

This is an electronic copy. Format and font may vary from the official version. Attachments may not appear.

**BEFORE THE PUBLIC UTILITY COMMISSION**

**OF OREGON**

UM 1080

In the Matter of	)	
	)	
PORTLAND GENERAL ELECTRIC	)	
COMPANY	)	ORDER
	)	
Request for Proposals for Power Supply Resources	)	
in Compliance with Competitive bidding	)	
guidelines established by Order No. 91-1383.	)	
	)	

**DISPOSITION: APPLICATION APPROVED WITH CONDITIONS**

On April 25, 2003, Portland General Electric Company (PGE) filed a draft Request for Proposals – Power Supply Resources (RFP) with the Public Utility Commission of Oregon (Commission). PGE asked the Commission to approve the process by which it would solicit bids for various energy and capacity power products.

The matter came before the Commission at its May 7, 2003 public meeting. At that meeting, several parties expressed concerns regarding PGE's RFP. To provide the parties an opportunity to comment on the bidding process, the Commission deferred consideration of the matter until a future public meeting. The Commission also asked PGE to file a revised RFP, which it did on May 22, 2003.

The Citizens' Utility Board of Oregon, Renewable Northwest Project, and the Northwest Independent Power Producers Coalition filed comments.

The matter came before the Commission again at a special public meeting held on June 12, 2003. Commission staff (Staff), Renewable Northwest Project, and PGE recommended that the Commission find PGE's May 22, 2003 RFP to be in compliance with the supply-side bidding guidelines established in Order No. 91-1383 and consistent with PGE's least cost plan filed in docket LC 33. Those parties agreed that the RFP bidding and evaluation procedures would reasonably be expected to result in a fair and unbiased process to allow PGE to obtain necessary least cost resources needed to fill its identified energy and capacity requirements as long as the following conditions are met:

1. An independent observer, will be retained to:
  - a. Evaluate the scoring criteria to confirm that they do not inappropriately bias the process in favor of an equity investment by PGE,
  - b. Evaluate whether scoring criteria have been applied in a fair and unbiased manner,
  - c. At the discretion of the independent observer, observe and review the process by which PGE evaluates and negotiates the short list proposals to confirm that the process is not inappropriately biased in favor of an equity investment by PGE,
  - d. Submit a written report to the Commission, in light of the above, stating whether the process was fair and objective.
2. PGE will submit cost estimates for its Port Westward self build option before bids are due. The estimates will detail cost assumptions and build specifications.
3. If changes to cost assumptions regarding Port Westward are made, PGE will submit a “refreshed” estimate when short-listed bidders are allowed to do the same. The updated estimate will include a description of any changes from the original bid filed with the Commission.
4. Appendix S of the final RFP will be modified to address the role the Energy Trust of Oregon will have in evaluating renewable resource bids that may be eligible for ETO subsidy.
5. The environmental damage factors outlined in Order 91-1383 will be replaced by those described in PGE’s May 30, 2003 letter to staff, for the purposes of this RFP only.
6. The leverage adjustment described on page 22 of the RFP will not take place. Instead, a leverage adjustment will be considered during the post-bid process.

The Commission adopted Staff’s recommendations and approved PGE's request.

## **ORDER**

IT IS ORDERED that:

1. Portland General Electric’s Request for Proposals is in compliance with the competitive bidding guidelines established by Order No. 91-1383, is consistent with its filed least cost plan (LC 33) and can reasonably be expected to result in a fair and unbiased process which allows the company to obtain the least cost resources needed to fill its identified energy and capacity requirements, subject to the following conditions:

1. An independent observer, will be retained to:
  - a. Evaluate the scoring criteria to confirm that they do not inappropriately bias the process in favor of an equity investment by PGE,
  - b. Evaluate whether scoring criteria have been applied in a fair and unbiased manner,
  - c. At the discretion of the independent observer, observe and review the process by which PGE evaluates and negotiates the short list proposals to confirm that the process is not inappropriately biased in favor of an equity investment by PGE,
  - d. Submit a written report to the Commission, in light of the above, stating whether the process was fair and objective.
2. PGE will submit cost estimates for its Port Westward self build option before bids are due. The estimates will detail cost assumptions and build specifications.
3. If changes to cost assumptions regarding Port Westward are made, PGE will submit a “refreshed” estimate when short-listed bidders are allowed to do the same. The updated estimate will include a description of any changes from the original bid filed with the Commission.
4. Appendix S of the final RFP will be modified to address the role the Energy Trust of Oregon will have in evaluating renewable resource bids that may be eligible for ETO subsidy.
5. The environmental damage factors outlined in Order 91-1383 will be replaced by those described in PGE’s May 30, 2003 letter to staff, for the purposes of this RFP only.
6. The leverage adjustment described on page 22 of the RFP will not take place. Instead, a leverage adjustment will be considered during the post-bid process.

Made, entered, and effective \_\_\_\_\_.

BY THE COMMISSION:

---

**Becky L. Beier**  
Commission Secretary

A party may request rehearing or reconsideration of this order pursuant to ORS 756.561.  
A party may appeal this order to a court pursuant to ORS 756.580.