

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

Docket No. UM 2166

In the Matter of

PORTLAND GENERAL ELECTRIC COMPANY,
2021 All Source Request for Proposals (RFP).

Comments on Scoring and
Modeling Methodology

On June 15, 2021, Portland General Electric (PGE or Company) filed an application (Application) to request approval of an Independent Evaluator for PGE’s 2021 All-Source Request for Proposals (RFP). Accompanying its Application, PGE also attached proposed scoring and modeling methodology for the RFP along with an associated timeline for the RFP (See Appendix A). At the July 8, 2021, public meeting, the Commission approved selection of Bates White as the Independent Evaluator and directed staff to engage stakeholders on the development of a schedule that includes an adequate opportunity for stakeholder comments on the RFP details and scoring and modeling methodology.¹

Subsequent to the public meeting, Staff worked with stakeholders to develop a schedule for the docket which was published on August 3, 2021.² The schedule runs through mid-June of next year and includes dates for a Commission decision on approval of the scoring and modeling methodology on October 5, 2021, approval of the final draft RFP on December 2, 2021, and a tentative date of June 14, 2022, for acknowledgment of the final shortlist. To kick-off discussion of the scoring and modeling methodology as the next step in the schedule, PGE hosted a workshop on the scoring and modeling methodology on August 9, 2021, and posted the presentation slides after the workshop.³

These Staff Comments address the scoring and modeling methodology as proposed in PGE’s Application and presented at the workshop.

¹ See Order No. 21-235.

² DOJ Scheduling Memo. August 3, 2021.

³ PGE’s Scoring and Modeling Methodology Workshop Presentation. Filed August 10, 2021.

Background on PGE's 2019 IRP and Scoring and Modeling Methodology

PGE filed its 2019 Integrated Resource Plan (IRP) on July 19, 2019, in Docket No. LC 73. Action Items in the 2019 IRP action plan included an RFP for renewable resources as well as non-emitting capacity resources.⁴ As memorialized in Order No. 20-152 filed on May 6, 2020, the IRP was acknowledged with conditions and additional directives on March 16, 2020, at a Special Public Meeting. One of the key items for PGE to clarify in its future RFP filing was whether or not PGE would pursue a two-vehicle procurement approach as it had proposed.⁵ PGE filed an IRP Update that was acknowledged in Order No. 21-129 on May 3, 2021. The IRP Update contained no changes to its action plan, but indicated the Company intends to conduct a single solicitation, rather than the two-vehicle approach described in the 2019 IRP.

PGE's 2019 IRP was the first IRP filed after the competitive bidding rules were adopted. Through the rulemaking process conducted in Docket No. AR 600, the Commission adapted the competitive bidding guidelines from Order No. 14-149 and established the competitive bidding rules now in effect in OAR Chapter 860, Division 089. The rules are designed to recognize the increasing overlap between IRP and RFP processes and to better integrate the RFP process with the IRP, in part by accelerating discussion of RFP design and its relationship to IRP analysis.⁶

The new rules require initial RFP design and scoring methodology to be filed either in the IRP, or later in the independent evaluator proceeding.⁷ PGE sought to satisfy this requirement with IRP Appendix J containing RFP design and modeling methodology, but the Commission did not reach a conclusion on whether the design and modeling methodology satisfied the requirement and instead explained that the Commission would rely on substantive discussion of it in the IE docket.⁸ The relevant discussion from Order No. 20-152 is included below:

We do not reach a conclusion as to whether PGE provided the level of scoring and associated methodology that, under our new RFP rules, would enable them to move directly to filing an RFP. Under the circumstances, where PGE's procurement approach was a significant area of discussion in our acknowledgment decision and where external timelines do not force PGE to move to an RFP immediately, we will depend on substantive discussion of the RFP format, eligibility criteria, scoring and selection methodology, and transmission arrangements in the IE docket. For these procurements, we agreed with Staff that PGE will need to engage in a rigorous process to establish RFP details, clarify key attributes including dispatchability and transmission requirements. During the RFP process we will endeavor to provide more clarity on how we interpret OAR 860-089-0250. We will aim to explain what information about scoring and

⁴ PGE 2019 Integrated Resource Plan. Pages 33-34.

⁵ See LC 73, Order No. 21-152. Page 26.

⁶ See LC 73, Order No. 20-152. Page 6.

⁷ OAR 860-089-0250.

⁸ LC 73, Order No. 20-152. Page 27.

associated modeling is required in an IRP to avoid the extra step of a workshop on scoring and methodology in the IE selection docket.

The Commission continued to raise RFP issues during the IRP update for further discussion and those were noted in Order No. 21-129. To help facilitate conversation on the RFP details, and scoring and modeling methodology moving forward, Staff put together a table of outstanding issues as Attachment A to its July 8, 2021, Staff Report regarding selection of an Independent Evaluator. Issues include the need for further conversation on the scoring and selection methodology, transmission arrangements, performance risk and the PTC, sensitivities, long lead time resources, and an updated needs assessment. The overall RFP format and energy cap also may need further conversation.

Recognizing the need to comply with the requirements of the competitive bidding rules and engage in further conversation on the RFP details and scoring and modeling methodology as noted during the IRP process, PGE filed its proposed scoring and modeling methodology with its Application for approval of an Independent Evaluator. In its Application, PGE noted that this was the first time it submitted a Scoring and Modeling Methodology Proposal in the IE selection docket since the adoption of the competitive bidding rules and expressed the intent to invite feedback on the proposal and involve the IE.

As one additional point of context, PGE also has another application currently pending with the Commission that would potentially affect the scale of this RFP.⁹ In the 2019 IRP Update, PGE forecasted a 511 MW 2025 capacity need.¹⁰ According to PGE's Application for Waiver of the Competitive Bidding Rules filed on June 2, 2021, PGE has identified resources through bilateral negotiations that would provide 224 MW of capacity contribution towards meeting PGE's forecasted need.¹¹ As a result, PGE estimates that it will need to procure approximately 300 MWs through this RFP to meet the remaining capacity need.¹²

Initial Staff Analysis

Staff's initial comments on the scoring and methodology focus on the following topics: interplay and impacts of recent developments, price and non-price weighting, transmission, the Green Future Impact Program, and qualifications and performance screening. Each of these are discussed in more detail below.

Interplay and impacts of recent developments

A number of important developments have taken place since PGE's IRP was acknowledged – and since PGE filed its proposed scoring and modeling methodology. These include passage of

⁹ See Docket No. UM 2176, PGE's Application for Waiver of the Competitive Bidding Rules.

¹⁰ Docket No. UM 2176, PGE's Application for Waiver of the Competitive Bidding Rules. Page 8.

¹¹ Docket No. UM 2176, PGE's Application for Waiver of the Competitive Bidding Rules. Page 9.

¹² Application. Page 6. See also PGE's Scoring and Modeling Methodology Workshop Presentation. Slide 10.

Oregon House Bill 2021 during the 2021 legislative session as well as release of the detailed design of the Northwest Power Pool's regional resource adequacy program.¹³ Staff believes these developments are important for PGE and the Commission to consider as part of the RFP discussions moving forward. As a result, Staff initiates discussion of each of these below.

HB 2021

Staff notes that subsequent to PGE filing its Application, the Oregon Legislature passed House Bill 2021, which requires retail electricity providers to reduce greenhouse gas emissions associated with electricity sold to Oregon consumers to 100 percent below baseline emissions levels by 2040, with nearer term targets of 80 percent below by 2030 and 90 percent below by 2035.¹⁴ As a retail electricity provider, PGE is subject to these targets.

While PGE will need to submit a clean energy plan, with annual goals to meet the targets set in HB 2021, it is important to consider how the RFP that PGE is currently pursuing acts as an adequate step toward meeting the legislation's ambitious goals.

PGE's 2021 RFP is constructed to address PGE's forecasted capacity needs in 2025.¹⁵ Based on emission's data from the 2019 IRP and the passage of HB 2021, PGE now has a GHG-free generation need by 2030. Per PGE's analysis of the 2019 IRP's preferred portfolio GHG emissions (see graph below), the Company will be approximately 2,500,000 metric tons above the estimated 2030 target levels from HB 2021.¹⁶

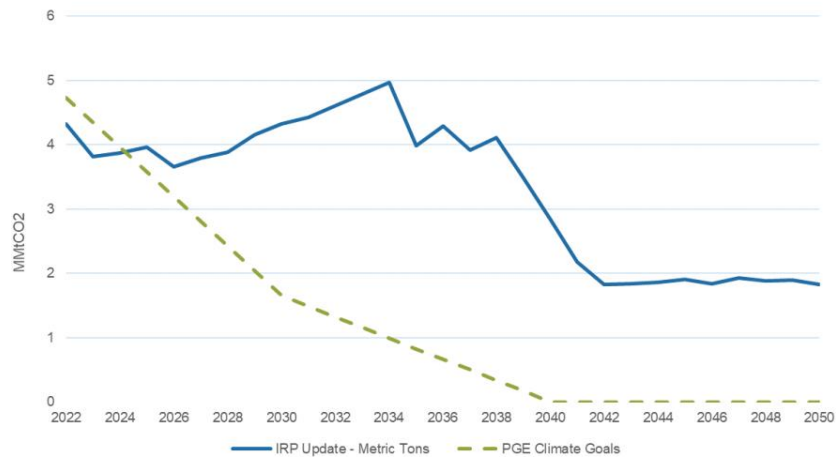
¹³ Northwest Power Pool, NWPP Resource Adequacy Program – Detailed Design. July 2021.

https://www.nwpp.org/private-media/documents/2021-08-10_NWPP_RA_2B_Design_v4_final.pdf

¹⁴ Oregon House Bill 2021: <https://olis.oregonlegislature.gov/liz/2021R1/Measures/Overview/HB2021>.

¹⁵ Application. Page 5.

¹⁶ The estimated baseline emissions from HB 2021 is the average emissions, as reported to DEQ, from the year's 2010 through 2012. This sets an estimated 2030 80 percent emissions reduction target of approximately 1.65 million metric tons for PGE. Per PGE's analysis, their current rate of emissions will only begin to approach HB 2021's 2030 target by 2040. PGE's reportable GHG emissions will be approximately 4.2 million metric tons in 2030 and will rise to nearly 5 million metric tons by 2034, until tapering off to just less than 2 million by 2040.



17

Related to this, Staff is concerned about the timing to acquire the resources necessary for PGE to meet the 2030 GHG targets of HB 2021. Utilizing the load-resource balance data from the 2019 IRP and adjusting it to (a) meet the targets of HB 2021, and to (b) reflect the results of PGE’s proposed resource acquisitions in Docket No. UM 2166 and Docket No. UM 2176, PGE’s deficit load-resource balance grows substantially by 2030.¹⁸ To this end, some of the resources procured under this RFP may not come on until the end of 2027. Given the cadence of IRP and RFPs, Staff is unclear the extent to which more resource acquisition opportunities exist between now and the HB 2021’s first target date of 2030. PGE estimates that the earliest it would start accepting bids for future RFP after this one would be 2024.¹⁹ As a result, this RFP has an important role to play in positioning PGE to achieve the 2030 target in HB 2021 – as well as the future HB 2021 targets.

Staff raises the following questions related to the proposed scoring and modeling methodology:

- How far off or not is PGE from achieving the emissions reduction targets in HB 2021?
- Can PGE provide an estimate of the MW and MWa need to achieve the targets in HB 2021 and describe how that information could be used to inform the scoring and modeling approaches?
- Could elements of the cost containment screen, such as the flexibility value, be updated to reflect the radically different energy and capacity needs of PGE beginning in 2030 due to HB 2021?
- Is an adjustment to the energy cap needed to allow for additional procurement in this RFP to support achieving the targets in HB 2021?

¹⁷ See LC 73, PGE IRP Update, January 29, 2021, page 54.

<https://edocs.puc.state.or.us/efdocs/HAH/lc73hah13049.pdf>.

¹⁸ See LC 73 PGE 2019 IRP, July 19, 2019, Table G-3, page 289. Adjustments include reducing thermal resource in line with HB 2021’s targets.

¹⁹ Application. Page 9.

- To what extent will the modeling identify any optionality benefits from the acquisition of dispatchable, GHG-free generation, especially in terms of timing? How could such an optionality benefit be captured in the scoring?
- How is PGE planning to maximize this RFP for achieving the HB 2021 targets?
- Are PGE's scoring criteria appropriate to facilitate this RFP's contribution to achieving the HB 2021 targets (e.g. greenhouse gas emissions reductions are not included in the non-scoring criteria)?
- PGE's past two IRPs utilized a glide path framework to denote the optimal timing of renewable acquisitions to meet the RPS goals. How has HB 2021 impacted this approach and will an updated glide path be reflected in the modeling and scoring?
- How many RFPs does PGE envision conducting prior to 2030 and when would the associated resources be expected to come online for each RFP?

In addition, Staff would appreciate PGE discussing in its reply comments the potential to develop a screen for GHG reductions. This could be something like an additional non-price scoring metric, for both categories of resources, that reflects a project's GHG displacement potential. Elements of this metric could include a weighting that values a project's ability to displace PGE's hours of highest GHG emissions when serving retail load. Alternatively, Staff could also envision a carbon-intensity screen comparing portfolios as part of the initial short list development. We look forward to PGE's thoughts on this.

Regional resource adequacy

Given the recent trend in decommissioning coal plants and increasing renewable integration, the Resource Adequacy group of the Northwest Power Pool (NWPP) has been working to coordinate activities related to a comprehensive review of resource adequacy in the NWPP region, and the development and implementation of a Resource Adequacy Program.²⁰ On July 28, 2021, the NWPP released a detailed design of a resource adequacy program for interested utilities in the West.²¹ PGE participated in developing this report and serves as a Steering Committee member on the Resource Adequacy group.

In order to participate in the NWPP resource adequacy program, PGE will need to show that it is resource sufficient. In addition, the benefit of having excess capacity is likely to increase since the resource adequacy program facilitates trades.

As a result, Staff would like PGE to provide further discussion on whether it plans to update the optimal capacity needs for the 2021 RFP based on current or expected regional or state efforts

²⁰ Northwest Power Pool, Resource Adequacy Program: <https://www.nwpp.org/about/workgroups/12>.

²¹ "NWPP Releases Detailed Design of Resource Adequacy Program": <https://www.nwpp.org/news/nwpp-releases-detailed-design-of-resource-adequacy>. Actual report: Northwest Power Pool, NWPP Resource Adequacy Program – Detailed Design. July 2021. https://www.nwpp.org/private-media/documents/2021-08-10_NWPP_RA_2B_Design_v4_final.pdf.

around resource adequacy. This could include a sensitivity analysis of procuring capacity beyond the 511 MW capacity need identified in the 2019 IRP. In addition, Staff would like PGE to describe how that information could inform the scoring and modeling approaches.

Price and non-price weighting

PGE proposes to allocate 60 percent of available bid points to bids based on price factors and 40 percent of the available bid points to bids based on non-price factors.²² While PGE has used this 60/40 weighting in prior RFPs, Staff would note that the justification for this split has been questioned in the past.²³ In fact, in the last RFP process, Staff noted that it “expects a stronger explanation of why the specific split chosen is appropriate in future RFPs.”²⁴ Staff would also note that other utility RFPs have chosen different splits with the most recent PacifiCorp RFP using a 75/25 price/non-price weighting.²⁵

Under the competitive bidding rules, non-price scores must be converted to price factors where practicable. See OAR 860-089-0400(2). With the proposed weighting, Staff questions whether all factors that can be converted to pricing have been converted. And, under OAR 860-089-0400(3)(b), non-price scores must, when practicable, primarily relate to resource characteristics identified in the electric company's most recent acknowledged IRP Action Plan or IRP Update and may be based on conformance to standard form contracts. Except as authorized by the Commission, non-price scoring criteria must be objective, clearly defined, and subject to self-scoring analysis by bidders.

Also, given the questions in the section above regarding the interplay and impacts of recent developments, particularly HB 2021, Staff questions whether a different weighting would be more appropriate. For example, if PGE needs to acquire a larger amount of renewable resources more quickly, bidders may be more responsive to an RFP with a stronger focus on price, as such price factors are inherently objective and subject to self-scoring. In addition to adjusting the weighting, Staff, as noted in the section above, is interested to know if there are other non-price scoring factors or other screens, including carbon intensity, which would similarly help maximize this RFP in relation to the recent developments discussed in the section above.

Long-Lead-Time Resources

PGE explained in its Application that PGE “welcomes the inclusion of long-lead-time resources that present unique customer value in this RFP and will make necessary RFP design accommodations in the 2021 All-Source RFP.”²⁶ Staff appreciates PGE planning for inclusion of long-lead-time resources in the RFP as this was of particular interest to stakeholders and

²² Application. Page 19.

²³ Order No. 18-171. Page 12.

²⁴ Order No. 18-171. Page 12.

²⁵ See Docket No. UM 2059.

²⁶ Application. Page 9.

Commissioners during the IRP process. In Order No. 21-129 acknowledging PGE’s 2019 IRP Update, the Commissioners noted:

We had questions about how resources with less common development and business structures (i.e., long lead-time resources) will be fairly evaluated for inclusion in the portfolio. We recognize the concerns raised by Swan Lake/Goldendale and NIPPC that long-lead time resources may have commercial operation dates just beyond the IRP action plan window and beyond the RFP target for resources to be online. We expect a thorough discussion in RFP design on how different types of resources may participate in the RFP.²⁷

PGE provided substantial discussion in its proposed scoring and modeling methodology about how long-lead-time resources would be considered in the RFP. PGE explains that it will only accept bids for pumped storage hydropower projects, and the projects would need to come online prior to January 1, 2028. These resources would be subject to both price and non-price scoring. According to PGE, for price scoring, the resources would be evaluated using the same methodologies as resources delivered by the end of 2024. Price scoring would not include costs associated with additional capacity purchases necessary in the immediate years beginning in 2025 to address the interim period between 2025 and when the resource comes online.

If long-lead-time resources are placed on PGE’s initial short list, the portfolio analysis later in the process will consider additional purchases PGE will need to make to cover the capacity shortfall associated with the later Commercial Operation Date.²⁸ According to PGE, the portfolio analysis must size and term normalize portfolios to allow for fair portfolio comparison. The costs associated with such size and term normalization will be related to long-term capacity resources, rather than any assumed costs of short-term contracts that would likely be necessary in the years immediately following 2025.²⁹ Staff appreciates this design to level the playing field given that the cost of short-term contracts likely exceeds the cost of long-term capacity.

In addition, non-price scoring would apply to long-lead-time resources. Of the 400 non-price scoring points available for dispatchable resources, 130 of these points are based on the Commercial Operation Date (COD). Resources with a COD by the end of 2023 would receive all 130 points, while resources with a COD by the end of 2024 would receive 104 points. Long-lead-time resources coming on after 2024 would receive zero points.³⁰ Staff would note that Table 7 in the Application outlining the COD non-price scoring contains a gap between the COD cut-off

²⁷ Order No 21-129. Page 5.

²⁸ PGE’s Scoring and Modeling Methodology Workshop Presentation. Slide 16.

²⁹ Application. Page 10.

³⁰ Application. Page 26. The total points are calculated here based on the scores and weight outlined in Table 7 of the proposed Scoring and Modeling Methodology. For example, a resource with a COD by the end of 2024 would receive 8 points which are weighted by a factor of 13 – so the resource would receive 104 total points or 8 x 13.

of December 31, 2024, and the zero point scoring of COD after December 31, 2025.³¹ This likely does not change anything for the long-lead-time resources, but it would be helpful for PGE to clarify.

PGE's capacity need is based on load growth over time and expiring contracts, indicating that it does not need the full 511 MW in 2023, but rather ~300 MW in 2025. Therefore Staff speculates that with creative solutions, PGE could maintain a reliable system while waiting on a pumped storage resource to be built and that the non-price score for pumped storage hydropower might be unnecessarily low, as described below. In addition to potentially accounting for GHG displacement in the non-price scoring, Staff would appreciate PGE commenting on how their RFP process can identify if/how the acquisition of dispatchable, non-emitting resources before 2030 reduces the total cost of HB 2021 compliance and what reliability trade-offs ensue if a dispatchable, non-emitting resource comes online by January 1, 2028 rather than December 31, 2024 (See below).

Staff's initial analysis of the scoring and modeling methodology related to long-lead-time resources raises multiple questions:

- 1) Limit on type of long-lead-time resources: Why is PGE proposing to limit long-lead-time resources to pumped storage hydropower projects? What long-lead-time resources would not be considered as a result of PGE limiting accommodations for long-time-resource bids to pumped storage hydropower projects? Could PGE utilize the work found in this RFP to develop and release a Request for Information (RFI) on long-lead-time, zero-emitting resources (e.g., flow batteries, off-shore wind, compressed air, 100 percent hydrogen generation, non-Oregon based nuclear, biomass with carbon capture, etc.) for the next RFP or potential pilot?
- 2) Non-price scoring: How will the Commercial Operation Date (COD) non-price scoring effect the ability of long-lead-time resources to compete with other resources in the RFP? The sharp drop-off from a resource coming online by the end of 2023 (130 points) or 2024 (104 points) to zero points for a long-lead-time resource that would come online after seems substantial. Essentially long-lead-time resources would by definition miss out on at least one quarter of the 400 total non-price scoring points.

Furthermore, how does the scoring issue described above interplay with the portfolio analysis? Would long-lead-time resources receive decrementing in both the portfolio analysis due to accounting for the capacity need before the resource comes online as well as through the non-price scoring?

In general, having a non-price scoring metric for COD may be reasonable, given that gaining access to resources in the near term is a priority for the Company. However,

³¹ Application. Page 26.

Staff recommends PGE consider whether the COD non-price scoring element should be valued less to avoid unnecessarily excluding any long-lead time resources that could be a part of a least-cost, least-risk, reliable portfolio.

- 3) Ability to change course: PGE explained that it is comfortable making the long-lead-time resource accommodations in this RFP and allowing for long-lead-time procurement prior to resolving short-term capacity procurement that could be necessary. But, PGE also explained that “it reserves its right to reconsider this plan if determined that there are challenges associated with additional capacity procurement.”³²

It seems fair to Staff that if short-term capacity contract prices significantly increase, then the cost of waiting for a pumped storage hydropower project to be built will also increase. But, Staff would appreciate further explanation of what exactly would trigger the reconsideration above, what the process would be for reconsideration, at what point in the RFP process reconsideration may or may not occur, and what the degree of changes might be (e.g. changing scoring, running additional sensitivities, and/or complete removal of consideration of any long-lead-time resources). Furthermore, Staff would like to understand how the reconsideration and potential changes would meet the requirements for setting non-price scores that provide for objectivity and certainty to prospective bidders.

Transmission

PGE included discussion and a detailed schema for how transmission will be scored. In its reply comments, Staff would appreciate PGE providing additional support behind the logic of the transmission-related scoring and modeling methodology. With that said, Staff has outlined some initial questions and issues:

- 1) What is the value of more than one scoring attribute based on transmission? For example, renewable projects with conditional firm bridge or conditional firm reassessment receive substantially limited or no capacity value, respectively, in the price scoring. Under the non-price scoring Transmission Plan Attributes criteria, those same projects will also receive a decremented scoring value. In the Company’s reply comments, Staff would like further explanation of the benefits of assessing transmission in both the price and non-price scoring criteria. To this point, if a renewable project, like solar plus storage, is already receiving no capacity value in the scoring, why is the value of the project being further decremented due to a transmission product that is not firm?
- 2) PGE should provide additional detail concerning how the scoring and modeling methodology contemplates the landscape of existing transmission arrangements and the likelihood of bids using each of the transmission arrangements (long-term firm, conditional firm bridge, and conditional firm reassessment). For example, PGE indicates

³² Application. Page 10.

in its filing that bidders could potentially plan for transmission service that would include hourly curtailments, and that this would introduce long-term risks to PGE.³³ PGE should elaborate further on the following:

- The long-term risks PGE is concerned about,
 - How these risks would affect PGE's load service and/or reliability obligations, and
 - Whether PGE is mitigating these risks based on experience. If based on experience, PGE should include additional detail highlighting its concerns.
- 3) PGE should explain how it is considering transmission upgrades, constraints, and rights acquisition in the context of charging batteries for energy storage. In an event where a project might receive a high score at an interconnection level, how is the Company considering load impacts for charging, and how would this affect the overall bid score? PGE should outline how it is examining charging times to minimize grid impacts, and how this might also affect overall score.

Green Future Impact Program

PGE notes that it intends to procure a resource or resources for PGE's Green Future Impact (GFI) program through the 2021 All-Source RFP.³⁴ This would include up to 100MW's nameplate of renewable resources.³⁵ Some initial questions Staff would like to understand better include:

- How will GFI project customers contribute toward the cost of the IE and for PGE's costs to administer the RFP?
- Given that the GFI program only requires projects to meet some portion of the annual energy demand of customers, could projects be selected based solely on energy costs rather than meeting other scoring and modeling methodology considerations?
- Are there any scoring and modeling methodology distinctions for the GFI resources? For example, will transmission arrangements and their associated capacity value be considered/credited differently for GFI projects?
- How exactly will GFI customers' preferences for certain types of resources and in specific locations be accommodated through this process?
- How will PGE ensure cost-of-service customers get the highest value projects from the RFP when also looking to procure projects for GFI customers?

Qualifications and Performance Screening

PGE plans to employ a qualifications and performance screen as the first step in the RFP evaluation process with a number of minimum requirements that bidders need to meet before

³³ Application. Page 25.

³⁴ Application. Page 7.

³⁵ Application. Page 7. See also PGE's Scoring and Modeling Methodology Workshop Presentation. Slide 11.

being scored.³⁶ Most of the minimum requirements are clear, but there are a few that Staff is not as clear on:

- 1) Financing Requirement: PGE explains that “as applicable, bidders must provide a reasonable plan to obtain project financing.”³⁷ It is not clear what PGE would consider “a reasonable plan,” particularly for those bidders who are unable to internally or balance sheet finance the proposed project. Staff would appreciate further explanation of what would be considered a reasonable plan.
- 2) Credit: PGE explains that “bidders must meet PGE’s credit eligibility thresholds.”³⁸ The threshold for investment grade Bidders is clearly laid out in the Application, but it is unclear exactly what the minimum requirement is for non-investment grade Bidders.

The Application goes on to explain that non-investment grade Bidders, “must demonstrate, prior to final shortlist, that a qualified institution will secure the Bidder’s pre-COD performance obligations through a letter of credit or guaranty, in a form acceptable to PGE.” Is this the non-investment grade bidders’ minimum requirement to be scored - or just to be placed on the final shortlist? Staff would appreciate clarification on what exactly the minimum requirement is for non-investment grade Bidders. Staff also questions whether this requirement for non-investment grade Bidders is too strict and would appreciate an explanation of the value of this requirement.

- 3) Interconnection: Also as part of the qualifications and performance screening criteria, PGE lists a number of interconnection-related requirements. Three requirements are listed “for a bid to qualify for the initial short list.”³⁹ PGE’s workshop slide presentation discusses those interconnection requirements differently: “[f]or a bid to initially participate in the solicitation it must have the following” requirements.⁴⁰ Given the difference in phrasing, Staff would like to confirm whether the bidder would need to satisfy those interconnection requirements with their initial bid to have the chance to be scored and ultimately qualify for the initial short list.

Conclusion

As part of the comments above, Staff posed a number of questions regarding the scoring and modeling methodology. Staff looks forward to PGE’s responses.

³⁶ Application. Page 14-18. See also PGE’s Scoring and Modeling Methodology Workshop Presentation. Slide 14.

³⁷ Application. Page 14.

³⁸ Application. Page 15.

³⁹ Application. Page 16.

⁴⁰ PGE’s Scoring and Modeling Methodology Workshop Presentation. Slide 17.

The remaining process for the scoring and modeling methodology portion of the docket includes an opportunity for written reply comments by PGE and all stakeholders by September 13, 2021; Staff's Public Meeting Memo to be posted by September 30, 2021; and a decision on approval of the scoring and modeling methodology at the Commission Regular Public Meeting on October 5, 2021.

This concludes Staff's initial comments.

Dated at Salem, Oregon, this 23rd of August, 2021.

/s/ Zachariah Baker

Zachariah (Zach) Baker
Senior Energy Policy Analyst
Energy Resources and Planning Division