

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1360

In the Matter of)	
)	ORDER
PACIFICORP, dba PACIFIC POWER)	
)	
Application for approval of a solicitation)	
process for flexible resources starting in)	
2012 through 2017.)	

**DISPOSITION: SELECTION OF OREGON INDEPENDENT
EVALUATOR APPROVED**

On December 24, 2007, PacifiCorp, dba Pacific Power (Pacific Power), filed an application for approval of a solicitation process for flexible resources starting in 2012 through 2017 with the Public Utility Commission of Oregon (Commission). With the application, Pacific Power requested expedited treatment for Commission selection of an Oregon Independent Evaluator (IE).

Guideline 5 of the Commission’s competitive bidding order addresses the IE selection and contracting process. *See* Order No. 06-446. Among other things, these guidelines require the use of an IE to oversee the Request for Proposals (RFP) Process and to ensure that it is conducted fairly and properly.

At this time, Pacific Power requests the Commission appoint Accion Group and Boston Pacific Company, Inc. to serve as the Oregon IE for the new RFP, pursuant to Staff’s recommendation. Staff has followed the IE team throughout the RFP process in docket UM 1208 and finds them well-suited to serve in this role for the new RFP. The IE team is in the best position to evaluate and make recommendations regarding the new RFP, based upon lessons learned in the current process. Further, ratepayers will benefit from the efficiencies of the IE team’s specific experience. Staff’s complete recommendations are set forth in its Staff Report, attached as Appendix A and incorporated by reference.

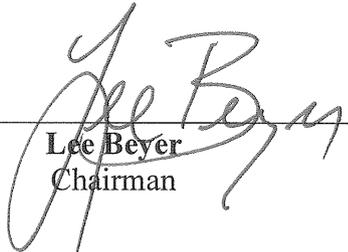
ORDER

IT IS ORDERED that:

1. Accion Group and Boston Pacific Company, Inc. are selected to jointly serve as Oregon’s Independent Evaluator for PacifiCorp’s Request for Proposals for Flexible Resources starting in 2012 through 2017.

2. Staff is directed to review the final draft negotiated contract, prior to its execution by PacifiCorp and the selected Independent Evaluator, to ensure conformance with Order No. 06-446.

Made, entered, and effective JAN 16 2008.



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.

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: January 8, 2008**

REGULAR _____ CONSENT X EFFECTIVE DATE _____ N/A _____

DATE: January 2, 2008

TO: Public Utility Commission

FROM: Lisa Schwartz *LS*

THROUGH: ^{WS} Lee Sparling and ^{EB} Ed Busch

SUBJECT: PACIFIC POWER & LIGHT: (Docket No. UM 1360) Recommendation for Oregon Independent Evaluator for Request for Proposals for Flexible Resources starting in 2012 through 2017.

STAFF RECOMMENDATION:

Staff recommends the Commission select Accion Group and Boston Pacific Company, Inc. to jointly serve as Oregon's Independent Evaluator (IE) for PacifiCorp's Request for Proposals (RFP) for Flexible Resources starting in 2012 through 2017. Staff further recommends the Commission direct staff to review the final draft negotiated contract, prior to its execution by PacifiCorp and the selected IE, to ensure conformance with Order No. 06-446.

DISCUSSION:

On December 24, 2007, PacifiCorp (dba Pacific Power & Light) filed an application to open a docket for approval of a solicitation process for flexible resources starting in 2012 through 2017. With the application, the Company requested expedited treatment for Commission selection of an Oregon IE.

Guideline 5 of the Commission's competitive bidding order addresses the IE selection and contracting process:

... Commission Staff, with input from the utility and interested, non-bidding parties, will recommend an IE to the Commission, which will then select or approve an IE for the RFP. The IE must be independent of the utility and likely, potential bidders, and also be experienced and competent to perform all IE functions identified in these Guidelines. The IE will contract

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with and be paid by the utility. The IE should confer with Commission staff as needed, on the IE's duties under these Guidelines. The utility may request recovery of its payments to the IE in customer rates. See Order No. 06-446 at 6.

In its discussion of the guideline, the Commission stated: "We believe the utility and non-bidders should participate in the process and provide input to Staff. Staff, however, should make a final recommendation to the Commission for approval, which could be accomplished at a public meeting." *Id* at 7.

At its public meeting on November 7, 2006, the Commission selected Accion Group and Boston Pacific Company, Inc. to jointly serve as the Oregon IE for PacifiCorp's 2012 RFP for base load resources (Docket UM 1208). The Commission declined to approve the RFP. See Order No. 07-018. However, the Commission previously clarified that the Company should retain an Oregon IE even if the Commission did not approve the RFP. See Order No. 06-676.

PacifiCorp recently made two informational filings in Oregon: first, notifying the Commission of a motion before the Utah Public Service Commission to amend the RFP¹ and second, advising the Commission of withdrawal of the motion. PacifiCorp ultimately decided to complete the 2012 RFP process, rather than amend the RFP.

However, the Company plans to issue a system-wide RFP for "flexible" resources that would begin operation during the period 2012 to 2017 to meet any incremental needs following the conclusion of the 2012 RFP. The new RFP will include all types of resources except for renewable resources, which the Company will pursue under a separate RFP process. By January 31, 2008, the Company expects to file the RFP for flexible resources requesting Commission approval.

At this time, the Company requests the Commission appoint Accion Group and Boston Pacific Company, Inc. to serve as the Oregon IE for the new RFP, pursuant to Staff's recommendation. Staff has followed the IE team throughout the current RFP process and finds them well-suited to serve in this role for the new RFP. The IE team is in the best position to evaluate and make recommendations regarding the new RFP based on lessons learned in the current process. Further, ratepayers will benefit from the efficiencies of the IE team's specific experience. The Citizens' Utility Board of Oregon, Industrial Customers of Northwest Utilities, Northwest Intermountain Power Producers Coalition, Renewable Northwest Project and Northwest Energy Coalition support the recommendation. Accion Group and Boston Pacific are willing to serve as the IE if appointed.

¹ The Commission held an informational meeting on the matter on November 2, 2007.

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Further, Staff recommends the Commission direct PacifiCorp to negotiate a contract with Accion/Boston Pacific that conforms with Order No. 06-446 and direct staff to review the final draft negotiated contract, prior to its execution, to ensure conformance with Order No. 06-446.

PROPOSED COMMISSION MOTION:

Accion Group and Boston Pacific Company, Inc. be selected to jointly serve as Oregon's Independent Evaluator for PacifiCorp's RFP for Flexible Resources starting in 2012 through 2017. Further, staff be directed to review the final draft negotiated contract, prior to its execution by PacifiCorp and the selected IE, to ensure conformance with Order No. 06-446.

IE Selection UM 1360.doc