

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UM 2059

In the Matter of

PACIFICORP, dba PACIFIC POWER,  
2020AS Request For Proposals (RFP).

COMMENTS ON THE  
INDEPENDENT EVALUATOR'S  
REPORT FILED NOVEMBER 20,  
2020.

Staff would like to thank the Independent Evaluator (IE), PA Consulting, for its thorough treatment of PacifiCorp's 2020 All Source Request for Proposals (RFP) process in its Updated Status Report (IE Report) filed on November 20, 2020. PA Consulting has provided review and oversight of PacifiCorp's RFP process to date and used its significant expertise to help search for potential issues visible at this time that could impact the value to ratepayers through inaccuracy or bias in the treatment of different bids.

Staff would also like to thank PacifiCorp for its participation and engagement with the IE and with Staff. The RFP analysis has included many complex modeling runs, and PacifiCorp has been responsive in answering questions and providing requested data to both Staff and the IE while working on a tight timeline to complete RFP analysis for a large number of bids.

The IE's review of bid scoring helped identify several modeling issues and potential modeling issues that were subsequently addressed by PacifiCorp. Staff is encouraged to see that, given a set of complex models used to evaluate a sample of RFP bids, PA Consulting was able to achieve similar price score results to PacifiCorp by adding bidder inputs to the models and running them independently.

The Initial Shortlist (ISL) selection process described by the IE raises a question for Staff. Staff would like PacifiCorp to clarify whether the Integrated Resource Plan (IRP) models are being asked to select bids to meet a planning reserve margin in 2030 specifically, or whether the models are being asked to meet a planning reserve margin throughout the planning timeframe with a combination of RFP bids and other proxy resources. Staff would be concerned if the

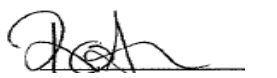
models were being asked to meet a reserve margin in 2030 using only RFP bids, since that would likely result in more acquisition than necessary by 2024.

As described in the IE Report, the Large Generator Interconnection Agreement (LGIA) issue only affected a small number of bids, since many of the bids with signed LGIAs turned out to also be high-ranking bids. Nonetheless, PacifiCorp and the IEs developed a method to help address the issue. After the IRP models selected a portfolio of bids, the Oregon and Utah IEs recommended the addition of extra bids to the ISL in order to help ensure that potentially cost-effective bids without LGIAs were considered. The bids added were high-ranking bids without LGIAs that would have been included if not for the LGIA issue. While the addition of extra bids to the ISL does not reverse the effects of the LGIA issue, it does ensure that bids without LGIAs have the chance to be considered, while respecting constraints around LGIA contractual obligations, cluster study application and Production Tax Credit (PTC) deadlines, and interconnection capacity.

One thing the IE report does not address, and that the Commission may want to consider, is whether PacifiCorp should have included language in its draft RFP on the limitations resulting from signed LGIAs' reservation on interconnection capacity. This limitation reduced the amount of non-LGIA bid capacity that could be selected in certain locations, and it was not made abundantly clear in the Draft RFP. Staff does not take a position on this question at this time, but notes that the Commission may want at some point to provide guidance for the company regarding similar circumstances in the future.

Regarding the market price sensitivity, Staff thanks the IE and PacifiCorp for their participation and collaboration in discussions of the methodology to be used by PacifiCorp. Staff looks forward to seeing the indicative analysis to be filed by PacifiCorp by December 10, 2020 and to working further with PacifiCorp and the IE to refine the analysis and develop reporting metrics for the Company to present with the Final Shortlist (FSL) analysis.

Dated this 4<sup>th</sup> day of December, 2020.

A handwritten signature in black ink, appearing to read 'Rose Anderson', is written over a horizontal line.

Rose Anderson  
Senior Economist  
Energy Resources and Planning Division