



Portland General Electric Company
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portlandgeneral.com

February 2, 2024

Via Electronic Filing

Public Utility Commission of Oregon
Attention: Filing Center
P.O. Box 1088
Salem, OR 97308-1088

Re: UM 2274 – Portland General Electric Company, 2023 All-Source Request for Proposals

Dear Filing Center:

Please find enclosed for filing in the above-captioned docket, Portland General Electric Company's updated Appendix P in the 2023 RFP.

PGE appreciates the Commission's thorough review of Staff's recommendations as well as PGE's and parties' comments in this proceeding. PGE intends to continue working with Staff and the Independent Evaluator to comply with the conditions set forth in Order No. 24-011 (corrected by Order No. 24-042) and move forward with a fair and inclusive bidding process.

While PGE understands that the Commission considered and balanced many considerations when making its determination at the January 4, 2024 special public meeting, PGE would like to reiterate its concerns regarding the Commission's adoption of Staff's RFP Condition 6, which outlines a new "straw bid" concept in this RFP. PGE is not seeking clarification or reconsideration of this condition and wishes to explain the potential drawbacks to a straw bid requirement as context for later stages of this RFP and future proceedings.

Specifically, the Company is not confident that straw bid proposals will inherently provide actionable insights or provide a meaningful comparison when assessing other bids. PGE believes straw bids are likely to be less thorough because bidders submitting straw proposals will not have developed detailed plans or initiated development activities necessary to inform and advance the construction and operation of these projects. This raises the risk that straw bids may appear to be a better deal than could actually materialize, so a comparison with carefully vetted final shortlist projects may be misleading.

Order No. 24-011 also supported the adoption of RFP condition 6 based on "unique circumstances of our decision to allow PRR to participate in this RFP." In PGE's view, using PRR does not introduce any unique risks or considerations that relate to this straw bid requirement. PRR simply

ensures that customers can receive the full tax benefits associated with potential utility-owned resources, whether from a benchmark bid or third-party proposal. RFP condition 6 relates to bidder access to utility-owned elements, which has no bearing on the potential benefits associated with PRR.

PGE suggests that in future RFPs or CBR rulemakings, any requirement to accept straw bids be considered on its own merits, without being linked to the use of an affiliate. We do not see the use of PRR as a predicate that justifies the use of RFP Condition 6 and believe that use of RFP Condition 6 should be limited to this docket alone and not applied in future RFPs. A permanent change of this magnitude to the CBRs should be considered with the benefit of a full record.

PGE appreciates the Commission, Staff, parties, and the Independent Evaluator's feedback throughout this docket. PGE looks forward to engaging in this solicitation to seek the best resources for customers. PGE will continue to work with the Independent Evaluator to vet its compliance with RFP Condition 6 and help mitigate the risks PGE has identified with this new condition in this proceeding.

Sincerely,

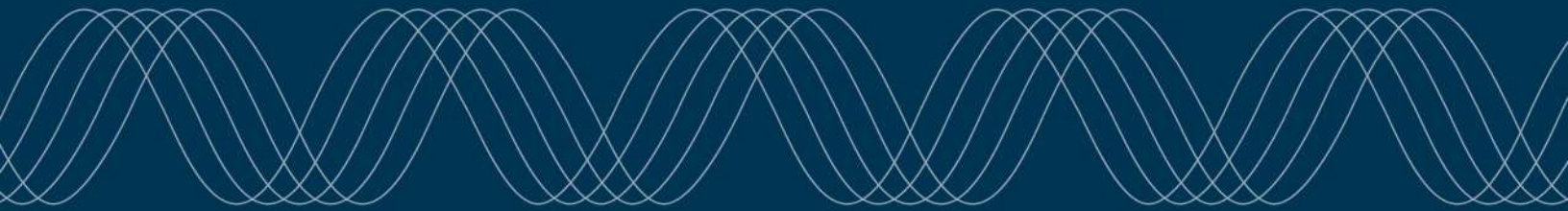
A handwritten signature in black ink, appearing to read "B. Sims", is positioned above the printed name.

Brett Sims
VP Energy Supply and Regulatory Affairs

Enclosure

Appendix P

Benchmark Submission



2023 All-Source RFP



Portland General Electric's Benchmark Submission

Bid Descriptions

PGE will submit benchmark resources into the 2023 RFP to meet both PGE's renewable needs and non-emitting capacity needs. Benchmark bids include wind, solar, hybrid and stand-alone energy storage resources. Consistent with Order No. 24-011 and the recommendation of OPUC Staff following consultations among Staff, the Company, and the Independent Evaluator, PGE Benchmark Team provides the following table to enumerate PGE's benchmark bids:

State	Resource Type	Structure	Capacity	Term	GIA Status
Oregon	Solar/BESS	EPC	175	N/A	Study
Oregon	BESS	BTA	200	N/A	IA Executed
Oregon	BESS	BTA/SCA	200	20	Study
Oregon	BESS	BTA/SCA	200	20	Study
Oregon	Solar/BESS	BTA/PPA	240	30	Received
Oregon	Solar/BESS	BTA	250	N/A	Study
Oregon	Solar/BESS	BTA/PPA	400	30	Study
Washington	Wind/Solar/BESS	BTA/PPA	1000	30	Study Completed

All utility-owned solar offers will be bid under BTA or EPC structures. Following review within PGE's RFP, those bids may be transferred to PGE's affiliate PRR at a later period following a requisite showing by PGE.

Utility Controlled Bid Elements

Certain rate-payer funded assets controlled by the utility will be used to support select Benchmark Resources. Utility assets include:

- Subject to Commission Approval of UP 419, land in Northeast Oregon owned by the utility in support of a solar resource.
 - Approximately 300-600 acres located at the following coordinates: 45.696, -119.797
 - This property is contiguous with current PGE operations. Due to security risks associated with co-location, PGE will only be making this property available to third-party developers under a utility owned commercial structure as to avoid unacceptable risks associated with multiple entity operation within the site perimeter.
 - In connection with utility owned commercial structures proposed on this property, the utility assets will also include generation capacity on the generation-lead line from the Grasslands substation to BPA's Slatt substation (but does not include any transmission from the BPA Slatt substation to PGE Load).
- Biglow Canyon Wind Farm's Large-Generator Interconnection Agreement and transmission rights with Point of Receipt at BIGLOW and Point of Delivery at BPAT.PGE available when Biglow Canyon Wind Farm generates below nameplate capacity.
 - The transmission rights associated with a Point of Receipt at BIGLOW and Point of Delivery at BPAT.PGE will also only be made available to utility-owned bids and on the condition that the rights cannot be redirected away from the specified Point of Receipt on a long-term basis.
- Wheatridge Wind Farm's Large-Generator Interconnection Agreement and transmission rights with Point of Receipt at UMATILLA and Point of Delivery at BPAT.PGE available when Wheatridge Wind Farm generates below nameplate capacity.

Security and Operational Analysis

Security Analysis of Land

As identified above, 300-600 acres of land at coordinates 45.696, -119.797 (east of Carty) are being made available for use by the benchmark team as well as for third-party developed utility-owned bids. This land is in rural Morrow County, Oregon and is remote. Emergency services are provided by the Morrow County Sheriff, which covers a large geographic area.

Bidders wishing to address security concerns in their straw proposals should plan to articulate how they will reduce the threat associated with multi-entity operations. PGE recommends bidders consider proposing roving patrols around the asset, secured entry onto the property, detection and monitoring (such as thermal cameras and fence detection), and commitment to closely coordinate with both PGE security and local law enforcement.

Operational Analysis of Biglow Canyon and Wheatridge Large Generator Interconnections, Generator lead-line from Grassland to Slatt, and Transmission rights associated with BIGLOW to BPAT.PGE and UMATILLA to BPAT.PGE

As identified in Chapter 9 of PGE’s 2023 Integrated Resource Plan, Bonneville Power Administration transmission rights are used to deliver power from the Biglow and Wheatridge facilities to serve PGE load. Additionally, PGE is able to leverage these rights during peak times to ensure sufficient transmission capacity to meet load. The Biglow to BPAT.PGE and Umatilla to BPAT.PGE paths together account for 750MW of transmission rights that are used by PGE both to provide renewable energy and to meet capacity need. These rights are identified for use by the benchmark team as secondary to the existing generators (i.e. “rights to be used when Biglow/Wheatridge generate below nameplate capacity”). PGE recommends that bidders wishing to address this operational concern in their straw bid make clear that they do not wish to try to redirect rights away from existing generators on a long-term basis, and make clear that their generation will use the rights only when the existing asset is generating at below nameplate capacity.

PGE’s interconnections at Biglow and Wheatridge are similarly situated to the transmission rights, in that they are used to deliver generation. PGE recommends that bidders who submit a straw proposal describe the generation profile of the proposed project and how they would make clear generation associated with the project would be complementary with Biglow and Wheatridge.

Long-term service agreement (LTSA) costs

Consistent with RFP Condition 12 of Commission Order No. 24-011, PGE is providing the following LTSA cost information as a reasonableness check to what will be provided and scored in the evaluation process. The following data is from PGE’s 2021 RFP:

Technology	Real Lev. (\$2021) \$/MWh	Term (yrs)
BESS	\$5.42	Life of Asset
Wind	\$0.72	Life of Asset
Solar	\$1.22	Life of Asset
Pumped Hydro	\$11.18	Life of Asset

Information to assist in the preparation of straw bids

In addition to the information made available in this appendix, PGE may also make available additional information that could assist in the preparation of straw bids. PGE will provide information to entities preparing a straw bid subject to the execution of NDAs and confirmation that the information does not include critical infrastructure security concerns. The process to request this additional data is included in page 9 of PGE’s RFP main document. This information may include:

- Meteorological data
- Site assessments
- Existing utility interconnection agreements
- Existing utility transmission agreements
- Permitting data