

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 2383

In the Matter of

PACIFICORP, dba PACIFIC POWER,

Application for Partial Waiver of
OAR Chapter 860-089, Request to Engage
Independent Evaluator, and Approval of
2025 Draft RFP.

ORDER

DISPOSITION: STAFF’S RECOMMENDATION ADOPTED WITH MODIFICATIONS

This order memorializes our decision, made and effective at our August 26, 2025 Special Public Meeting, to adopt Staff’s recommendation in this matter with the modifications summarized below. The Staff Report with the recommendation is attached as Appendix A. We appreciate stakeholders’ engagement on the faster timeline in light of the need for near term action and recognize that our adoption of Staff’s recommendation one will continue to require expedient action to align the process between the Oregon and Washington RFPs.

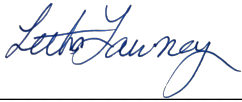
We direct PacifiCorp to remove from the draft RFP the phrase "for any other reason relating to or arising out of this RFP" as recommended by the Northwest Intermountain Power Producers Coalition (NIPPC). Further, we direct the company to work with Staff and independent evaluator (IE) to understand what is considered “market standard” today regarding the other contract terms raised by NIPPC in its comments. Finally, we direct that capacity be evaluated system wide in the RFP, and direct staff to work with the IE to present a recommendation on valuation of capacity contributions in the initial and final short lists.

We understand Staff’s recommendation two to propose a second phase of the RFP that is timed to take advantage of additional clarity on the connection between Longhorn substation and PACW, or any other way PacifiCorp connects the Boardman to Hemingway transmission project to PACW. We also expect that in applying Staff’s recommendation four, that Staff, the IE, and the company will balance the 2029 COD against opportunities to allow more bidders in the pool, such as potentially those receiving studies in the PacifiCorp Transmission transition cluster study scheduled this fall.

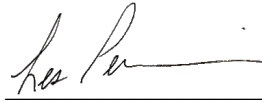
We recognize the difficulties presented in this process due to the disputes in the modeling that have emerged in the 2025 Integrated Resource Plan (Docket LC 85) and the presumption that modeling will broadly underpin the selection of the initial and final short lists. We expect PacifiCorp to engage with Staff and stakeholders on their analysis, including providing

additional model runs in the short list development process, if necessary, and we reinforce the need for these analyses to support prudence review.

Made, entered, and effective August 29, 2025.



Letha Tawney
Chair



Les Perkins
Commissioner



Karin Power
Commissioner



ITEM NO. 1

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
SPECIAL PUBLIC MEETING DATE: August 26, 2025

REGULAR X CONSENT EFFECTIVE DATE N/A

DATE: August 21, 2025

TO: Public Utility Commission

FROM: Bret Farrell

THROUGH: Caroline Moore and Kim Herb **SIGNED**

SUBJECT: PACIFIC POWER:
(Docket No. UM 2383)
Application for Approval of PacifiCorp's 2025 Oregon-situs Request for Proposals.

STAFF RECOMMENDATION:

Approve PacifiCorp's proposed Draft RFP and scoring criteria as reflected in the body of the RFP for the 2025 Oregon-situs Request for Proposals with the modifications outlined in this memo.

Approve the expanded Independent Evaluator scope of work and cost estimate.

DISCUSSION:

Issue

1. Whether the Commission should approve PacifiCorp's 2025 Oregon-situs Draft Request for Proposals (RFP) and scoring criteria as reflected in the body of the RFP, and if approving the RFP, whether to adopt any or all of Staff's additional conditions.
2. Whether the Commission should approve the expanded Independent Evaluator (IE) scope of work and cost estimate.

Applicable Rule or Law

The Commission's Competitive Bidding Rules (CBRs) are found in OAR Chapter 860, Division 89. Generally, an electric utility must prepare a draft RFP for each resource

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acquisition or contract that is more than an aggregate of 80 megawatts and five years in duration. OAR 860-089-0100(1)(a); OAR 860-089-0250(1).

Requirements for RFPs are set forth in OAR 860-089-0250. OAR 860-089-0250(3) specifies that a draft RFP must include minimum bidder requirements, standard form contracts, bid evaluation and scoring criteria, language allowing bidders to negotiate final contract terms different from those in the standard agreement, a description of how the utility will share information, the bid evaluation and scoring criteria for the selection of the shortlist, the alignment of the needs addressed by the RFP with an identified need from an acknowledged Integrated Resource Plan (IRP), and the impact of any multi-state regulation on the development of the RFP.

An IE oversees the RFP process “to ensure that it is conducted fairly, transparently, and properly.” OAR 860-089-0450(1). The electric company must consult with the IE while preparing its draft RFP, provide copies of the draft RFP to all parties to the IE selection docket, and conduct bidder and stakeholder workshops. OAR 860-089-0250(1); OAR 860-089-0450(3).

When the utility seeks Commission approval of its final draft RFP, the IE submits an assessment of that RFP, and the Commission solicits public comment. OAR 860-089-0450(3). Under OAR 860-089-0250(5), the Commission may approve an RFP with any necessary conditions if the Commission finds the RFP meets the requirements of the CBRs and will result in a fair and competitive bidding process.

OAR 860-089-0450 describes the IE duties. OAR 860-089-0450(10) states in part “[i]n addition to making a decision on acknowledgment, the Commission, on its own motion or at the request of other parties, including bidders, may require expanded IE involvement. Upon such a request or its own motion, the Commission may require an IE to be involved in the competitive bidding process through final resource selection.”

Analysis

Background

In August 2024, the Commission found that PacifiCorp’s 2023 Clean Energy Plan (CEP) did not show continual progress towards meeting House Bill 2021’s emissions reduction goals.¹ Following this determination, the Commission ordered PacifiCorp to demonstrate that it would remain in compliance with HB 2021’s continual progress

¹ *In re PacifiCorp 2023 IRP*, Docket No. LC 82, Order No. 24-297 (Aug. 28, 2024) (“[W]e direct Staff via our Administrative Hearings Division to open a new docket intended to result in an order that PacifiCorp will issue a Request for Proposal (RFP) by a date certain* * *”).

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requirements and explain why the Commission should not require corrective action if the Company failed to issue an RFP by June 1, 2025, or later chose to cancel the RFP.²

In response to this order, on April 16, 2025, PacifiCorp filed an expedited application seeking:

1. A partial waiver of the Commission's CBRs;
2. Approval to engage PA Consulting as the IE for its 2025 RFP; and
3. Expedited approval of its 2025 Draft RFP.

In Order No. 25-505, the Commission adopted Staff's recommendations to issue a partial waiver of competitive bidding rules contained in OAR 860-089-0200(1) and OAR 860-089-250(2)(a). These waivers allowed PacifiCorp to retain PA Consulting as the IE for the 2025 RFP and to allow concurrent review of the RFP and scoring criteria.

The Commission in this order also declined to support the partial waiver of competitive bidding rules contained in OAR 860-089-0250(1), which requires the Company to hold workshops to solicit feedback for the draft RFP. The Commission also declined to support the Company's proposed expedited review and approval of the 2025 RFP.

Summary of PacifiCorp's 2025 Draft RFP

PacifiCorp's 2025 Oregon-situs RFP seeks to procure renewable and storage resources consistent with the Company's 2025 IRP and CEP. The RFP is intended to support Oregon customers and compliance with HB 2021 by acquiring resources capable of reaching commercial operation by December 31, 2029. Eligible resources include solar, wind, hydroelectric, geothermal, biomass, wave, and storage, with a minimum bid size of 1 MW. PacifiCorp's 2025 IRP selects approximately 1,570 MW of utility-scale solar, 1,400 MW of wind, 320 MW of small-scale solar, and 781 MW of storage resources (including both lithium-ion and long-duration storage) by the end of 2029. The Company initially proposed an Oregon deliverability requirement that it argued was necessary due to transmission constraints.

The RFP allows for new or existing resources to participate through either Power Purchase Agreements (PPAs) or Energy Storage Agreements (ESAs) with terms of five to 20 years. Proposals will be evaluated using a combination of price and non-price factors, weighted at 80 percent and 20 percent respectively. The evaluation process included transmission deliverability studies, third-party review of resource performance

² *Id.*

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estimates, and portfolio modeling in PLEXOS consistent with the 2025 IRP. Final selections are expected in 2026, with executed contracts to follow.³

Staff and Stakeholders Opening Comments

On July 1, 2025, Staff held a workshop with the IE to solicit feedback from stakeholders and ask questions about the Company's draft RFP. Following this workshop, on July 7, 2025, Staff and stakeholders submitted opening comments on the Company's draft RFP. Staff reiterated its overarching goal in reviewing utility RFPs, which is to ensure a broad pool of actionable, least-cost, least-risk resource options consistent with the CBRs. Staff identified several high-priority concerns with PacifiCorp's draft RFP that could limit the scope of eligible bids. Key issues included the imposition of Oregon-specific deliverability requirement with two transmission consulting studies, and premature cost allocation assumptions tied to an "Oregon-situs" designation. Staff opposed these design elements because they may reduce bid diversity and increase price risk for Oregon customers.⁴

Stakeholders argued that PacifiCorp's Oregon deliverability requirement could unnecessarily restrict competition and potentially increase procurement costs. Parties also objected to the Company requesting that bidders not submit pro forma contract revisions upon initial bid submission, cautioning that the policy could deter participation or inflate bid pricing. Stakeholders also urged PacifiCorp to reconsider its decision to exclude bids dependent on the Boardman-to-Hemingway (B2H) transmission line, noting that such a blanket prohibition could eliminate otherwise cost-effective options if the Company's access to B2H progresses on schedule. Finally, commenters called for greater transparency and balance in the bid scoring methodology, particularly in how non-price factors will be weighted, to ensure the evaluation process does not unduly favor certain technologies or project types. Further comments by stakeholders are detailed in the IE report, which was filed on August 12, 2025.

PacifiCorp's Reply Comments and Draft RFP modifications

On July 24, 2025, PacifiCorp filed reply comments where the Company agreed to incorporate several modifications into the final RFP. The Company committed to removing the Oregon deliverability requirements and its associated transmission study.⁵ PacifiCorp also agreed to clarify and revise certain provisions of the pro forma contracts in response to feedback that overly rigid contract terms could deter bidder participation. Specifically, the Company agreed to allow bid pricing updates no later than 20 business days after PacifiCorp notifies bidders of initiating the remaining single consulting study

³ See PacifiCorp Application for Partial Waiver of OAR Chapter 860-089, Request to Engage Independent Evaluator, and Approval of 2025 Draft RFP (Apr. 16, 2025).

⁴ See Staff's Comments at 3 (July 7, 2025).

⁵ PacifiCorp Reply Comments at 10 (July 24, 2025).

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(which will be used to evaluate whether bids can be granted designated network resource status before 2030) and to add clarifying language around battery storage capacity indicating the Company is agnostic to both duration and technology type.⁶

PacifiCorp further stated that it would provide greater detail on bid evaluation, including how non-price factors will be scored, to increase transparency in the process.⁷ While PacifiCorp maintained its position on excluding a connection between B2H and PACW (discussed in detail below), it emphasized that B2H-dependent projects could be considered in future procurement processes once BPA's cluster study process resumes.⁸ Collectively, these modifications reflect partial adoption of Staff and stakeholder recommendations, though there remain several outstanding issues.

Table 1 summarizes the modifications agreed to by the Company in reply comments.

Table 1: PacifiCorp Modifications Agreed to in Reply Comments

Topic Area	Modification Agreed to by PacifiCorp
Deliverability Requirement	Removed Oregon deliverability requirement and limited the transmission study to designated network resource costs.
Bid Pricing Updates	Allowed bid pricing updates up to 20 business days after bidders are notified of the transmission consulting agreement study initiation.
Non-Price Scoring Transparency	Revised non-price scoring questionnaire to indicate point values assigned to each question, improving transparency.
Battery Storage Capacity Definition	Modified RFP to specify projected megawatt-hour capacity for battery storage in a way that is agnostic to duration and technology type.
Batter Recycling Requirements	Agreed to clarify and revise language to ensure requirements focus on compliance with applicable law and prudent practice.

⁶ PacifiCorp Reply Comments at 2, 12 (July 24, 2025).

⁷ PacifiCorp Reply Comments at 2 (July 24, 2025).

⁸ PacifiCorp Reply Comments at 13-14 (July 24, 2025).

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Interconnection Consistency	Will evaluate bids on a case-by-case basis even if interconnection studies do not fully align with proposed configurations.
Interconnection Study COD	Will consider bids where interconnection study shows COD before end of 2029, even if the bid's proposed COD is not perfectly aligned.
Facility Performance Estimate	Clarified which tabs in Appendix C-2 apply to different resource types (generations, BESS, PSH).

In this report, Staff focuses on three significant outstanding issues: the “Oregon-situs” designation, treatment of B2H, and whether conditional firm transmission is eligible.

Oregon-Situs RFP

Background

In opening comments, Staff stated that while it recognizes the need for PacifiCorp to move forward with an RFP to address resources needs identified in the 2025 IRP and to support compliance with HB 2021, there are significant concerns with the Company’s proposed “Oregon-situs” approach. Staff cautioned that approval of the draft RFP should not be conflated with approval of a situs-based cost allocation methodology, noting that cost allocation decisions should be addressed in separate cost recovery proceedings. Staff recommended that PacifiCorp remove references to “Oregon-situs” in their draft RFP. Staff and stakeholders also raised concerns around the concurrent Oregon and Washington RFP processes, seeking clarification how bids that were submitted into both RFPs would be treated. Some parties also called for the Oregon and Washington RFPs to be merged.⁹

In reply comments, PacifiCorp opposed recommendations to eliminate the Oregon-situs framework or to convert the proceeding into a system-wide RFP. The Company argued that the Oregon situs structure is necessary because there is no demonstrated need for system resources before 2029, and because Oregon-specific policies such as HB 2021 and SB 1547’s coal exit requirement drive distinct resource needs that differ from other jurisdictions. PacifiCorp emphasized that Oregon lacks the legal authority to require other states to fund resources for HB 2021 compliance and noted that only a contested case proceeding would be an appropriate venue to address multi-state procurement.¹⁰

PacifiCorp further asserted that situs procurement is consistent with the 2020 Multi-State Protocol (MSP), which expressly allows state specific resources to be assigned on

⁹ Staff Comments at 3-4 (July 7, 2025).

¹⁰ PacifiCorp Reply Comments at 3-5 (July 24, 2025).

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a situs basis when required to meet jurisdictional policy objectives. The Company maintained that resources procured through this RFP are intended to satisfy Oregon policy mandates and therefore should be allocated exclusively to Oregon customers, who would both bear the costs and receive the benefits. PacifiCorp concluded that proposals to merge the Oregon RFP with Washington's or to issue a system-wide solicitation lack legal and procedural grounding, and that the Commission should affirm the situs-based approach for this RFP.¹¹

Lastly, in its reply comments, PacifiCorp argues that because the Commission noted in Order No. 24-297 that the RFP should be "Oregon-focused", that this language necessitates an "Oregon-situs" RFP.¹² PacifiCorp states: "the Commission's order nonetheless included a statement expressing its belief that 'an all-source, system-wide RFP is more likely than an Oregon-only, HB 2021-focused RFP to result in a portfolio of resources that meets the reliability and policy needs of PacifiCorp's various states on a least-cost, least-risk basis.'" PacifiCorp stated "[p]arties now rely on this dicta from Order No. 25-098 to argue that the Commission should direct PacifiCorp to issue a system-wide RFP instead of an Oregon-situs RFP."¹³

Staff's Analysis

The RFP is not the venue to decide how costs associated with selected projects will be allocated or recovered. Any cost recovery will necessarily be addressed through the Commission's normal cost recovery proceedings, where Staff and parties will evaluate prudence, allocation and customer impacts. By labeling this an "Oregon-situs" RFP, the Company attempts to predetermine cost allocation outcomes that must instead be litigated separately. This situs cost allocation approach has never been predetermined in the design phase of an RFP and is unjustified given its potential to shift costs onto customers without proper review.

Staff refutes the Company's claim that there is no system need as demonstrated by the 2025 IRP. PacifiCorp's assertion rests entirely on its IRP modeling framework, which is jurisdictionally based by design. Staff notes that the 2025 IRP is currently under review and to date has received substantial comments regarding the limitations of its modeling in providing a realistic estimate of resource needs. Staff's current understanding of the IRP modeling is that, because the modeling allocates all new resources to individual states by assumption, it is structurally deficient in its ability to demonstrate a system-wide need. The absence of a system-wide result is therefore not evidence that no system need exists, but a predictable artifact of the Company's chosen methodology. This is further evidenced by the fact that the Company is conducting a concurrent RFP

¹¹ PacifiCorp Reply Comments at 7 (July 24, 2025).

¹² PacifiCorp Reply Comments at 3 (July 24, 2025).

¹³ PacifiCorp Reply Comments at 4 (July 25, 2025).

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in Washington, which demonstrates that procurement needs are not limited to Oregon and directly contradicts the Company's position that no broader system need exists. Furthermore, the Company's load and resource balance demonstrates substantive capacity needs starting in 2028 for reliability and resource adequacy (1,168 MW) which is a system need under the current MSP.¹⁴

In response to the Company's argument regarding the current MSP, Staff believes that the MSP was developed as a mechanism to allocate costs after procurement decisions are made, in order to fairly assign costs and benefits of resources across jurisdictions based on usage. The 2020 Protocol permits the situs assignment of certain state-specific initiatives for cost recovery purposes, but it does not authorize utilities to pre-define the scope of procurement as "situs" in the solicitation stage.¹⁵ In fact, using the 2020 Protocol in this way would invert its purpose.¹⁶ Rather than being a back-end accounting tool that ensures costs are properly aligned with benefits, the Company is attempting to use it as a front-end procurement filter that limits the range of bids, narrows competition, and drives resource outcomes towards a predetermined allocation. While the Company's new MSP proposal leaves the assignment of new resources to be determined during the prudence review, this proposal has not yet been adopted.¹⁷

Regarding OPUC precedent on this 2025 RFP, Staff's perspective is that PacifiCorp misinterprets the language from the Commission's orders that preceded this RFP filing. PacifiCorp argues that because the scope of the investigation described in Order No. 24-297 involved an "Oregon-focused" RFP, that this language necessitates the Company issue an "Oregon-situs" RFP. PacifiCorp also made this argument to the WUTC and omitted key OPUC language regarding the value OPUC sees in an all-source RFP. PacifiCorp did not explain that, in Docket No. UM 2345, Order No. 25-098, approximately six months after the order cited by PacifiCorp, OPUC stated "an all-source system-wide RFP is more likely than an Oregon-only, HB 2021-focused RFP to result in a portfolio of resources that meets the reliability and policy needs of PacifiCorp's various states on a least-cost, least-risk basis."

PacifiCorp minimizes the weight of the Commission's statement by referring to it as non-binding "dicta." Staff disagrees with this characterization because Order No. 25-098 contains the Commission's most-recent policy. Staff continues to have the same concerns as WUTC staff that "PacifiCorp is simultaneously issuing an Oregon-situs RFP. By issuing simultaneous situs RFPs, likely either some of the same bidders will

¹⁴ Docket No. LC 85, PacifiCorp 2025 Integrated Resource Plan, Vol. 1, p. 132.

¹⁵ PacifiCorp 2020 MSP at 8.

¹⁶ PacifiCorp 2020 MSP at 9.

¹⁷ Docket No. UM 2401, PAC/201, Link/10.

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bid into both RFPs, or they will choose one over the other to minimize their duplication of resources.”¹⁸ Staff does not see a practical reason to expose Oregon customers to the risk of unnecessarily limiting the pool of bids in this RFP.

Finally, the Company points to distinctions between Oregon’s HB 2021 and Washington’s Clean Energy Transformation Act (CETA) as justification for issuing separate RFPs.¹⁹ Staff agrees that these policies are not identical, but these differences affect evaluation criteria and compliance accounting, not whether a single competitive solicitation can be issued. PacifiCorp already accounts for divergent policy mandates across its six-state footprint within its IRP and cost recovery processes, and there is no technical barrier to running a system-wide or consolidated RFP while applying state-specific evaluation criteria in parallel. The Company’s claim that differences in state policies necessitate separate RFPs ignores the practical consequence of its approach, which is a narrowed pool of competitive bids. Splitting solicitations reduces competition, raises the likelihood of higher prices, and undermines the least-cost, least-risk mandate that underpins the RFP process.

Staff believes that a single, consolidated RFP is the best way to accommodate state-specific requirements without unnecessary risks through bid scoring adjustments, modeling sensitivities, and post-selection compliance filters. Accepted projects could then proceed through state-appropriate cost recovery channels where other jurisdictional requirements are already routinely addressed. As previously mentioned, the Commission itself has recognized that an all-source system-wide RFP is more likely to result in a least-cost, least-risk portfolio. By contrast, running concurrent RFPs in Oregon and Washington will likely lead to inefficiencies, constrain bidders, and put customers at greater risk of paying more for less.

Staff sees significant alignment between the conditions recommended by WUTC staff (on coordinating the two RFPs, B2H bids, and conditional firm) and those sought by OPUC Staff. If Recommendation 1 (below) is adopted by the Commission, Staff will work with the Company, the IE, and WUTC staff to resolve any problematic divergences.

Recommendation 1: PacifiCorp shall revise its Oregon RFP in collaboration with the IE so that the Oregon shortlist process has on-ramps to incorporate projects that are shortlisted in Washington and participate in both RFPs.

¹⁸ WUTC Staff Comments at 7 (July 25, 2025) available at [UTC Case Docket Document Sets | UTC](#) accessed August 20, 2025.

¹⁹ PacifiCorp’s Reply Comments at 10 (July 24, 2025).

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Boardman-to-Hemingway

Background

In opening comments and during workshops with the Company, Staff and several stakeholders, including NIPPC, OSSIA, and Renewable Northwest, raised concerns with PacifiCorp's treatment of transmission and interconnection in the draft RFP. Specifically, parties objected to the exclusion of the B2H transmission line as a viable transmission pathway, noting that B2H is fully permitted, partially owned by PacifiCorp, and has historically been promoted by the Company as a critical system-enabling asset. Stakeholders argued that failing to account for B2H diminishes the competitiveness of the RFP and unnecessarily limits access to lower-cost wind and solar resources located in the eastern portion of PacifiCorp's system.

PacifiCorp explained that neither its 2025 IRP nor its 2025 CEP included incremental east-to-west transfer capability over B2H. The Company noted that when it included B2H in its 2021 IRP preferred portfolio and action plan it anticipated being able to redirect existing long-term firm transmission rights with the Bonneville Power Administration (BPA) to have a point of receipt at Longhorn enabling B2H to be used to serve existing load in PacifiCorp's West balancing authority area (PACW). In the fall of 2022, BPA notified PacifiCorp that these redirect requests would need to be studied in its cluster study process, and that process was paused. PacifiCorp states BPA Staff may have a proposal in October 2025. Absent a definitive timeline, cost estimate, or confirmation of service availability, the Company argued that it would be speculative and potentially misleading to evaluate B2H-dependent bids in the current RFP.

Staff Analysis

Staff acknowledges the Company's concerns regarding the uncertainty created by BPA's paused cluster study process and the implications this has for using B2H as a delivery pathway to PACW in the current RFP. However, Staff shares the IE's view that excluding B2H entirely from consideration risks unnecessarily limiting participation and reducing the competitiveness of bids submitted into the RFP. B2H has been recognized as an important transmission project for accessing lower-cost eastern system resources, and Staff is concerned that disregarding it outright misrepresents possible future outcomes in which the Company is able to negotiate terms regarding its access to redirects and would lead to higher-cost outcomes for customers.

While PacifiCorp has not explicitly prohibited bids dependent on B2H, Staff is concerned that the Company's framing of B2H as "not viable" for this RFP may discourage bidders from participating, even if those projects could reasonably achieve commercial operation by the December 31, 2029 deadline. Staff is also concerned about the substantive hurdle for this RFP with PacifiCorp's 2025 IRP modeling, which does not connect the end of B2H at Longhorn to the locations on PACW that PacifiCorp has

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indicated may be able to connect to B2H via the BPA redirects, Alvey, Albany, Santiam, McNary, and Pendleton. PacifiCorp's reply comments stated that a project may be able to secure its own transmission from Longhorn to PACW, but has not explained this in detail and Staff understands it to mean that a project would need to move to the east, or secure multiple legs of 3rd party transmission to reach PacifiCorp's service territory.

In an RFP proceeding, PacifiCorp distinguishes the proxy resource selections from its IRP as a planning exercise, whereas the RFP will demonstrate the actual resources that are cost effective.²⁰ PacifiCorp's 2021 IRP showed that B2H enabled delivery of 600 MW of solar+storage and B2H allowed for more-cost effective resources than portfolios without B2H. PacifiCorp found:

Without B2H, 405 MW of wind and 200 MW of solar co-located with storage is removed from the portfolio in 2026. Approximately 200 MW of storage capacity is removed from eastern Wyoming in 2029 * * * the portfolio without the B2H transmission line is \$388 million higher cost * * * without the B2H transmission line, the system would be more dependent on the market. With fewer renewable resources, output from coal and gas resources increase, emissions increase, and the associated costs from higher fossil-fueled generation and emissions also increase.²¹

Idaho Power recently provided an update to the Commission that B2H is forecasted to be in-service December 2027.²² Staff believes that this RFP should provide a placeholder for B2H resources seeking to deliver to PACW. By setting out an explicit Phase 2 for B2H resources that seek to deliver to PACW, bidders will not need to include the high costs of multiple segments from Idaho Power and BPA, but can bid their projects next year when PacifiCorp has explicit options to get from Longhorn to PACW. Ultimately, Staff agrees with the IE's logic that:

"...given PA's understanding that the B2H issue may be resolved following a BPA Staff proposal that is anticipated in October 2025, PA recommends that PacifiCorp consider updating its RFP to indicate a second phase of the RFP is contemplated to occur in 2026 and encourage bidders to submit their bids under the second tranche at a date to later be determined. PA notes that bidder confidence in holding their bids and submitting in a later tranche

²⁰ PacifiCorp Reply Comments to the WUTC at 3-4 (Aug. 18, 2025), available at: [UTC Case Docket Document Sets | UTC](#) accessed August 20, 2025.

²¹ Docket No. LC 77, PacifiCorp 2021 IRP, Vol. I at 270-71.

²² Docket No. LC 87, Idaho Power 2025 IRP Presentation (Aug. 19, 2025).

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could be contingent on the Commission requiring PacifiCorp to launch a second phase of its Solicitation in 2026.”²³

Recommendation 2: The Commission direct PacifiCorp to conduct a second phase of this proceeding in 2026, following the IE’s recommendation so bidders may participate in a second phase that includes options for Longhorn to PACW.

Conditional Firm Transmission

Background

Both Renewable Northwest (RNW) and the Northwest & Intermountain Power Producers Coalition (NIPPC) argued in opening comments that PacifiCorp’s refusal to allow conditional firm transmission service in this RFP is unreasonable and unduly restrictive. NIPPC emphasized that requiring long-term firm point-to-point transmission will exclude otherwise viable and cost-effective projects, unnecessarily shrinking the bidder pool and raising costs for customers. NIPPC further noted that conditional firm service is already offered under BPA and PacifiCorp’s own tariffs, is rarely curtailed in practice, and has been accepted in other Oregon RFPs such as PGE’s 2021 and 2023 RFPs.²⁴ NIPPC further stressed that the Commission previously directed PacifiCorp to explore ways to incorporate conditional firm requirements in future procurements, but PacifiCorp has not provided the required analysis.²⁵

Similarly, RNW contended that excluding conditional firm ignores a widely available and increasingly important transmission product that can unlock additional renewable participation in the RFP. RNW highlighted that given ongoing transmission constraints and delays in the cluster study process, conditional firm often represents the only viable near-term pathway for projects to deliver energy and eliminating it will reduce competition and increase costs for customers. Both organizations urged the Commission to require PacifiCorp to accept conditional firm transmission service bids and to establish a clear framework for evaluating such bids on equal footing with those relying on firm service.²⁶

In its reply comments, PacifiCorp maintained that conditional firm transmission service should not be accepted in this RFP. The Company argued that conditional firm lacks the same reliability assurances as long-term firm service and is subject to curtailment in

²³ IE Report at 29.

²⁴ See In re PGE 2021 All-Source RFP, Docket No. UM 2166, PGE’s 2021 All-Source RFP - Final Draft at 16 (Oct. 15, 2021); In re PGE 2023 All-Source RFP, Docket No. UM 2274, PGE’s 2023 All-Source Request for Proposals (RFP) - Final Draft, Appendix N at 5-6 (May 19, 2023); In re PGE 2025 All-source RFP, Docket No. UM 2371, PGE’s Draft 2025 All-Source Request for Proposals, Appendix A at 5 (Apr. 17, 2025).

²⁵ NIPPC Opening Comments at 16-17 (July, 7, 2025).

²⁶ RNW Opening Comments at 9-10 (July, 7, 2025).

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ways that could jeopardize timely delivery and compliance with HB 2021. PacifiCorp emphasized that under the Western Resource Adequacy Program (WRAP), resources must be demonstrably deliverable to load, and conditional firm does not provide the certainty required to meet those obligations. The Company also highlighted that its Open Access Transmission Tariff (OATT) and historical procurement practices have consistently required resources to achieve designed network resource (DNR) status, which conditional firm cannot guarantee.²⁷

PacifiCorp acknowledged stakeholder requests to expand eligibility but reiterated that doing so would expose customers to added risk by relying on transmission products that are inherently interruptible. The Company further argued that stakeholders understated the operational and compliance risk associated with conditional firm, particularly in light of existing east-to-west transfer limits and the tight compliance deadlines under SB 1547 and HB 2021. In PacifiCorp's view, restricting eligibility to firm transmission ensures fair, reliable evaluation of bids and avoids speculative outcomes that could lead to customer harm.

Staff Analysis

In PacifiCorp's 2022 RFP, the Commission directed PacifiCorp to "provide analysis of potential solutions to include conditional firm bids in the next RFP."²⁸ The Commission explicitly stated in Order No. 22-130, that "increasing constraints on the transmission system particularly on the west side of the PacifiCorp system, make it important to begin to more seriously consider alternative transmission products that may deliver a significant portion of the value that some resources offer the system."²⁹

PacifiCorp in this RFP did not provide the analysis requested by the Commission and instead argued that "no party has provided a credible framework for how to evaluate or score the risk associated with conditional firm service in a competitive bidding process."³⁰

Staff believes that the Company's failure to produce any analysis to demonstrate potential solutions to include conditional firm bids into this RFP and the choice to instead fault parties for not providing solutions should not alleviate the Company of the responsibility to accept bids using conditional firm transmission service in this RFP.

Given the increasing transmission constraints highlighted by the Company in both the 2025 IRP and this proceeding Staff believes that it is imperative that the Company start

²⁷ PacifiCorp's Reply Comments at 21 (July 24, 2025).

²⁸ See Docket No. UM 2193, Order No. 22-130 at 3.

²⁹ See Docket No. UM 2193, Order No. 22-130 at 3-4.

³⁰ PacifiCorp's Reply Comments at 21 (July 24, 2025).

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to be more proactive and creative about the use of the existing transmission system. The main path available to the Company to do so is to accept conditional firm in the 2025 RFP. While conditional firm does not provide the exact same guarantees as long-term firm service, it has been successfully incorporated into other Oregon RFPs.³¹ Stakeholders have also noted that curtailments under conditional firm are rare in practice, and that the product can provide a viable, lower-cost means of delivering power where long-term firm service is unavailable due to congestion or study delays. Excluding conditional firm outright, as PacifiCorp proposes, would unfairly reduce the pool of competitive projects, limit resource diversity, and potentially increase costs to customers. Staff believes that the risk PacifiCorp raises can be addressed transparently in the evaluation process rather than prohibiting conditional firm bids at the outset.

Recommendation 3: PacifiCorp must accept bids utilizing conditional firm bridge, number of hours, or system conditions transmission service in the 2025 RFP. Leveraging the work already done in PGE's 2025 RFP in UM 2371, PacifiCorp shall work with the IE to develop and apply a clear, transparent framework for evaluating such bids alongside firm transmission bids, including appropriate scoring adjustments or modeling to reflect potential curtailment risks.

Other Issues

Interconnection Studies & COD

Several stakeholders expressed concerns that PacifiCorp's interconnection and commercial operation date (COD) requirements are overly restrictive and risk eliminating otherwise viable projects from consideration. Both NIPPC and RNW argued that the requirement for a completed facilities study or interconnection agreement as a condition of eligibility is unreasonable, particularly given current backlogs in the interconnection queue. They noted that many projects in PacifiCorp's 2024 Transition Cluster could achieve commercial readiness well before the required December 31, 2029, COD, yet would be excluded under the Company's proposed criteria. Stakeholders stressed that limiting eligibility to only those projects with completed studies would drastically shrink the bidder pool, inflate costs, and undermine the competitiveness of the RFP. Instead, they recommend that PacifiCorp recognize interconnection progress short of a final facilities study and allow projects in the transition cluster to qualify, with transmission risks appropriately accounted for in evaluation.³² The IE echoed these concerns, noting that strict interconnection

³¹ See [PGE 2025 RFP Appendix A Scoring and Modeling Methodology](#), Table 1: Minimum Bidder Requirements, Transmission Requirements at page 5 – 6, and Table 3: Impacts to Capacity Value Based on Transmission Products at page 13.

³² Independent Evaluator Report at 14 (Aug. 12, 2025).

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requirements could reduce participation and suggested that PacifiCorp consider alternative screening mechanism regarding interconnection requirements.³³

PacifiCorp acknowledged the challenges developers face due to ongoing delays in the interconnection cluster study process but reiterated its position that a completed interconnection study or executed agreement is necessary to ensure projects can meet the December 31, 2029 COD requirement. The Company explained that this deadline is driven by Oregon's exit from coal-fired resources and the emissions reduction targets established under HB 2021. In its reply comments, PacifiCorp committed to exercising some flexibility by evaluating whether project's interconnection study reasonably supports its proposed COD, even in cases where there are mismatches in project size, technology, or duration. However, the Company emphasized that all resources must demonstrate the ability to achieve a COD prior to 2030.

Staff agrees with the IE's assessment regarding interconnection studies and COD requirements. While Staff recognizes the risks and uncertainties associated with procuring resources that lack a completed interconnections study or that may face challenges meeting a 2029 COD, rigidly enforcing these requirements risks excluding a number of otherwise viable projects. This concern is heightened by the widespread delays in the interconnection process resulting from FERC Order 2023 and the resulting transition cluster backlogs. Staff agrees with the IE that a tradeoff exists between maximizing participation and ensuring bidder fairness, and believes that the Company should attempt to broaden participation while maintaining reasonable safeguard. Consistent with the IE's recommendation, Staff recommends that PacifiCorp consider alternative screening mechanisms such as site control plus phase 1 results for interconnection requirements.

Recommendation 4: PacifiCorp adopt the IE's proposal to consider alternative screening mechanisms for interconnection requirements.

Pro Forma Contract Revisions

Stakeholders expressed concern with PacifiCorp's draft RFP pro forma contract language and expressed specific concern that the Company did not allow bidders to submit redline pro forma contract revisions with their initial bid submissions. Stakeholders argued that that this approach could discourage participation and prevent the RFP from capturing the most competitive projects, as bidders may be unwilling to proceed under contract terms that materially impact their projects. They emphasized that meaningful contract negotiation is a standard feature of competitive procurements and is essential for ensuring that risk is allocated fairly between developers and utility

³³ Independent Evaluator Report at 23 (Aug. 12, 2025).

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customers.³⁴ The IE similarly noted that allowing bidders to submit redlines with their bids could help build bidder confidence in the RFP bidding process and indicate to bidders that PacifiCorp is willing to meaningfully negotiate its terms and conditions.³⁵

In its reply comments, PacifiCorp maintained that the pro forma agreements reflect commercially reasonable terms designed to protect customers and argued that allowing significant redlines at the time of bid submission could complicate the evaluation process and increase the risk of inconsistent treatment across bidders.³⁶

Following discussions between Staff and the Company, PacifiCorp agreed to modify its approach by allowing bidders to submit proposed redlines to the pro forma contracts with their initial bid submissions. Staff views this as a constructive step that increases transparency, reduces barriers to entry, and ensures that bidders can meaningfully engage with the terms of the agreements from the outset.

PLEXOS Modeling

Staff notes that PacifiCorp's proposed price scoring methodology relies heavily on PLEXOS modeling, the same modeling the Company states was also used to develop PacifiCorp's 2025 IRP.³⁷ This approach raises concerns because Staff and stakeholders have identified significant flaws in the Company's modeling framework as part of the 2025 IRP review. These flaws center around the Company's assumptions around transmission as well as the Company's overall jurisdictional modeling approach.³⁸ Embedding the same framework into this RFP risks producing distorted results, particularly undervaluing east-side wind and solar projects that rely on constrained transmission paths. Given these deficiencies, Staff is concerned that PacifiCorp's reliance on its PLEXOS model may not produce an accurate or transparent representation of least-cost, least-risk resources.

NIPPC has recommended a practical safeguard to address these concerns. In addition to PacifiCorp's model-derived price score, the Company should be required to produce a competing price score rank based solely on the raw bid prices (\$/MWh for PPAs, \$/kW-year for storage).³⁹ This parallel ranking would provide a transparent point of comparison to address whether the modeling is materially distorting outcomes by awarding higher scores to bids with higher actual costs. Staff supports this recommendation as a reasonable check on PacifiCorp's modeling framework. Requiring

³⁴ Independent Evaluator Report at 14-15 (August 12, 2025).

³⁵ Independent Evaluator Report at 25 (August 12, 2025).

³⁶ PacifiCorp's Reply Comments at 15 (July 24, 2025).

³⁷ PacifiCorp Draft 2025 Oregon-situs RFP at 24 (April 16, 2025).

³⁸ Docket No. LC 85, Staff's Opening Comments at 10-15 (July 29, 2025).

³⁹ NIPPC Opening Comments at 21-22 (July, 7, 2025).

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a side-by-side comparison of model-adjusted versus raw bid prices will help ensure transparency, allow parties to identify potential modeling-driven distortions, and provide the Commission with greater confidence that the RFP evaluation process is aligned with least-cost, least-risk procurement principles.

Additionally, Staff's Opening Comments on the 2025 IRP in LC 85 recommended that PacifiCorp needed to re-optimize the Oregon portfolio without cost driver and penalties, only relying on emission constraints to capture correct economics; and further recommended that if this could not be implemented in the 2025 IRP, that it must discuss how to properly account for the distortion when evaluating resource needs and bids in any upcoming RFPs.⁴⁰

Recommendation 5: PacifiCorp will produce both model-based and raw-price bid rankings as part of the bid evaluation process and work with the IE and Staff on how it will properly account for any distortions in its evaluation of resource needs and bids.

Other Filings in this Docket

PacifiCorp's Motion to Change Independent Evaluator Scope and Costs

On July 30, 2025, PacifiCorp submitted a motion in this proceeding to expand the IE's scope of work and cost estimate for this RFP. PacifiCorp stated "[i]t was inferred at the May 27, 2025, Public Meeting that a revised IE scope of work and cost estimate would be submitted following collaboration with Staff and PA Consulting."⁴¹

Staff appreciates the IE's work in this proceeding and does not oppose PacifiCorp's filing of an updated scope of work or price schedule. Staff agrees that PacifiCorp's filing was contemplated at the May 27, 2025 Public Meeting when Chair Tawney stated that, in past cases, utilities have come back to the Commission with a change in scope or cost, when needed. Staff notes approval of this motion is not a prudence finding and Staff expects that the IE costs will be tracked in a deferred account, similar to past IE costs. The standard procedure for deferred amounts to be allowed in rates is that the utility applies to amortize the deferred accounts.⁴² The Commission may authorize the amortization in a rate proceeding, subject to a prudence review.⁴³

In this memo, Staff includes approval of PacifiCorp's Motion as a motion for the Commission to act on.

⁴⁰ Docket No. LC 85, Staff's Opening Comments at 15 (July 29, 2025).

⁴¹ PacifiCorp Motion to Change Independent Evaluator Scope and Costs at 1 (July 30, 2025).

⁴² ORS 757.259(5).

⁴³ ORS 757.259(5); OAR 860-027-0300(9).

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PacifiCorp's Previous Request for Waiver of OAR 860-089-0250

Staff seeks to briefly address OAR 860-089-0250(1) which provides, “[p]rior to filing the draft RFP with the Commission, the electric company must consult with the IE in preparing the RFP and must conduct bidder and stakeholder workshops.” In May of this year, the Commission declined to grant PacifiCorp’s request for waiver of OAR 860-089-0250, noting that Staff found the IE’s involvement and stakeholder workshops were necessary steps, particularly because of PacifiCorp’s proposed deliverability requirement and Oregon-situs designation.⁴⁴ At the end of that meeting, there was mention of PacifiCorp seeking waivers later in the process, if needed. Staff simply notes its understanding that PacifiCorp will file a redlined, updated copy of its RFP (Final Draft RFP) on August 21, 2025, the same day Staff files this memo. Staff believes that the Commission will evaluate the Final Draft RFP alongside Staff and stakeholder’s recommendations. Regarding compliance with CBRs, Staff’s opinion is that PacifiCorp’s updated Final Draft RFP filing will satisfy the sequence described in OAR 860-089-0250(1) with IE involvement, stakeholder workshops, and RFP filing. Staff thinks that PacifiCorp will have complied with OAR 860-089-0250(1) and the Commission will not need to revisit this topic.

Schedule

Multiple parties have raised the possibility of shortening the “back end” of the schedule. Staff supports moving quickly, particularly if it improves the RFP outcome by enabling projects to qualify for tax credits or improving PacifiCorp’s bargaining position relative to other buyers. In terms of shortening the back end of the schedule, Staff has found the 60-day timeline in OAR 860-089-0500(4) between a request for final shortlist acknowledgement and a Commission decision to be a very short turnaround. Staff requires the full 60-day period to allow for a public meeting memo and stakeholder comments before a public meeting. Otherwise, Staff is supportive of PacifiCorp updating the schedule it initially filed, which needs to be updated at any rate because the two Transmission Consulting Studies are now a single consulting study.⁴⁵

Conclusion

Based on the above analysis, Staff believes PacifiCorp’s Draft of the 2025 Oregon-situs Draft Request for Proposals (RFP) and scoring criteria as reflected in the body of the RFP should be approved as fair and competitive, subject to the conditions recommended by Staff. Below is a summary of Staff’s conditions.

⁴⁴ Order No. 25-205.

⁴⁵ PacifiCorp Draft RFP at 11 (Apr. 16, 2025).

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Recommendation 1: PacifiCorp shall revise its Oregon RFP in collaboration with the IE so that the Oregon shortlist process has on-ramps to incorporate projects that are shortlisted in Washington and participate in both RFPs.

Recommendation 2: The Commission direct PacifiCorp to conduct a second phase of this proceeding in 2026, following the IE's recommendation so bidders may participate in a second phase that includes options for Longhorn to PACW.

Recommendation 3: PacifiCorp must accept bids utilizing conditional firm bridge, number of hours, or system conditions transmission service in the 2025 RFP. Leveraging the work already done in PGE's 2025 RFP in UM 2371, PacifiCorp shall work with the IE to develop and apply a clear, transparent framework for evaluating such bids alongside firm transmission bids, including appropriate scoring adjustments or modeling to reflect potential curtailment risks.

Recommendation 4: PacifiCorp should adopt the IE's proposal to consider alternative screening mechanisms for interconnection requirements.

Recommendation 5: PacifiCorp will produce both model-based and raw-price bid rankings as part of the bid evaluation process and work with the IE and Staff on how it will properly account for any distortions in its evaluation of resource needs and bids.

PROPOSED COMMISSION MOTION:

Approve PacifiCorp's 2025 Oregon-situs Request for Proposals and scoring criteria as reflected in the body of the RFP, with the Conditions recommended by Staff.

Approve the expanded Independent Evaluator scope of work and cost estimate.