(Docket No. UM 1773) Petition for Partial Waiver of Competitive Bidding Guidelines and Approval of Request for Proposals (RFP) Schedule.

STAFF RECOMMENDATION:

Staff recommends waiver of the portions of Competitive Bidding Guideline (CBG or Guideline) 5 requiring party engagement prior to retaining an Independent Evaluator (IE).

Staff does not recommend the Commission grant a waiver of the portions of Guideline 7 such that PGE may expedite the public input process on the its final draft RFP from 60 days to 14 days. Instead, Staff recommends allowing a public comment process to close July 1, 2016.

Staff recommends approval of the remainder of the proposed Request For Proposal (RFP) schedule.

Finally, Staff recommends the Commission take no action regarding approval of the Company's final draft RFP at this time.

DISCUSSION:

Issues
1) Whether the Commission should grant, in full or in part, the following three requests submitted by Portland General Electric Company (PGE):
  a) waiver of the IE selection process;
  b) compression of the public comment period for the final draft RFP from 60 days to 14 days; and

c) approval of the compressed RFP schedule.

2) Whether the Commission should approve the Company's final draft RFP.

Applicable Law

The following statutes, rules and Commission Orders are all implicated in considering PGE's waiver request and approval of the final draft RFP.

Senate Bill 1547

In the 2016 legislative session, Senate Bill 1547 (SB 1547) was enacted, effective March 8, 2016. Section 6 of the bill amends ORS 469A.075(4) to add a requirement (d) that the Commission adopt rules "providing for the evaluation of competitive bidding processes that allow for diverse ownership of renewable energy sources that generate qualifying electricity." Section 6 of the bill also amends ORS 469A.075(4)(c) to require that the Commission adopt rules "providing for the integration of an [renewable portfolio standard] implementation plan with the integrated resource planning guidelines established by the Commission for the purpose of planning for the least-cost, least-risk acquisition of resources." Among the numerous other provisions of SB 1547, the legislature enacted amendments to the renewable portfolio standards (RPS) and to the provisions for how renewable energy certificates (RECs) are banked and used. In its Order No. 16-188 (Docket No. UM 1771), the Commission opened a rulemaking proceeding to implement Section 6 of SB 1547.

SB1547 increases the required amount of electricity to be delivered to retail loads that is produced from renewable resources by setting targets in five-year increments from 2025 to 2040. By 2040, utilities are required to serve 50 percent of its retail load with energy from renewable resources.

Renewable Portfolio Implementation Plans (RPIPs)

Pursuant to OAR 469A.075 and OAR 860-860-0400, every two years, utilities are required to submit five-year plans for how they anticipate meeting requirements of the Renewable Portfolio Standard (RPS). PGE filed its 2017-2021 "Renewable Portfolio Implementation Plan" (RPIP) in December 2015, prior to passage of SB 1547, which amends ORS chapter 469A in several significant ways. PGE filed a supplement to its RPIP on February 16, 2016, which included a scenario based on changes to the RPS by SB 1547, however the supplement only minimally addressed the new REC provisions of SB 1547 and the extension of federal tax credits.

In Order No. 16-157 (Docket UM 1755), the Commission acknowledged the RPIP with conditions that the Company rework and refile the RPIP by July 15, 2016, including a complete analysis of how SB 1547 impacts the Company's strategy for determining the optimal compliance approach through 2040.

Competitive Bidding Guidelines

The Commission's Guidelines were first established in Docket UM 1182, Order No. 06-446. Subsequently, the Commission has amended the Guidelines four times, most recently in Order No. 14-449, and a complete set of the Guidelines is provided as Appendix A to that order. Generally, the Guidelines require issuance of a Request for Proposals for all Major Resource Acquisitions (defined as having duration greater than five years and quantities greater than 100 MW) and certain multiple small resource acquisitions that qualify for treatment as a Major Resource Acquisition. Under ORS 757.210, a utility always has the burden of proving that it acted prudently in acquiring its resources. When a utility avoids the Guidelines, the burden of producing evidence remains with the utility.[1]

Since 2006, the Commission has required that utilities follow the Guidelines which apply to resource acquisition exceeding five years with capacity of 100 MW or larger. The Guidelines have been revised over the years but five fundamental goals remain:

1) to provide the opportunity to minimize long-term energy costs, subject to economic, legal and institutional constraints;

2) to complement Oregon's integrated resource planning process;

3) to not unduly constrain utility management's prerogative to acquire new resources;

4) to provide flexibility, allowing the contracting parties to negotiate mutually beneficial exchange agreements; and

5) to maintain a process which is transparent, understandable and fair.

In 2014, the Competitive Bidding Guidelines docket (Docket No. UM 1182) was reopened to further examine the potential bias in the utility resource procurement process for utility ownership driven by the utilities' ability to earn a return on the capital investment. Commission Order No. 14-149 modified certain Guidelines and closed the docket.

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[1] Order No. 16-188.

In pertinent part, Guideline 5 requires that an IE be retained to ensure all offers are treated fairly and to generally review the RFP process used by the utility. Guideline 7, concerning approval of the final draft RFP, requires, in relevant part, the Commission to undertake a public comment process prior to Commission consideration of approval of the draft RFP. In this step, the Commission has the opportunity to review the RFP prior to its release and with public comments and "may approve the RFP with any conditions and modifications deemed necessary." Under Guideline 2, the Commission may grant a waiver of the requirement to issue an RFP. There are certain circumstances set forth in the Guideline in which a utility may request a waiver from all or part of the Guidelines. Staff will discuss the waiver criteria in detail later in this memorandum.

In its Order 16-188, in addition to opening a rulemaking proceeding to implement the diverse ownership provision found in SB 1547, the Commission also opened a concurrent investigation to update the Guidelines.

<u>Criteria for Waivers and Prior Commission Action Concerning Waivers</u>

As stated earlier, since 2006 the Commission has required a competitive bidding process for the acquisition of major resources by the utilities. The Commission also recognizes that circumstances might provide opportunities that do not allow for an RFP process, and so allows for waiver of some or all of the CBG at the Commission's discretion. Guideline 2 lists three options for waiver: a) acquisition of a major resource in an emergency or where there is a time-limited resource opportunity of unique value to customers; b) acknowledged IRP provides for an alternative acquisition method for a major resource; or c) case by case basis.

To have grounds for a waiver under Guideline 2(a), the Commission asks that the Company meet two criteria – that the resource acquisition opportunity is time-limited and that it represents a unique value to customers.

All three regulated utilities have filed requests for either full or partial waivers to the RFP process. Partial waivers were requested when the utility did run an RFP process for a new major resource acquisition, but had short time frames where full use of the Guidelines was deemed not possible by the companies. None of the past instances of waiver requests were completely after the fact of acquisition; all have been requested prior to the utility moving forward.

UM 1374 (2008) PacifiCorp (PAC) waiver request for Chehalis plant

The Commission issued Order 08-376 in this docket approving PAC's request for a waiver of CBGs. Specifically, PAC requested a waiver of the RFP requirement in order to directly acquire a generation asset, in this case the natural gas fired Chehalis generation plant. PAC justified their request as fulfilling the criteria set forth in Guideline 2(a) for such a waiver, those criteria being: a) a time-limited resource opportunity, and b) a unique value to customers. Examination of evidence by Staff and parties led to a conclusion by Staff that PAC's request did indeed satisfy the two criteria for a waiver to be granted. In this process, Staff engaged an IE to provide a limited review of the evidence. The Commission agreed with the Staff recommendation, and so granted a waiver of the RFP process.

UM 1433 (2009) - Idaho Power (IPC) petition for a partial waiver of CBG

Idaho Power was offered an opportunity to purchase a 150 MW wind resource. The company requested a partial waiver of CBG to pursue this opportunity. Again, as with PAC's Chehalis plant, the reason cited for the request was the time sensitive nature of an asset with unique value to customers. In this case, the time sensitivity was due to federal incentives offered through the federal economic stimulus program (American Recovery and Reinvestment Act (ARRA)) which had a certain expiration date.

Idaho Power requested waiver of Guidelines 5 (requiring an IE), 6 (RFP design), and 7 (RFP approval). Idaho Power proposed to conduct an RFP process on its own initiative and under a schedule with a compressed timeframe compared to the standard PUC process. Staff concluded that the company met the necessary criteria for a waiver, and recommended that the Commission grant the waiver under the condition that both Staff and an independent consultant provide a review of the entire process.

UM 1499 (2010) –PGE waiver for Rock Creek

PGE requested a waiver of the Commission's requirement for an RFP process, essentially requesting complete waiver of the CBG. PGE justified its request by claiming that an immediate opportunity to purchase a wind project was both time sensitive and a unique value to ratepayers, thus meeting the criteria for a waiver under Guideline 2(a).[2] The petition was withdrawn by the company before a Commission decision was issued regarding the request.

Discussion and Analysis

PGE seeks a partial waiver of two of the Commission's Guidelines and Commission approval of its RFP schedule, which is significantly compressed compared to normal RFP processes. PGE additionally requests Commission approval of the Company's final draft RFP.

[2] PGE further argued that its petition qualified the criteria under 2(c) Case by Case.

PGE argues that the waiver is justified since, without the waiver, the Company would miss a time-sensitive opportunity to provide value to customers. Specifically, PGE claims that without the requested actions, it will miss the opportunity to capture the full value of federal tax credits offered for new wind generation plants.

The Production Tax Credit (PTC) is a federal tax incentive that provides a financial benefit for wind generation projects. The Company estimates this benefit at approximately $23/MWh for each megawatt-hour generated by the facility during its first ten years of commercial operation. The PTC is scheduled to phase out over a period of five years, with a reduction of 20 percent of full benefit each year. In other words, qualifying projects that start construction before 2017, receive 100 percent of the benefit; those starting in 2017 and prior to 2018, receive 80 percent of the full benefit; those starting in 2018 and prior to 2019, receive 60 percent of the full benefit, and so on. Projects constructed after January 1, 2020, receive no PTC.

SB 1547 requires the regulated utilities to substantially increase the percentage of retail sales served by renewable energy between the years 2025 through 2040 with a mandated goal of 50 percent renewable energy delivered to retail load by 2040. With its current bank of renewable energy credits (RECs) and output from existing wind and solar plants, the Company is theoretically capable of meeting its RPS obligations without new resources through 2025. After that, it is expected that the Company will need to acquire additional RECs either through direct purchase of unbundled RECs, the acquisition of RECs bundled with energy through a contract agreement, the acquisition of physical renewable resources, or some combination of these actions.

In the workpapers accompanying the filing[3] the Company shows that it will need approximately 70 average megawatts (MWa) of additional renewable energy to comply with the RPS target in 2020 and approximately 183 MWa additional to comply with the 2025 targets. The Company has the option of meeting the 2020 and 2025 RPS targets by drawing down its bank of RECs. This approach to RPS compliance would leave the Company with no banked RECs in 2025, and an immediate need (in 2025) for approximately 253 MWa to comply with the 2030 RPS target.

The Company has analyzed several approaches to meeting the RPS targets and finds that it costs less to capture the PTC and physically comply with the RPS targets than to draw down its bank of RECs in order to comply.[4] The Company further demonstrates that compliance approaches which capture the full PTC value by adding renewable resources in the current year can reduce revenue requirements by as much as

[3] See Lindsay affidavit attached as Exhibit A to PGE's Petition for Partial Waiver.
[4] Id.

$100 million over an approach which depletes the current bank of RECs first. The Company presents this analysis in the affidavit of its employee James Lindsay, attached as Exhibit A to its Petition for Partial Waiver.

Staff has reviewed the analysis in the Lindsay Affidavit and agrees that the results demonstrate a benefit to customers in early physical compliance (building in 2020) as compared to later physical compliance (building in 2025).

Staff is compelled to clearly point out that the analysis in the affidavit is very limited, comparing only a subset of potential RPS compliance approaches, and only analyzing physical compliance approaches. The Company offers this analysis as a "counterfactual" (that is, simply the comparison of alternative cases) and does not represent the analysis as least cost/least risk. While we do appreciate PGE's efforts to answer Staff's questions about the analysis, neither Staff nor other parties had the time to conduct the kind of extensive analysis that is traditional for such resource planning purposes.

Although the analysis presented in the affidavit is neither comprehensive nor exhaustive, and so cannot be considered a "least cost" analysis, Staff notes that it does support the notion that a time-sensitive economic opportunity *may* exist.

Based on the requirements and deadlines of the PTC and SB1547, Staff concludes that the opportunities which can potentially be captured by this RFP are in fact time-limited. Based on analysis contained in the Lindsay affidavit, Staff concludes that there may be a unique value to customers depending on the outcome of the RFP. Staff concludes that the Company has shown it meets the criteria to receive a waiver under Guideline 2(a).

Description of the Petition Requests
PGE has requested four specific actions from the Commission. PGE asks the Commission to a) waive parts of Guideline 5; b) waive parts of Guideline 7; and c) approve the proposed RFP schedule. In addition, as part of the approval of the RFP schedule, and in its cover letter accompanying the filing of its final draft RFP on May 23rd, the Company asks the Commission to approve the final RFP. Staff discusses each of these requests below:

a) Partial Waiver of Guideline 5 (Independent Evaluator)
PGE requests partial waiver of Guideline 5, specifically the process steps required to choose and engage an Independent Evaluator (IE).

In order to explore the full range of potential approaches to future RPS compliance, including Power Purchase Agreements (PPAs) as well as physical compliance through ownership or contract, the Company has issued an RFP and has engaged an IE to oversee and evaluate the RFP process. However, instead of following the process outlined in the Guidelines, the Company unilaterally engaged the same IE (Accion Group) that was used in PGE's last two RFP processes. The Company justifies its actions by noting the time sensitivity of the compressed schedule and emphasizes the added value brought to the process by the experience of the chosen IE, who is familiar with both PGE and Commission processes.

Guideline 5 requires the Company to provide opportunity for stakeholder input into the IE selection process. Normally, this process can take several months but the deadlines to capture the full PTC require the entire RFP process to be completed by year end, which does not allow time for a standard comment period regarding choice of the IE. The Company is asking for waiver of this guideline requirement.

b) Partial Waiver of 7 (RFP Approval)
PGE requests partial waiver of Guideline 7, specifically waiver of the 60-day public comment period before Commission approval of the final draft RFP. As Staff interprets this request, the Company is asking the Commission to approve the final draft RFP after a reduced time for public input. Staff notes that a period of less than two weeks is available on the proposed schedule for Staff and parties to absorb and comment on a document consisting of over one thousand pages with appendices.

c) RFP Schedule Approval
The Commission's CBG do not directly address approval of a posted schedule. The Commission at times has been reticent to set time limits in order to allow for exhaustive public input. Staff notes that approval of the schedule without further clarification from the Commission could imply approval of all of the timelines and deadlines inherent in the schedule, as well as agreement from the Commission that all the scheduled events are necessary and required.

Approval of the RFP
As part of the proposed RFP schedule, and by its cover letter accompanying the filing of its final draft RFP on May 23rd, the Company requests that the Commission approve the final draft of the RFP.

Proposed Criteria for RFP Waiver Review

Staff understands that the intent of the Commission's CBG is to provide a fair process for bidders and to ensure that the ultimate selection of resources will be beneficial for customers. Even if circumstances preclude the Company from following the CBG, Staff believes it is still critical that the process be fair and cause no harm to customers.

Staff recognizes that at times an opportunity to acquire resources may arise that does not allow conformance to the Guidelines. In these cases, the Company has the chance to request a waiver of the applicable Guidelines. However, Staff still wants to ensure a fair and beneficial procurement process even if certain parts of the CBG are waived. To better achieve this goal, Staff suggests applying five criteria to the waiver request to gauge the reasonableness of the request:

Criterion 1: Is the justification of the need for the waiver warranted?
A waiver of the Guidelines should only be granted if the Company can establish a need for the procurement. The need can be clearly demonstrated if a resource allocation is identified in the company's acknowledged IRP. However, there can be other avenues toward establishing a need for the resource, such as compliance with regulatory mandates.

Criterion 2: Is an Independent Evaluator used in the process?
The CBG dictate the use of an IE in order to preserve fairness in the process. The Commission designates several roles and tasks to the IE in the CBG. Primarily, the CBG provides:

- Review of and help in revising the RFP design;
- An interactive website for bidders, or another means to clearly and transparently allow for documented communication between the Company and bidders and to allow easy dissemination of documents;
- A written assessment of the final RFP to the Commission;
- Oversight of the bid evaluation to ensure conducted fairly;
- A closing report with shortlist application for Commission; and
- Ongoing interaction with PUC staff throughout the process.

In the case that the company requests a waiver of Guidelines requiring the use of an IE in whole or in part, the Commission maintains the expectation that these functions are covered through other demonstrable means.

Criterion 3: Were stakeholders engaged throughout the process?
To maintain fairness in the process, the Commission believes all stakeholders should be engaged in the RFP reasoning and design, with ample time to comment and suggest improvements to the RFP. The company should be able to demonstrate that their process allowed for sufficient stakeholder involvement.

Criterion 4: Was fairness of the process preserved?
In the absence of a complete RFP process as described in the CBG, the Commission still expects the company to take certain actions to preserve fairness. Among these considerations are:

- Will the utility request that the Commission acknowledge the final shortlist of RFP resources?
- Was the RFP open to diversity of ownership and contracting arrangements?
- Was the scoring process fair and transparent?
- Are non-price criteria based on clearly described characteristics?
- Was utility bias further limited by having no benchmark resource being offered?
- Did the company communicate clearly with stakeholders regarding deadlines and proposal requirements?
- Was the company clear about the products they are seeking?

Criterion 5: As a whole, was the RFP process clear and transparent?
The company should be able to demonstrate that transparency and fairness were a part of the process from the beginning. Some evidence of this transparency could be

- Providing a clear communication of the schedule indicating process deadlines and milestones;
- Clear communication of products the utility is seeking at the commencement of the RFP;
- Open scoring system with all scored traits clearly identified and all alternative submission options outlined; and
- Clear indication of reasons a submission could be rejected or deemed non-conforming.

Merit of the Requests

In order to evaluate the merits of the requested waivers, Staff has applied the criteria described above to the request. Staff has previously addressed the first criterion establishing the need for the waiver. The merits of the specific waiver requests are discussed individually below.

a) Partial Waiver of Guideline 5 (Independent Evaluator)
The Company proposes to use the same IE it engaged for the previous two RFPs. In so doing, the Company will preserve the majority of the CBG and the Commission approved RFP process. The Company is asking for waiver of only one portion of the Guideline requiring stakeholder involvement in the choice of IE. Since the IE will be contributing all of the functionality required by the CBG, the only question remaining for Staff is whether the particular choice of IE preserves the fairness of the process.

In this particular case, since the IE the Company has engaged has been subject to two previous RFP processes, Staff is comfortable that the stakeholder scrutiny of the IE in those previous proceedings provided a reasonable venue for vetting fairness issues with the IE. Staff acknowledges the additional value brought to the process by engaging an IE that has prior knowledge of PGE operations, its procurement processes, and of the Commission Guidelines. Staff is convinced that a Commission waiver of the portion of Guideline 5 requiring stakeholder input into the choice of IE will not unfairly compromise the fairness of this RFP.

b) Partial Waiver of 7 (RFP Approval)
In essence, with this waiver, the Company is asking for the Commission to waive the approximately 60 day period customary for stakeholders to provide input to the RFP design. The reason for the comment period is to help promote transparency and fairness in the process by allowing changes to the final draft RFP based on stakeholder input. The question posed by this portion of the waiver request is whether the RFP design reflects a fair process.

The final draft RFP was released for comments on May 23, 2016, and posted to the IE website on May 24, 2016. The IE filed a report with the Commission with a review of the draft RFP just two days later (May 25, 2016).[5]

In light of the above Criteria 3 and 4, Staff cannot support approval of the RFP without benefit of stakeholder input. Stakeholders should have opportunity to comment and suggest changes to the draft RFP in a timely fashion. The compressed schedule allows only roughly two weeks for the parties to understand the RFP and discover issues or inconsistencies in it.

According to the IE assessment, the IE believes the RFP documents to be clear, concise, and complete. The solicitation is open to all technologies, and a wide breadth

[5] UM 1773/Report of the Independent Evaluator, Accion Group LLC, May 25, 2016.

of products and ownership structures. There is no benchmark project. It is the view of the IE that the scoring, terms and conditions of the RFP are clearly indicated and that the RFP conforms to the material aspects of the CBG. The IE notes that potential bidders have shown a great interest in the RFP with nearly three times the number of bidders already signed on to the process than in PGE's previous RFP.

The IE website maintains a comment section for stakeholders to offer comments on the RFP design. No stakeholders have offered comments or suggestions online.

Staff has also reviewed the final draft RFP and has found no objections to its design. The solicitation appears open to a wide variety of technologies, ownership options (including PPAs), and removes bias by not presenting a benchmark option.

Although it is true that neither Staff nor the IE have discovered any deficiencies or unfair aspects of the final draft RFP, Staff is still compelled to note that the time period for discovery and comment has been significantly shortened from its normal period of approximately 60 days. In this case, stakeholders have had only two weeks to understand and analyze the terms and conditions of the RFP. It is certainly not unreasonable to believe there may be parts of the RFP that some parties may take issue with if more time were available to comprehend the RFP.

Staff is not comfortable recommending approval of the waiver request without indication from stakeholders that they have reviewed the draft RFP to their satisfaction and have discovered no issues with it. Staff recommends that instead of granting this waiver, the Commission order an extension of the comment period to run concurrent with the Company's proposed schedule. Staff suggests that the comments would be due July 1, 2016, approximately two weeks before the bid scoring is complete. A closing date of July 1 would provide approximately three additional weeks for stakeholders to offer comments on the final draft RFP. Staff proposes that any issues raised during the comment period be addressed at the regular Public Meeting on July 5, 2016.

Obviously, the comments will not be able to inform the RFP design under this schedule. However, the comments will allow stakeholders to identify issues that might influence the scoring of the final bids before a project selection is made and bring this to the attention of the Commission.

c) RFP Schedule Approval
Staff understands and supports the Company's desire to have the Commission's approval of the schedule moving forward, but only with the understanding that dates included are the Company's best estimates only. Staff does not see the need for Commission to approve of parts of the schedule now in the past. Staff recommends

that the Commission approve the portion of the RFP schedule future of today's date with a clarification that the dates are estimates only.

Approval of the RFP
Guideline 7 clearly states what the Commission means by "approval of an RFP": "...Commission approval is simply a determination on the three criteria set in the guideline – that is, whether the utility's RFP is consistent with its acknowledged IRP, whether the RFP satisfies these guidelines, and whether the utility's proposed bidding process is fair. The approval is simply that: the RFP meets these criteria, or would meet the criteria with certain conditions and modifications."[6]

With strict application of the criteria identified by the Commission in Guideline 7, the Company clearly cannot meet those criteria, as argued in comments by Industrial Customers of Northwest Utilities (ICNU).[7] The first criterion, that the RFP be consistent with an acknowledged IRP, clearly is not met.

PGE's 2013 IRP calls for no major resource acquisitions in the five year action plan. On the other hand, as the Commission is well aware, the passage of SB 1547 created new requirements on the company that were nonexistent and obviously unknown at the time the IRP was acknowledged. These changes in the planning environment rooted in the newly mandated increased RPS requirements, have certainly had an impact on the Company's long range planning. The ultimate effect on the Company's acknowledged IRP Action Plan and overall resource acquisition plan remain to be seen. These impacts will be unknown until the filing of the next IRP, but Staff certainly expects to see a marked increase in renewable resource acquisition as a result of SB 1547.

Staff posits that the current acknowledged IRP Action Plan no longer accurately reflects the resource needs of the Company, rendering the first criterion baseless in the absence of a revised IRP. In this case, strict adherence to the acknowledged IRP Action Plan would necessarily defeat any attempt to acquire potential low-cost resources.

However, in light of the misalignment of this RFP with an acknowledged IRP and incomplete (though substantial) conformance with CBG, Staff is not convinced that the Commission should approve the RFP without benefit of stakeholder input.

Staff believes the best course is for the Commission to take no action regarding the approval of the RFP, but instead to discuss stakeholder issues concerning the final draft RFP at the July 5, 2016, regular Public Meeting. If issues are discovered that materially

[6] Order 06-446, pp9-10
[7] ICNU Comments, p.5

impact the RFP scoring and selection process, the Commission would still have opportunity to take action before the July 15 shortlist selection is complete.

Conclusion
Staff believes that PGE has demonstrated sufficient grounds for approval of a partial waiver of certain of the Commission's Competitive Bidding Guidelines by showing the potential existence of a time-limited resource acquisition opportunity with a unique economic value to customers.

Staff supports PGE's petition for the partial waiver of Guideline 5 as it pertains to selection of an Independent Evaluator.

Staff does not support PGE's request for a waiver of the 60-day public comment period on the RFP. Instead, Staff offers a modification to PGE's waiver request to the proposed RFP schedule such that the public comment period would run concurrently with the RFP bidding process. Staff's modification is for the public comment process to extend from the May 23, 2016, filing date of the final draft RFP to close of business on July 1, 2016. Staff suggests that any issues discovered during the comment period be discussed at the July 5, 2016, regular public meeting.

Staff supports approval of the portion of the proposed RFP schedule that lies in the future, with the added clarification that dates are estimates only. Staff does not support approval of scheduled items in the past as such approval would be meaningless.

Staff does not support an unconditional approval of the final RFP since there has been insufficient public scrutiny or input upon which to base this approval. Staff recommends that the Commission taking no action regarding the RFP approval at this time, deferring any possible action until the close of the proposed public comment period. At that point, based upon stakeholder input, the Commission may consider whether to approve, not approve, or continue to take no action regarding the RFP.

PROPOSED COMMISSION MOTION:

The Commission waives the portions of Guideline 5 requiring party engagement prior to engaging an Independent Evaluator.

The Commission not grant PGE's request to waive the portions of Guideline 7 requiring a 60-day public input process for consideration of and development of the final draft IRP.

The Commission orders a public comment period for the RFP design that commenced on May 23, 2016, with stakeholder comments due by July 1, 2016.

The Commission will consider comments related to RFP design at its July 5, 2016, regular Public Meeting.

The Commission declines at this time to take action on PGE's final draft RFP.

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PETITION FOR PARTIAL WAIVER OF COMPETITIVE BIDDING GUIDELINES AND APPROVAL OF REQUEST FOR PROPOSALS ("RFP") SCHEDULE

AMENDED RFP SCHEDULE
MAY 16, 2016

OPUC DOCKET UM 1773

RFP Process	Dates*
Draft RFP issued to interested parties and OPUC	5/13/2016
Conduct Bidder/Stakeholder workshop on draft RFP	5/18/2016
Submit final draft RFP to OPUC (include redline to draft RFP)	5/23/2016
Obtain Commission approval of RFP	6/7/2016
Issue final renewable RFP	6/8/2016
Conduct bidder workshop on final RFP	6/10/2016
RFP proposals from bidders due	6/24/2016
RFP evaluation complete	7/14/2016
Final shortlist notification	7/15/2016
IE Report filed with OPUC	7/22/2016
Board update	7/27/2016
File OPUC RFP shortlist acknowledgment and motion	7/29/2016
OPUC RFP acknowledgment	9/16/2016
Complete negotiations	10/10/2016
Board approval request	10/26/2016
Notice to Proceed (if necessary)	Nov-Dec 2016