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February 4, 2022

Via Electronic Filing

Public Utility Commission of Oregon
Attention: Filing Center
201 High Street Southeast, Suite 100
Post Office Box 1088
Salem, Oregon 97308-1088

Re: UM 2166 – In the Matter of Portland General Electric Company, Application for Approval of an Independent Evaluator for 2021 All-Source Request for Proposals

Dear Filing Center:

Enclosed for filing today in the above-referenced docket is Portland General Electric Company's ("PGE") Reply to Northwest & Intermountain Power Producers Coalition's ("NIPPC") Motion for Clarification or in the Alternative Application for Reconsideration filed January 21, 2022. This document is being filed electronically with filing center.

Thank you in advance for your assistance.

Sincerely,

A handwritten signature in blue ink that reads "Loretta Mabinton".

Loretta Mabinton
Managing Assistant General Counsel

LM:dm
Enclosure

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 2166

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY,

2021 All-Source Request for Proposals.

**PORTLAND GENERAL ELECTRIC
COMPANY’S RESPONSE TO NIPPC’S
MOTION FOR CLARIFICATION OR IN THE
ALTERNATIVE APPLICATION FOR
RECONSIDERATION OF ORDER NO. 21-460**

I. INTRODUCTION

Portland General Electric Company (“PGE” or “Company”) submits this response to the Northwest & Intermountain Power Producers Coalition’s (“NIPPC”) Motion for Clarification or in the Alternative Application for Reconsideration filed January 21, 2022. As explained below, neither a clarification nor reconsideration of the determination in Order No. 21-460 (“the RFP Order”), as requested by NIPPC, is warranted.

II. BACKGROUND & ARGUMENTS

At its December 14, 2021 public meeting for Docket No. UI 461, the Public Utility Commission of Oregon (“Commission”) rejected without prejudice the Company’s application to modify PGE’s Master Service Agreement to provide support services, priced at the higher of fully allocated cost or market, to PGE’s affiliate, Portland Renewable Resource Company, LLC (PRR). However, the Commission invited PGE to re-file the application with modifications, including controls to address potential customer harm.

Consistent with the Commission’s guidance, PGE intends to submit a new application to modify the Master Service Agreement (“Application”) in order for the Commission to consider PGE’s proposal to provide support services to PRR. As required by the Commission order¹ in this docket, PGE filed a Notice of Intent to Submit Bid on December 17, 2021, which outlined both PRR’s intent to submit an affiliate bid into PGE’s request for proposals (“RFP”) and PGE’s effort to re-file a revised affiliated interest application. On January 4, 2022, PPR submitted an affiliate bid into the RFP conditioned upon approval by the Commission of the Application.

Prior to submitting a new filing, PGE is engaging with Commission Staff (“Staff”) and stakeholders to address concerns, particularly with respect to substantive controls to ensure proper

¹ See Order No. 21-460

customer protections. Should discussions result in meaningful progress, PGE would then file a new Application. PGE intends to seek an expedited review and decision from the Commission for the new Application and believes such request to be appropriate given the nature of previous and on-going stakeholder discussions in addition to the Commission’s deliberations at the December 14th OPUC public meeting. PGE’s proposed expedited review would be designed to ensure alignment between the Application and the RFP schedule while not sacrificing necessary process and review.

The inclusion of the affiliate bid in the RFP in the interim does not harm customers. The costs to support the development of the affiliate bid will be borne by PGE shareholders. All employee time and all development costs associated with the affiliate bid have and will continue to be separately tracked and recorded to non-utility expense accounts. Incremental efforts required by the Independent Evaluator will be sufficiently covered by the bid fee paid by the affiliate.

The Commission’s Competitive Bidding Rules contemplate affiliate bids and state they must be treated in the same manner as third party² As with a benchmark bid, the affiliate bid was developed, submitted, and scored consistent with the Competitive Bidding Rules, including the required submission of bids by an earlier due date than third party bids and oversight by the Independent Evaluator (“IE”). There has and remains a strict separation between PGE employees working on the development of the affiliate and benchmark bids and PGE employees working on scoring the bids. The Competitive Bidding Rules and the RFP framework ensure that third party bids are not disadvantaged by the inclusion of an affiliate bid.

PGE does not read the Commission’s December 22, 2021 Order 21-482 in UI 461 (“the Affiliate Order”) to preclude the affiliate from bidding into the RFP since the application before the Commission was a request by PGE to provide services to the affiliate. The Commission adopted Staff’s alternative recommendation to reject PGE’s application. The Affiliate Order, however, does not specify or control which bids can or cannot be submitted into the RFP.

Additionally, PGE does not believe the Commission’s RFP Order intends to control or limit bidder participation in the RFP. As a general matter, Commission oversight of the RFP process is focused on the RFP scoring design and consistency of the final shortlist results with the approved RFP design. Historically, the Commission has not chosen to prevent bidders from submitting proposals to be considered by the utility, the IE, and the Commission. Consistent with that practice, the Commission’s RFP Order stated as follows: “have the affiliate bid marked as tentative until December 17, 2021 when PGE will indicate if it is moving forward with an affiliate bid”³ and that the Commission will “review the appropriateness of the affiliate separately.”⁴ In accordance with the Rules and the RFP design, once PGE submits its request for final shortlist acknowledgment,

² 7 OAR 860-089-0300(1)(a)

³ See Order No. 21-460

⁴ Id

the Commission will review and consider how PGE's scoring process and shortlisted bids align with the Commission's approved RFP design.

The inclusion of the affiliate bid in the RFP furthers the robustness of the competitive procurement process and provides more options for customers. If PGE's Application is not approved by the Commission, the affiliate bid will be withdrawn. Specifically, the affiliate bid will be withdrawn from the RFP at the earlier of the final shortlist filing date or the date the Commission rejects the Application. Furthermore, if PGE does not reach agreement with Staff and stakeholders on the appropriate controls, PGE will notify the Commission and will withdraw the affiliate bid.

III. CONCLUSION

PGE believes the RFP Order is clear regarding inclusion of PGE's affiliate bids in this RFP conditioned upon future approval of an Application. The RFP Order does not need to be clarified or reconsidered. Therefore, PGE requests that the Commission deny NIPPC's request.

DATED this 4th day of February, 2022.



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