

June 6, 2007

***VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY***

Oregon Public Utility Commission
550 Capitol Street NE, Suite 215
Salem, OR 97301-2551

Attention: Vikie Bailey-Goggins
Administrator, Regulatory Operations

Re: **Docket No. UM 1118**
Revised Page 7 to PacifiCorp's May 15, 2007 Summary Report on RFP 2003-B
In the Matter of PacifiCorp's Requests for Proposals for Renewable Generation
Resources (RFP 2003-B) in compliance with Order No. 91-1383

On May 15, 2007, PacifiCorp filed its final summary report on RFP 2003-B, pursuant to Order Nos. 06-194 and 04-091. After discussions with Commission Staff, PacifiCorp has revised page 7 of that report, which is the report's conclusions, to provide a better overall summary of how PacifiCorp has met its obligations with this RFP. Attached is the revised page 7, as well as a redline version. A copy of this filing will be sent to all parties to this proceeding as indicated on the attached certificate of service.

It is respectfully requested that all formal correspondence and Staff requests regarding this matter be addressed to:

By E-mail (preferred): datarequest@pacificorp.com.

By Fax: (503) 813-6060

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, OR 97232

If you have any questions, please contact Joelle Steward, Oregon Regulatory Manager, at 503-813-5542.

Sincerely,

A handwritten signature in black ink that reads "Andrea L. Kelly" followed by a stylized flourish or initials.

Andrea L. Kelly


Vice President, Regulation

Enclosures (2)

cc: Service List for Docket No. UM 1118

I hereby certify that on this 6th day of June, 2007, I caused to be served, via E-Mail and Overnight Delivery, a true and correct copy of PacifiCorp's Revised Page 7 to PacifiCorp's May 15, 2007 Summary Report on RFP 2003-B in Docket No. UM-1118 to the following:

CITIZENS' UTILITY BOARD OF OREGON OPUC DOCKETS 610 SW BROADWAY - STE 308 PORTLAND OR 97205 dockets@oregoncub.org	PACIFICORP OREGON DOCKETS 825 NE MULTNOMAH ST STE 2000 PORTLAND OR 97232 oregondockets@pacificorp.com
PACIFICORP NATALIE HOCKEN 825 NE MULTNOMAH ST SUITE 2000 PORTLAND OR 97232 natalie.hocken@pacificorp.com	



Peggy Ryan
Supervisor Regulatory Administration

Conclusion

Consistent with its objectives, PacifiCorp was able to successfully acquire a significant level of cost-effective renewable resources through RFP 2003-B. Through the competitive solicitation process pursuant to RFP 2003-B, the following wind resources were acquired:

- the Wolverine Creek 64.5 megawatt (MW) 2005 resource;
- the Leaning Juniper 1 100.5 MW 2006 resource; and
- the Marengo 140.4 MW 2007 resource.

The objective of RFP 2003-B Phase 1 was to solicit cost effective offers from the market to meet the target of 100 MW in 2005 and 200 MW in each of years 2006 through 2010. With respect to Phase 1, the target was met in all years but 2005 and 2009. For 2005, there was not a near cost effective short-listed bid such that the bid would have been considered cost effective if an additional \$5/MWh value could be demonstrated to be associated with the bid proposal¹. In Phase 1, there were no short-listed bids for 2009.

The objective of RFP 2003-B Phase 2 was to solicit offers from the market for 2006 resources and 2007 resources to help meet PacifiCorp's commitments to:

(1) bring at least 100 megawatts of cost-effective wind resources in service within 1-year of the closing of the MidAmerican Energy Holdings Company acquisition, and

(2) to have 400 megawatts of cost-effective new renewable resources in PacifiCorp's generation portfolio by December 31, 2007.

Through a combination of resources procured through RFP 2003-B and bi-lateral transactions, PacifiCorp has met these targets and, therefore, has not calculated if any of the near cost-effective short listed projects would have been considered cost effective if an additional \$5/MWh value could be demonstrated to be associated with the bid proposal. The resources procured to meet these targets (established via a regulatory settlement agreement) were: the Wolverine Creek wind project (64.5 MW); the Leaning Juniper 1 wind project (100.5 MW); the Marengo wind project (140.4 MW); the Goodnoe Hills wind project (94 MW); an upgrade to PacifiCorp's Blundell Geothermal plant (11 MW); and two contracts for the purchase of energy produced by biomass generation (10 MW and 20 MW). In addition, PacifiCorp has entered into multiple qualifying facility agreements for the purchase of power from facilities planned to be operational during 2007.

¹ An analysis was performed on one 2005 bid during the negotiation process that indicated the bid would have been cost effective if an additional \$5/MWh value could be associated with the bid proposal. However, at the time of final bid evaluation this was no longer the case.

Conclusion

Consistent with its objectives, PacifiCorp was able to successfully acquire a significant level of cost-effective renewable resources through RFP 2003-B. Through the competitive solicitation process pursuant to RFP 2003-B, the following wind resources were acquired:

- the Wolverine Creek 64.5 megawatt (MW) 2005 resource;
- the Leaning Juniper 1 100.5 megawatt-MW 2006 resource; and
- the Marengo 140.4 megawatt-MW 2007 resource.

The objective of RFP 2003-B Phase 1 was to solicit cost effective offers from the market to meet the target of 100 MW in 2005 and 200 MW in each of years 2006 through 2010. until the Federal production tax credit was known for 2005. Once the status of the production tax credit was known for 2005, the target became those projects that could reach commercial operation during 2005 and result in an economic resource for PacifiCorp. This means that a project's economics alone were not sufficient to meet the target. With respect to Phase 1, the target was met in all years but 2005 and 2009. For 2005, there was not a near cost effective short-listed bid such that the bid Wolverine Creek met the target and, therefore, PacifiCorp did not calculate if any of the near cost-effective short listed projects would have been considered cost effective if an additional \$5/MWh value could be demonstrated to be associated with the bid proposal¹. In Phase 1, there were no short-listed bids for 2009.

The objective of RFP 2003-B Phase 2 was to solicit offers from the market for 2006 resources and 2007 resources to help meet PacifiCorp's commitments to:

(1) bring at least 100 megawatts of cost-effective wind resources in service within 1-year of the closing of the MidAmerican Energy Holdings Company acquisition, and

(2) to have 400 megawatts of cost-effective new renewable resources in PacifiCorp's generation portfolio by December 31, 2007.

Through a combination of resources procured through RFP 2003-B and bi-lateral transactions, PacifiCorp has met these targets and, therefore, has not calculated if any of the near cost-effective short listed projects would have been considered cost effective if an additional \$5/MWh value could be demonstrated to be associated with the bid proposal. The resources procured to meet these targets (established via a regulatory settlement agreement) were: the Wolverine Creek wind project (64.5 MW); the Leaning Juniper 1 wind project (100.5 MW); the Marengo wind project (140.4 MW); the Goodnoe Hills wind project (94 MW); an upgrade to PacifiCorp's Blundell Geothermal plant (11 MW); and two contracts for the purchase of energy produced by biomass generation (10 MW and 20 MW). In addition, PacifiCorp has entered into multiple qualifying facility agreements for the purchase of power from facilities planned to be operational during 2007.

¹ An analysis was performed on one 2005 bid during the negotiation process that indicated the bid would have been considered cost effective if an additional \$5/MWh value could be demonstrated to be associated with the bid proposal. ; However, at the time of final bid evaluation this was no longer the case. based on the final evaluation of the bid.