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May 15, 2007

***VIA ELECTRONIC FILING  
AND OVERNIGHT DELIVERY***

Oregon Public Utility Commission  
550 Capitol Street NE, Suite 215  
Salem, OR 97301-2551

Attention: Vikie Bailey-Goggins  
Administrator, Regulatory Operations

Re: **Docket No. UM 1118**  
**PacifiCorp's Summary Report on RFP 2003-B**  
In the Matter of PacifiCorp's Requests for Proposals for Renewable Generation  
Resources (RFP 2003-B) in compliance with Order No. 91-1383

Pursuant to Order Nos. 06-194 and 04-091, PacifiCorp hereby submits its final RFP summary report on RFP 2003-B. A copy of the public report was served on all parties to this proceeding as indicated on the attached certificate of service. PacifiCorp is also submitting a confidential version of this report subject to Protective Order No. 06-266.

If you have any questions, please contact Joelle Steward, Oregon Regulatory Manager, at 503-813-5542.

Sincerely,

Andrea L. Kelly  
Vice President, Regulation

Enclosures (2)  
cc: Service List for Docket No. UM 1118

I hereby certify that on this 15th day of May, 2007, I caused to be served, via E-Mail and Overnight Delivery, a true and correct copy of PacifiCorp's (Redacted) Summary Report on RFP 2003-B in Docket No. UM-1118 to the following:

<b>CITIZENS' UTILITY BOARD OF OREGON</b> OPUC DOCKETS 610 SW BROADWAY - STE 308 PORTLAND OR 97205 dockets@oregoncub.org	<b>PACIFICORP</b> OREGON DOCKETS 825 NE MULTNOMAH ST STE 2000 PORTLAND OR 97232 oregondockets@pacificorp.com
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Debbie DePetris  
Regulatory Analyst

## **RFP 2003-B Summary Report**

This summary report is to comply with Oregon Public Utility Commission (OPUC) Order 04-091 authorizing the release of RFP 2003-B with conditions. Among the conditions of the order was a requirement to deliver a Summary Report within 45 days of completing negotiations. PacifiCorp completed negotiations during the month of April 2007. This document is PacifiCorp's Summary Report pursuant to the information required under Order 04-091.

Order 04-091 requires the following information be included in the Summary Report:

- 1) Detailed initial price and non-price scoring results for all bids
- 2) Detailed price and non-price scoring results for short-listed bids as revised after negotiations, including present value revenue requirements, and any subsequent economic analysis of Financial Accounting Standards Board requirements and credit rating agency considerations
- 3) The forward price curves used for the cost-effectiveness analysis<sup>1</sup>
- 4) Further documentation of the RFP process, including:
  - a. Total number of parties participating
  - b. Total number of bids
  - c. Number of short-listed bids
  - d. Total MW and total expected aMW for all bids and short-listed bids by proposed on-line date and control area to be served (East or West)
  - e. Number of total bids and number of short-listed bids by project size (MW and aMW), proposed on-line date, control area to be served, state, fuel source, construction status (existing, construction in progress, or new), contract duration, type of transmission (firm vs. nonfirm), and offer of equity or turnkey ownership

The information provided herein reflects bids received pursuant to RFP 2003-B during two phases. Phase 1 information reflects bids received during the initial RFP 2003-B process authorized via OPUC Order 04-091. Phase 2 information reflects bids received via OPUC Order 06-194 (amendment to RFP 2003-B).

### **1. Detailed initial price and non-price scoring results for all bids.**

**Confidential Attachment A1** contains the initial price and non-price scoring results for all bids received during Phase 1. The scoring results reflect five scoring categories: Price, PPA Conformance, Performance Guaranty, Resource Firmness, and Environmental Degradation. The Total Score is also shown as the sum of the five category scores. Bids were ranked by their Total Scores for screening purposes. **Confidential Attachment A2** contains the initial price and non-price scoring

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<sup>1</sup> As set forth in Staff's Report in support of Order 04-091, Staff expects PacifiCorp will seek confidential treatment for these first three items and PacifiCorp hereby designates these attachments as confidential pursuant to Protective Order 06-266. See Staff Report, p.3, n.1 in Order 04-091 and Order 06-266.

results for all bids received during Phase 2. Similarly, the scoring results reflect the same five scoring categories.

## **2. 2. Short List Results**

The second set of information required is detailed price and non-price scoring results for short-listed bids as revised after negotiations, including present value revenue requirements, and any subsequent economic analysis of Financial Accounting Standards Board requirements and credit rating agency considerations.

Phase 1 results for short-listed bids are shown in **Table A** below. Short listed bidders were allowed to periodically update their pricing and new present value revenue requirements (PVRR) were computed from time to time to determine the economic viability of projects, but no formal re-scoring took place. As of April 2005, a project would have needed to reach commercial operation by December 31, 2005 to retain the benefit of the Federal production tax credit.

In April 2005, PacifiCorp entered into a power purchase agreement for output generated by the 64.5 megawatt Wolverine Creek wind project.   


### **Table A**

Phase 2 results for short-listed bids are shown in **Table B** below. Short listed bidders were allowed to periodically update their pricing and new present value revenue requirements (PVRR) were computed from time to time to determine the economic viability of projects, but no formal re-scoring took place.

In July 2006, PacifiCorp entered into definitive agreements to acquire the 100.5 megawatt Leaning Juniper 1 wind project. Construction on Leaning Juniper 1 is complete and the project is currently operational. In September 2006, PacifiCorp entered into definitive agreements to acquire the 140.4 megawatt Marengo wind project. The Marengo wind project is currently under construction. PacifiCorp will own each of these projects and, as a result, no economic analysis of Financial Accounting Standards Board requirements and credit rating agency considerations were undertaken.

### **Table B**

## **3. Forward Price Curves**

With respect to Phase 1, PacifiCorp used the forward price curves in **Confidential Attachment B1** for cost-effectiveness analysis. For Phase 2, PacifiCorp used the forward price curves in **Confidential Attachment B2** for cost-effectiveness analysis.

#### **4. Further Documentation of the RFP Process**

This section presents a summary of the bids submitted to the RFP. **Attachment A** contains a listing of the bids, with their screening scores and other general information.

- a. 38 bidders participated in Phase 1 and 13 bidders participated in Phase 2.
- b. Phase 1 resulted in 188 bids and Phase 2 resulted in 29 bids.
- c. Phase 1 resulted in 13 bids being considered on the short list. Phase 2 resulted in 8 bids being considered on the short list.
- d. With respect to Phase 1, the bids represented 6,298 MW of nameplate generation, generating energy at a claimed equivalent average annual rate of approximately 2,492 MW. The generation was roughly equally distributed across PacifiCorp's eastern and western control areas.

**Tables C** below show nameplate and average megawatts for all bids by resource type, on-line dates, and location:

**Table C**

<i>Resource Type</i>	<i>Number of Bids</i>	<i>Nameplate (MW)</i>	<i>Energy (aMW)</i>
<i>Binary Cycle Geothermal</i>	4	116	116
<i>Other Geothermal</i>	8	464	342
<i>Biomass w/Good emissions</i>	2	36	33
<i>Wind</i>	38	5336	1883
<i>Other Hydro</i>	2	340	118
<i>Solar</i>	1	0	0

<i>On Line Year</i>	<i>Number of Bids</i>	<i>Nameplate (MW)</i>	<i>Energy (aMW)</i>
<i>2005</i>	26	3650	1332
<i>2006</i>	14	1134	607
<i>2007</i>	4	421	148
<i>2008</i>	6	616	246
<i>2009</i>	0	0	0
<i>2010</i>	4	471	158

<i>Location</i>	<i>Number of Bids</i>	<i>Nameplate (MW)</i>	<i>Energy (aMW)</i>
<i>California</i>	4	299	225
<i>Canada</i>	4	462	170
<i>Idaho</i>	5	478	156
<i>Montana</i>	1	30	10
<i>Nevada</i>	4	834	337
<i>Oregon</i>	14	1436	559
<i>Utah</i>	5	410	172
<i>Washington</i>	10	1051	389
<i>Wyoming</i>	7	1292	475
<i>Other</i>	1	6	0

With respect to Phase 2, the bids<sup>2</sup> represented 2,107 MW of nameplate generation, generating energy at a claimed equivalent average annual rate of approximately 707 MW. The generation was roughly equally distributed across PacifiCorp's eastern and western control areas. All but one bid proposed an online date during 2007. One bid proposed an online date during 2006

- e. In Phase 1, nearly every bidder (very minor exceptions) offered 20-year power purchase agreements. All but a very few bids were for new facilities, not yet under construction. Only one bidder proposed PacifiCorp ownership. **Table D** below shows additional information, not already contained elsewhere, with respect to this information item.

<sup>2</sup> Not including site bids.

**Table D**

<i>Bid ID</i>	<i>Control Area</i>	<i>MW</i>	<i>aMW</i>	<i>online</i>	<i>State</i>	<i>Fuel Source</i>	<i>PPA, Equity or Own</i>	<i>Contract duration</i>	<i>Transmission (F/nF)</i>
65-20	East	37-69	37-69	2007	UT	Geothermal	PPA	20-yrs	bus
66-80b	West	80-105	30-39	2006	WA	Wind	PPA	20-yrs	bus
67-170	West	105	31.0	2005	OR	Wind	PPA	20-yrs	bus
67-190a	East	126	43.0	2006	ID	Wind	PPA	20-yrs	bus
67-190c	East	40	14.0	2006	ID	Wind	PPA	20-yrs	not specified (seller provided)
68-220	East	400	156.0	2008	WY	Wind	PPA	20-yrs	bus
69-230	East	25	24.0	2007	NV	Geothermal	PPA	20-yrs	bus
78-390a	East	200	76.0	2008	NV	Wind	PPA	20-yrs	bus
78-390b	East	200	76.0	2010	NV	Wind	PPA	20-yrs	bus
78-390c	East	400	152.0	2007	NV	Wind	PPA	20-yrs	bus
80-480	West	240	59.0	2007	Canada	Hydro	PPA	20-yrs	not specified (seller provided)
82-550	East	91.5	28.0	2005	ID	Wind	PPA	20-yrs	bus
85-660a	West	55.5	19.0	2006	OR	Wind	PPA	15 or 20-yrs	bus

In Phase 2, several ownership alternatives were bid. Only one facility was under construction (bid 83-610b). The remaining facilities were to be constructed. **Table E** shows additional information with respect to this information item.

**Table E**

<b>Bid ID</b>	<b>Control Area</b>	<b>MW</b>	<b>aMW</b>	<b>online</b>	<b>State</b>	<b>Fuel Source</b>	<b>PPA, Equity or Own</b>	<b>Contract duration</b>	<b>Transmission (F/nF)</b>
83-610b	West	100.5	35.2	2006	OR	wind	Own	n/a	busbar
67-060b	East	100	21.0	2007	UT	wind	Own	n/a	busbar
67-160b	East	100	45.0	2007	WY	wind	Own	n/a	busbar
82-580cd	West	59.8	20.3	2007	WA	wind	Own	n/a	busbar
82-580cd	West	120.6	39.8	2007	WA	wind	Own	n/a	busbar
83-620b	West	100.5	33.2	2007	OR	wind	Own	n/a	busbar
83-630b	West	101.2	36.4	2007	OR	wind	Own	n/a	busbar
72-440a	West	250	85.0	2007	WA	wind	PPA	20-yrs	busbar
82-550a	East	90	28.8	2007	ID	wind	PPA	20-yrs	busbar
69-290	West	63	19.5	2007	WA	wind	PPA	20-yrs	busbar
72-430a	West	99	32.7	2007	WA	wind	PPA	20-yrs	busbar
83-560	West	107.25	34.3	2007	WA	wind	PPA	20-yrs	busbar
90-730a	West	99	32.7	2007	OR	wind	PPA	20-yrs	busbar
90-730a(1)	East	99	32.7	2007	OR	wind	PPA	20-yrs	busbar
68-225a	East	18.9	6.8	2007	UT	wind	PPA	20-yrs	busbar
68-230a	East	18.9	6.8	2007	UT	wind	PPA	20-yrs	busbar
87-680	West	15.5	14.0	2007	OR	biomass	PPA	20-yrs	busbar
67-160	East	100	45.0	2007	WY	wind	PPA	20-yrs	busbar
67-170	West	103.95	32.2	2007	OR	wind	PPA	20-yrs	busbar
82-580a	West	59.8	20.3	2007	OR	wind	PPA	20-yrs	busbar
34-660	East	100	30.0	2007	ID	wind	PPA	20-yrs	busbar
85-700	East	200	56.0	2007	UT	wind	PPA	20-yrs	busbar
67-060c	East	100	21.5	tbd	UT	wind	site	n/a	n/a
79-430c	East	300	99.0	tbd	WY	wind	site	n/a	n/a
79-440c	West	100	34.0	tbd	OR	wind	site	n/a	n/a
69-290c	West	63	19.3	tbd	OR	wind	site	n/a	n/a
82-570cd	West	200	65.6	tbd	WA	wind	site	n/a	n/a
67-190	East	124	37.2	tbd	ID	wind	site	n/a	n/a
67-170b	West	104	32.4	tbd	OR	wind	site	n/a	n/a
78-390c	East	330	112.2	tbd	NV	wind	site	n/a	n/a



### Conclusion

Consistent with its objectives, PacifiCorp was able to successfully acquire a significant level of cost-effective renewable resources through RFP 2003-B. Through the competitive solicitation process pursuant to RFP 2003-B, the following wind resources were acquired:

- the Wolverine Creek 64.5 megawatt 2005 resource;
- the Leaning Juniper 1 100.5 megawatt 2006 resource; and
- the Marengo 140.4 megawatt 2007 resource.

The objective of RFP 2003-B Phase 1 was to solicit offers from the market until the Federal production tax credit was known for 2005. Once the status of the production tax credit was known for 2005, the target became those projects that could reach commercial operation during 2005 and result in an economic resource for PacifiCorp. This means that a project's economics alone were not sufficient to meet the target. Wolverine Creek met the target and, therefore, PacifiCorp did not calculate if any of the near cost-effective short listed projects would have been considered cost effective if an additional \$5/MWh value could be demonstrated to be associated with the bid proposal.

The objective of RFP 2003-B Phase 2 was to solicit offers from the market for 2006 resources and 2007 resources to help meet PacifiCorp's commitments to:

(1) bring at least 100 megawatts of cost-effective wind resources in service within 1-year of the closing of the MidAmerican Energy Holdings Company acquisition, and

(2) to have 400 megawatts of cost-effective new renewable resources in PacifiCorp's generation portfolio by December 31, 2007.

Through a combination of resources procured through RFP 2003-B and bi-lateral transactions, PacifiCorp has met these targets and, therefore, has not calculated if any of the near cost-effective short listed projects would have been considered cost effective if an additional \$5/MWh value could be demonstrated to be associated with the bid proposal.

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CONFIDENTIAL ATTACHMENT A1

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**Phase 1 – Detailed Initial Price and Non-Price Scoring Results**

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CONFIDENTIAL ATTACHMENT A2

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**Phase 2 – Detailed Initial Price and Non-Price Scoring Results**

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**CONFIDENTIAL ATTACHMENT B1**

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**Phase 1 Forward Price Curves**

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**CONFIDENTIAL ATTACHMENT B2**

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**Phase 2 Forward Price Curves**