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**DEPARTMENT OF JUSTICE**  
GENERAL COUNSEL DIVISION

October 16, 2006

Filing Center  
Public Utility Commission of Oregon  
550 Capitol Street NE - Suite 215  
Salem Oregon 97301-2551

Re: UM 1208 - Staff Reply Comments – Appendix B.  
DOJ File No. 860115-GP0065-06

Dear Filing Center:

On Friday, October 13, 2006, Staff filed Staff's Reply Comments and Appendix A and noted that Staff would file Appendix B on Monday, October 16, 2006. Enclosed for filing is Appendix B which consists of PacifiCorp's responses to data requests cited in staff's reply comments.

Sincerely,

Neoma Lane  
Legal Secretary  
Regulated Utility & Business Section

NAL:nal/GENR6376  
Enclosures  
cc: Service list w/enclosures

**OPUC Data Request 48**

Please refer to PacifiCorp's response to Staff Data Request 29. Please provide annual *system-wide* MW and MWa load-resource balance tables for 2007-2016 for each of the following scenarios. Describe all new resources added.

- a. The company acquires the 1,200 MW of Front Office Transactions system-wide that were included as "Planned Resources" in the 2004 IRP, and does not acquire in 2013 the 750 MW super-critical pulverized coal plant as a "comparable" resource that would replace Front Office Transactions.
- b. The company does not acquire the 1,200 MW of Front Office Transactions system-wide included as "Planned Resources" in the 2004 IRP and does acquire in 2013 the 750 MW super-critical pulverized coal plant.
- c. The company does not acquire the 700 MW of Front Office Transactions for the east side of its system that were included as "Planned Resources" in the 2004 IRP, but does acquire the 500 MW of Front Office Transactions on the west side of its system that were included in the 2004 IRP as well as the 750 MW super-critical pulverized coal plant in 2013.

**Response to OPUC Data Request 48**

- a. The requested information is provided in Attachment OPUC 48 a-1 (MW tables) and Attachment OPUC 48 a-2 (MWa tables) on the enclosed CD.
- b. Please refer to Data Response OPUC 48 a on the enclosed CD.
- c. Please refer to Data Response OPUC 48 a on the enclosed CD.

UM-1208/Pacific Power  
September 28, 2006  
OPUC Data Request 43

### **OPUC Data Request 43**

Please refer to the company's response (in part) to Staff Data Request No. 1:

Since PacifiCorp's last IRP, natural gas and market prices have increased sharply and there is no indication that they will stabilize or come down soon. ... These market realities have increased the risk associated with reliance on short-term market purchases and have caused the company to move to replace these purchases on the east side of its system with long-term resources, as reflected in the draft 2012 RFP. *The company will continue to address the resource trade-offs in its bid evaluation in the 2012 RFP....* (Emphasis added)

Please explain how the company proposes to address the trade-offs between Front Office Transactions and Benchmark Resources or 10-year minimum market bids during its bid evaluation in the 2012 RFP.

### **Response to OPUC Data Request 43**

The company will address the trade-offs between Benchmark Resources and 10-year minimum market bids in its bid evaluation in the 2012 RFP. Market bids that are less than 10 years in duration are not permitted in the 2012 RFP and, therefore, will not be evaluated in the 2012 RFP evaluation process.

The sentence referred to from the response to Staff Data Request No. 1 goes on to say: "*...and will also be addressing these trade-offs in its 2006 Integrated Resource Planning analysis which is currently under way.*" (Emphasis added) The 2006 Integrated Resource Planning analysis will address the trade-offs between long-term resources and short-term market purchases.

UM-1208/Pacific Power  
September 19, 2006  
OPUC Data Request 32

### **OPUC Data Request 32**

Please explain how PacifiCorp will “provide resource diversity (e.g., with respect to fuel type and resource duration)” when selecting the initial short-list of bids.”  
*See* Guideline No. 9, Order No. 06-446.

### **Response to OPUC Data Request 32**

RFP 2012 is not an all-source bid nor is it seeking resources to meet the company’s entire resource needs. Because of this, the ability of the company to address resource diversity in the context of the 2012 RFP will be limited to consideration of the benchmark and bid resources.

Although bids have not yet been received, the company anticipates that the fuel types will likely be coal, natural gas, biomass or hydro based resources and the resource duration will be 10 years or longer. The company has not adopted a specific formula for providing for resource diversity when selecting the initial short-list of bids; however the company will comply with Oregon Guideline No. 9.

From a broader perspective, the resource diversity is addressed in the Integrated Resource Planning process, where resources of various fuel types and durations are evaluated on a comparable basis. The RFP will use the same inputs and same model in determining the final shortlist. The 2004 Integrated Resource Plan and 2004 Integrated Resource Plan Update called for the issuance of RFPs for renewable resources and demand-side management in addition to the resources being requested under RFP 2012. All three of these RFPs are simultaneously in progress and together provide the overall resource diversity identified in the Integrated Resource Plan.

UM-1208/Pacific Power  
September 8, 2006  
ICNU 3<sup>rd</sup> Set Data Request 3.4

**ICNU Data Request 3.4**

Please provide all documentation supporting the level of reserve capacity proposed by PacifiCorp in this proceeding and reflected on the various charts shown on pages 16-21 of the August 16, 2006 handout.

**Response to ICNU Data Request 3.4**

The basis for this capacity reserve level is fully documented in Appendix N of the 2004 IRP Technical Appendix document (pp. 191-223). For the Oregon 2004 IRP acknowledgement docket (Docket No. LC-39), PacifiCorp provided a response to Oregon intervenor comments on the appropriateness of the 15% planning margin level. This document is provided on the enclosed CD as Attachment ICNU 3.4. Please see pages 8 and 9 for the discussion on the planning margin level.

UM-1208/Pacific Power  
September 25, 2006  
OPUC Data Request 36

**OPUC Data Request 36**

Please explain which "Eligible Resource" category (i.e., transaction type) would facilitate a bidder to propose an Integrated Gasification Combined Cycle (IGCC) plant, given practical considerations such as the state of technology, the market and financing for IGCC projects.

**Response to OPUC Data Request 36**

The Eligible Resource categories in the 2012 RFP (as filed on August 30, 2006) currently allow Bidders to propose an IGCC under a Power Purchase Agreement or a Tolling Service Agreement.

UM-1208/Pacific Power  
September 25, 2006  
OPUC Data Request 37

**OPUC Data Request 37**

Please explain why the company is not considering acquiring through the 2012 RFP an Engineering, Procurement and Construction contract, or an Asset Purchase and Sale Agreement on a PacifiCorp site, for an IGCC plant.

**Response to OPUC Data Request 37**

IA: In order to build an IGCC resource on an existing PacifiCorp site, a FEED study would be necessary. The FEED study would identify the detailed scope, commercial terms, and lump sum turn key price for the project. Prior to initiating a FEED study, a feasibility study would be performed by potential technology suppliers. The feasibility study would be the basis for selecting the technology supplier who would perform the FEED study. Currently, no technology-supplied feasibility or FEED studies have been completed for any of PacifiCorp's sites. The counterparty that completes the FEED study would most likely be the entity the company would contract with to supply and construct the IGCC project

**OPUC Data Request 46**

At what point during the 2012 RFP process does PacifiCorp plan to undertake a Front-End Engineering Design Study for its proposed IGCC Benchmark Resource? Please explain the timing of such a study in relation to an initial Feasibility Study and the timeline set out for bid evaluation, initial and final short-lists, acknowledgment of the final short-list, final resource selection, and the Utah-mandated pre-approval process.

**Response to OPUC Data Request 46**

Due to the high cost and length of time it takes to perform a Front End Engineering Design (FEED) study, PacifiCorp would undertake a FEED study only if the Company's IGCC Benchmark was selected in the RFP process.

At this point in time, the Company has not performed a FEED study or completed a feasibility study process with multiple technology suppliers. The Company is not currently considering performing additional feasibility studies to meet the timelines for the 2012 RFP process. It is expected that it would take at least six months to perform a thorough feasibility study; the results would not be available in time to be used for the current RFP process under the current schedule and guidelines. For the purposes of preparing the 2014 IGCC Benchmark for the 2012 RFP process, the Company will utilize existing engineering studies and available vendor studies.

The following describes the proposed process for future development and approval of IGCC resources. Feasibility studies would be conducted with technology suppliers and/or development consortia to identify preliminary scope, indicative pricing, performance, schedule, commercial terms, and performance guarantees. The feasibility study process would be used to select the technology/consortium for the subsequent FEED study. Upon completion of the feasibility study process, and assuming the Company determined it would advance the resource, an application to the respective commissions would be made based on the results of the feasibility study process. The Company would then commission the FEED study. Upon completion of the FEED study, which would determine the final scope, lump sum turn key price, and commercial terms, the Company would provide to the appropriate commissions the results of the FEED study for final acknowledgement and/or approval.



UM-1208/Pacific Power  
September 7, 2006  
ICNU 2<sup>nd</sup> Set Data Request 2.42

**ICNU Data Request 2.42**

What scores will PacifiCorp give itself for self-build options under the 30% non-price factor analysis?

**Response to ICNU Data Request 2.42**

PacifiCorp will not give itself scores for self-build options under the 30% non-price factor analysis.

UM-1208/Pacific Power  
September 7, 2006  
ICNU 2<sup>nd</sup> Set Data Request 2.43

**ICNU Data Request 2.43**

Has PacifiCorp scored its own self-build options for non-price factors in past RFPs? If yes, please provide PacifiCorp's score on the non-price factors, and the scores for all other bids.

**Response to ICNU Data Request 2.43**

No.

UM-1208/Pacific Power  
September 15, 2006  
ICNU 4<sup>th</sup> Set Data Request 4.3

**ICNU Data Request 4.3**

Regarding PacifiCorp's draft RFP 2012, pages 35-36, "Non-price factors." Please identify how PacifiCorp expects its self-build option baseload resources to score on these non-price factors.

**Response to ICNU Data Request 4.3**

PacifiCorp's benchmark resources will not be submitted as bids and, therefore, these benchmark resources will not be scored on non-price factors as part of the initial screening process. See PacifiCorp's August 30, 2006 filing letter.

### **OPUC Informal Data Request 1**

Is there conflicting language regarding eligible distributed generation? In the table on p. 5, you say it may include "end use customer standby generation," which is generally understood to mean dispatchable standby generation at customer sites, typically quite small generators at hospitals, military bases, etc. and fueled by diesel. That's also how the term is used in Pacific's 2004 IRP. (PGE has a long-standing dispatchable customer standby generation program, already totaling 30 MW, maybe even more at this point.) In the description of distributed generation on page 12, however, you define distributed generation as combined heat and power facilities. Dispatchable standby generators at customer sites is quite different. Please provide an informal clarification.

### **Response to OPUC Informal Data Request 1**

The following memorializes the verbal response provided earlier by Laura Beane of PacifiCorp:

The intent is to follow the definition in the 2004 IRP. The definition of the eligible resource exception is: a source of distributed generation that can be dispatched on a standby or emergency basis.

Parties who are supplying proposals to meet this eligible exception will have to explain if there are any permit restrictions, limitations or constraints that would impact the economics of the projects and/or any limitation on operating hours. They will need to define if there are permitting limitations around the emergency usage to the extent it is an emergency dispatchable standby generator. The proposal will require the customer to provide a specific availability factor which the generation must have an obligation to meet. In addition, the generation must be incremental to the generation that is currently available.

UM-1208/Pacific Power  
September 25, 2006  
OPUC Data Request 42

**OPUC Data Request 42**

Please provide load duration curves for the East side of the company's system for the following years, and include the electronic spreadsheets with the source data intact showing loads (in MW) and number of hours:

- a. 2012
- b. 2013
- c. 2014

**Response to OPUC Data Request 42**

- a. The requested information is provided in Attachment OPUC 42 on the enclosed CD.
- b. The requested information is provided in Attachment OPUC 42 on the enclosed CD.
- c. The requested information is provided in Attachment OPUC 42 on the enclosed CD.