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Power Producers Coalition

**BEFORE THE
PUBLIC UTILITY COMMISSION OF OREGON**

In the Matter of)
PORLAND GENERAL ELECTRIC) LC 48
COMPANY 2009 Integrated Resource Plan)
) Northwest and Intermountain Power
) Producers Coalition's Response to Portland
) General Electric's Reply Comments
)
)

Introduction

Pursuant to the procedural order issued in this docket on July 8, 2010, the Northwest and Intermountain Power Producers Coalition (NIPPC, the Coalition) hereby submits this response to Portland General Electric's (PGE's) Reply Comments regarding PGE's 2009 Integrated Resource Plan (IRP).

NIPPC stands by its Opening Comments and its Supplemental Opening Comments, even as the Coalition limits its response herein to PGE's inadequate analysis of the availability of a "bridge PPA" for early Boardman closure, its inadequate analysis of the benefits of independent power as an alternative to utility ownership and finally, a suggestion for how to mitigate PGE's self-evident preference to assure selection of its own benchmark resources in upcoming Request for Proposals (RFPs).

Comments

- A. **The Commission should require PGE to issue a Request for Information immediately to transparently allow both PGE and the Commission to analyze the availability of a near-term to mid-term Bridge Power Purchase Agreement for “Merchant Plant”¹ replacement power for Boardman prior to acknowledging PGE’s IRP.**

Availability of a near-term to mid-term replacement power source for PGE’s Boardman Coal Plant is a primary issue in this docket. PGE asserts that without making minimal scrubber upgrades to the plant by 2011, PGE must close the plant in 2014 for non-compliance with Oregon’s Clean Air Act regional haze plan. Operating until 2020 would require major, costly upgrades, and operating until 2040 would require even more costly upgrades. Thus, the availability of a so-called “bridge PPA,” i.e., abbreviated power purchase agreement from an alternate power plant, has surfaced as an important element in this docket. The concept, as PGE has initially described it, would have been for a short-term PPA – particularly to provide replacement power from 2014 to approximately 2018 by which point PGE would commission new, permanent, self-built replacement resources. In this fashion, the utility has attempted to frame its choices in an effort to convince this Commission and stakeholders that the only solution to the Boardman conundrum is to swing from a utility-owned coal-fired power plant to a utility-owned gas-fired power plant(s).

NIPPC takes no position on the merits or appropriateness of choosing any particular resource. The Coalition also expresses no opinion on the appropriateness of continued operation of Boardman until 2014, 2020, 2040, or any other date, in light of environmental impacts, economic impacts to the Boardman area, or other societal impacts. The Coalition has consistently noted that the recognized risks associated with Boardman are largely ratepayer risks, and that diversifying the ownership of generation resources – “renting” as well as owning – is, in the broadest sense, prudent.

NIPPC feels compelled to point out that PGE has chosen to overlook the availability of ample sources of near-term to mid-term replacement power for Boardman in its analysis of a Boardman closure date. NIPPC’s initial comments noted that capacity is readily available from independent power producers in the near-term and mid-term. *See* NIPPC Opening Comments, at pp. 17-18 (Feb. 2, 2010). NIPPC provides the following critique and offers suggestions, now that PGE has more thoroughly presented its position in its Reply Comments.

¹ NIPPC notes that many of the plants that PGE may consider to be “merchant plants” were developed with the intention of offering long-term PPAs; contracts that Independent Power Producers (IPPs) have all too often been unable to secure through competitive procurement processes or otherwise. These IPP plants sell power on the open market, rather than under long-term PPAs of at least five years in duration, because they cannot secure such long-term agreements. It is therefore inaccurate to simply refer to all un-contracted plants as “merchant plants” because IPP generators remain interested in securing extended PPAs rather than operating as a merchant plant on the open market.

First, PGE should look to the Commission’s IRP Guidelines for the principles to follow in its analysis of *all potential* resources, including bridge PPAs. The Commission’s IRP Guidelines state, “All resources must be evaluated on a consistent and comparable basis.” *See* Order No. 07-002, p. 3 (Jan. 8, 2007) (discussing IRP Guideline 1). “All known resources for meeting a utility’s load should be considered, including supply-side options which focus on . . . purchase and transmission of power[.]” *Id.* Additionally, “[c]onsistent assumptions and methods should be used for evaluation of all resources.” *Id.* In the IRP docket (UM 1056), one investor-owned utility advocated for exclusion of consideration of short-term purchases in IRPs on the ground that “it is more appropriate to consider resource duration during the procurement process,” but the Commission rejected that argument. *Id.* at p. 4; *see also id.* at p. 6 (rejecting the related request to remove the requirement that the IRP include analysis of “estimated future costs for . . . all short-lived resources such as . . . short-term power purchases”). IRP Guideline 1 therefore requires PGE to fully examine and consider all supply-side resources, including even short-term power purchases, and does not allow PGE to ignore potential independent power resources in its IRP on the ground that analysis of such resource availability is more appropriate in a procurement proceeding.

To date, however, PGE’s approach to the bridge PPA issue in this docket has been dismissive to the point of noncompliance with IRP Guideline 1. PGE has at various points considered and rejected a near-term bridge PPA from 2012 to 2015 in its initial IRP analysis as part of a 2011 Boardman closure portfolio. *See* IRP, at pp. 295-97 (Nov. 5, 2009); IRP Addendum, at pp. 22, 96-97, 103 (April 19, 2010). But PGE abandoned that near-term bridge PPA option in its most recent filing without explanation. *See* PGE Reply Comments at p. 9 (August 10, 2010). So now, even a near-term bridge PPA appears to be off PGE’s table altogether.

In PGE’s IRP Addendum filed in April 2010, it advocated for a 2020 closure plan, which included a 4-year PPA beginning in 2017 “to balance capacity with other portfolios until a CCCT is added in 2021.” IRP Addendum, at p. 22. But for portfolios other than its preferred option, PGE critiqued the “reliability risk” of bridge PPAs as being potentially unavailable. *Id.* at pp. 96-97. The Commission should question who will build and own this 2021 CCCT in PGE’s preferred plan, and why a bridge PPA that enables PGE to pursue its preferred plan can overcome the “risk” of potential unavailability when other PPA options beginning around the same time period cannot.

Adding salt to the wound, PGE’s discovery responses demonstrate that the utility has not yet truly evaluated the extent of the “reliability risk” for any bridge PPA options. *See* Attachment 1 (PGE’s responses to Sierra Club, *et. al.* Data Request Nos. 71, 101, and 108). PGE stated in those responses that bridge PPAs are too speculative to analyze, yet PGE admitted that its assertions regarding a potential lack of transmission were general, and not specific to any information it may possess. PGE also asserted its position as to the “uncertainty of being able to execute a cost-effective PPA four years from now” in order to close Boardman in 2014. These responses reveal that PGE’s analysis is not based on any specific information it had available or could have easily sought. If PGE had been complying with IRP Guideline 1 by seriously

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examining the availability of this important option, PGE’s responses to these questions would have been very different indeed. PGE should have indicated its analysis included information regarding un-contracted independent power plants that PGE has obtained from recent procurement dockets, from recent market purchases from those plants, or from inquiries to those plants. PGE should have in its possession, or should be able to easily obtain (see below), much of the information it states is missing.

PGE’s Reply Comments confirm that it has failed to examine the bridge PPA options, and that PGE would simply rely on a bridge PPA only when it deems it convenient to do so. PGE discussed at length its theories as to why reliance on a near-term to mid-term bridge PPA is too speculative for modeling purposes in this IRP, and thus concluded it must reject portfolios that would close Boardman earlier than 2020 and rely on such bridge PPAs. *See* PGE Reply Comments at pp. 8-10, 35-37. It now appears that the IPPs’ glass is not only half-empty, it’s nowhere to be found. PGE’s Reply Comments speculated that a near-term to mid-term bridge PPA may not be available due to transmission constraints, or possibly due to prohibitively high prices. *See id.* at pp. 35-37.

PGE essentially gave up any attempt at real evaluation on the ground that “future availability of independent power producers and merchant resources is unknown until we issue an RFP.” *Id.* at p. 35. PGE further states that questions regarding the length, terms, and price of a PPA “are more appropriately addressed during the subsequent procurement and competitive bidding process.” *Id.* at p. 37-38. PGE therefore proposes to rely on an RFP for any information not immediately at its fingertips.

PGE’s analysis was unable to eliminate the availability of 4 of the 19 potentially available plants referenced by Northwest Power and Conservation Council information cited by intervenors. *Id.* at pp. 36-37. For the plants it cannot establish as unavailable for near-term or mid-term PPAs, PGE asserts that the plants are “unlikely” or “may be unlikely” to be able to deliver power to PGE due to their existing transmission rights. *Id.* at p. 37. But PGE still confusingly advocates for its 2020 plan with a 4-year bridge PPA from 2017 to 2021. *See id.* at p. 10 (stating that PGE’s preference is its 2020 Bart III plan, and that plan contains the same generating resources mix as Portfolio 15, which includes a “4-year PPA . . . added in 2017 to balance capacity with other portfolios until a CCCT is added in 2021”).

In sum, PGE has speculated on the bridge PPA issue only to the extent it is necessary to justify PGE’s preferred course of action. PGE has not evaluated bridge PPA options “on a consistent and comparable basis” to other options, such as its own self-build resources, as required by IRP Guideline 1. *See* Order No. 07-002, p. 3. Further, PGE’s attempt to analyze this issue in some still-unannounced RFP is in contradiction with the Commission’s rejection of another investor-owned utility’s attempt to ignore certain independent power options in the IRP docket on the ground that such options can only be analyzed in a procurement docket. *See id.* at p. 4. PGE does not assert that it took any steps to contact any plants mentioned in its Reply Comments to determine their transmission rights and availability, or that it looked to information it may have regarding these plants from prior market purchases from them, or that it looked to information from bids they may have provided in recent procurement dockets. The Commission

can only conclude that PGE has not reviewed all information in its possession or easily obtainable on this issue. Clearly, PGE is preoccupied with its own self-build projects that it is developing, and is most certainly not evaluating all resources consistently.

Multiple other parties in this proceeding have taken note of PGE's inadequate analysis of this crucial issue. *See* PUC Staff Opening Comments, at p. 1 (May 19, 2010); Sierra Club, *et al.* Opening Comments, Technical Addendum, at pp. 13-15 (May 19, 2010); Northwest Energy Coalition Opening Comments, at pp. 7-8 (May 14, 2010). The Citizens Utility Board (CUB) suggested "mothballing" the Boardman plant may be the best option given current information, and also suggested PGE file an addendum to its IRP in the near future as additional Boardman permitting and other information becomes available. *See* CUB Comments, at p. 7 (May 19, 2010).

Along the same lines as CUB's proposal, NIPPC proposes the Commission require PGE to conduct a Request for Information (RFI) to the operators of un-contracted plants potentially available for a near-term to mid-term PPA, and require PGE to file an addendum to the IRP by a date certain, explaining the results of the RFI. NIPPC has attached (as Attachments 2 and 3) to these comments an RFI utilized by NorthWestern Energy that PGE could use, or modify for this purpose. NorthWestern Energy in Montana recently used this RFI to solicit information about IPP renewable energy development opportunities in Montana. The RFI heightened NorthWestern Energy's knowledge base regarding resource opportunities and supported a conclusion that could step directly into resource procurement. By design, the quantity of information requested in the RFI is lower than that requested in typical RFPs, and must be submitted electronically in a standardized spreadsheet format to support streamlined compilation and evaluation of the information provided. NIPPC understands that the Excel template used in this RFI further expedited the information-gathering process by importing data from different responses into a common comparative workbook as part of the first level screening. This RFI helped NorthWestern generate more responses and minimized the time and cost to the utility staff to collect and analyze those responses. NIPPC has attached both a description of the NorthWestern RFI (Attachment 2) and the excel workbook (Attachment 3) utilized to streamline the information gathering process in that RFI process.

An RFI is not an RFP, and does not involve nearly as much time as an RFP. The intent of an RFI is simply to gather information to ensure that all policy options are fully vetted in order to avoid dismissal of viable and available options that could benefit ratepayers. An RFI along the lines of that described in the attachments would not create an undue burden, need not necessarily delay the processing of the IRP, and would prove useful in the Commission's consideration of PGE's options. Even if the RFI were to reveal no cost-effective alternatives to PGE's preferred plans, it would serve to confirm PGE's currently ungrounded assertions.

PGE should therefore follow this model to determine the available bridge PPA options by pursuing a similar RFI for necessary information PGE states to be missing. PGE could easily structure the RFI to request the information necessary for an adequate evaluation, including IPP plant transmission rights to access PGE's system, available capacity, and price ranges at a given term, commencement date, and capacity level. NIPPC proposes that PGE swiftly complete the

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RFI process, re-evaluate its options, and file an addendum to its IRP wherein PGE fully evaluates all types of PPA options not limited to short-term or mid-term PPAs on a consistent basis with its currently preferred resource options.

B. PGE’s Reply Comments ignore NIPPC’s arguments regarding the benefits of independent power as an alternative to utility ownership.

NIPPC’s Opening Comments contained extensive analysis of PGE’s IRP’s inadequate representation of the benefits of PPAs as an alternative to utility ownership, but PGE’s Reply comments have largely ignored NIPPC’s comments. PGE’s reply comments state, “Since the issue of ‘build vs. buy’ is more relevant to a procurement process such as an RFP, than to an IRP, we limit our comments to matters that are relevant to the Commission in this docket.” PGE Reply Comments, at p. 38. PGE then goes on to again ignore the many benefits of PPAs by relying on its analysis in its IRP. NIPPC stands by its earlier comments and limits its responsive comments herein to a critique of PGE’s incomplete and incorrect analysis of the “build vs. buy” issue in PGE’s Reply Comments.

1. PGE’s imputed debt argument does not contest NIPPC’s assertion that PPAs decrease the utility’s business risk regardless of whether any particular credit rating agency may impute debt to certain PPAs.

In Opening Comments, NIPPC pointed out that not only is imputed debt a non-issue for certain credit rating agencies or many PPAs, but also that even though some rating agencies might assign imputed debt to certain PPAs to assess financial risk, credit rating agencies recognize that PPAs typically reduce a utility’s business risk, particularly its power supply procurement risks.” NIPPC Opening Comments, at pp. 8-9. NIPPC acknowledged that some credit rating agencies may impute debt to some PPAs as a matter of financial risk, but NIPPC quoted and discussed one credit rating agency’s analysis of the reduction in overall business risk afforded to utilities by PPAs. *Id.* at pp. 9-10. In response, PGE selectively quoted NIPPC’s comments so that PGE could allege NIPPC’s comments were “factually incorrect” with regard to rating agencies imputing debt to PPAs, and PGE failed to even address the reduction in business risk that rating agencies associate with PPAs. PGE Reply Comments, at p. 38.

First, PGE selectively quoted to state NIPPC made factually incorrect statements. *See id.* (stating, “NIPPC claims ‘. . . S&P imputes some imputed debt while Moody’s and Fitch assign no imputed debt to the same PPA portfolio’”). PGE then discredited NIPPC’s statement as though it was in reference only to PGE. But NIPPC was not referring solely to PGE. NIPPC’s Opening Comments, in full relevant part, merely stated, “*For several utilities with PPA cost recovery mechanisms similar to PGE’s, S&P assigns some imputed debt while Moody’s and Fitch assign no imputed debt to the same PPA portfolio.*” NIPPC Opening Comments, at p. 9 n.6. Furthermore, NIPPC’s statements in its Opening Comments were entirely consistent with a detailed memorandum filed by Staff in the RFP Guideline docket (UM 1182), at least with regard to S&P. *See* Staff’s Opening Comments, Attached Memorandum, UM 1182 (Sept. 30, 2005) (analyzing debt imputation methods by S&P and concluding that debt would not always be imputed). To the extent that PGE may imply in its Reply Comments that all PPAs should be

considered to carry imputed debt, the Commission has already directly rejected this argument. *See Order No. 06-446*, at p. 12 (Aug. 10, 2006) (agreeing with Staff's conclusion that "reserving analysis of imputed debt until the final stage [of the RFP] decreases the possibility of disqualifying a power purchase agreement that should be considered," and requiring an advisory opinion from a rating agency to impute debt even at final stage of the RFP).

Perhaps more importantly, PGE completely failed to acknowledge or dispute in its Reply Comments that PPAs lower a utility's *business* risk, and rating agencies recognize this fact even if they also impute debt as a matter of financial risk. This point is well established. *See also* Staff's Opening Comments, Attached Memorandum, at p. 2, UM 1182 (stating, "Regulated utilities appear to gain favorable treatment by S&P with respect to PPAs"). The Commission can only conclude, therefore, that PGE concedes this point regarding reduction in business risk.

2. PGE's lack of response to NIPPC's critique of the inflated capital costs of PGE's self-built wind farm, and the central issue in this docket of Boardman closure underscore NIPPC's points and undermine PGE's analysis of the "build vs. buy" issue in its IRP and Reply Comments.

NIPPC pointed out in its Opening Comments that the risk to the utility's ratepayers of paying increased costs for underperformance or increased regulatory costs for a generating facility is generally greater for utility built and owned resources than for PPAs. *See* NIPPC Opening Comments, at pp. 10-13. Under a utility ownership structure, the utility and its customers bear all project risks and costs, regardless of whether the utility is able to manage those risks and costs. The PPA structure allows the utility to shift the risks to the third party provider. NIPPC referred to the high capital cost of PGE's Bigelow Canyon Wind Farm Phases I and II (in \$/MW) relative to independently developed wind projects to highlight that an electric utility is not necessarily equipped to perform competitively across all resource types, and that those increased capital costs will likely be passed on to the ratepayers. *Id.* at pp. 12-13. PGE has not even addressed this argument or attempted to dispute this point, presumably because it cannot do so.

NIPPC also reiterates here that the central issue in this docket – early closure of Boardman — highlights very well that a PPA is generally less risky to ratepayers than a utility ownership model. *See id.* at pp. 10-11.

Much of the debate in this IRP docket is regarding the closure date for Boardman that will best protect ratepayers from any ensuing rate increase. If Boardman were contracted to PGE through a PPA, rather than owned by PGE, ratepayers would very likely be on the hook for much less of the increased costs of environmental compliance or existing capital costs after early closure. In contrast, PGE has contracted through a PPA with the Centralia Power Station, a coal-fired plant roughly contemporary with Boardman. It is obvious that the level of risk associated with the 10 year PPA PGE signed with TransAlta, an independent power producer, for its coal-fired generation comes with far less risk than power secured from the utility's Boardman plant. The same would likely be true for a longer-term PPA, which would likely place the economic risk of increased environmental regulation on the plant owner, not the utility and its ratepayers.

- C. **It is now clear that PGE plans to select its proposed Carty Generating Station, and its Port Westward Unit II benchmark resources, and the Commission should take steps to protect ratepayers and better facilitate the competitive bidding process in any upcoming RFP(s).**

NIPPC's Supplemental Opening Comments discussed PGE's pre-RFP permitting of its Carty Generating Station and Port Westward Unit II, the benchmarks against which independent power producers will compete in PGE's upcoming RFP. *See* NIPPC Supplemental Opening Comments, at pp. 2-3 (May 19, 2010). Rather than dispute NIPPC's assertions, PGE actually asserts in the Reply Comments that it will still need the Cascade Crossing transmission project even under an early Boardman closure because, in part, "it is likely the replacement facility would be developed on the Boardman site and/or a site that would use Cascade Crossing to meet its transmission needs." PGE Reply Comments, at p. 20. Although this is not a clear admission that PGE plans to select its own self-built benchmark resource in the upcoming RFP, it should give the Commission pause. PGE appears to also find the location and site of its Port Westward Unit II benchmark to be a huge advantage for that potential resource. *See* IRP, at p. 204. The Commission should take steps to ensure fair RFPs evolve from this IRP to ensure selection of the best resource and protection of ratepayers.

1. **The Commission should order, or at least strongly encourage, PGE to solicit bids from IPPs for build-to-own replacement options at PGE's sites in addition to other IPP options such as long-term PPAs for projects built at non-utility sites or IPP asset sales.**

In light of PGE's perception of the apparent benefits of its Boardman and Port Westward sites and the potential advantages of PPAs the Commission has recognized, NIPPC respectfully requests that the Commission order, or at least strongly encourage, PGE to include in these two RFPs the option for a build-to-own transfer at the PGE-owned benchmark sites.² If the utility is already seeking permits from regulatory agencies and Commission approval of upgraded transmission for its benchmark sites, it is only fair to allow IPPs to bid for development at those sites. At a minimum, such bids could be used as a check against the reasonableness of the utility's own benchmarks.

² NIPPC acknowledges that under current Commission precedent the Commission has stated it will not order utilities to offer their own sites for development by IPPs, but the Commission has stated that it would encourage utilities to offer their site for third party development. *See* Order No. 06-446, at pp. 5-6. NIPPC submits, however, that PGE's apparent pre-selection of its own sites at Boardman and Port Westward in this case warrant the Commission's re-examination of this issue, and an order or at least strong encouragement to allow IPPs to submit build-to-own bids at PGE's sites into any RFPs evolving from this IRP.

2. PGE’s Reply Comments do not even address NIPPC’s suggestion that PGE carve out a portion of its power supply needs it will satisfy with PPAs by holding RFPs without a utility benchmark resource.

NIPPC’s Supplemental Opening Comments included a suggestion that PGE identify a percentage of capacity it will seek from upcoming RFPs without a benchmark resource. *See* NIPPC Supplemental Opening Comments, at pp. 2-4. IRP Guideline 13 directs an electric utility under Commission jurisdiction to “identify any Benchmark Resources it plans to consider in competitive bidding.” Order No. 06-446, at p. 14. Given PGE’s apparent propensity towards pre-selecting its own self-build benchmarks for natural gas plants, NIPPC believes PGE should respond to Guideline 13 in this docket by identifying the *actual amount of nameplate megawatts* that it plans to secure through purchases of power generated by unit contingent resources *that it does not intend to build or subsequently acquire*.

NIPPC stated that it could support a waiver request by PGE to proceed outside the Commission’s RFP Guidelines with a specific amount of new gas-fired thermal capacity provided that amount did not exceed 40 percent of its total thermal resource acquisition requirements as identified in the current IRP. NIPPC Supplemental Opening Comments, at p. 3. NIPPC could support such a proposal if PGE agreed to reserve the remaining 60 percent of its required “replacement power” exclusively from among competitive bids submitted by IPPs under the Commission’s RFP Guidelines. The RFP Guidelines do not require inclusion of a self-build or utility benchmark resource. *See* Order No. 06-446, at pp. 5-6 (setting forth Guideline 4, which allows but does not require a utility self-build option for use as a potential cost comparison). Thus, an agreement to conduct RFPs without a benchmark resource would not compromise PGE’s ability to obtain Commission acknowledgement of the RFP process pursuant to RFP Guideline 7, or acknowledgement of the final shortlist pursuant to RFP Guideline 13.

PGE has not responded to NIPPC’s proposal. NIPPC therefore respectfully requests that the Commission see clear to encourage PGE to state the amount of power it will solicit from IPPs through RFP(s) without a benchmark resource.

Conclusion

NIPPC stands by its Opening Comments and its Supplemental Opening Comments, and further submits and reiterates that PGE has provided inadequate analysis of the availability of a bridge PPA for early Boardman closure, has provided inadequate analysis of the benefits of independent power as an alternative to utility ownership, and is apparently pre-selecting its own benchmark resources in upcoming RFPs mentioned in the IRP. NIPPC respectfully requests that the Commission not acknowledge the IRP for these failures, or alternatively condition acknowledgement on the suggestions set forth in NIPPC’s comments.

Respectfully submitted this 1st day of September, 2010,

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Power Producers Coalition

LC 48

PGE's 2009 Integrated Resource Plan

Response Comments of the Northwest and Intermountain
Power Producers Coalition
September 1, 2010

Attachment 1

PGE's Responses to Data Requests 71, 101, and 108 of
Sierra Club, et. al.

May 07, 2010

TO: Aubrey Baldwin
 PEAC

FROM: Randy Dahlgren
 Director, Regulatory Policy & Affairs

PORTLAND GENERAL ELECTRIC
LC 48
PGE Response to PEAC Data Request
Dated December 3, 2009
Question No. 071

Request:

With reference to the “Boardman 2020 Alternative” Presentation, provide copies of any assessments that have been prepared by or for PGE that have investigated (1) the potential to purchase energy and/or capacity from other suppliers during all of [sic] part of the period July 1, 2014 through December 31, 2020 and/or (2) the cost of purchasing such energy and/or capacity.

Response:

PGE has not performed an assessment of potential power purchase agreements for energy or capacity for delivery during the period of July 1, 2014 through December 31, 2020. Doing so would require speculation as to both supply availability and price in the absence of conducting a market solicitation or competitive bidding process. We believe this would not be a sound basis for performing IRP analysis.

PGE also believes that, in order to fairly and accurately evaluate the cost and risks associated with the potential early closure of a low-cost baseload resource such as Boardman, we should assess the impacts of replacing the plant with a similar long-term, baseload resource such as a natural gas CCCT.

May 07, 2010

TO: Aubrey Baldwin
 PEAC

FROM: Randy Dahlgren
 Director, Regulatory Policy & Affairs

PORLAND GENERAL ELECTRIC
LC 48
PGE Response to PEAC Data Request
Dated December 3, 2009
Question No. 101

Request:

At the March 15, 2009 Technical Conference, Mr. Lobdell from PGE said that you have to look at system constraints if you want to replace a resource. Please provide copies of all assessments or analyses, that have been prepared by or for PGE, that have examined the system constraints that would affect the ability to build a replacement unit or to buy power from a replacement source in the event that Boardman is retired at some time between January 1, 2014 and December 31, 2020.

Response:

Mr. Lobdell's statement was not Boardman-specific. Rather, it was a recognition that transmission system constraints must be considered for any new generation resource that will be used to serve PGE's load. As we explain in the 2009 IRP and in content presented in various public meetings, little new major transmission has been built in the last decade or more and the existing system has multiple cutplanes and points of congestion in every direction from Portland except south down the I-5 corridor. We found in the last two PGE RFPs that transmission access was a limiting factor for many bid proposals over a broad range of geographic locations. In recognition of this, the purpose of the Cascade Crossing proposal is to provide access to new renewable and thermal resources east of the Cascades to serve PGE load and comply with the Oregon RPS.

May 05, 2010

TO: Aubrey Baldwin
 PEAC

FROM: Randy Dahlgren
 Director, Regulatory Policy & Affairs

PORTLAND GENERAL ELECTRIC
LC 48
PGE Response to PEAC Data Request
Dated December 3, 2009
Question No. 108

Request:

At the March 15, 2010 Technical Conference, one of the company's representatives stated ‘2014 doesn't work from a reliability of [sic] a cost basis.’ Please provide all of the studies, assessments or other evidence that supports the conclusion that retirement of Boardman in 2014 wouldn't work from a reliability basis.

Response:

This was a reference to the inability to construct a replacement plant with an online date of mid-2014, in conjunction with uncertainty of being able to execute a cost-effective PPA four years from now. As presented in the 2009 IRP, our energy load-resource balance before acquiring 214 MWa of cost effective energy efficiency and 122 MWa of renewables necessary shows a resource gap of 873 MWa in 2015 with Boardman remaining in the portfolio. Closing Boardman in 2014 would increase the gap to 1,191 MWa. This gap would equate to approximately 43% of the average electricity demand for PGE's entire customer base.

We believe that it would not be prudent for us to assume that such a large amount of generation could be built or acquired from the wholesale energy markets in time to reliably satisfy the gap, especially in a time when there is pressure to close more fossil-fuel facilities. Even if we could obtain the energy from the market, we do not think it is prudent to subject our customers to the cost variability and reliability risks attendant on obtaining roughly one-half of our electricity supply from market purchases. See also our response to PEAC 071 and 101 and our response to OPUC Data Request 050.

LC 48

PGE's 2009 Integrated Resource Plan

Response Comments of the Northwest and Intermountain Power
Producers Coalition
September 1, 2010

Attachment 2

NorthWestern Energy Request for Information



REQUEST FOR INFORMATION

RENEWABLE RESOURCES AND
COMMUNITY RENEWABLE ENERGY PROJECTS

Request Issued August 17, 2009

Informational Summaries Due September 30, 2009

Lands Energy Consulting
2719 California Avenue SW
Suite 5
Seattle, WA 98116

1. INTRODUCTION

NorthWestern Energy seeks 25 to 75 MW of renewable project capability for its Montana energy resource portfolio. In order to achieve this goal, information is requested from developers, land owners, energy companies, Montana businesses and any other potential business partners that either already own/operate or could develop a renewable electric generating resource that could be used to serve the NorthWestern Energy's Montana Supply customers and meet its renewable portfolio standard (hereafter referred to as "Respondent" or "Respondents"). It is important that any project meet the standards for renewable electric power generation as those standards have been defined in Montana law, which is further defined below. NorthWestern also seeks information for Renewable Projects that additionally meet the Montana Definition of Community Renewable Energy Project, or "CREP". Please note that this request will accept responses from projects whether they meet the additional requirements as a CREP or not.

NorthWestern Energy prefers to own the projects through outright purchase of the project, but proposals for both equity purchases and long-term Power Purchase Agreements ("PPAs") will be considered.

This Request For Information, or "RFI", has been issued by NorthWestern Energy as a way to collect information on a variety of renewable generating projects in a relatively short time without imposing the fairly stringent preparation requirements related to a full blown Request For Proposals or "RFP". Based on the information procured through this RFI, NorthWestern Energy may choose to conclude the process in any of the following manners:

1. Enter directly into bilateral discussions for the purchase of the project from the proposer. Ownership transfer may occur before or after commercial operation as may be determined by the parties. NorthWestern may contemplate operations and maintenance agreements with 3rd parties for projects purchased outright.
2. Enter directly into bilateral discussions for the purchases of the project output under a long-term purchase power agreement, allowing the proposer to retain ownership and operational responsibilities.
3. Issue a Request for Proposals as a method to further screen proposals.
4. Do nothing.
5. Any combination of 1-4 as determined by NorthWestern Energy.

It is anticipated that the RFI process will be completed more rapidly than an RFP process and allow NorthWestern to pursue renewable resources in a more efficient manner. The process is intended also to reduce the burden on Respondents. NorthWestern is only interested in projects that will deliver a bundled product comprised of energy and renewable energy attributes (ie renewable energy credits or RECs).

Renewable Projects

MCA 69-3-2003 includes the following explanation of qualifying renewable energy projects:

Eligible renewable resource means a facility either located within Montana or delivering electricity from another state into Montana that commences commercial operation after January 1, 2005, and that produces electricity from one or more of the following sources:

- a. wind;
- b. solar;
- c. geothermal;

- d. water power, in the case of a hydroelectric project that does not require a new appropriation, diversion, or impoundment of water and that has a nameplate rating of 15 megawatts or less;
- e. landfill or farm-based methane gas;
- f. gas produced during the treatment of wastewater;
- g. low-emission, nontoxic biomass based on dedicated energy crops, animal wastes, or solid organic fuels from wood, forest, or field residues, except that the term does not include wood pieces that have been treated with chemical preservatives such as creosote, pentachlorophenol, or copper-chroma-arsenic;
- h. hydrogen derived from any of the sources in this subsection (7) for use in fuel cells;
- i. and the renewable energy fraction from the sources identified in subsections (7)(a) through (7)(h) of electricity production from a multiple-fuel process with fossil fuels.

NorthWestern has a 135 MW PPA in place with the Judith Gap Wind Project and seeks diversification within the renewable portfolio. Diversification may take the form of adding other types of renewable resources or adding wind resources from a different wind regime than Judith Gap.

Community Renewable Energy Projects - CREP

MCA 69-3-2003(3) as amended defines Community renewable energy project as an eligible renewable resource that is interconnected on the utility side of the meter in which local owners have a controlling interest and that is less than or equal to 25 megawatts in total calculated nameplate capacity. MCA 69-3-2003(8) defines Local owners as:

- a. Montana residents or entities composed of Montana residents;
- b. Montana small businesses;
- c. Montana nonprofit organizations;
- d. Montana-based tribal councils;
- e. Montana political subdivisions or local governments;
- f. Montana-based cooperatives other than cooperative utilities; or
- g. any combination of the individuals or entities listed in subsections (8)(a) through (8)(f).

Total calculated nameplate capacity means the calculation of total nameplate capacity of the community renewable energy project and other eligible renewable resources that are:

- (a) located within 5 miles of the project;
- (b) constructed within the same 12-month period; and
- (c) under common ownership.

Lands Energy Consulting

The Utility has contracted with Lands Energy Consulting (LEC) to administer the RFI and serve as the point of contact with Respondents. LEC will receive information and compose summaries for review by Utility staff. Unlike past RFPs conducted by the Utility, this will not be a “blinded” process and Utility staff will have access to the Respondents’ information throughout the process. **Any inquiries or correspondence regarding this RFI should be directed to LEC:**

Tim Castille
castille@landsenergy.com
360-885-4567

Steve Lewis
slewis@landsenergy.com
206-726-3695

2. FORMAT FOR THIS RFI

In order to facilitate submission and review, the Utility will accept information packets via email using a preset streamlined format. On or before the day when responses are due, Respondents should email submissions consisting of a PDF document including an executive summary describing the resource as well as a description of the experience of the project team. The information sought in this summary is described in Section 2.1 below. In addition to the executive summary Respondents should return the Excel spreadsheet RFI Information Packet provided with this RFI including information requested for each resource type.

2.1 EXECUTIVE SUMMARY

In addition to filling out the Excel spreadsheet provided with this RFI, Respondents should provide a brief summary of the project, including any and all key elements that are appropriate for evaluating the merits of the project. Project summaries should be high-level summaries appropriate for use in executive briefing sessions and limited if possible to no more than two pages. The project summary shall include but not be limited to such facts as the status of siting and lease arrangements (land control), permits, transmission interconnection agreements, environmental studies, turbine/engine equipment and project design overview, status of construction agreements, expected date of commercial operation, project schedule and an overview of your company and project financing plans or capability. Wind resource and expected energy production information (if available) should be provided. Please also describe the proposed credit support available to support the Respondent's obligations under a future contract. If a PPA is proposed, describe the terms for exercising options to transfer ownership of the generating resource to the Utility. Include a description of your project team, its experience, qualifications and track record of developing and operating similar projects.

2.2 RFI INFORMATION PACKET

The Excel spreadsheet should be self-explanatory with an instructions tab, a cover sheet tab and tabs for information on each resource type sought in this RFI. If a Respondent has questions please direct them to Tim Castille or Steve Lewis. Contact information is provided in Section 1.

2.3 TERM

The Utility prefers to purchase and own Renewable Projects, but will consider PPAs available for no less than ten (10) years with twenty (20) years being preferable.

2.4 PROJECT SIZE

NorthWestern seeks up to 75 MW renewable generating capacity available to purchase or for contracting. Of this amount, up to 45 MW will need to comply with the NorthWestern's obligations to meet community renewable resource requirements meaning that individual resources will need to be 25 MW nameplate capacity or less.

2.5 RFI SCHEDULE

ITEM	DATE	TIME
Release of RFI	August 17, 2009	N/A
Deadline to submit responses	September 30, 2009	4:00 pm PPT
Completion of Review and notification to Respondents	October 30, 2009	

Electronically submitted responses should be sent to Tim Castille at castille@landsenergy.com and a copy sent to Steve Lewis at slewis@landsenergy.com. Responses may also be delivered to the address below. If hard copy responses are submitted, please provide four copies.

NorthWestern Energy RFI
c/o Lands Energy Consulting
2719 California Avenue SW
Suite 5
Seattle, WA 98116

3. ADDITIONAL PROVISIONS

3.1 RIGHT TO TAKE NO ACTION

The Utility reserves the right to enter into bilateral negotiations with Respondents, shortlist Respondents or take no action at its sole discretion.

3.2 CONFIDENTIALITY

Respondents shall clearly identify portions of their proposals that they do not want revealed to third parties. The Utility will not accept proposals or other documents that are marked to indicate the entire document is the confidential or proprietary information of the sender or that restricted handling is required. Normal business practices will be observed in handling proposal materials. If the respondent considers the Cost Proposal or resource data to be confidential or proprietary, those portions of the proposal must be clearly marked “Confidential” on every page.

Except as required under law or for regulatory purposes, the Utility will maintain confidentiality of such information. The Utility may also provide copies of the proposals and any related materials to its consultants and contractors, although such consultants and contractors will be required by the Utility to maintain the confidentiality of such information. If the Utility is compelled to provide such confidential information, respondent shall be responsible for defending the confidential status of the information.

3.3 REGULATORY APPROVALS

NorthWestern Energy may be required to submit any transaction resulting from this process to the Montana PSC for approval. Any transactions, therefore, may include provisions such that the transaction will not be completed until the regulatory approvals are received. Failure to receive approval would result in termination of the agreement. All respondents will be expected to assist NorthWestern Energy in the preparations of regulatory filings. Moreover, to the extent Respondent wishes to seek a protective order for information to be submitted to the MPSC, Respondent shall be responsible, at its sole cost and expense, for preparing and submitting any such protective order to the MPSC. Any such request for a protective order, regardless of whether such request for protective order is granted,

does not in any way limit NorthWestern's ability to submit information obtained through this RFI process to the MPSC as part of complying with any portion of an MPSC or other regulatory proceeding.

3.4 OWNERSHIP AND RETURN OF RESPONSES

All materials submitted as part of this RFI shall become the property of NorthWestern Energy and shall not be returned.

3.5 COST OF RESPONDING

Each response prepared in response to this RFI will be prepared at the sole cost and expense of the Respondent and with the express understanding that there will be no claims whatsoever for reimbursement from the Utility.

Respondent's Packet

Response to:

NorthWestern Energy Request For Information

Due: September 30, 2009

Respondent's Information

Company (contracting entity for proposed project): _____

Corporate Owners including all JV entities: _____

Contact Person: _____

Alternative Contact Person: _____

Address: _____

City, State, Zipcode: _____

Phone: _____

Email: _____

Fax: _____

Submitting Proposal(s) for *(check all that apply)*

<input checked="" type="checkbox"/> Existing Resource	<input checked="" type="checkbox"/> Under Development/Proposed
Biomass Resource	Biomass Resource
Geothermal Resource	Geothermal Resource
Landfill Gas Resource	Landfill Gas Resource
Small Hydro Resource	Small Hydro Resource
Wind Resource	Wind Resource
Solar	Solar

Attestation

I, the undersigned, attest that I am a duly authorized officer or agent of the company submitting the proposal indicating that the proposal is valid, and the term of validity. The proposal is genuine; not made in the interest of, or on behalf of, any undisclosed person, firm, or corporation; and is not submitted in conformity with an agreement of rules of any group, association, organization, or corporation.

1. The respondent has not directly or indirectly induced or solicited any other respondent to submit a false or sham proposal.
2. The respondent has not solicited or induced any other person, firm, or corporation to refrain from proposing.
3. The respondent has not sought by collusion to obtain for himself/herself any advantage over any other respondent, and
4. That the resulting contracts and obligations if any shall not be sold or reassigned without the prior written permission of the NorthWestern Energy.

Signature: _____ Date: _____

Name: _____

Biomass Resource

Resource Information

Name of Resource

State: _____ County: _____ Substation: _____

Turbine/Engine Information:

box if final turbine selection has not been made, then list candidates under consideration and status of decision.

Number:

Size:

Manufacturer: _____

Notes:

Nameplate Capacity Available for Sale:

Equity Sale of Project:

Proposed Sale Price: \$USD

Capacity Offered: _____ MW

% of Plant: _____ %

Sale Date: _____ Month/Year

status as of sales date:

PPA Price for Output Inclusive of RECs (assuming renewal of PTC in current form):

Indicate term of sale: years Delivery Point:

Additional Resource Information

Capacity Factor: _____ Annual Percentage

Cost to Construct \$USD

Variable O&M First Year Cost: _____ \$/MWh Escalation: _____ Annual Percentage

Fixed O&M First Year Cost: _____ \$/kw-yr Escalation: _____ Annual Percentage

Expected Mechanical Availability: _____ Annual Percentage

Identify any planned cogeneration features of the project

Identify any flexibility in the dispatching of the project:

Describe availability of biomass material (including plans to address winter access to fuel supply)

If Resource Currently Exists

Commercial Operation Date: _____ mm/dd/yy

If Resource is in Development/Proposed

Planned On-Line Date: _____ mm/dd/yy

Status of Procurement of Major Equipment:

Status of EPC Contractor(s):

Status of Transmission Interconnection:

Identify the Balancing Authority (Control Area):

Status of Transmission Requests, Include POR(s) and POD(s)

Status of Financing:

Status of Permitting and Environmental Reviews:

Does the Project qualify as a Community Renewable Energy Project (CREP)? If yes, please explain why with a detailed explanation of the ownership structure.

Describe any uncertainties related to the project development, especially as they relate to likelihood of completion, costs, and environmental attributes:

Monthly Diurnal Production (MWh)

Indicate if data are historical or forecast, if additional data are on another tab and note any further information about the data

Enter resource's monthly diurnal production to the extent possible. See 'Instructions' tab for further direction. Add another tab with additional data if available. Insert "Year" in upper left cells.

Geothermal Resource

Resource Information

Name of Resource:

State: _____ County: _____ Substation: _____

Equipment/Design Information:

x box if final turbine selection has **not** been made, then list candidates under consideration and status of decision.

Tech/Config:

Size:

Manufacturer: _____

Notes:

Nameplate Capacity Available for Sale:

Equity Sale of Project:

Proposed Sale Price: \$100,000

\$USD

Capacity Offered:

MW

% of Plant:

%

status as of sales date:

PPA Price for Output Inclusive of RECs (assuming renewal of PTC in current form):

Additional Resource Information

Capacity Factor: _____

Cost to Construct _____ \$USD

Variable O&M First Year Cost: _____ \$/MWh Escalation: _____ Annual Percentage

Fixed O&M First Year Cost: _____ \$/kw-yr Escalation: _____ Annual Percentage

Expected Mechanical Availability: _____ Annual Percentage

If Resource Currently Exists

Commercial Operation Date: _____ mm/dd/yy

If Resource is in Development/Proposed

Planned On-Line Date: _____ mm/dd/yy

Status of Procurement of Major Equipment:

Status of EPC Contractor(s):

Status of Transmission Interconnection:

Identify the Balancing Authority (Control Area):

Status of Transmission Requests, Include POR(s) and POD(s):

Status of Financing:

Status of Permitting and Environmental Reviews:

Status of Water Rights:

Status of Engineering Review of Energy Production Potential

Does the Project qualify as a Community Renewable Energy Project (CREP)? If yes, please explain why with a detailed explanation of the ownership structure.

Describe any uncertainties related to the project development, especially as they relate to likelihood of completion, costs, and environmental attributes:

Monthly Diurnal Production (MWh)

Indicate if data are historical or forecast, if additional data are on another tab and note any further information about the data.

Enter resource's monthly diurnal production to the extent possible. See 'Instructions' tab for further direction. Add another tab with additional data if available. Insert "Year" in upper left cells.

Landfill Gas Resource

Resource Information

Name of Resource

State: _____ **County:** _____ **Substation:** _____

Turbine/Engine Information:

*x box if final turbine selection has **not** been made, then list candidates under consideration and status of decision.*

Number:

Size:

Manufacturer: _____

Notes:

Nameplate Capacity Available for Sale:

Equity Sale of Project:

Proposed Sale Price:

\$USD

Capacity Offered:

MW

% of Plant:

%

status as of sales date:

Price at Delivery Point for Output Inclusive of RECs (assuming renewal of PTC in current form):

Additional Resource Information

Capacity Factor: _____

Cost to Construct _____ \$USD

Variable O&M First Year Cost: _____ \$/MWh Escalation: _____ Annual Percentage

Fixed O&M First Year Cost: _____ \$/kw-yr Escalation: _____ Annual Percentage

Expected Mechanical Availability: _____ Annual Percentage

If Resource Currently Exists

Commercial Operation Date: _____ mm/dd/yy

If Resource is in Development/Proposed

Planned On-Line Date: _____ mm/dd/yy

Status of Procurement of Major Equipment:



Status of EPC Contractor(s):



Status of Transmission Interconnection:



Identify the Balancing Authority (Control Area):



Status of Transmission Requests, Include POR(s) and POD(s):



Status of Financing:



Status of Permitting and Environmental Reviews:

Does the Project qualify as a Community Renewable Energy Project (CREP)? If yes, please explain why with a detailed explanation of the ownership structure.

Describe any uncertainties related to the project development, especially as they relate to likelihood of completion, costs, and environmental attributes:

Insert Gas Curve Below

Monthly Diurnal Production (MWh)

Indicate if data are historical or forecast, if additional data are on another tab and note any further information about the data

Enter resource's monthly diurnal production to the extent possible. See 'Instructions' tab for further direction. Add another tab with additional data if available. Insert "Year" in upper left cells.

Small Hydro Resource

Resource Information

Name of Resource:

State: _____ County: _____ Substation: _____

Turbine Information:

*x box if final turbine selection has **not** been made, then list candidates under consideration and status of decision.*

Number:

Size:

Manufacturer: _____

Notes:

Nameplate Capacity Available for Sale:

Equity Sale of Project:

Proposed Sale Price: \$USD

Capacity Offered: _____ MW

% of Plant:

Sale Date: _____ Month/Year _____

status as of sales date:

Price at Delivery Point for Output Inclusive of RECs (assuming renewal of PTC in current form):

Historical Streamflow Information by Month and Year (cubic feet per second)

Expand this table as necessary to include all available data.

Additional Resource Information

Capacity Factor: _____

Cost to Construct _____ \$USD

Variable O&M First Year Cost: _____ \$/MWh Escalation: _____ Annual Percentage

Fixed O&M First Year Cost: _____ \$/kw-yr Escalation: _____ Annual Percentage

Expected Mechanical Availability: _____ Annual Percentage

If Resource Currently Exists

Commercial Operation Date: _____

If Resource is in Development/Proposed

Planned On-Line Date: _____

Status of Procurement of Major Equipment:



Status of EPC Contractor(s):



Status of Transmission Interconnection:



Identify the Balancing Authority (Control Area):



Status of Transmission Requests, Include POR(s) and POD(s):



Status of Financing:



Status of Permitting and Environmental Reviews:

Does the Project qualify as a Community Renewable Energy Project (CREP)? If yes, please explain why with a detailed explanation of the ownership structure.

Describe any uncertainties related to the project development, especially as they relate to likelihood of completion, costs, and environmental attributes:

Monthly Diurnal Production (MWh)

Indicate if data are historical or forecast, if additional data are on another tab and note any other pertinent information about the data.

Enter resource's monthly diurnal production to the extent possible. Use historical data if resource currently exists. If in development, use historical streamflows to indicate potential hydroelectric production for as many years as possible. See 'Instructions' tab for further direction. Add another tab with additional data if available. Insert "Year" in upper left cells.

Solar Resource

Resource Information

Name of Resource: _____
State: _____ County: _____ Substation: _____

Technology Information:

χ box if final turbine selection has not been made, then list candidates under consideration and status of decision.

Tech/Config: _____

Number: _____

Size: _____

Manufacturer: _____

Notes: _____

Nameplate Capacity Available for Sale: _____

Equity Sale of Project:

Proposed Sale Price: _____ \$USD

Capacity Offered: _____ MW

% of Plant: _____ %

Sale Date: _____ Month/Year

status as of sales date: _____

Price at Delivery Point for 20-50 MW of Nameplate Capacity Inclusive of RECs (assuming renewal of PTC in current form):

Indicate term of sale: _____ years Delivery Point: _____

YR	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Price \$/MWh										
YR	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Price \$/MWh										

Forecast Hourly Production Table (MWh)

Additional Resource Information

Capacity Factor: _____

Cost to Construct _____ \$USD

Variable O&M First Year Cost: _____ \$/MWh Escalation: _____ Annual Percentage

Fixed O&M First Year Cost: _____ \$/kw-yr Escalation: _____ Annual Percentage

Expected Mechanical Availability: _____ Annual Percentage

If Resource Currently Exists

Commercial Operation Date: _____ mm/dd/yy

If Resource is in Development/Proposed

Planned On-Line Date: _____ mm/dd/yy

Status of Procurement of Major Equipment:

Status of EPC Contractor(s):

Status of Transmission Interconnection:

Identify the Balancing Authority (Control Area):

Status of Transmission Requests, Include POR(s) and POD(s):

Status of Financing:

Status of Permitting and Environmental Reviews:

Does the Project qualify as a Community Renewable Energy Project (CREP)? If yes, please explain why with a detailed explanation of the ownership structure.

Describe any uncertainties related to the project development, especially as they relate to likelihood of completion, costs, and environmental attributes:

Wind Resource

Resource Information

Name of Resource

State: _____ County: _____ Substation: _____

Turbine Information:

x box if final turbine selection has not been made, then list candidates under consideration and status of decision.

Number:

Size:

Manufacturer: _____

Notes:

Nameplate Capacity Available for Sale:

Equity Sale of Project:

Proposed Sale Price:

\$USD

Capacity Offered:

MW

% of Plant: _____

%

Sale Date: _____

status as of

Price at Delivery Point for 20-50 MW of Nameplate Capacity Inclusive of RECs (assuming renewal of PTC in current form):

Indicate term of sale: years Delivery Point:

Forecast Hourly Production Table (MWh)

Additional Resource Information

Capacity Factor: _____

Cost to Construct \$USD

Variable O&M First Year Cost: _____ \$/MWh Escalation: _____ Annual Percentage

Fixed O&M First Year Cost: _____ \$/kw-yr Escalation: _____ Annual Percentage

Expected Mechanical Availability: _____ Annual Percentage

If Resource Currently Exists

Commercial Operation Date: _____ mm/dd/yy

If Resource is in Development/Proposed

Planned On-Line Date: _____ mm/dd/yy

Status of Procurement of Major Equipment:

Status of EPC Contractor(s):

Status of Transmission Interconnection:

Identify the Balancing Authority (Control Area):

Status of Transmission Requests, Include POR(s) and POD(s)

Status of Financing:

Status of Permitting and Environmental Reviews

Does the Project qualify as a Community Renewable Energy Project (CREP)? If yes, please explain why with a detailed explanation of the ownership structure.

Describe any uncertainties related to the project development, especially as they relate to likelihood of completion, costs, and environmental attributes:

Instructions for Bidder's Packet

Refer to the NorthWestern Energy - Request for Information ("RFI") for further information on the RFI process.

In addition to populating and submitting this Packet, also submit an Executive Summary as described in Section 2 of the RFI document.

Complete 'Cover Sheet' tab and all tab(s) for resource(s) on which you are bidding.

- Insert information on lines and in shaded cells.
- If bidding on more than one project of the same resource type, create a copy of the resource tab and leave tab named as "[resource] (#)."

'Price' Table:

Insert price (inclusive of RECs) in \$/MWh at forecast capacity factor.

'Monthly Diurnal Production (MWh)' Table:

Enter production data to the fullest extent possible. Use the text box above the table to indicate which of the three types of data described below are included in the table, and any other pertinent information.

- 1) Historical diurnal production based on a record of operation.
 - 2) Diurnal production calculated based on historical data.
 - 3) Forecasted diurnal production.
- For Wind Resource, enter historical Monthly Diurnal Production in MWh for all years of operation (starting on line 81).
 - For Small Hydro Resource, if resource is operating, enter actual historical Monthly Diurnal Production in MWh for all years of operation. If under development, use historical streamflows to indicate potential hydroelectric production for as many years as possible.

Definitions:

"COD" means Commercial Operating Date

"EPC" means Engineer, Procure and Construct

"POD" means Point of Delivery

"POR" means Point of Receipt

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 1st day of September, 2010, a true and correct copy of the
Ewithin and foregoing **RESPONSE COMMENTS OF THE NORTHWEST AND INTER-
MOUNTAIN POWER PRODUCERS COALITION** was served as shown to:

G. Catriona McCracken (C) CITIZEN'S UTILITY BOARD OF OREGON catriona@oregoncub.org (waived paper service)	<input type="checkbox"/> Hand Delivery <input type="checkbox"/> U.S. Mail, postage pre-paid <input type="checkbox"/> Facsimile <input checked="" type="checkbox"/> Electronic Mail
Gordon Feighner (C) Robert Jenks CITIZEN'S UTILITY BOARD OF OREGON gordon@oregoncub.org (waived paper service)	<input type="checkbox"/> Hand Delivery <input type="checkbox"/> U.S. Mail, postage pre-paid <input type="checkbox"/> Facsimile <input checked="" type="checkbox"/> Electronic Mail
Irion A Sanger (C) Davison Van Cleve 333 SW Taylor Ste 400 Portland OR 97204 las@dvcclaw.com	<input type="checkbox"/> Hand Delivery <input checked="" type="checkbox"/> U.S. Mail, postage pre-paid <input type="checkbox"/> Facsimile <input checked="" type="checkbox"/> Electronic Mail
Stephanie S Andrus (C) Department of Justice 1162 Court Street, NE Salem OR 97301-4096 stephanie.andrus@state.or.us	<input type="checkbox"/> Hand Delivery <input checked="" type="checkbox"/> U.S. Mail, postage pre-paid <input type="checkbox"/> Facsimile <input checked="" type="checkbox"/> Electronic Mail
Janet L Prewitt (C) Department of Justice Janet.prewitt@doj.state.or.us (waived paper service)	<input type="checkbox"/> Hand Delivery <input type="checkbox"/> U.S. Mail, postage pre-paid <input type="checkbox"/> Facsimile <input checked="" type="checkbox"/> Electronic Mail
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 Facsimile
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Michael Armstrong **(C)**
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