## BEFORE THE PUBLIC UTILITY COMMISSION

## **OF OREGON**

#### UM 2193

In the Matter of

PacifiCorp, dba Pacific Power,

Application for Approval of 2022 All-Source Request for Proposals

NORTHWEST & INTERMOUNTAIN POWER PRODUCERS COALITION'S COMMENTS ON PACIFICORP'S DRAFT 2022 RFP

## I. INTRODUCTION

The Northwest & Intermountain Power Producers Coalition ("NIPPC") hereby respectfully submits these comments on PacifiCorp's Draft 2022 All-Source Request for Proposals ("AS RFP"). NIPPC is pleased PacifiCorp has proposed this RFP to meet its needs for significant energy, capacity, and renewable resources. As explained below, NIPPC recommends that the Oregon Public Utility Commission (the "Commission" or "OPUC") require revisions and clarifications identified in these comments to PacifiCorp's Draft 2022 AS RFP.

In accordance with the schedule established by Staff in this proceeding, NIPPC is only commenting on the Draft RFP. NIPPC previously submitted comments on the proposed scoring and modeling methodology. NIPPC does not repeat those comments but maintains those previous suggestions. These comments address issues and topics not raised in the first set of comments.

NIPPC recommends the Commission direct PacifiCorp to make changes to its

Draft 2022 AS RFP so that a broad number and type of bids are allowed to ensure the

least cost and least risk resources are selected. PacifiCorp is planning to submit benchmark bids (utility-owned proposals) into the 2022 AS RFP. Thus, it is important to ensure a wide variety of resource bids are allowed in the 2022 RFP so that the least cost and least risk resources are identified. Therefore, NIPPC recommends the Commission direct PacifiCorp to: 1) extend commercial operation date ("COD") until the end of 2028 for all projects if Cluster Study results show the time to interconnect the generating facilities will extend beyond the end of 2026; 2) allow co-located renewable energy plus storage bids for alternating current ("AC") coupled storage resources and direct current ("DC") coupled storage resources; 3) accept conditional firm transmission; 4) allow different configurations of bids per project site without requiring the bidder to pay additional bid fees; 5) clarify what is meant when the nameplate capacity must be consistent and supported by an interconnection; and 6) allow off-system build-transfer agreement ("BTA") proposals if the BTA bids can secure firm transmission service to move the energy to PacifiCorp's system.

## II. COMMENTS

A. Extend COD if a Large Number of Projects from Cluster Study Show the Time to Interconnect will Extend Beyond End of 2026

The COD should be extended if a large number of projects for a Cluster Study result shows the time to interconnect the generating facilities will extend past the end of 2026. PacifiCorp is requiring new and existing resource bids to achieve COD and/or

PacifiCorp Application to Open Independent Evaluator Selection Docket at 8 (Sept. 2, 2021).

begin deliveries to PacifiCorp by December 31, 2026.<sup>2</sup> PacifiCorp is accepting CODs for long-lead time resources (nuclear, pumped storage hydro) of December 31, 2028.<sup>3</sup> NIPPC assumes that PacifiCorp's benchmark will be able to meet the December 31, 2026 COD, and precluding longer CODs will effectively limit the number of bids that will be able to compete against the utility owned option.

This RFP will likely see similar issues to PacifiCorp's 2020 RFP where projects without large generator interconnection agreements ("LGIAs") are disadvantaged during the interconnection study process. In PacifiCorp's 2020 RFP, many bidders submitted solar resource bids located in Oregon in response to the RFP but also PacifiCorp's 2019 Integrated Resource Plan ("IRP") indicating a plan to acquire Oregon solar resources. Many of these projects received interconnection timelines of 72 months, which was past the COD requirement. Thus, those projects (many in Oregon) were excluded from the RFP even though the projects were likely designed to meet PacifiCorp's stated needs in its IRP.

Additionally, projects from the last cluster study (April 2021 to mid-May 2021) are seeing study results indicating a timeline for construction to build network upgrades of 60 months or more, which means these projects would not be able to achieve COD by the end of 2026.<sup>4</sup> Thus, in the absence of a demonstration by PacifiCorp of the need to

Draft 2022 AS RFP at 2.

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See generally, PacifiCorp Cluster Study 1 Results available at: <a href="https://www.oasis.oati.com/woa/docs/PPW/PPWdocs/pacificorpcliaq1.htm">https://www.oasis.oati.com/woa/docs/PPW/PPWdocs/pacificorpcliaq1.htm</a> (See projects in Areas 1, 2, 3, 5, 6, 7, and 12 (Wyoming, Idaho, Utah, and Southern Oregon).

bring a particular amount of energy or capacity online through this RFP by the end of 2026, the RFP COD should be extended until December 31, 2028 to account for the extended construction timeline for network upgrades that have been indicated in PacifiCorp cluster study results.

Additionally, it is expected a large volume of projects will be studied in Cluster 2 (this year's cluster study) because of PacifiCorp's future resource need identified in its IRP,<sup>5</sup> which will cause very large network upgrades and extended construction timelines. This will result in a large number of projects with CODs well after the end of 2026, and many projects will not qualify for consideration in PacifiCorp's RFP and projects with existing LGIAs will be the few selected. It is expected that what happened in PacifiCorp's last RFP will happen again for this RFP. Thus, the Commission should extend the COD until the end of 2028 if Cluster Study results show the time to interconnect the generating facilities will extend beyond the end of 2026 in order to accommodate more cost-effective projects.

# B. Allow AC Coupled and DC Coupled Co-Located Renewable Energy Plus Storage Bids

Co-located renewable energy plus storage should not be limited to AC coupled storage resources but also include DC coupled storage resources. Currently, PacifiCorp is requiring any co-located battery energy storage system with a renewable resource to be AC coupled.<sup>6</sup> In PacifiCorp's 2020 RFP, PacifiCorp accepted bids from co-located

In re PacifiCorp 2021 IRP, Docket No. LC 77, PacifiCorp 2021 IRP, Chapter 1 – Executive Summary at 2-3 (Sept. 1, 2021).

<sup>6</sup> Draft 2022 AS RFP at 17.

storage and stand-alone storage that was DC or AC connected.<sup>7</sup> PacifiCorp has asserted it cannot accept DC-coupled storage resources because the California Independent System Operator ("CAISO") has not certified any DC meters. If this is correct, then NIPPC notes that a COD at the end of 2026 is several years out and there easily could be CAISO certified DC meters by then if there already are not now. DC-coupled storage resources should not be precluded from bidding into the RFP.

PacifiCorp should acquire the least cost and least risk bids including DC-coupled storage resources. DC-coupled storage resources can provide several benefits including higher efficiencies due to less AC-DC conversions, clipping recapture, and cost savings. These benefits can be even more significant with Oregon's 100 percent clean energy standards. Thus, the Commission should require PacifiCorp accept AC and DC coupled co-located storage and renewable resources.

## C. Transmission Requirement

PacifiCorp should accept conditional firm transmission as a form of firm transmission. Currently, PacifiCorp will only accept and evaluate bids that can demonstrate an ability to interconnect and deliver "firm" energy to PacifiCorp-West or PacifiCorp-East, which appears to be a requirement that off-system bids be supported by long-term *firm* transmission, as opposed to conditional firm or non-firm transmission

PacifiCorp 2020 All-Source RFP at 4 (Jul 7, 2020) (available at: <a href="https://www.pacificorp.com/content/dam/pcorp/documents/en/pacificorp/suppliers/rfps/2020-all-source-request-for-proposals/documents/main-documents-appendices/2020AS RFP Main Document July 7 2020.pdf</a>).

products.<sup>8</sup> Conditional firm is a form of firm transmission, and it should be an acceptable form of transmission.

PacifiCorp should acquire the least cost and least risk bids regardless of whether the transmission service is delivering firm energy or conditional firm especially if the bids are required to have completed an interconnection study or signed an interconnection agreement. A project developer that has long-term transmission rights or that demonstrates a strong likelihood that it can obtain those rights and transfer them to PacifiCorp, should be able to sell its project to PacifiCorp without restriction. Thus, the Commission should require PacifiCorp accept firm and conditional firm transmission service, and the manner in which such different transmission products will impact a bid's score should be clarified.

## D. Alternative Bids

The Commission should direct PacifiCorp to allow different configurations of bids per project site without requiring the bidder to pay bid fees for each bid. Currently, PacifiCorp allows a bid to submit more than one bid per project site subject to certain requirements. Additionally, each bid on the same project site requires payment of the bid fee. A bidder should be allowed to submit different alternatives for the project under a single bid. In Portland General Electric's ("PGE's") most recent RFP, PGE is proposing to allow "one base proposal in addition to two alternatives for the same bid

8 Draft 2022 AS RFP at 3, 20-21, 23, 27-28.

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<sup>9</sup> Draft 2022 AS RFP at 16-19.

Draft 2022 AS RFP at 16.

fee."<sup>11</sup> PGE allows alternative bids to account for variations in "technology, volume, contract term, in-service date, and/or pricing structure for the same resource at the same location."<sup>12</sup>

NIPPC believes PacifiCorp should allow alternatives bids like PGE does.

Allowing alternative bids at the same location without requiring bidders pay additional fees will help ensure PacifiCorp receives the least cost, least risk resources. If bidders were required to pay bid fees for every single alternative, then bidders would likely be discouraged from submitting alternatives. A design like PGE's allows bidders to submit reasonable alternatives and ensures PacifiCorp will receive more eligible, cost-effective bids. Thus, PacifiCorp is better equipped to select the least cost, least risk resources.

Therefore, the Commission should require PacifiCorp to allow alternative bids from bidders without the bidder having to pay a new bid fee similar to PGE's proposal in its 2021 RFP.

## E. Clarification on Consistent Nameplate Capacity

The Commission should direct PacifiCorp to provide clarity on what it means when it states the nameplate capacity must be "consistent and supported by" an interconnection agreement. PacifiCorp is requiring nameplate capacity size of a bid must be "consistent and supported by the interconnection agreement(s)." For example, NIPPC is unsure if this would allow bids that are oversized relative to their AC

In re PGE 2021 All-Source RFP, Docket No. UM 2166, PGE's 2021 All-Source RFP – Final Draft at 9 (Oct. 15, 2021).

Docket No. UM 2166, PGE's 2021 All-Source RFP – Final Draft at 9.

Draft 2022 AS RFP at 17.

interconnect. Bids that are oversized relative to their AC interconnect should be allowed especially as it can increase efficiency of a project. PacifiCorp should acquire the least cost, least risk bids including bids that are oversized relative to their AC interconnect.

## F. Allow Build Transfer Agreement Proposals to Be Off-System

The Commission should direct PacifiCorp to accept off-system BTA proposals for its 2022 RFP if the BTA bids can secure firm transmission service to move the energy to PacifiCorp's system. Currently, PacifiCorp is requiring BTA proposal to be directly interconnected to PacifiCorp's system. <sup>14</sup> PacifiCorp is allowing PPA and tolling agreement proposals to be off system if they secure firm point-to-point transmission service, <sup>15</sup> but will not do the same for BTA bids. NIPPC is not aware of PacifiCorp's justification for this exclusion. PacifiCorp should acquire the least cost and least risk bids regardless of whether it is located on its system or not. A project developer that has long-term transmission rights or that demonstrates a strong likelihood that it can obtain those rights and transfer them to PacifiCorp should be able to sell its project to PacifiCorp without restriction.

## III. CONCLUSION

For the reasons stated above, the Commission should direct PacifiCorp to make the revisions articulated above and provide additional clarification were requested.

Dated this 18th day of February 2022.

Draft 2022 AS RFP at 25, 27.

Draft 2022 AS RFP at 24, 27.

Respectfully submitted,

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