

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1535

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY,Request for Proposals for Capacity and
Baseload Resources.

ORDER

DISPOSITION: REQUEST FOR INVESTIGATION DENIED

I. INTRODUCTION

In a letter dated February 13, 2013, the Northwest and Intermountain Power Producers Coalition (NIPPC) requests further Commission action on Portland General Electric Company's (PGE) 2012 Capacity and Baseload Energy Request for Proposals (RFP).

NIPPC criticizes PGE's decision to not seek Commission acknowledgement of the final short list of bidders. NIPPC recognizes that acknowledgment is not mandatory, but "urges the Commission to take action at this time to encourage PGE to return to the Commission's RFP process, or at least collect the relevant information regarding PGE's decision while it is still available for production." With its letter, NIPPC attached a set of information requests it believes PGE should answer.

On February 22, 2013, PGE filed a reply to NIPPC's request. PGE opposes further regulatory action at this time. PGE states that it has carefully followed all applicable Commission guidelines and policies to ensure that the RFP process was fair and transparent. PGE explains that acknowledgement of the short list is not feasible because bid prices have expired. PGE adds that it will cooperate with the independent evaluator (IE) to ensure the Commission has all required information, and provided responses to NIPPC's information requests.

II. DISCUSSION

NIPPC did not provide any authority to support its request for additional proceedings. We treat it as a request for investigation under ORS 756.515 and deny it.

This Commission requires energy utilities to issue an RFP for all new major resource acquisitions identified in the utility's integrated resource plan. Our competitive bidding guidelines require a robust and lengthy process that reflects the value of public input and review of a utility's resource procurement actions. An integral part of those guidelines is the mandated use of an independent consultant—the IE—to help prepare the RFP and ensure that all bids are treated fairly.

NIPPC has provided no claim or evidence that PGE failed to follow any Commission guideline or otherwise engaged in misconduct during this RFP process. This RFP docket has taken over two years, with multiple public meetings, workshops, and opportunities for NIPPC, and other stakeholders to provide input and comment. The IE closely monitored the process throughout to ensure the RFP was conducted in a fair manner, and worked closely with our Staff to address concerns raised by NIPPC and bidders. In its final report, the IE concluded that it was “unaware of any instance where PGE personnel favored any bidder over another, including the treatment of proposals from the PGE Self-Build teams that developed proposals for the Carty site and for Port Westward. To the contrary, the IE believes PGE personnel went to great lengths to treat all bidders equally and without bias.”¹

There is no need for additional Commission action on PGE's RFP at this time. PGE has completed all the required formal processes with regard to its RFP and, as NIPPC even recognizes, a utility is not obligated to seek acknowledgement of its final short list. The selection of the final resource is left to the utility.

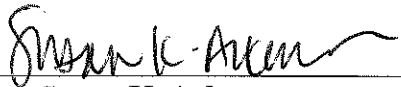
PGE will ultimately bear the consequence of its final resource decision when it later seeks rate recovery. PGE will be required to show that its decision to proceed with any selected resource was prudent, and any investment found to be unreasonable will be subject to full or partial disallowance. The extensive record in this proceeding, including reports from the IE, information provided by PGE, and filings by Staff and other parties, will assist the Commission and other parties in that future ratemaking review.

¹ IE Final Report at 38 (Jan 31, 2013).

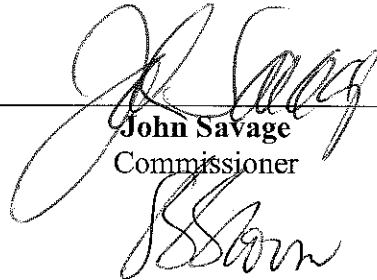
III. ORDER

IT IS ORDERED that the request for investigation, filed by Northwest and Intermountain Power Producers Coalition, is denied.


Made, entered, and effective FEB 25 2013.



Susan K. Ackerman
Chair



John Savage
Commissioner



Stephen M. Bloom
Commissioner

A party may request rehearing or reconsideration of this order under ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480 through 183.484.