

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1020

In the Matter of)	
)	
PACIFICORP, dba PACIFIC POWER & LIGHT COMPANY)	ORDER
)	
Request for Proposals for Tradable Renewable Credits and Retail Marketing Services for Renewable Portfolio Options in 2007-09.)	

DISPOSITION: REQUEST FOR PROPOSALS APPROVED

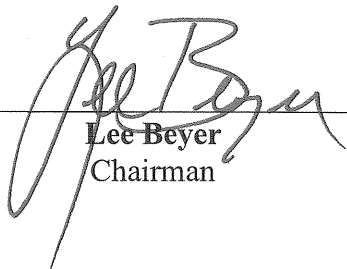
On June 1, 2006, PacifiCorp, dba Pacific Power & Light Company (PacifiCorp or company), filed a proposed Request for Proposals (RFP) for Tradable Renewable Credits and retail marketing services for the Usage and Habitat portfolio rate options in 2007-09. The RFP includes a description of the company's proposed bidding process. A description of the filing and its procedural history is contained in the Staff Report, attached as Appendix A, and incorporated by reference.

Based on a review of the application and the Commission's records, the Commission finds that the RFP and bidding process satisfy the requirements of applicable statutes, administrative rules, and Commission orders. At its Public Meeting on June 27, 2006, the Commission adopted Staff's Recommendation and approved PacifiCorp's proposed RFP.

ORDER

IT IS ORDERED that Pacific Power & Light Company's proposed bidding process and Request for Proposals for Tradable Renewable Credits and retail marketing services for the Usage and Habitat portfolio rate options in 2007-09 are approved.

Made, entered, and effective JUL 10 2006.



Lee Beyer
Chairman



John Savage
Commissioner



Ray Baum
Commissioner



A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-014-0095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-013-0070(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480-183.484.

ITEM NO. CA12

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: June 27, 2006

REGULAR _____ CONSENT X EFFECTIVE DATE _____ N/A

DATE: June 14, 2006

TO: Public Utility Commission

FROM: Lisa Schwartz *LS*
u *EB* *BOT*

THROUGH: Lee Sparling, Ed Busch and Bonnie Tatom

SUBJECT: PACIFIC POWER & LIGHT: (Docket No. UM 1020) Request for Proposals for Tradable Renewable Credits and Retail Marketing Services for Renewable Portfolio Options in 2007-09.

STAFF RECOMMENDATION:

Staff recommends the Commission approve PacifiCorp's proposed bidding process and Request for Proposals for Tradable Renewable Credits and retail marketing services for the Usage and Habitat portfolio rate options in 2007-09.

DISCUSSION:

On June 1, 2006, PacifiCorp filed its proposed Request for Proposals (RFP) for Tradable Renewable Credits¹ (TRCs) and retail marketing services for the Usage and Habitat portfolio rate options in 2007-09. The RFP includes a description of the company's proposed bidding process.

The filing complies with OAR 860-038-0220(6) which states, "Each electric company must acquire the renewable supply resources necessary to provide the renewable energy resources product through a Commission-approved bidding process or other Commission-approved means."

The filing also is consistent with Order No. 03-208 which required the utilities to conduct a formal bidding process to select suppliers to provide Tradable Renewable Credits and retail marketing services for the Usage and Habitat options for the 2004-06 service

¹ Also called Renewable Energy Credits, Tradable Renewable Certificates or green tags.

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period.² The order further specified that the Commission should approve the bidding process and the RFP before it is issued.

Portfolio Options Committee Comments

PacifiCorp circulated an early draft of the RFP to the Portfolio Options Committee at its April 13, 2006, meeting. The company made the following changes to the RFP in response to comments from staff and other committee members:

- TRCs must be certified by the Western Renewable Energy Generation Information System (WREGIS) beginning January 1, 2008, pursuant to the Commission's adoption of such a requirement at its meeting on January 10, 2006.
- The RFP clarifies that TRCs from 100% new resources, as defined by OAR 860-038-0005(38), is a requirement for qualification, rather than a preference. PacifiCorp's Usage and Habitat options have used TRCs from 100% new renewable resources since January 1, 2004. Further, the national Green-e standard will require 100% new renewable resources starting January 1, 2007.³
- The RFP advises bidders that PacifiCorp will file with the Commission upon execution any contracts or contract extensions, pursuant to Order No. 05-878. (See Appendix A, Staff recommendation #2.)

Bidding Process

Bidders will complete a Notice of Intent to Respond form, in order to be notified of any updates to the RFP. Interested parties may contact PacifiCorp by e-mail for clarification or explanation regarding the RFP.

PacifiCorp plans to issue the RFP on June 28, with proposals due July 28, 2006. The company will perform an initial review of each proposal to determine if the bidder provided all of the required information. After proposals have been evaluated, PacifiCorp may ask selected respondents to make presentations of their proposals and answer questions. Following these interviews, the company will enter into negotiations

² These rate options match 100% of a customer's usage with TRCs. The Habitat option includes a contribution toward salmon habitat restoration. PacifiCorp and Portland General Electric also offer a third renewable resource option, a "block" product. The Commission does not require that the TRCs for this product be acquired through competitive bidding.

³ The Portfolio Options Committee's recommendations to the Commission for 2007 include a requirement that renewable resource portfolio options be supplied by 100% new resources as defined by ORS 757.600(21). OAR 860-038-0005(38) stems from this statute.

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with one or more bidders. The company plans to execute an agreement with the winning bidder by August 30, obtain a term sheet on which to base tariff prices, and file tariffs with the Commission September 1, 2006.

Evaluation Criteria

Respondents will first be qualified based on creditworthiness, experience in renewable energy and retail marketing, demonstrated ability to provide adequate verification of TRC authenticity, and ability to deliver TRCs that meet the standards adopted by the Commission. Once qualified, proposals will be scored on the following:

<u>Weight</u>	<u>Evaluation Factor</u>
35%	Overall price for TRCs and retail marketing services
30%	Quality of retail marketing services, including marketing approach, annual marketing budgets, plan for expanding participation, and ability to work with PacifiCorp and other parties
25%	Appeal of TRCs to customers, including resource type, location and age
5%	Demonstrated experience and ability to address customer care issues
5%	Risks associated with the proposal, including exposure to TRC market prices

Staff finds the proposed bidding process and evaluation criteria reasonable.

PROPOSED COMMISSION MOTION:

PacifiCorp's proposed bidding process and Request for Proposals for Tradable Renewable Credits and retail marketing services for the Usage and Habitat portfolio rate options in 2007-09 be approved.

PacificTRC-MarketingRFP07-09.doc