

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: April 30, 2024**

REGULAR X **CONSENT** _____ **EFFECTIVE DATE** _____ **N/A** _____

DATE: April 18, 2024

TO: Public Utility Commission

FROM: Will Mulhern

THROUGH: JP Batmale and Kim Herb **SIGNED**

SUBJECT: IDAHO POWER COMPANY:
(Docket No. UM 2317)
Idaho Power 2028 All-Source RFP.

STAFF RECOMMENDATION:

Grant Idaho Power Company's (IPC or Company) request for partial waiver of OAR 860-089-0200(1) & (2) and approve IPC's use of London Economics International (LEI) as Independent Evaluator (IE) for IPC's 2028 All-Source (AS) Request for Proposals (RFP). Staff further recommends the Commission grant a partial waiver of OAR 860-089-0250(2)(a) to allow the Commission to consider IPC's proposed scoring and modeling methodology (SMM) concurrent with its review of the draft RFP. Staff does not recommend granting a waiver of OAR 860-089-0250(3)(g).

DISCUSSION:

Issue

1. Whether the Commission should grant a partial waiver of OAR 860-089-0200(1) & (2) and approve IPC's use of London Economics International as the IE for the 2028 RFP.
2. Whether the Commission should grant a partial waiver of OAR 860-089-0250(2)(a) to allow the Commission to consider IPC's proposed Scoring and Modeling Methodology concurrent with its review of the draft RFP.
3. Whether the Commission should grant a waiver of OAR 860-089-0250(3)(g), not required to permit parallel review of the IRP and RFP as requested by the Company.

Applicable Rule or Law

The Commission's Competitive Bidding Requirements (CBRs) in OAR Chapter 860, Division 89 apply when an electric utility may acquire a resource or a contract for more than an aggregate of 80 megawatts with a duration of five or more years, as specified in OAR 860-089-0100(1).

Under OAR 860-089-0200(1), when an electric utility is subject to competitive bidding requirements, it must engage the services of an IE to oversee the RFP process. Prior to engaging an IE's services, a utility must solicit input from interested parties regarding potential candidates and file a request for approval with the Commission.

OAR 860-089-200(2) requires the Company to file a request for approval to engage an IE and indicates that in its recommendation of an IE, Commission Staff should consider the input from the electric company and interested, non-bidding parties; the degree to which the IE is independent of the electric company and potential bidders; reasonableness of the cost of services, experience and competence of the IE; and the public interest.

OAR 860-089-0250(1) requires that an electric company prepare a draft RFP for review by all parties in the IE selection docket and that prior to filing the draft RFP with the Commission, the electric company must consult with the IE in preparing the RFP and must conduct bidder and stakeholder workshops.

OAR 860-089-0250(2) requires that a draft RFP reference and adhere to the RFP elements, scoring methodology, and associated modeling described in the Commission acknowledged IRP associated with the RFP.

Under OAR 860-089-0250(2)(a), when a utility that does not have a Commission-acknowledged IRP in which the RFP design, scoring methodology, and associated modeling was included, the utility must develop and file for approval, in the IE selection docket, a proposal for scoring methodology and associated modeling prior to preparing a draft RFP.

OAR 860-089-0250(3)(g) requires that the RFP at minimum include the alignment of the electric company's resource need addressed by the RFP with an identified need in an acknowledged IRP or subsequently identified need or change in circumstances with good cause shown.

Per OAR 860-089-0010(2), upon request or its own motion, the Commission may waive any of the Division 89 rules for good cause shown.

In Order No.11-346 the Commission expressly clarified “that a person seeking waiver of any rule under any generic waiver provision adopted here must establish a sufficient reason for the waiver, and that the Commission will only grant the request if waiver of the rule is in the public interest.”¹

Analysis

Background

On February 29, 2024, Idaho Power Company filed notice of the commencement of the process for a 2028 AS RFP, including request to approve the SMM and the draft RFP, as well as requests for certain partial waiver of Oregon’s CBRs. Staff’s analysis for this public meeting focuses on the partial waiver requests. The draft RFP and SMM will be considered at a future public meeting.²

IPC’s most recent procurement, under docket number UM 2255, received Final Shortlist acknowledgement on February 22, 2024.³ The IE, LEI, continues to monitor contract negotiations and report progress to Staff.

IPC filed its 2023 IRP on September 29, 2023, under docket LC 84. Staff is currently engaged in the process of reviewing the 2023 IRP. Based on the schedule of LC 84, the IRP will be brought before the commission for an acknowledgement decision at a special public meeting on July 30, 2024.⁴

At the request of Staff, IPC convened a stakeholder workshop on April 2, 2024, during which it described its waiver requests and proposed schedule for the 2028 AS RFP. The company sought stakeholder feedback on these waivers and the schedule.

Application for 2028 All Source RFP

IPC seeks various waivers to the CBRs based on what it describes as an urgent need to quickly procure resources to meet 2028 needs. IPC notes that its 2023 IRP capacity position demonstrates the need for 138 MW of incremental peak capacity in 2028 and 555 MW of supply-side resource additions.

In its initial filing, Idaho Power highlights the challenges it continues to face with materials procurement, noting procurement often takes the Company two to five times

¹ See Commission Order No. 11-346, AR 554 (September 8, 2011).

² See UM 2317, IPC Application and Request for Partial Waiver of Competitive Bidding Rules, p 1, February 29, 2024.

³ See Commission Order No. 24-055, UM 2255 (February 22, 2024).

⁴ See LC 84, Memorandum Establishing Procedural Schedule, November. 13, 2023.

longer in the current market environment than it had previously. IPC cites several reasons for these delays, including development timelines, supply chain disruptions, lingering COVID-19 impacts, and industry-wide constraints.⁵

The Company argues that urgency of the procurement need and the challenges it faces in procuring resources in a timely manner in the current market environment have led Idaho Power to request an expedited review of its 2028 AS RFP. Accordingly, in its filing, the Company requested partial waivers of certain CBRs to expedite the RFP process and allow the Company to more quickly acquire the necessary resources to meet its projected deficits.

Identified Resource Need

Under OAR 860-089-0250(3)(g), a draft RFP should address an identified need in an acknowledged IRP, or a need that is subsequently identified or that addresses a change in circumstances and demonstrates good cause. Any request for Final Shortlist (FSL) acknowledgment is required to address the consistency between the FSL and the last-acknowledged IRP or Update. IPC's identified need points to the same 2023 IRP (Docket No. LC 84) that was ultimately relied upon to support the need for its 2026 RFP (Docket No. UM 2255). However, during the review of its FSL in UM 2255, IPC explained that it further updated its load forecast assumptions, resulting in an increase from the 2023 IRP. Additionally, Staff found that it employed different independent variables and estimated coefficients from those employed in the 2023 IRP without providing additional support for this change.⁶ In Order No. 24-055 in UM 2255, Staff explained:⁷

Staff appreciates the value of using the most up to date information to inform procurement decisions and leveraging an open RFP process to identify projects that can meet near-term needs. However, Staff's concern is that acknowledgement of a FSL that is used to fill an unvetted capacity need may be interpreted to signal the Commission's position on the reasonableness of that capacity need. Staff is continuing to review the reasonableness of the stated capacity need in LC 84 and notes the inputs and assumptions in that docket have had some review through the IRPAC [IRP Advisory Council] and IRP review processes. More problematic to Staff are the input and assumption changes made to the load forecast that deviate further from the 2023 IRP without the benefit of stakeholder

⁵ See UM 2317, IPC Application and Request for Partial Waiver of Competitive Bidding Rules, p 3, February 29, 2024.

⁶ UM 2255, IPC Reply Comments, p.6, January 4, 2024.

⁷ See Commission Order No. 24-055, Attachment A, p.10.

vetting, analysis, or recommendations, and that were ultimately used to generate the FSL. However, Staff also understand that Idaho Power is facing rapid, near-term load growth.

Staff's position takes the same position here as in UM 2255, reiterating concern that the resource needs identified by Idaho Power rely on unvetted data. Staff does not doubt that the Company is facing a resource need in 2028, but it seeks explicit clarification from the Company about how the resource need identified aligns with or deviates from the 2023 IRP, including a discussion about methodological changes to the load forecast that may not be currently represented in LC 84, and to provide support for any such changes.

Rationale for opening another RFP

IPC filed its 2028 RFP nine days after the Commission acknowledged its FSL in UM 2255. The FSL in UM 2255 included almost double the volume of projects the Company stated it needed. Given that Staff was ultimately supportive of the Company making the case to procure resources beyond the volumes specified in the 2026 RFP, Staff sought to understand why it was important to issue a new RFP, rather than procure more projects from the FSL in UM 2255.

Through conversations with Staff, IPC provided three primary reasons for issuing another RFP instead of exclusively relying on projects on the FSL:

1. Bids with CODs that would have aligned with the 2028 need had been deemed ineligible in the 2026 RFP and removed from consideration;
2. The 2026 RFP FSL does not include sufficient capacity to meet the need and might not ultimately be the right mix of projects for 2028; and
3. By having a longer runway (2028 COD) provides may result in lower costs projects and options for participation by longer lead time resources.

Staff finds the company's rationale for issuing another RFP reasonable, especially in light of what appears to be a limited number of changes from the prior RFP. Additionally, the Company indicated a willingness to consider selection of additional projects from the 2026 RFP FSL, as well as exploring options to allow bidders from the 2026 RFP a streamlined path for participation in the 2028 RFP.

Waiver Request Components

Idaho Power Company requested partial waivers of multiple CBR components. The requested waivers cover three areas of the CBRs:

1. IE selection process,
2. Process for the Scoring and Modeling Methodology (SMM), and

3. Parallel Review of IPC's 2023 IRP and 2028 RFP

Independent Evaluator

IPC conducted a competitive solicitation for IE services as part of its 2026 AS RFP in docket No. UM 2255.⁸ This process resulted in Staff recommending, and the Commission approving, the selection of London Economics International (LEI) as the IE for the procurement process.

In its initial filing, the Company states that because the 2026 AS RFP is ongoing, with LEI monitoring contract negotiations, it would be inefficient for the Company to issue a new IE RFP for UM 2317.⁹ Further, Idaho Power believes that because LEI was selected a little over a year ago, the strengths of LEI that were cause for its initial selection are still relevant, specifically, its expertise and experience.

Accordingly, Idaho Power is requesting a waiver of OAR 860-089-0200 (1) and (2) and approval from the commission to retain LEI as the IE without conducting a competitive IE selection process. The Company notes that bypassing this competitive selection process could accelerate the RFP schedule.

Stakeholder Feedback

On April 4, 2024, at IPC's stakeholder workshop, NIPPC noted that it does not view convenience as sufficient cause for granting a partial waiver, and that retention of an IE should provide some additional value that a competitive IE solicitation would not provide.

NIPPC also provided specific feedback on the performance of LEI, noting it found LEI's work in the design phase of the 2026 RFP to be thorough, and NIPPC appreciated LEI's willingness to incorporate stakeholder concerns in its reports.

NIPPC highlighted one area where it believed LEI could improve as the IE. NIPPC would like to see the IE consider the risks associated with utility-owned resources relative to Independent Power Producers earlier in the process. NIPPC noted that while LEI acknowledged these risks in its closing report, this is too late to impact bid selection. Including them prior to the acknowledgement of the Final Shortlist (FSL) would better reflect these risks in IPC's selection process.

⁸ See Commission Order No. 22-495, UM 2255 (December 28, 2022).

⁹ UM 2317, IPC Application and Request for Partial Waiver of Competitive Bidding Rules, p.7, February 29, 2024.

Staff Position

Given the urgency of the procurement need, the quality of the work delivered by LEI on the existing contract, and how recently the competitive IE selection process occurred, Staff finds good cause to approve the partial waiver of OAR 860-089-0200(1) & (2) and approve LEI as the IE for the 2028 AS RFP.

Staff's analysis to reach this recommendation was based on the IE selection criteria outlined in OAR 860-089-0200(2). These criteria are: 1) Input received from the electric company and interested, non-bidding parties; 2) Degree to which the IE is independent of the electric company and potential bidders; 3) Degree to which the cost of the services provided is reasonable; 4) The experience and competence of the IE; 5) The public interest. Staff analysis of each of these criteria for the selection of LEI in UM 2317 is outlined below.

Input received from the electric company and interested, non-bidding parties

The Company has expressed through its filing its support for retaining LEI as the independent evaluator. Interested, non-bidding stakeholders had the opportunity to provide input on this partial waiver during the stakeholder workshop, and only NIPPC commented.

Staff agrees with NIPPC's assertion that convenience alone is not sufficient rationale for waiving CBRs. However, Staff sees value in retaining an IE that has experience monitoring the Company's RFP process and has existing familiarity with the Company's Scoring and Modeling Methodology (SMM).

Degree to which the IE is independent of the electric company and potential bidders

Staff submitted a Discovery Request asking IPC to confirm LEI did not have any actual or potential conflicts of interest. IPC confirmed LEI's existing disclosure remained valid and would continue to be an applicable requirement under a new SOW.¹⁰

Degree to which the cost of the services to be provided is reasonable

Staff requested information on LEI's costs under the new contract through a Discovery Request. In its response to this request, the Company stated neither LEI or IPC expect any changes to LEI's costs or hourly rates in the SOW for the 2028 AS RFP.¹¹

¹⁰ See Response to Staff Discovery Request No. 6 – Idaho Power Company's Response to Staff's IRs 6, April 16, 2024.

¹¹ See Response to Staff Discovery Request No. 4 – Idaho Power Company's Response to Staff's IRs 4, April 16, 2024.

The experience and competence of the IE

Staff believes LEI's experience and competence was adequately demonstrated in the selection process for UM 2255.¹² Staff does not believe this competence has changed since LEI's selection. The quality of work produced by LEI as the IE on UM 2255 has further demonstrated its competence.

The public interest

Given IPC's projected resource needs, an expedited IE procurement process is in the public interest as it facilitates necessary resources to be brought online in time to serve projected public need. Further, granting this waiver does not create any risk to the public that would not be present in a competitive IE RFP process.

Staff recommends the Commission grant this partial waiver allowing IPC to retain LEI as IE for a second RFP without going through an IE RFP process. Staff sees merit in identifying strategies to build efficiency into the RFP process where doing so protects the public interest. However, Staff does not see this waiver as establishing a precedent for the next RFP.

Staff recommends the Commission grant a partial waiver to OAR 860-089-0200(1) & (2) and approve IPC's use of London Economics International as the IE for IPC's 2028 AS RFP. As a condition of the partial waiver, Staff further recommends LEI be required to include an analysis of areas for improvement and lessons learned from UM 2255.

Condition 1: LEI should include in its initial report an analysis of lessons learned and opportunities for improvement from the previous RFP.

Scoring and Modeling Methodology

IPC's 2023 IRP was filed in September 2023 without an accompanying SMM. Per OAR 860-089-0259(2)(a), the Company must file for approval its scoring and modeling methodology in its IE selection docket, prior to filing its draft RFP. Because IPC is requesting a waiver to retain its IE from the previous RFP, this filing will serve as the IE selection docket. Further, because the Company is seeking to expedite the RFP process, it is requesting a partial waiver from the portion of OAR 860-089-0250(2)(a) that requires the company to file for approval the SMM prior to preparing a draft RFP.¹³

In UM 2255, IPC's 2026 AS RFP, the Commission granted the Company's request for a partial waiver allowing simultaneous review of the SMM and Draft RFP.¹⁴ This waiver

¹² See Commission Order No. 22-495, UM 2255 (December 28, 2022).

¹³ See OAR 860-089-0250(2) and OAR 860-089-0250(2)(a).

¹⁴ Commission Order No. 22-495, pp. 8 - 9.

was supported by stakeholders who indicated it is difficult to review and analyze a proposed SMM without viewing it in the context of a draft RFP. Similarly, in UM 2274 PGE, citing the need to streamline planning-procurement identified in UM 2225, was granted the same partial waiver of OAR 860-089-0250(2)(a).¹⁵

In this filing, IPC cites the waivers granted in UM 2255 and UM 2274 and notes this waiver aims to address similar timing concerns.¹⁶

The Company also notes that the 2028 AS RFP SMM is substantively the same as the SMM approved in UM 2255. The Company believes this lack of significant changes will enable expedited review of the SMM in UM 2317. Staff addresses this further in “CBR Streamlining – Staff Proposal” section below.

Stakeholder Feedback

During the stakeholder workshop on April 2, 2024, NIPPC noted it has supported similar waivers in the past and was generally supportive of simultaneous review of the SMM and RFP to expedite the RFP process.

Staff Position

Staff recognizes the urgent procurement need facing the Company and the extended lead times in procuring resources in the current environment and finds that the anticipated capacity and resource needs serve as good cause for granting this partial waiver. Staff also agrees with IPC’s assertion that changes to the SMM are largely non-substantive, enabling expedited review by Staff and stakeholders. Staff confirmed this assertion by reviewing the red-lined comparison between the 2026 RFP and the 2028 RFP requested during discovery.¹⁷

Staff also notes that the granting the same waiver in UM 2255 and UM 2274 was effective in reducing time spent on the procurement process while still allowing for robust stakeholder engagement and maintaining the sequential two-step approval process specified in the CBRs. Staff will work with the Company and stakeholders to develop a schedule for UM 2317 that provides ample opportunity for stakeholder engagement and ensures review of the SMM is completed prior to the approval of the RFP. Staff believes this preserves the intent of the CBRs while providing appropriate flexibility to support the Company’s procurement need.

¹⁵ See Commission Order No. 23-146, UM 2274 (April 21, 2023).

¹⁶ See Commission Orders Nos. 22-495 and 23-146.

¹⁷ See Response to Staff Discovery Request No. 1 – Attachment 1 – Blackline Comparison, March 21, 2024.

To this end, Staff recommends the Commission grant a partial waiver of OAR 860-089-250(2)(a) and allow concurrent review of both the SMM and the draft RFP.

Parallel Review of IPC’s 2023 IRP and 2028 RFP

The Company has based the procurement volumes specified in the RFP off the modeling it prepared for the 2023 IRP, which is currently under Staff review and which the Commission will consider for acknowledgement in July 2024. Staff understands the Company’s filing to express concern that the identified RFP need is associated with an IRP that has not yet been acknowledged. As such the Company has requested a waiver of OAR 860-089-250(3)(g), which describes alignment between the company’s resource need in an RFP with an identified need in an acknowledged IRP.

The timeline for the conclusion of the 2023 IRP and launching of this RFP are very tight. While Staff finds there will be limited opportunity for the 2023 IRP acknowledgement process to affect the shape of the RFP issued to market, the results of the 2023 IRP acknowledgement have the potential to shape the composition and size of the initial shortlist and final shortlist. Below is a comparison of key near-term RFP milestones as proposed by IPC and those established in LC 84.¹⁸

Table 1: LC 84 Milestones and Proposed UM 2317 RFP Milestones

Docket or RFP	Milestone	Dates
UM 2317	Stakeholder workshop on IE and waiver request	4/2/2024
LC 84	Staff Final Comments & Recommendations Posted	4/25/2024
UM 2317	Updated Draft RFP Filed	4/3/2024
UM 2317	Commission Considers Waiver Requests and Appoints IE (Regular public meeting)	4/30/2024
LC 84	All Party Comments on Staff final Comments & Recommendations	5/23/2024
LC 84	Staff PM Memo and Final Recommendations Filed	6/18/2024
LC 84	All Parties Comments on Staff Report/PM Memo Filed	7/11/2024
LC 84	Public Meeting Stakeholder feedback and Commissioner discussion	7/24/2024
LC 84	Public Meeting for Acknowledgement Decision	7/31/2024
UM 2317*	Commission special public meeting (SMM and RFP discussion and approval)	6/18/2024
IPC RFP Schedule*	RFP issued to market	6/19/2024

¹⁸ UM 2317, Idaho Power Workshop Presentation, April 2, 2024.

IPC RFP Schedule*	Bid Definition Forms Due	7/3/2024
IPC RFP Schedule*	Bid Entry Forms Distributed to Bidders	7/15/2024
IPC RFP Schedule*	Benchmark Bids Due	7/23/2024
IPC RFP Schedule*	AS RFP Bids Due	8/5/2024

*IPC proposed dates

Stakeholder Feedback

No stakeholders provided comment on this waiver request at the stakeholder workshop. However, Staff recognizes that concerns about alignment between IRPs and RFP was an issue raised in UM 2274 by CUB and AWEC.¹⁹

Staff position

While IPC requested a waiver of OAR 860-089-0250(3)(g), Staff believes the existing language specified in this rule provides sufficient flexibility for IPC to proceed without a waiver. The full text of the rule requires that the RFP application include “the alignment of the electric company’s resource need addressed by the RFP with an identified need in an acknowledged IRP or **subsequently identified need or change in circumstances with good cause shown** [emphasis added].” Staff believes modeling conducted as part of an IRP for which Staff review will be complete before the RFP is issued, likely constitutes a “subsequently identified need” so long as that need is updated to reflect final need volumes represented in the acknowledged IRP. In UM 2274, PGE requested a similar waiver to allow for parallel review of its 2023 IRP and 2023 RFP. In its report, Staff allowed PGE to proceed with this parallel review process without the Commission granting this waiver.²⁰ Staff believes IPC can take a similar approach in UM 2317 without the Commission granting the requested waiver.

The adopted IRP review schedule indicates an acknowledgement decision will occur prior to acknowledgement of the Final Shortlist. Staff believes this creates a checkpoint for the composition of projects selected by the RFP to reflect procurement volume changes occurring in the IRP process. To that end, Staff recommends IPC report any changes to the identified need in the 2023 IRP Action Plan that occur during the acknowledgement process and reflect them in its RFP and subsequent Final Shortlist.

¹⁹ See UM 2274 Staff Report for April 18, 2023, Public Meeting, pp 9 – 10.

²⁰ See Commission Order No. 23-146, p.8, April 21, 2023.

Condition 2: IPC promptly explains any and all changes from the 2023 IRP impacting the identified need used to justify the RFP. Further, upon an acknowledgement decision of the 2023 IRP, IPC provides an update in this docket to communicate all changes to the identified need in the 2023 IRP Action Plan and reflect such changes in the draft RFP.

CBR Streamlining – Staff Proposal

Staff recommends streamlining the review process for this docket by narrowing Staff's scope of analysis. In this instance, Staff notes that even if the proposed waiver requests are adopted, Staff has been unable to produce a draft schedule that meets IPCs proposed milestones and that the process could take almost the same amount of time as UM 2255. Staff proposes UM 2317 adopt a structure that refines the review process to focus on 1) substantive changes to the SMM and RFP, 2) outstanding issues from the previous IRP, and 3) issues raised by stakeholders in the review process. This could allow Staff to create a shortened schedule that more closely aligns with IPCs proposed milestones and reduces the time spent by Staff on review of the SMM and RFP. Staff views this streamlined schedule for review of the SMM and RFP as being akin to how it might review an approved SMM in an acknowledged IRP. Adopting this procedure as a standard approach in the future could reduce the need for waivers to the CBRs, like the one requested by IPC, that have become increasingly frequent in the RFP process. Staff offers this process for consideration as part of the ongoing updates to the IRP guidelines that PUC is considering.

Material changes to the SMM and Draft RFP from UM 2255

In UM 2255, most changes to the draft RFP are editorial in nature and immaterial. As part of Discovery, Staff requested documentation from IPC explaining changes to the 2028 RFP relative to the 2026 RFP.²¹ Staff presents the changes made by IPC along with Staff's preliminary determination of the significance of each change in Attachment 1. While there are several substantial changes, most are minor and immaterial. Staff anticipates minor changes will require minimal review allowing the review process to focus primarily on the substantial changes to the RFP and SMM. Changes Staff has deemed to be substantial are summarized below:

- Changes to reflect the 2028 resource need and capacity position based off modeling in the 2023 IRP.
- Changes related to Transitional Cluster Study Process, including new estimated cost for Transmission Provider Interconnection Facilities.
- Changes to Non-Price Factor Weighting.

²¹ See Response to Staff Discovery Request No. 1 – Attachment 1 – Blackline Comparison, March 21st, 2024.

- Inclusion of additional eligibility factors for resource-based bids.
- Updates to market purchase needs.
- Updates to the discount rate assumption used in Levelized PVRR.

Outstanding issues and opportunities for improvement from UM 2255

In addition to material changes to the SMM and Draft RFP, Staff sees an opportunity for the RFP review to consider issues raised in the previous RFP that remain relevant for UM 2317 including:

- Treatment of unique risks faced by utility-owned bids relative to third-party bids. Examples include:
 - Lower capacity factor than forecasted in utility-owned bids.
 - Lack of performance guarantees in utility-owned bids that are inherent in power purchase agreements (PPAs).
- Lessons learned from the Independent Evaluator.

This approach is not intended to exclude issues from the discussion of the RFP and SMM, but to focus the review on areas that are materially different from the previous RFP. This could enable shortened review timelines and an expedited process for UM 2317. Staff invites stakeholders to raise additional issues not specified above during the review process and is open to discussion of any topics covered in the draft RFP and SMM.

With the streamlined process outlined above, Staff believes it is possible to expedite the timeline to more closely align with the milestones proposed by IPC in the schedule filed as part of its draft RFP. Staff will work with IPC, LEI, and stakeholders to develop a schedule that provides robust opportunities for input while reducing the time spent on review. Staff believes this approach would preserve the integrity and intent of Oregon's CBRs while reducing the overall time it takes to conduct the RFP process.

Conclusion

Staff finds good cause to grant most of IPC's partial waiver requests and proposes two conditions:

Request	Staff Position
Idaho Power Waiver Request #1: Partial waiver of OAR 860-089-0200(1) & (2) to retain London Economics International as the IE for the 2028 RFP.	Approve partial waiver request subject to condition #1 below.

Request	Staff Position
Idaho Power Waiver Request #2: Partial waiver of OAR 860-089-0250(2)(a) to allow the Commission to consider IPC’s proposed Scoring and Modeling Methodology concurrent with its review of the draft RFP.	Approve partial waiver request.
Idaho Power Waiver Request #3: Waiver of OAR 860-089-0250(3)(g) to allow parallel review of the 2023 IRP and 2028 AS RFP.	Do not grant waiver. The waiver is not necessary for parallel review of the IRP and RFP.
Staff Condition #1: LEI should include in its initial report an analysis of lessons learned and opportunities for improvement from the previous RFP.	Important for learnings from UM 2255 to be reflected in the shape and scope of resources procured in UM 2317.
Staff Condition #2: IPC promptly explain any and all changes from the 2023 IRP impacting the identified need used to justify the RFP. Further, upon an acknowledgement decision of the 2023 IRP, IPC should provide an update in this docket to communicate all changes to the identified need in the 2023 IRP Action Plan and reflect such changes in the draft RFP.	Important to link LC 84 decision(s) with shape and scope of resources procured in UM 2317.

Allowing LEI to continue as the IE for the 2028 AS RFP will expedite the RFP process without incorporating unnecessary risks. LEI’s experience working on IPC’s 2026 AS RFP will also provide valuable experience to the RFP review process.

Allowing for parallel review of its SMM and RFP, as described in the Company’s filing, also provides opportunity for an expedited RFP review process without creating additional risk. As discussed above, the changes to the SMM and RFP are minimal, making expedited review by Staff, the IE, and other stakeholders feasible. This could support IPC’s effort to fill its projected 2028 resource needs in a timely manner.

Staff believes IPC’s request to conduct the 2028 AS RFP in parallel with the 2023 IRP is justified and feasible given the 2023 IRPs procedural schedule, but it does not need a waiver of OAR 860-089-0250(3)(g) to do so. Staff supports basing the 2028 AS RFP off modeling in the 2023 IRP, subject to the process outlined in Recommendation 2 above, which ensures changes occurring during the acknowledgement process are reflected in the draft RFP.

Staff has proposed an approach to review of the SMM and RFP that it believes maintains a robust stakeholder process, while streamlining the overall review by focusing on material changes relative to the 2026 RFP.

PROPOSED COMMISSION MOTION:

1. Grant Idaho Power Company's request for partial waiver of OAR 860-089-0200(1) & (2), subject to the conditions recommended by Staff, and approve IPC's use of London Economics International as the Independent Evaluator for IPC's 2028 All-Source Request for Proposals.
2. Grant a partial waiver of OAR 860-089-0250(2)(a) to allow the Commission to consider IPC's proposed scoring and modeling methodology concurrent with its review of the draft RFP.
3. Do not grant a waiver of the requirements of OAR 860-089-0250(3)(g).

Attachment 1

Full summary of changes to the 2028 AS RFP and SMM

Section	RFP or SMM?	Description of change	Staff analysis of significance
2.2 - Solicitation	RFP	Updated to describe details of 2028 resource need and capacity position based off modeling in the 2023 IRP.	Material change. Updated to reflect different timeframe of need
2.5 - Independent Evaluator	RFP	Bullet added to IE duties reflecting IE will be participating in contract negotiation process.	Reflective of conditions of approval of 2026 RFP
2.8 - Schedule	RFP	Updated with proposed schedule reflecting waiver and accelerated timeline.	Minor changes
3.1 - Eligible Proposals	RFP	Modified to update and simplify the product tables.	Minor changes
4.3 - Ownership and Agreement Types	RFP	Added a sentence encouraging bids targeting April 1, 2028, online date. Referenced 2023 IRP for hours of most value.	Updates related to timing
4.4 - Interconnection Studies and Cost Estimating	RFP	Changes related to Transitional Cluster Study Process. Including new estimated cost for Transmission Provider Interconnection Facilities.	Material change
4.5 - Bid Submission Process	RFP	Substantially revised to clarify the process. No material changes to the process itself.	Minor changes
5 - Market Purchase Proposals	RFP	Additional specifications and instructions. Clarifications to use consistent terminology.	Minor changes
5.4 - Bid Submission Process	RFP	Revised to clarify the process. No material changes to the process.	Minor changes
6.2 - Bid Naming	RFP	Narrative simplified, no changes to procedure.	Minor changes

7.1 - The Evaluation Process	SMM	Updated to 2023 IRP and updated discussion of preferred online dates.	Minor changes
7.2 - Phase 1 - Initial Shortlist	SMM	Updates to remove discussion of Non-Price Factor Weighting. Added a bullet list to describe non-price scoring factors.	Material changes
Exhibit A - Bid Definition Form	RFP	Updates to the Product Definition section to separate elements associated with Market Bids from elements associated with Resource Bids.	Minor changes
Exhibit B - Bid Entry Form	RFP	Minor edits to clarify bid entry inputs. Adjusted format to increase efficiency of the financial evaluation process.	Minor changes
Exhibit C - Bid Eligibility Checklist	RFP	Updated to include two additional eligibility factors for resource-based bids. Factors relate to the status of the bids GIA and the bid's development schedule.	Material changes
Exhibit D - Non-Price Scoring Matrix	SMM	Updated to simplify matrix.	Minor changes
Exhibit E - Proposed Market Purchase Volumes	RFP	Rewritten to reflect 2028 purchase needs.	Material changes
Exhibit F - Information on Preferred Locations	RFP	Deleted because the generation interconnection queue was replaced with a cluster study.	Minor changes
Exhibit G - Information on Most Valuable Hours for Resource Based Bids	RFP	Deleted because hours of highest risk are published in 2023 IRP.	Covered in 2023 IRP
Exhibit H - Draft Form Agreements for Resource Based Bids	RFP	Exhibit renumbered. No changes.	No change
Exhibit I - BESS Technical Specifications	RFP	Exhibit renumbered. No changes.	No change

Exhibit J - Solar Technical Specifications	RFP	Exhibit renumbered. No changes.	No change
Exhibit K - Wind Technical Specifications	RFP	Exhibit renumbered. No changes.	No change
Exhibit L - Gas-Fired Convertible to Hydrogen Specifications	RFP	Exhibit renumbered. No changes.	No change
Exhibit M - Mutual Non-Disclosure Agreement	RFP	Exhibit renumbered. No changes.	No change
Exhibit N - Counterparty Financial Questionnaire	RFP	Exhibit renumbered. No changes.	No change
Exhibit O - Draft Form Letter of Credit	RFP	Exhibit renumbered. No changes.	No change
Exhibit P - Bid Format and Requirements	RFP	Exhibit renumbered. No changes.	No change
Exhibit Q - IRP Modeling Assumptions	SMM	Deleted because assumptions are reflected in 2023 IRP.	Covered in 2023 IRP
Exhibit R - Levelized PVRR Scenarios	RFP	Updated with new discount rate assumption that changes the results.	Material changes