

ORDER NO. 25-327

ENTERED Aug 20 2025

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 2317

In the Matter of

IDAHO POWER COMPANY,

Application for Approval of 2028 All-
Source Request for Proposals to Meet 2028
Capacity Resource Need.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on August 19, 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:



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
REDACTED STAFF REPORT
PUBLIC MEETING DATE: August 19, 2025**

REGULAR X **CONSENT** **EFFECTIVE DATE** August 19, 2025

DATE: August 11, 2025

TO: Public Utility Commission

FROM: Benedikt Springer

THROUGH: Caroline Moore and JP Batmale **SIGNED**

SUBJECT: IDAHO POWER COMPANY:
(Docket No. UM 2317)
2028 All-Source Request for Proposal.

STAFF RECOMMENDATION:

Acknowledge Idaho Power Company's (IPC or Company) 2028 All-Source Request for Proposals (RFP) Final Shortlist (FSL) Group 2, subject to Staff's conditions in the.

DISCUSSION:

Issue

Whether the Oregon Public Utility Commission (Commission or PUC) should acknowledge IPC's 2028 All-Source RFP FSL Group 2.

Applicable Rule or Law

The Commission's competitive bidding requirements 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 and five years in length, as specified in OAR 860-089-0100(1). Resource acquisitions falling under the competitive bidding requirements mandate the use of a request for proposals (RFP) unless an exception applies, or the rules are waived.¹

¹ See OAR 860-089-0250; OAR 860-089-0100; and OAR 860-089-0010.

Docket No. UM 2317
August 11, 2025
Page 2

In Order No. 24-120, the Commission granted Idaho Power a partial waiver of OAR 860-089- 0200(1) and (2) and OAR 860-089-0250(2)(a), approving London Economics International (LEI) as the Independent Evaluator (IE) and allowing the Commission to consider the scoring and modeling methodology (SMM) concurrently with the draft RFP.²

OAR 860-089-0500(1) states that, in an RFP process:

"acknowledgment" is a finding by the Commission that an electric company's final shortlist of bid responses appears reasonable at the time of acknowledgment and was determined in a manner consistent with the rules in this division.

OAR 860-089-0500(2) provides that an electric company must request that the Commission acknowledge the electric company's final shortlist of bids before it may begin negotiations. Acknowledgment of a shortlist has the same legal force and effect as a Commission-acknowledged IRP in any future cost recovery proceeding.

Per OAR 860-089-0500(3), requests for acknowledgement must, at minimum, include the independent evaluator's (IE's) closing report, the electric company's final shortlist, all sensitivity analyses performed, and a discussion of the consistency between the final shortlist and the electric company's last-acknowledged IRP Action Plan.

The IE's closing report contains an evaluation of the applicable competitive bidding processes in selecting the least-cost, least-risk acquisition of resources and any additional analyses requested by the Commission, under OAR 860-089-0450(9). The IE participates in the final short list acknowledgment proceeding and may be required by the Commission to have expanded involvement through final resource selection.³

Analysis

Summary

Staff recommends the Commission acknowledge IPC's 2028 All-Source RFP FSL Group 2 with two conditions, intended to increase transparency of procurement decisions. Throughout this memo, Staff mentions opportunities to improve the design of RFPs, which Staff expects the Company to consider before filing a future RFP.

² Docket No. UM 2317, [Order No. 24-120](#) (May 2, 2024).

³ OAR 860-089-0450(10).

Docket No. UM 2317
 August 11, 2025
 Page 3

Background

On August 16, 2024, the Commission approved the draft of IPC's All-Source RFP together with the Company's Scoring and Modeling Methodology.⁴ IPC issued the 2028 RFP on August 16, 2024, for bids that meet the Generator Interconnection Agreement (GIA) requirements (Group 1)⁵ and the Commission acknowledged a FSL on March 31, 2025.⁶ The Group 1 FSL contains 1387.6 MW of solar, wind, and BESS projects with CODs before April 1, 2028. However, on June 4, 2024,

[BEGIN CONFIDENTIAL]

[REDACTED]

[END CONFIDENTIAL]

Group 2 of this RFP was open to projects that do not meet GIA requirements and have a COD after April 1, 2028, including bids from the Group 1 FSL that updated their COD. Group 2 bids could be submitted until January 27, 2025, with five Benchmark bids being evaluated prior to that. On July 22, 2025, Idaho Power filed the request for acknowledgement of this FSL. The Company states that it is seeking acknowledgment only for bids with CODs in 2028 and 2029 but may request acknowledgment for projects with later CODs at another date, of which 40 were evaluated. The request for acknowledgement met the requirements of and included the sensitivity analyses performed, a discussion of the consistency between the final shortlist and the electric company's last-acknowledged IRP Action Plan. The request also included the independent evaluator's closing report. Upon review of both documents Staff had no concerns with the FSL.

On August 4, 2025, Staff posted a letter to the docket, reminding stakeholders that comments could still be filed until August 6, 2025. No comments were filed. Accordingly, Staff coordinated with Idaho Power and other stakeholders to accelerate the schedule of acknowledgement of this FSL by one month, from September 16, 2025, to the present public meeting.

⁴ Docket No. UM 2317, [Order No. 24-272](#), August 16, 2024.

⁵ The Generator Interconnection Agreement (GIA) requirements for Group 1 are that projects are part of either the Idaho Power Generator Interconnection Serial Study Process or the Transitional Cluster Study Process, see 7.2 of the RFP.

⁶ Docket No. UM 2317, Order No. 25-128, March 31, 2025.

Docket No. UM 2317
 August 11, 2025
 Page 4

Purpose of the 2028 RFP

Table 1 shows the Company's evolving resource needs for 2029. This RFP's capacity need initially reflected IPC's 2023 Integrated Resource Plan (IRP), seeking a minimum of 138 MW of incremental peak capacity and 555 MW of supply-side resource additions for 2028.⁷ However, with the changes the Commission made to the draft before the issuance, the RFP also considered needs in 2029 (142 MW shortfall with 405 MW of additions) and beyond. The Company explains that its incremental peak capacity refers to firm capacity needs, while its energy resource additions are reflective of the necessary nameplate capacity required to meet need given the effective load-carrying capability (ELCC) of the proxy resources in the model.

Staff asked the Company to clarify its current cumulative capacity need for 2029, given changes since the initial filing of the RFP and the outcomes of Group 1 as they are known so far. The Table below, which is based on information provided by the Company via email to Staff, shows a cumulative capacity shortfall of 385 MW over 2028 and 2029, which this RFP is trying to fill. Staff appreciates the level of detail the Company provided to articulate its resource need and sees it as a valuable starting place for articulating future procurement needs. Staff believes that the proposed Group 2 FSL is appropriately sized (2126 MW) given results of Group 1 and the previous RFP, where the Company ended up contracting with only four out of ten projects.⁸ Staff believes that if the Company decides to pursue more than 385 MW of peak capacity, any such procurement must be informed by a report detailing the rationale. As an additional safeguard, and consistent with Order No. 24-120, the Company will retain the IE to monitor and report on all contract negotiations.⁹

Table 1: Evolution of Resource Needs

Scenario	2029 Capacity Position	Notes
2023 IRP	(324) MW	Published 2029 pre-portfolio capacity position
2023 IRP Updated	(437) MW	Model inputs updated
2028 RFP Initial Model	(569) MW	Model inputs updated and new load forecast published

⁷ Idaho Power Company, [Integrated Resource Plan](#), p. 174, p.146, September 2023.

⁸ Docket No. UM 2255, [Report on Contract Negotiations](#), July 9, 2025.

⁹ Docket No. UM 2317, [Order No. 24-120](#), Appendix A, p. 16, May 2, 2024.

Docket No. UM 2317
 August 11, 2025
 Page 5

Add Valmy	(350) MW	Add North Valmy (Units 1 & 2) coal-to-gas conversion
Add 2026 Resources	(247) MW	Add Pleasant Valley Solar II, Boise Bench Energy Storage 1, and Battery Storage Expansion at Boise Bench & Hemingway
2028 RFP Update Model	(395) MW	Model inputs updated and new load forecast published
2029 RFP Update Model for ISL	(525) MW	Model inputs updated and new load forecast published
Add 2027 Resources	(345) MW	Add Jackalope Wind and Crimson Orchard Solar + Battery Storage
Add 2028 Resources	(297) MW	Add Blacks Creek Solar
2025 IRP	(297) MW	Published 2029 pre-portfolio capacity position
2029 RFP Update Model for FSL	(385) MW	New load forecast considerations

Condition 1: Acknowledge FSL volume up to 385 MW of peak capacity to meet the 2028 and 2029 capacity needs demonstrated by the Company. The Company shall file a report with an explanation and justification for any procurement volume in excess of the above-identified number.

Condition 2: IPC shall retain the IE to monitor and report on all contract negotiations. The IE will file a final report in UM 2317 that addresses: (1) Long-term service agreement (LTSA), O&M costs, and any other areas of risk for cost over-runs by projects involving utility ownership. (2) A description of any negotiations that resulted in a modification to the ownership structure of the bid, as compared to how it was presented in the FSL, including a full account of the unique risks and advantages of bids that became utility-owned bids as part of contract negotiations. (3) A full analysis of how the specific commercial terms shaped the FSL and any impact to bid prices, including but not limited to analysis of negotiations on the following contract terms: Guaranteed COD, Transmission Upgrade Cost, Transmission Scheduling of Energy Effective Date, Curtailment, and Output guarantees. (4) Any lessons learned, including the drivers of unexecuted contracts as well as advantages and disadvantages of the two round RFP design, particularly concerning the treatment of interconnection costs.

Docket No. UM 2317
 August 11, 2025
 Page 6

Overview of IPC's Final Shortlist

The Company developed its FSL in accordance with the Commission-approved Scoring and Modeling Methodology, using eight steps. Two additional steps were added since the Group 1 evaluation.¹⁰

- (1) Bids were screened for eligibility based on minimum requirements.
- (2) An initial ranked shortlist (ISL) was created based on price and non-price score. Only eligible bids above a certain price score were included on the initial shortlist, with at least three projects for each technology, if available. A sensitivity was conducted that looked at discount rates for Company-owned bids with Production Tax Credits or Investment Tax Credits (PTC/ITC).
- (3) After updates to bids including third-party review of wind and solar performance factors, the initial shortlist was made available for selection by the Long-Term Capacity Expansion (LTCE) model implemented in AURORA. Seven scenarios, derived from 2023 IRP scenarios, were run in AURORA.
- (4) A preliminary shortlist was created including any project picked in any of the eight scenarios.
- (5) IPC created ten unique portfolios that included a selection of preliminary FSL projects, ensuring that each project was represented at least once. The net-present value (NPV) of each portfolio was calculated under 60 stochastic conditions, varying hydro generation, load, natural gas price, and carbon price (sensitivity analysis).
- (6) *IPC re-ran the sensitivity analysis with a cost adder for the repeal of PTC/ITC. The analysis assumed that projects post-2028 would be affected.
- (7) *The Company determined for each project whether it could be affected by PTC/ITC, tariffs, significant siting uncertainty, or significant interconnection/transmission uncertainty.
- (8) The Company ranked all 12 projects. 2028 projects were prioritized due to capacity needs and lower risk of being affected by the PTC/ITC repeal.

Ultimately, 12 projects totaling 2,126 MW were selected, including 849 MW of solar, 200 MW of wind, 890 MW of Battery Energy Storage Systems (BESS), 20 MW of Long-Duration Energy Storage (LDES), and 167 MW of gas. All bids are resource-based products since no market-based products were submitted. Seven out of twelve projects selected resulted in utility owned bids, of which five are benchmarks. This is shown in Table 2.

¹⁰ New steps are indicated with an asterisk (*).

Docket No. UM 2317
August 11, 2025
Page 7

Table 2: Final Ranked Shortlist

Project	Owner	Technology	Ownership	Delivery Year
Bennett	Idaho Power	167 MW gas	Benchmark/AP	2028
[BEGIN CONFIDENTIAL] [REDACTED]	[BEGIN CONFIDENTIAL] [REDACTED]	200 MW solar, 100 MW BESS	PPA/BSA	2028
[REDACTED]	[REDACTED]	200 MW solar	AP	2028
[REDACTED]	[REDACTED]	200 MW BESS	BSA	2028
[REDACTED] [END CONFIDENTIAL]	[REDACTED] [END CONFIDENTIAL]	149 MW solar	AP ¹¹	2029*
Orchard	IPC	20 MW LDES	Benchmark/AP	2029
Milner	IPC	60 MW BESS	Benchmark/AP	2029
[BEGIN CONFIDENTIAL] [REDACTED]	[BEGIN CONFIDENTIAL] [REDACTED]	200 MW BESS	BSA	2029
[REDACTED]	[REDACTED]	300 MW solar	PPA	2029
[REDACTED] [END CONFIDENTIAL]	[REDACTED] [END CONFIDENTIAL]	200 MW wind	PPA	2029
ID1	IPC	215 MW BESS	Benchmark AP/BSA	2029
ID1B	IPC	115 BESS	Benchmark/AP	2029

Staff Comments on Process

The initial shortlist ranked all eligible bids by score (price + non-price) in seven technology categories. The Company used a large-step increase in total score as a natural cutoff point to eliminate about half of the eligible bids. Group 2 bids included 83 resource-based proposals from 18 different companies, spanning various resource types and ownership structures. No market-based proposals were submitted. The

¹¹ This project was also included on the FSL for Group 1, but was reevaluated due to uncertainty regarding its COD.

Docket No. UM 2317
 August 11, 2025
 Page 8

CODs for bids was distributed as follows: 2028 – 14 percent; 2029 – 49 percent; 2030 – 36 percent. Table 3 below shows proposals by resource type.

Table 3: Proposals by Resource Type

Resource Type	Number of Proposals
Wind	8
Solar	25
Solar plus BESS and/or Wind	30
BESS	15
LDES	4
Gas	1
Total	83

After the cure period, IPC and the IE agreed that all bids were eligible.

For Group 2, an important change was made to the non-price scoring of the GIA and NRIS/ERIS factors. Following discussions held between the IPC, PUC Staff, and the IE, all projects received a score of “green” (not “red”) for these two factors, because with CODs more than 3 years into the future, it seemed unfair to penalize bidders in early stages of development. Generally, the scoring difference between LEI and the Company were marginal, with little impact. While LEI initially disagreed substantially with the score of nine bids, agreement was reached after reviewing documents and discussions with the Company.

After selection, all initial shortlist projects submitted project updates and firm cost inputs and were then ranked. The ISL ranked 53 proposals by technology and based on whether interconnection/network upgrade costs are known, which Staff finds to be a reasonable approach. More information can be found in Figures 16 and 17 of the ISL report. The IE states that the Company’s approach was reasonable, and the process was “executed in a fair and impartial manner.”¹²

Staff believes some changes to the ranking process should be considered in the future. Currently, the Company ranks projects by technology type, which leads to some projects being placed on the ISL automatically, since they are the only proposal of a specific technology type. It may be desirable to develop a bid price that reflects the net benefits of each bid regardless of technology type. For instance, Portland General Electric develops the net benefits of each bid by subtracting the levelized costs of a bid

¹² Docket No. UM 2317, [Idaho Power Company’s Request for Acknowledgement](#), July 22, 2025, p. 67.

Docket No. UM 2317
 August 11, 2025
 Page 9

from its energy (MWh), capacity (avoided capacity cost), and flexibility (responding to forecast errors, enabling fast ramping, and meeting reserve requirements) value in its latest RFP.¹³

IPC used AURORA to conduct analysis of the ISL, using scenarios developed as part of the 2025 IRP process, including: Base case with 111(d) EPA Emission rules, Base case without 111(d) EPA Emission rules, Alternate COD for B2H (Nov. 2029), Alternative COD for SWIP-N (Jan. 2030), High gas and high carbon price, low gas prices, as well as no new resources in 2028. The Company used AURORA with the input assumptions of the 2025 IRP, including the March 2025 load forecast. The following characteristics for each proposed resource were included in the analysis: Nameplate capacity, load shapes, fixed/variable costs, ramp rates, costs, and capacity values. Energy production estimates for wind and solar were reviewed by an independent third party and Idaho Power made all recommended adjustments.¹⁴ AURORA was then able to pick any of the initially shortlisted projects in seven scenario runs. All of the 12 projects selected in a scenario were included for further evaluation.

Using the base case, IPC performed a portfolio sensitivity analysis on the twelve preliminarily selected projects to understand the range of NPV portfolio costs over a range of random variation. The portfolio sensitivity analysis was consistent with the methodology used in IPC's 2025 IRP, including 60 iterations with varying hydro generation, load, natural gas price, and carbon price. IPC examined 10 portfolios, which each included a subset of FSL resources. The Company then ranked the portfolios by median NPV. Additionally, the Company developed a sensitivity where projects with CODs after 2028 were assumed to not be eligible for PCT/ITC anymore, with 100 percent of costs to be passed on the IPC. This changed the ranking slightly. Table 4 shows the portfolio ranking and NPV costs.

Table 4: Ranking by Mean Portfolio NPV Cost (\$000)

Portfolio	Median NPV (\$000)	Rank without PTC/ITC
<ul style="list-style-type: none"> 149MW Solar ([BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL]) 200MW BESS ([BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL]) 	10,688,360	2

¹³ Portland General Electric, [2025 RFP](#), Appendix A, July 31, 2025, p. 10f.

¹⁴ Hendrickson Renewables, Confidential Energy Production Estimate Reviews for the Idaho Power 2029 All-Source RFP, May 26, 2024.

Docket No. UM 2317
August 11, 2025
Page 10

Portfolio	Median NPV (\$000)	Rank without PTC/ITC
<ul style="list-style-type: none"> 167MW Gas (Bennett) 		
<ul style="list-style-type: none"> 200MW Solar + 100MW BESS ([BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL]) 149 MW Solar ([BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL]) 20 MW LDES (Orchard) 167MW Gas (Bennett) 	10,711,142	1
<ul style="list-style-type: none"> 300 MW Solar - Balanced Rock Samantha 200MW BESS ([BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL]) 167MW Gas (Bennett) 	10,743,420	4
<ul style="list-style-type: none"> 200MW Solar + 100MW BESS ([BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL]) 300MW Solar ([BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL]) 60 MW BESS (Milner) 167MW Gas (Bennett) 	10,764,162	3
<ul style="list-style-type: none"> 149 MW Solar ([BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL]) 30 MW Solar ([BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL]) 200MW BESS ([BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL]) 167MW Gas (Bennett) 	10,783,024	5
<ul style="list-style-type: none"> 215 MW BESS (ID1) 149 MW Solar ([BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL]) 167MW Gas (Bennett) 300 MW Solar ([BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL]) 	10,806,368	7
<ul style="list-style-type: none"> 149 MW Solar ([BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL]) 300 MW Solar ([BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL]) 200 MW Solar ([BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL]) 	10,814,706	10

Docket No. UM 2317
August 11, 2025
Page 11

Portfolio	Median NPV (\$000)	Rank without PTC/ITC
<ul style="list-style-type: none"> • 200 MW Wind ([BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL]) • 200MW BESS ([BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL]) • 200MW Solar + 100MW BESS ([BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL]) 		
<ul style="list-style-type: none"> • 149 MW Solar ([BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL]) • 200 MW Wind ([BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL]) • 200MW BESS ([BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL]) • 167MW Gas (Bennett) 	10,853,908	8
<ul style="list-style-type: none"> • 200MW BESS ([BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL]) • 200 MW Solar ([BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL]) • 167MW Gas (Bennett) • 200 MW Wind ([BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL]) 	10,944,352	6
<ul style="list-style-type: none"> • 330 MW BESS (ID1 + ID1-B) • 149 MW Solar ([BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL]) • 200 MW Wind ([BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL]) • 167MW Gas (Bennett) 	11,006,765	9

In evaluating the Group 1 FSL, Staff had concerns to which degree the Company took into account quantitative and qualitative information derived from the analysis when determining the FSL. In response the Commission adopted SMM Change No. 1: “The Company’s request for acknowledgement of the Group 2 FSL should include a narrative about qualitative information derived from the modeling and a discussion of how this information informs the final ranking.”¹⁵

¹⁵ Docket No. UM 2317, Order No. 25-128, p.18 (March 31, 2025).

Docket No. UM 2317
August 11, 2025
Page 12

In response, the Company has made significant improvements. In its report, IPC explains the ranking of each bid.¹⁶ First, projects with a COD in 2028 were prioritized, which is reasonable given the status for Group 1 negotiations and concerns about tax credit phase out. After that, bids were generally ranked depending on their inclusion in better ranking portfolios. Importantly, the sensitivity analysis was improved by looking at viable portfolios instead of individual projects. Deviations from the described logic are explained by qualitative factors, specifically tax credit risk, tariff risk, siting factors, as well as GIA/Transmission factors. For future RFPs, Staff believe this methodology can be further improved upon. First, the SMM should transparently lay out how final ranking decisions will be made. Second, the Company should think more about what can be learned from the scenario analysis, i.e. under which conditions projects were selected. Third, the request for acknowledgement should show a preliminary FSL, which is solely ranked according to quantitative criteria and an FSL. Each ranking change from the preliminary FSL should be supported by a short narrative explaining the contributing qualitative factors.

The Company states that it will inform all bidders of their inclusion in the FSL but prioritize negotiations with the higher-ranked projects. Consistent with Order No. 24-120, Staff expects that the Company will retain the IE to monitor and report on all contract negotiations as well as report on increases on its currently described capacity needs, as listed in conditions 1 and 2.¹⁷

Compliance with Competitive Bidding Rules

- OAR 860-089-0100 Applicability of Competitive Bidding Requirements

OAR 860-089-0100 is applicable and competitive bidding rules have been applied to evaluate this RFP.

- OAR 860-089-0200 Engaging an Independent Evaluator

The Company engaged London Economics International (LEI) as an IE to oversee the competitive bidding process. In Order No. 24-120, the Commission approved this selection, waiving the requirement to conduct a competitive selection.¹⁸

- OAR 860-089-0250 Design of Request for Proposals

¹⁶ Idaho Power Company, Final Shortlist Report Beyond April 2028 Bids, Provided to Staff and IE via Email (June 13, 2025).

¹⁷ Docket No. UM 2317, [Order No. 24-120](#), Appendix A, p. 16 (May 2, 2024).

¹⁸ *Id.*

Docket No. UM 2317
 August 11, 2025
 Page 13

The Company filed a draft RFP as well as scoring and modeling methodology on February 29, 2024.¹⁹ IPC held workshops on April 2, 2024, and May 14, 2024, to solicit feedback.²⁰ The Company filed revisions to its draft on April 24, 2024, May 17, 2024, and July 16, 2024.²¹ On May 28, 2024, the IE filed its initial report based on its review of the Company's draft 2028 RFP and scoring and modeling methodology; a follow-up report was published on August 2, 2024.²² Staff, NIPPC, Renewable NW, Key Capture Energy, and IPC filed comments on the RFP draft and Staff's recommendations.²³ The Commission considered the 2028 RFP at its August 15, 2024 public meeting, adopting Staff's recommendations with modification, approving the 2028 RFP and scoring and modeling methodology, and directing Idaho Power to include language in the 2028 RFP to clarify that in the event of a material change in law that requires repricing, the opportunity to rebid would be available to all bidders in the same timeline.²⁴ The Company formally issued the 2028 RFP, with the Commission's modification, on August 16, 2024.

- OAR 860-089-0300 Resource Ownership

The Company submitted five benchmark bids. All ratepayer-funded/utility-owned assets being used by the benchmark bids were described in Exhibit P of the 2028 RFP.²⁵ IPC does not intend to offer access to two of its benchmark resources to third-party bidders; access to the rest of benchmark bids would be conditional. LEI finds this to be reasonable based on IPC's explanation. ID1 and ID1B projects are located on property that the Company has no current rights and is relying on partnership site control and thus cannot offer site access. Milner BESS, Orchard LDES, and Bennett Gas are located on Company property and are intended to be incorporated into existing substations, thus these sites are only available to third-part bidders proposing a BTA (AP) based on access control and ongoing utility operation.

- OAR 860-089-0350 Benchmark Resource Score

¹⁹ Docket No. UM 2317, [Application for Approval of 2028 All-Source RFP](#) (February 29, 2024).

²⁰ Docket No. UM 2317, [Presentation Slides](#) (April 2, 2024); Docket No. UM 2317, [Presentation Slides](#) (May 14, 2024).

²¹ Docket No. UM 2317, [Revised 2028 All-Source RFP](#), April 24, 2024; Docket No. UM 2317, [Final Draft](#), May 17, 2024. Docket No. UM 2317, [Updated Final Draft](#) (July 16, 2024).

²² Docket No. UM 2317, [IE's Initial Report](#), May 28, 2024. Docket No. UM 2317, [IE's Draft Second](#), (August 2, 2024).

²³ See Docket No. UM 2317.

²⁴ Docket No. UM 2317, [Order No. 24-272](#) (August 16, 2024).

²⁵ Docket No. UM 2317, [Updated Exhibit P](#), (November 25, 2025).

Docket No. UM 2317
 August 11, 2025
 Page 14

The Company submitted five benchmark bids to be considered in Group 2, which were prepared by a separate team, and evaluated prior to the opening of the regular bids, as evidenced by the January 25, 2025, filing.²⁶ The IE submitted a report on the benchmark bids considering their unique advantages and risks, not identifying any concerns that contradict the proposed FSL. With respect to IPC's three BESS benchmark bids, LEI found that, in general, the proposed projects did not appear to present risks beyond the expected risks inherent to developing long lead-time projects. Of note is that **[BEGIN CONFIDENTIAL]** [REDACTED]

[REDACTED] **[END CONFIDENTIAL]** Additionally, **[BEGIN CONFIDENTIAL]** [REDACTED] **[END CONFIDENTIAL]** is an extension of **[BEGIN CONFIDENTIAL]** [REDACTED] **[END CONFIDENTIAL]** and would be cancelled if there were problems with the latter project.

There are some potential risks associated with the LDES. This technology has not been developed at scale in the US, and as such there is no track record of construction timeliness to support the current schedule. There is also no data to support the project's fixed operations and maintenance (FOM) costs or declared forced outage rate (FOR). The Company has stated that these risks can be mitigated, **[BEGIN CONFIDENTIAL]**

[REDACTED]
 [REDACTED]
 [REDACTED] **[END CONFIDENTIAL]**²⁷

With respect to the gas project, the IE noted some uncertainty as to the full scope of costs associated with construction and operations, specifically regarding the **[BEGIN CONFIDENTIAL]** [REDACTED]
 [REDACTED] **[END CONFIDENTIAL]** and the concerns have been resolved.

The IE Closing Report also discusses the unique risks associated with utility-ownership of bids that were not benchmarks, including **[BEGIN CONFIDENTIAL]** [REDACTED]

[REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]

²⁶ Docket No. UM 2317, [Idaho Power's Benchmark Bid Evaluations](#) (January 14, 2025).

²⁷ Idaho Power Company to Staff via Email (July 29, 2025).

Docket No. UM 2317
August 11, 2025
Page 15

[END CONFIDENTIAL] Overall, the IE reports did not indicate any risks out of the ordinary, while also stressing the importance of due diligence in negotiations.

- OAR 860-089-0400 Bid Scoring and Evaluation by Electric Company

Bid Scoring criteria were transparently explained in the final RFP and followed by the Company, as addressed earlier in these comments. The IE had access to scoring and analysis, as described in the IE closing report.

- OAR 860-089-0450 Independent Evaluator Duties

Working closely with Staff, LEI oversaw the 2028 RFP process and has not alerted Staff to any lacking cooperation from the Company. In its closing report, the IE concurs with IPC's decisions regarding the FSL.

- OAR 860-089-0500 Final Shortlist Acknowledgement

The Company requests Commission acknowledgement of the FSL by September 19, 2025, in the present filing. The filing includes the IE's closing report, the electric company's final shortlist of responsive bids, a description of sensitivity analyses performed, and a discussion of the consistency between the final shortlist and the electric company's last-acknowledged IRP.

Compliance with RFP and SMM Conditions Order No. 24-272

In Order No. 24-272, the Commission approved both the scoring and modeling methodology (SMM) and the Draft 2028 All-Source RFP, subject to conditions.²⁸ Staff evaluated compliance with these conditions as part of its assessment of the FSL.

- SMM Condition No. 1: Prior to the selection of an FSL, IPC should clearly specify and provide supporting documentation for any changes to the 2028 capacity need and publish this documentation to this docket and to bidders.

The Company has demonstrated a cumulative capacity shortfall of around 385 MW in 2029.

- SMM Condition No. 2: IPC work with the IE to develop a sensitivity that reflects decreases to the stated 2028 capacity need and include this sensitivity in the Final Shortlist.

²⁸ Docket No. UM 2317, [Order No. 24-272](#) (August 16, 2024).

Docket No. UM 2317
August 11, 2025
Page 16

The Company did not conduct a specific sensitivity reflecting decreases to the stated 2028 capacity need. From conversations with the Company, Staff understands that, given its updated load forecast, the Company views the base case as reflective of the low end of its 2028 capacity need. The risk of over-procurement is further addressed in SMM Change No. 2, which states, “IPC must include in its analysis of Round 2 of this RFP a sensitivity that quantifies the cost of over-procurement if the stated capacity need did not materialize.”²⁹ Potential ways to quantify the risk of over-procurement were discussed between the Company, IE, and Staff, but no metrics were arrived at. In the end, Staff agreed with the Company’s assessment that the risk of over-procurement is currently very low relative to not being able to procure sufficient capacity. The Company states:

From recent RFP experience, developers are finding it challenging to secure the necessary materials, components, and permits to meet construction schedules, which has led to final shortlist projects not being contracted as they cannot meet the specified RFP online dates. The consequences of under-procurement can be severe, leading to decreased system reliability and the potential inability to serve customer demand. Furthermore, Idaho Power doesn’t intend to procure all resources on the final shortlist, and only those resources that are viable to support the identified deficits would be contracted.³⁰

Additional safeguards are that the IE is monitoring the contract negotiations and that the Company would need to file an explanatory report, should it exceed its acknowledged capacity needs. Finally, the Company will need to show the prudence of any acquisition in power cost or general rate cases.

- SMM Condition No. 3: With the FSL, IPC should share with Staff and the IE modeling results that demonstrate the Company has considered bids from all three bid groups as appropriate.

As addressed in the Staff Report on Group 1, there were some challenges in implementing this condition. Given the setup of the RFP, it was not possible to model bids from three bid groups simultaneously. The IE includes several lessons learned in its closing report. LEI believes that there is reduced relevance to criteria such as GIA and NRIS/ERIS and suggests these criteria be given less weight in the future. At the same time, the method for estimating interconnection, while reasonable, needs to be

²⁹ Adopted by the Commission in Docket No. UM 2317, [Order No. 25-128](#), p.18 (March 31, 2025).

³⁰ Idaho Power Company, Final Shortlist Report Beyond April 2028 Bids, Provided to Staff and IE via Email, (June 13, 2025).

Docket No. UM 2317
August 11, 2025
Page 17

evaluated after the conclusion of the RFP, which should be done in the contract negotiations report. LEI also notes that projects in a variety of development stages were submitted (siting and permitting), and hence, in a future RFP, criteria should be included that value projects farther along more appropriately. Lastly, the IE found that the bifurcated process provided more flexibility for projects with uncertainty surrounding their CODs. This is helpful because in previous RFPs, many projects dropped out due to not being able to meet promised CODs. Staff also notes that designing an RFP for multiple years instead of year-by-year has been more administratively efficient. Additional lessons learned will be addressed in the IE's contract negotiations reports. Staff expects the issues noted here will be considered by the Company in the design of future RFPs.

- SMM Condition No. 4: IPC work with the IE to develop a sensitivity analysis that evaluates the impact of a range of ITC and PTC discount rates on bids.

This condition was further addressed by SMM Change No. 3, which states, "In Round 2 of this RFP, IPC must include bids on the ISL if they are competitive when a 20 percent discount rate for ITC and PTC is applied."³¹ The Company conducted this sensitivity as prescribed. It resulted in one additional bid being included which was ultimately not selected.

- SMM Condition No. 5: IPC will ensure the IE includes an assessment of the reasonableness of any costs allocated to ERIS bids in its initial shortlist report.

The distinction between NERIS and ERIS bids did not influence this RFP. IPC used the network upgrades costs as known. Because this round of the RFP included bids that had not been studied for any type of interconnection service (proxy bid), the Company did make general assumptions for interconnection and network upgrade costs to be able to assign price scores. IPC assigned proxy bids to corresponding interconnection study regions. For each of the study regions, the Company calculated the average interconnection/network upgrade cost on a \$/MW basis using the latest regional costs provided in the Transitional Cluster Study. The regional average interconnection costs were then applied to the bid. Staff and IE judge this process as reasonable. Before future RFPs, Staff expects the Company to review how accurate the proxy costs were.

- RFP Condition No. 1: IPC work with Staff and Stakeholders to finalize the RFP schedule, including but not limited to the timing of benchmark bid scoring, IE reports, and price updates, prior to releasing the RFP.

³¹ Adopted by the Commission in Docket No. UM 2317, [Order No. 25-128](#), p.18 (March 31, 2025).

Docket No. UM 2317
August 11, 2025
Page 18

The RFP schedule has been posted in Docket No. UM 2317.³²

- RFP Condition No. 2: IPC reflect in Long Term Service Agreement costs of utility-owned bids either augmentation costs associated with maintaining the system performance at its original state throughout the project duration, or costs associated with maintaining a specified battery degradation curve.

The IE assessed augmentation costs for the four utility-owned battery systems. **[BEGIN CONFIDENTIAL]** [REDACTED]

[REDACTED] **[END CONFIDENTIAL]**

- RFP Condition No. 3: IPC allow for bids from existing resources with expiring contracts to offer incremental capacity to the system, including those that would repower.

According to Section 4.3 of the RFP, existing resources with expiring contracts are allowed to offer incremental capacity.³³ No bids with those characteristics were submitted.

- RFP Condition No. 4: IPC change the form contracts to include yearly output guarantees instead of monthly guarantees.

Exhibit F of the RFP Section 7.12 defines output guarantees by month. In response to RFP Condition No. 4, the Company inserted an optional alternative form contract, defining output guarantees by year, directly following Exhibit F on page 451 of the PDF.³⁴

Conclusion

Staff recommends the Commission acknowledge Idaho Power Company's 2028 All-Source Request for Proposals Final Shortlist Group 2 subject to the conditions set forth below:

Condition 1: Acknowledge FSL volume up to 385 MW of peak capacity to meet the 2028 and 2029 capacity needs demonstrated by the Company. The Company shall file a

³² Docket No. UM 2317, [Staff's Updated Schedule](#) (October 14, 2024).

³³ Idaho Power Company, [All-Source Request for Proposals \(RFP\)](#), p. 13 (August 16, 2024).

³⁴ Idaho Power Company, [All-Source Request for Proposals \(RFP\)](#), p. 451 (August 16, 2024).

Docket No. UM 2317
August 11, 2025
Page 19

report with an explanation and justification for any procurement volume in excess of the above-identified number.

Condition 2: IPC shall retain the IE to monitor and report on all contract negotiations. The IE will file a final report in UM 2317 that addresses: (1) Long-term service agreement (LTSA), O&M costs, and any other areas of risk for cost over-runs by projects involving utility ownership. (2) A description of any negotiations that resulted in a modification to the ownership structure of the bid, as compared to how it was presented in the FSL, including a full account of the unique risks and advantages of bids that became utility-owned bids as part of contract negotiations. (3) A full analysis of how the specific commercial terms shaped the FSL and any impact to bid prices, including but not limited to analysis of negotiations on the following contract terms: Guaranteed COD, Transmission Upgrade Cost, Transmission Scheduling of Energy Effective Date, Curtailment, and Output guarantees. (4) Any lessons learned, including the drivers of unexecuted contracts as well as advantages and disadvantages of the two-round RFP design, particularly concerning the treatment of interconnection costs.

For any future RFPs, Staff expects the Company to consider improvements, as discussed in this memo, including:

- Lessons from two-round RFP,
- Treatment of proxy interconnection costs,
- Price-score development,
- Transparency of final SMM bid ranking,
- Incorporating lessons learned from project selection based on scenario analysis,
- Presentation of preliminary FSL ranked solely by quantitative criteria, and
- Mitigation of unexecuted contracts.

PROPOSED COMMISSION MOTION:

Acknowledge Idaho Power Company's 2028 All-Source Request for Proposals Final Shortlist Group 2, subject to the conditions set forth in the conclusion of this memo.