

**Renewable  
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Project**

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Renewable Northwest Project

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UM 1345

Portland General Electric	)	
Request for Proposals for	)	Comments of the
Energy Resources	)	Renewable Northwest Project
	)	
	)	

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Renewable Northwest Project (RNP) appreciates this opportunity to provide comments on PGE’s March 26, 2008 revised Draft Request for Proposals (RFP) for renewable energy resources. This RFP specifically for renewable resources is an exciting and welcome precedent. RNP’s interest in the RFP is to ensure that the effort is successful in fairly selecting a variety of cost-effective renewable resources to serve PGE’s customers. In general, PGE’s RFP appears set to accomplish that goal. However, RNP recommends a few changes in the comments below.

1) Protection Against Unrealistic Bids. The RFP places understandable emphasis on price as an evaluation factor in bid scoring. However, it is unclear how the draft RFP anticipates discerning unrealistically low bids, in order to remove them from short list consideration. Removing unrealistic bids is important in ensuring successful acquisitions in a timely manner, reducing the time spent on bids that are unlikely to succeed. One way to address this may be to require pro forma project financing reports to show how the bid price is derived. There may be other means that PGE prefers, but the draft RFP appears, as currently construed, to be particularly susceptible to a “low-bidding” strategy.

2) Variability of Output Specification. Bullet three under the “Price Factors” heading on page 17 suggests that the bid evaluation will take “variability of output...” into consideration. This is poorly defined. For wind projects not yet operating, it is common practice to require a year’s worth of hourly (8,760 data points) historical wind data, preferably converted to megawatts. PGE may want to recommend that the data come from a consistent period (e.g., March 2007 to March 2008) to the extent possible. The “Monthly Output Variability of the Bid (MWh)” table on page 39 will reveal some of the characteristics of a project, but not all the variability PGE appears to seek. PGE may want to reconsider the “On-Peak” and “Off-Peak” categories in that table to indicate specific hours of the day (e.g., hours ending 07-22, and hours ending 23-06). Unless specific calendar years are indicated, the on-peak and

off-peak categories are somewhat ambiguous regarding the number of Sundays, etc. in the computation.

3) Allowed Maintenance Periods for Guaranteed Availability Factor (GAF). The “Resource Output” table in Appendix E on page 38 requires annual maintenance outages limited to certain prescribed time periods. This kind of requirement makes sense for power plants with few large generators, but may result in unduly high operation and maintenance costs for larger wind projects with many, relatively smaller generators. It would make greater sense to limit outages outside the prescribed time periods to a percentage of project nameplate generating capability.

4) Scoring Ambiguity. Other than specifying that 60 percent of the scoring will be based on price, the RFP appears silent on how PGE intends to score each of the evaluation criteria, or the maximum possible score for any particular criterion. Non-price factors such as Project Development, Point of Delivery, Physical Project Characteristics, Product Characteristics, etc., are cited but no indication is given regarding the relative importance of any of these, or how they might be scored. It is important for bidders to understand the tradeoffs among these potentially competing aspects in order to optimize their bids. For example, as written, the bidder has no way of evaluating the importance of supplying firm product on an hourly basis, versus potentially engaging one or more third parties to provide shaping services and prior scheduling notice. Not only does the lack of clarity reduce the likelihood of obtaining the best possible bids, it introduces ample opportunity for biased or subjective scoring. The RFP needs to provide much greater detail on how PGE intends to score each of the evaluation criteria.

Again, we appreciate this opportunity to provide our comments and look forward to a successful RFP process.

## CERTIFICATE OF SERVICE

I hereby certify that I served the foregoing **COMMENTS OF THE RENEWABLE NORTHWEST PROJECT** on the following persons on March 28, 2008, by hand-delivering, faxing, e-mailing, or mailing (as indicated below) to each a copy thereof, and if mailed, contained in a sealed envelope, with postage paid, addressed to said attorneys at the last known address of each shown below and deposited in the post office on said day at Portland, Oregon:

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DATED this 28<sup>th</sup> day of March, 2008.

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