

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 2210

In the Matter of

IDAHO POWER COMPANY

Application for Waiver of Competitive
Bidding Rules.

Comments of Renewable Northwest

March 7, 2022

Renewable Northwest respectfully submits the following comments to the Oregon Public Utility Commission (“Commission”) regarding Idaho Power Company’s (“Idaho Power”) Application for Waiver of Competitive Bidding Rules for 2022 All-Source RFP (“Application”). We support Commission Staff’s recommendation that the Commission deny the Application.

Indeed, Renewable Northwest generally agrees with the analysis set forth in Staff’s March 1, 2022 Memorandum to the Commission but writes separately to highlight three points:

First, based on Idaho Power’s related application to the Idaho Public Utility Commission,¹ we are concerned that the company anticipates seeking waivers -- or exceptions -- from the competitive bidding rules not only under the circumstances outlined in the Application but as a general matter going forward. Given the company’s growing customer base and the future-year resource needs identified in the company’s 2021 Integrated Resource Plan,² we recommend the Commission bear in mind the potential customer benefits of competitive procurement as Idaho Power goes to market for new clean-energy resources -- benefits the Commission has consistently reaffirmed and upheld.³ Idaho Power’s Application is inconsistent with those Commission decisions.

Second, we are concerned that Idaho Power’s current RFP may not be designed to foster competition and that a Commission waiver could create the opposite impression. The competitive bidding rules are designed to ensure not only that outside stakeholders have a chance

¹ “Idaho Power Company’s Application for Authority to Proceed with Resource Procurements,” Idaho Public Utility Commission Case No. IPC-E-21-41 (Dec. 3, 2021).

² See Idaho Power Company 2021 Integrated Resource Plan at 1 (growing customer base) and 4, Table 1.1 (resource needs).

³ See, e.g., Order No. 18-324 at 7, Oregon Public Utility Commission Docket No. AR 600 () (predicting that “the costs of [an Independent Evaluator] over the long term will more than be outweighed by the savings to ratepayers that are likely to result from higher quality, more competitive RFP processes”).

to review an RFP's terms and recommend changes both to the utility and to the Commission, but also that a separate Independent Evaluator works to ensure that RFP design and execution are fair.⁴ All of those elements are absent here. Instead, the company launched an RFP process in mid-December 2021 that included a requirement that prospective bidders submit a "Notice of Intent" form by December 23, a week before the RFP document became available. While we understand that the company has identified a potential imminent need,⁵ it is difficult to draw a line between a December 23 Notice-of-Intent requirement and fulfillment of that need.

Third, for the reasons identified above -- Idaho Power's signal that it would prefer not to follow the competitive bidding rules going forward and the potential anti-competitive design of this RFP, we recommend that the Commission review any future exception request stemming from this RFP with some skepticism. Even an incomplete process can reach beneficial results, and that may well end up being the case here. Further, Idaho Power's focus on low-cost non-emitting resources on the planning side is commendable. However, competitive solicitation is important to ensure that Idaho Power can meet its needs and company goals at the least cost and greatest benefit to its customers. Inadequate competition could result in unnecessary costs that ultimately slow the company's transition to clean resources. An exception could end up offering an unintended green light to uncompetitive procurement, contrary to the Commission's previous decision to grant an exception only where long-term risks and costs have been minimized.⁶

For the foregoing reasons, Renewable Northwest reiterates its support for Staff's recommendation that the Commission deny Idaho Power's Application. We appreciate the Commission's consideration of these comments.

Respectfully submitted this 7th day of March, 2022,

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⁴ See generally Order No. 18-324, *id.*; see also OAR 860-089-0010(1) ("The rules contained in this Division apply to electric companies, and are intended to provide an opportunity to minimize long-term energy costs and risks, complement the integrated resource planning (IRP) process, and establish a fair, objective, and transparent competitive bidding process, without unduly restricting electric companies from acquiring new resources and negotiating mutually beneficial terms.").

⁵ One of the primary reasons for this need was an internal decision by Idaho Power to update their resource adequacy metric to a more stringent 1 day in 20 years (or 0.05 per year) loss of load expectation instead of the industry standard 1 day in 10 years. The adoption of a non-standard metric as the foundation for an imminent need is difficult to square with the competitive bidding rules' exception process.

⁶ Order No. 21-328, Oregon Public Utility Commission Docket No. UM 2176 (Oct. 6, 2021).