

ORDER NO. 25-032

ENTERED Feb 05 2025

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 2357

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY,

2025 All-source Request for Proposals,
Request for Partial Waiver of Competitive
Bidding Rules.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on February 4, 2025, the Public Utility Commission of Oregon adopted Staff's recommendation in this matter. The Staff Report with the recommendation is attached as Appendix A.

BY THE COMMISSION:



Katharine Mapes

Katharine Mapes on behalf of
Alison Lackey
Chief Administrative Law Judge

A party may request rehearing or reconsideration of this order under 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 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Circuit Court for Marion County in compliance with ORS 183.484.

ITEM NO. RA2

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: February 4, 2025

REGULAR X CONSENT _____ EFFECTIVE DATE _____ N/A _____

DATE: January 28, 2025

TO: Public Utility Commission

FROM: Sandra Namukaya

THROUGH: Caroline Moore, JP Batmale, and Kim Herb **SIGNED**

SUBJECT: PORTLAND GENERAL ELECTRIC:
(Docket No. UM 2357)
2025 All-Source Request for Proposals, Request for Partial Waiver of
Competitive Bidding Rules.

STAFF RECOMMENDATION:

Approve Portland General Electric's (PGE or Company) request for partial waiver of OAR 860-089-0250(2)(a) to allow the Company to delay filing its proposed scoring and modeling methodology (SMM) and instead allow PGE to simultaneously file the SMM with its draft Request for Proposal (RFP).

DISCUSSION:

Issue

Whether the Commission should waive the requirement under OAR 860-089-0250(2)(a) for Commission approval of PGE's proposed SMM prior to preparing a draft RFP.

Applicable Rule or Law

The Commission's Competitive Bidding Rules (CBR) in OAR Chapter 860, Division 89 specifically apply when an electric utility may acquire a resource or a contract for more than an aggregate of 80 megawatts and five years duration but may also apply in other circumstances.¹ The Commission may waive any of the Division 089 rules for good

¹ OAR 860-089-0100(1).

Docket No. UM 2357
January 28, 2025
Page 2

cause shown. A request for waiver must be made in writing to the Commission prior to or concurrent with the initiation of a resource acquisition.²

OAR 860-089-0200 states that an electric company must engage the services of an IE and, in addition to other requirements, must request Commission approval to engage an IE.

OAR 860-089-0250 contains multiple requirements for the RFP design process. Relevant here is OAR 860-089-0250(2)(a), which provides that if a utility that does not have a Commission acknowledged Integrated Resource Plan (IRP) in which the RFP design and SMM was included, the utility must develop and file for approval, in the IE selection docket, a SMM proposal prior to filing the draft RFP.

In Order No.11-346 the Commission stated, “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.”³

Analysis

Background

PGE’s 2023 IRP/CEP Action Plan contained an “Energy Action” to conduct one or more RFPs to acquire sufficient capacity to meet forecasted 2028 needs.⁴ PGE identified a need to procure 753 MWa of non-emitting resources between 2025-2028 (or 251 MWa annually).

PGE’s 2023 All-Source RFP (2023 AS RFP) resulted in an acknowledged final shortlist (FSL) with 343 MW of capacity and 85 MWa, leaving 668 MWa to be procured by 2028.⁵ The Commission directed PGE to take actions that will facilitate a bigger pool actionable energy resource bids in the next procurement and that PGE promptly issues its next RFP. The Commission directed PGE to use the design of the 2023 AS RFP for the next RFP, with minimum modifications to facilitate a larger pool of actionable bids. The minimum requirements to facilitate a larger pool of actional bids include changes to

² OAR 860-089-0010(2).

³ *In re Rulemaking to Update Waiver Provisions in the Commission's Administrative Rules*, Docket No. AR 554, Order No. 11-346 at 4 (September 8, 2011).

⁴ *In re Portland General Electric Co.*, Docket No. LC 80, Order No. 24-096, Appendix A at 5 (April 18, 2024), adopting Staff’s recommendation to acknowledge PGE’s energy and capacity action items on the condition that PGE complete work on a proposal to develop a long lead-time resource request for information.

⁵ *In re Portland General Electric Co.*, Docket No. UM 2274, Order No. 24-425 at 1, Appendix A at 3 (November 25, 2024).

Docket No. UM 2357
January 28, 2025
Page 3

transmission requirements, updated price forecasts, and a resource online date before 2030.⁶ Staff also committed to returning in 60 days with recommendations for minimum transmission requirements that will enable third-party energy resource bids without firm or conditional firm transmission to PGE's system. To ensure a comprehensive and inclusive process that develops an effective set of transmission requirements, Staff will use additional time to engage with PGE and stakeholders so these requirements can be incorporated in PGE's 2025 AS RFP in March. The Commission clarified that this process must include the opportunity for stakeholder input.

Initiation of 2025 Non-Emitting AS RFP

To begin this proceeding, on November 15, 2024, PGE filed a notice of commencement of the 2025 AS RFP and requested that the Commission open a docket for this purpose. The Company also requested a partial waiver of the Commission's CBRs covering OAR 860-089-0200(1) and (2), pertaining to IE selection, and OAR 860-089-0250(2)(a), pertaining to the timing of the review of the SMM and the draft RFP.

Following discussions with Staff, PGE decided to amend its November 15, 2024, waiver request to withdraw the request for a waiver of OAR 860-089-0200(1) and (2). At a workshop on December 19, 2024, PGE shared this change with stakeholders and took feedback on its anticipated updated waiver request, its schedule for the 2025 AS RFP, its anticipated process for conducting an IE selection process, and the draft IE RFP.

On January 7, 2025, PGE filed its amended waiver request indicating that the Company would proceed with the traditional IE RFP process and would subsequently request Commission approval to engage services of an IE in preparation for the filing of the 2025 AS RFP.

Staff's analysis in this memo only addresses the partial waiver request pertaining to timing of PGE's filing for approval of the draft RFP and SMM. All other RFP considerations will be considered at a later stage under a separate docket.

Waiver Request

PGE requests a partial waiver of the requirement under OAR 860-089-0250(2)(a), which is the CBR component requiring the SMM being evaluated prior to the draft RFP. Per OAR 860-089-0250(2)(a), the Company must file for approval of its SMM in its IE selection docket, prior to filing its draft RFP if its SMM was not included as part of the Commission-acknowledged IRP. Because PGE is seeking to expedite the RFP process, it requests to have its SMM reviewed in parallel with the draft RFP.

⁶ *Id.* at 1, Appendix A at 13-15.

Docket No. UM 2357
January 28, 2025
Page 4

PGE cites precedence in previous RFPs where Commission decisions in Order Nos. 21-469 (PacifiCorp 2022 AS RFP), 22-495 (Idaho Power's 2026 AS RFP), and 23-146 (PGE's 2023 AS RFP) approved SMM updates to be reviewed concurrently with the draft RFP. PGE asserts that granting the waiver balances the need to expedite the resource acquisition process while providing Staff, stakeholders, and the IE the opportunity to engage in the draft RFP approval process. These decisions were also supported by stakeholders who agreed that it was difficult to review proposed SMM without draft RFP context.

Identified Resource Need

PGE's outstanding need for non-emitting resources can be demonstrated by its most recent IRP (2023) and the outcomes of the AS RFP FSL in UM 2274.⁷ The FSL included only 85 MWa of the 753 MWa anticipated energy need to be acquired between 2025 and 2028. While the Company is expected to refresh its needs assessment before finalizing its 2025 RFP design, PGE is 668 MWa from the 2028 procurement level target as detailed in the 2023 IRP/CEP. PGE also anticipates that the 2025 AS RFP will not only make additional progress toward the needs identified in the 2023 IRP and CEP Action Plan but will also benefit from a comparison to the forthcoming 2023 IRP Update needs analysis expected in LC 80 on April 18, 2025. Staff finds that refreshing the assessment of PGE's need will be critical to the scoping and finalizing of this RFP.

Staff's Analysis of Good Cause and the UM 2274 Direction for Prompt Reissuance of RFP

In UM 2274, Order No. 24-245, the Commission supported Staff's recommendation that the FSL be acknowledged on the condition that PGE promptly issue its next RFP with minimal changes and highlighted the need for stakeholder engagement to consider modifications on priority issues.⁸ The order communicates an interest in seeking ways to shorten procurement timelines without compromising stakeholder engagement. Granting a waiver for this aspect of the CBR has the potential to shorten timelines and has been well supported by stakeholders in previous dockets. Specifically, granting this same waiver in Order Nos. 23-146, 22-495, and 21-469 was effective in reducing time spent on the procurement process while still allowing for robust stakeholder engagement. While the waiver allows PGE to make a simultaneous filing of its SMM and Draft RFP, the Commission is still able to separately address the terms of each document, as it did in UM 2274, similar to the approval process specified in OAR 860-089-0250.

⁷ *In re Portland General Electric Co.*, Docket No. UM 2274, Order No. 24-425 at Appendix A at 3 (November 25, 2024).

⁸ See Order No. 24-425.

Docket No. UM 2357
January 28, 2025
Page 5

In addition, this request is consistent with Staff's initial proposal for streamlining the RFP processes in UM 2348,⁹ where Staff identifies one of the circumstances for expedited review as having a "prior-approved RFP with redlined modifications," such as PGE proposes here. Further, Staff notes that PGE clearly demonstrates a need to promptly expedite the RFP process and that the time it takes to run an RFP under the CBRs could be reduced with the issuance of this waiver.

Staff will work with PGE and stakeholders to develop recommendations for transmission requirements

Staff believes that it is critical to move quickly to reissue an energy resource procurement, but the value of this effort hinges on bringing in a broader pool of actionable energy resource bids. Now that the Company plans to seek approval of the draft RFP and SMM together in March, Staff is committed to taking more time to work with PGE and stakeholders on its recommendations to for minimum transmission requirements that will enable third-party energy resource bids without firm or conditional firm transmission to PGE's system.

Conclusion

Given the Commission's direction to the Company to act quickly to initiate another RFP and past examples of successful execution of RFPs with similar waivers, Staff finds good cause to waive the requirement under OAR 860-089-0250(2)(a). This waiver applies to Commission's approval of PGE's proposed SMM prior to preparing a draft RFP and for the parallel review process of the SMM and the draft RFP as described in its filing.

PROPOSED COMMISSION MOTION:

Grant a partial waiver of OAR 860-089-0250(2)(a) to allow the Commission to review PGE's proposed scoring and modeling methodology concurrently with PGE's filing of its draft RFP.

UM 2357 PM Memo PGE Waiver Request

⁹ Staff's Presentation from the October 31, 2024, Workshop (filed in eDockets on October 30, 2024).