ORDER NO. 26-215

ENTERED Jun 23 2026

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

At its public meeting on June 23, 2026, 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

ITEM NO. RA1

PUBLIC UTILITY COMMISSION OF OREGON
REDACTED STAFF REPORT
PUBLIC MEETING DATE: June 23, 2026

REGULAR X **CONSENT** ____ **EFFECTIVE DATE** N/A

DATE: June 17, 2026

TO: Public Utility Commission

FROM: Kim Herb

THROUGH: Caroline Moore **SIGNED**

SUBJECT: PACIFIC POWER:
(Docket No. UM 2383)
Request for Acknowledgement of PacifiCorp's 2025 Request for Proposal Final Shortlist.

STAFF RECOMMENDATION:

Acknowledge PacifiCorp's (PAC or Company) 2025 Oregon Request for Proposals (RFP) Final Shortlist (FSL).

Direct PacifiCorp to include Staff's proposed RFP elements if PacifiCorp issues the Phase 2 RFP on the proposed August 15, 2026 timeline.

DISCUSSION:

Issue

Whether the Oregon Public Utility Commission (Commission or OPUC) should acknowledge PacifiCorp's 2025 Request for Proposals (RFP) Final Shortlist (FSL), and at what procurement volume.

Applicable Law

The Commission's Competitive Bidding Rules (CBR) in OAR Chapter 860, Division 89[1] apply when an electric utility may acquire a resource or a contract for more than an

[1] Note that AR 699 amended Competitive Bidding Rules, effective March 23, 2026.

aggregate of 80 megawatts and five years in length, as specified in OAR 860-089-0100(1). Resource acquisitions falling under the CBRs require the use of a request for proposals (RFP) unless an exception applies, or the rules are waived.[2]

Under OAR 860-089-0450(8), the Independent Evaluator (IE) is required to review the Company's sensitivity analysis of the bid rankings required under OAR 860-089-0400 and file a written assessment with the Commission before the Company requests acknowledgment of the final shortlist.

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 Integrated Resource Plan (IRP) in any future cost recovery proceeding.

Per OAR 860-089-0500(3), requests for acknowledgement must, at minimum, include the IE's closing report, the electric company's FSL, all sensitivity analyses performed and evaluation of the performance of bids on the final shortlist under the portfolio analysis required under OAR 860-089-075(5).[3].

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)(b).[4]

OAR 860-089-450(10) explains that unless the Commission directs otherwise, the IE must participate in the final short list acknowledgment proceeding initiated by the electric company, and must continue to participate through final resource selection and monitor contract negotiations through to the completion of any contract between the electric company and a bidder as the IE finds necessary to understand whether the final

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[2] OAR 860-089-0250; OAR 860-089-0100; OAR 860-089-0010.

[3] Note that OAR 860-089-0475 was not in effect when the initial shortlist was established. The FSL represents a preferred portfolio of bids, including alternate bids.

[4] OAR 860-089-0450(9)(b), not included in this section, reflects the updated CBRs per AR 669. Due to this timing the IE could not have complied with the requirement to include, in its Closing Report, an evaluation of the electric company's responsiveness to portfolio request received under the process set forth in OAR 860-089-0475.

contract or the failure to acquire a resource is reasonable. In 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.

OAR 860-089-0500(5) The electric company must make a publicly available filing in the RFP docket providing the average bid score and the average price of a resource on its final shortlist.

Executive Order 25-25 (EO 25-25) directs the Public Utility Commission and other agencies to accelerate development of solar and wind energy projects in Oregon that seek to qualify for federal clean energy tax credits and directed the Commission to accelerate RFP timelines as practicable.

Executive Order 25-29 (EO 25-29) also encourages the Commission to find opportunities to use its scope and authority to accelerate clean energy procurement.

Analysis

Background
On August 29, 2025, the Commission approved PacifiCorp's draft 2025 RFP and scoring and modeling methodology, subject to Staff's five conditions.[5] PacifiCorp issued the RFP to market on October 13, 2025, with bids due November 18, 2025. After reviewing the bids, PacifiCorp filed its Request for Acknowledgement of the FSL on May 29, 2026.

PA Consulting served as the Independent Evaluator (IE) throughout the RFP process, providing oversight of conformance decisions, scoring methodology, and FSL development. The IE's findings are documented in the IE Closing Report filed May 29, 2026.[6]

PacifiCorp's 2025 Final Shortlist
PacifiCorp's proposed FSL consists of eight primary bids totaling 1,598 MW of generation capacity and 1,293 MW of storage capacity. Two additional back-up bids contribute 41 MW of generation capacity and 102 MW of storage capacity. The full FSL, inclusive of all primary and back-up bids, totals 1,639 MW of generation capacity and 1,395 MW of storage capacity.

5 Docket No. UM 2383, Order No. 25-343 (Aug 29, 2025).
6 Docket No. UM 2383, PA Consulting, PacifiCorp 2025 Oregon RFP Independent Evaluator Closing Report (May 29, 2026).

Table 1: PacifiCorp's Final Shortlist

Bid Name	Type	Price Score 1 + Non-Price	Price Score 2 + Non-Price	Generation MW	Storage MW	COD	State
[BEGIN HIGHLY CONFIDENTIAL]							
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	ID
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	OR
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	UT
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	OR
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	OR
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	UT
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	UT
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	OR
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	ID
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	OR
						[END HIGHLY CONFIDENTIAL]	

Bid Pool and Solicitation Response
PacifiCorp received 80 bids (including variants): 25 generation-only bids, 32 storage-only bids, and 30 paired generation-and-storage bids.[9] By technology, lithium-ion battery storage and paired solar-plus-storage together account for 71 percent of submissions (37 percent Lithium-Ion BESS and 34 percent paired solar-plus-storage).

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7 Denotes backup bids.
8 Denotes backup bids.
9 IE Closing Report at 12-15.

Solar-only bids account for 16 percent, wind-only for six percent, [**BEGIN HIGHLY CONFIDENTIAL**] [redacted] **[END HIGHLY CONFIDENTIAL].**

By location, 40 percent of bids were sited in Oregon, 24 percent in Utah, 16 percent in Washington, 14 percent in Idaho, five percent in Wyoming, and one percent in California. By COD, nine percent of bids targeted 2027, 38 percent targeted 2028, and 54 percent targeted 2029. The bid-pool composition demonstrates broad market response across PacifiCorp's six-state service territory and across a spectrum of eligible technologies.

Independent Evaluator Findings on the FSL
The IE closing report concludes that PacifiCorp conducted a fair and equitable solicitation including the selection of the FSL, and that PacifiCorp's evaluation was consistent with Commission-approved competitive bidding rules. The IE found that PacifiCorp's combination of PLEXOS-derived net benefits, dual price-score methodologies, and resource-specific ranking ensure bid evaluation outcomes were driven by underlying economic and operational fundamentals rather than structural bias toward any particular resource type. The IE conducted independent non-price scoring for a sample of bids and reviewed all conformance decisions; it concluded that PacifiCorp's selection of the FSL was completed fairly and reasonably.

The FSL (based on E9 portfolio) performed strongly across the deterministic and stochastic testing. The portfolio ranked among the top three portfolios across all three price-sensitivity scenarios, demonstrating robustness to fuel price volatility and potential carbon policy implementation. Under stochastic modeling, the portfolio ranked third on a risk-adjusted PVRR basis and was the portfolio with the lowest risk-adjusted PVRR that met or exceeded both the 2030 acquisition targets for resource adequacy after Oregon's coal exit and HB 2021 needs. The FSL's risk adjusted PVRR is 0.2 percent higher than the lowest cost portfolio and that portfolio did not meet HB 2021 needs. The FSL also performed most durably in futures with relatively expensive and inexpensive gas and policy price futures.[10]

[10] *See* IE Closing Report at 49-50: the FSL normalized PVRR ($10,138 million), risk-adjusted PVRR ($10,825 million), and risk-adjustment ($687 million) indicate stable performance under uncertainty, and its cost increase relative to the lowest-cost option is limited to $30 million.

Staff has reviewed the IE Closing Report and agrees with the IE's process-level conclusions. The remainder of this report addresses four questions Staff considers material to the Commission's decision:

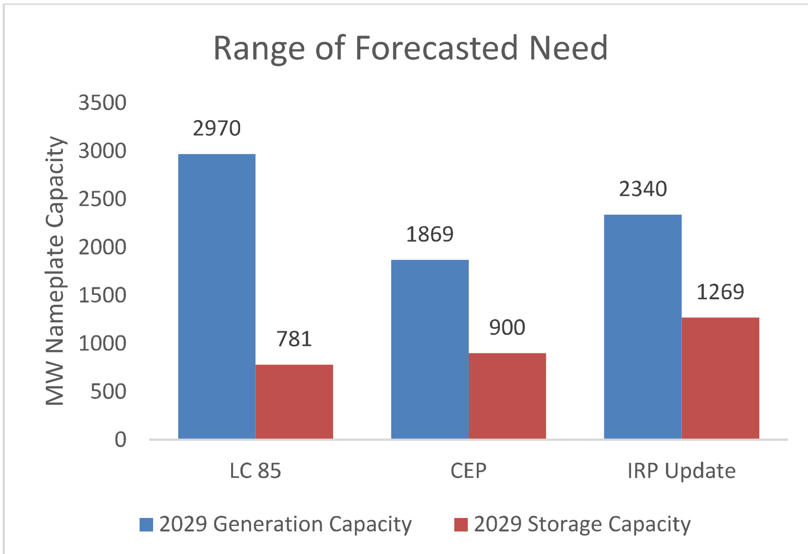
- Does the FSL represents the most reasonably sized procurement level?
- Are there discrete fairness or competitiveness issues that should be considered?
- Are there any ongoing risks that should be monitored in future proceedings, including cost recovery?
- Should the Commission provide any guidance about PacifiCorp's next procurement activity based on insights from this procurement process?

Issue 1: Procurement Level
PacifiCorp's FSL includes ten bids totaling 1,639 MW of nameplate generating capacity and 1,395 MW of nameplate storage capacity expected to come online by the end of 2029. These bids have an estimated normalized PVRR of $10,235 million and a cumulative estimated net power cost increase of 15 percent in 2029. Given the current reliability, policy, and affordability environment, the primary issue for consideration is pacing, specifically, how to balance near-term customer affordability against reliability risks and compounding market uncertainty i.e., uncertainty about availability and costs if PacifiCorp does not act swiftly to lock down bids or goes back out to the market to meet its needs. Staff's analysis focuses on the appropriate FSL volume for acknowledgement.

PacifiCorp's forecasted needs have varied over recent filings but are indicative of the need the Company should be planning to fill. The IRP Update, filed on March 31, 2026, provides the latest estimate of resource need at approximately 2,340 MW of generating capacity and 1,269 MW of storage capacity by the end of 2029 for Oregon. Additionally, PacifiCorp's load and resource balance demonstrates a system-wide capacity need beginning in 2028, approximately 1,168 MW for reliability and resource adequacy under the current Multi-State Protocol (MSP).[11]

[11] Docket No. LC 85, PacifiCorp 2025 Integrated Resource Plan, Vol. 1, p. 132.

Table 2: MW Nameplate Capacity Need Ranges



With its filing of its FSL, the Company also considered different procurement volumes: FSL (largest), portfolio E9 (mid), and 50 percent of the FSL (small). With these ranges of need in mind, Staff assesses the appropriate procurement volume against three considerations:

1. The near-term customer price impact of the proposed FSL,
2. The cost and reliability risk of constrained procurement under compounding market uncertainty, and
3. The uncertainty introduced by PacifiCorp's entry into the California ISO's Extended Day-Ahead Market (EDAM).

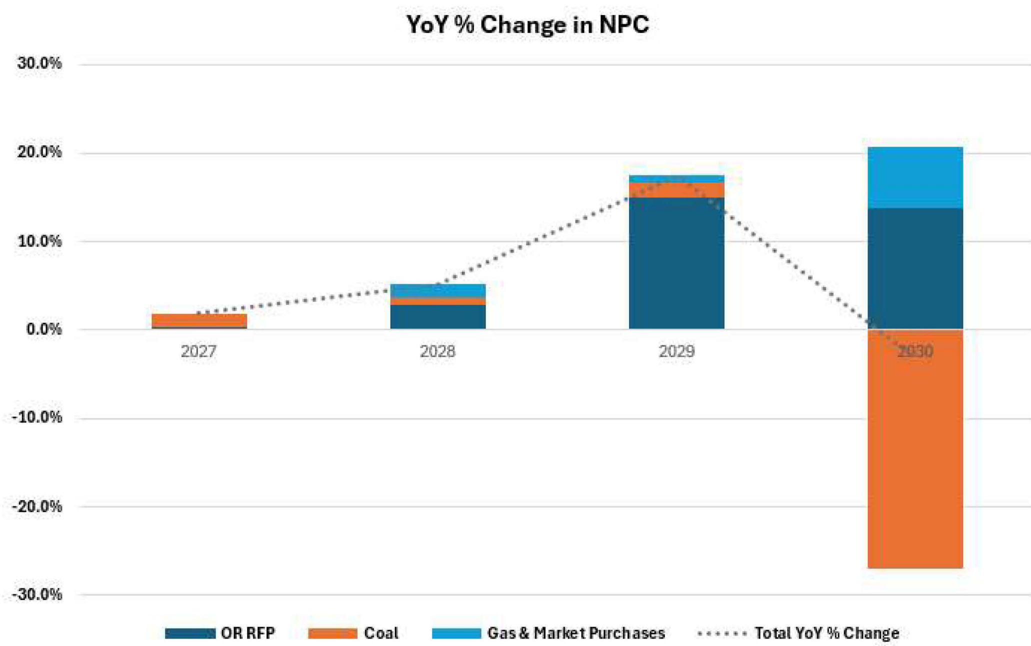
Near-Term Customer Price Impact
Customer near-and long-term affordability is a central consideration in any procurement decision. The proposed FSL is forecast to increase Oregon-allocated revenue requirements over the contract terms of the procured resources, raising the question of whether procurement at this scale is reasonable now versus at a later date. Two factors weigh against deferral: PacifiCorp's HB 2021 emissions trajectory and resource adequacy obligations would still apply on a defined schedule, and the conditions under which any future procurement would occur are themselves substantially uncertain. Staff's review of the price impact data presented below focuses on how the proposed procurement scenarios compare across three dimensions: customer affordability, clean-

energy policy compliance, and the continued provision of safe and reliable electric service.

Net Power Cost Impact
The Company's filing explains that, with the recommended final shortlist, there is an estimated 16 percent increase in power costs in 2029.[12,13] For context, Staff notes that power costs for 2026 are approximately 30.8 percent of total PacifiCorp revenue.[14] Staff also notes that the Company's estimates of future net power costs in this docket include increases associated with the resources on the final shortlist as well as increases in coal fuel expenses, gas fuel expenses, and market purchases. Figure 1 shows the year-over-year percent changes in net power costs separated into the impact of all resources on the final shortlist, including the savings from deferred energy costs that would have otherwise been incurred, and other changes to coal fuel, gas fuel, and market purchases.[15] Prior to 2029, the majority of the net power cost impact reported by PacifiCorp stems from increases to coal, gas, and market purchases.

12 "These results are not a rate-making exercise, nor a forecast of future power cost filing information. Actual power cost filings will necessarily depart from current forecasts as actual power costs are incurred." From UM 2383 PacifiCorp Request for Acknowledgment of Final Shortlist. Page 26, footnote 16.
13 UM 2383 PacifiCorp Request for Acknowledgment of Final Shortlist. Page 26.
14 Docket No. RE 14, PacifiCorp's Compliance Filing for OAR 860-083-0200 (November 17, 2025).
15 PacifiCorp's public workpaper "(P)_2025 OR Situs RFP - Incremental Cost FINAL.xlsx".

Figure 1: NPC Impacts of Final Shortlist



The resources on the final shortlist have material impacts on net power costs in 2029 and 2030; though, as Sierra Club and GEI pointed out in their comments,[16] a reduction in other net power costs stemming from the removal of coal from Oregon rates will also begin in 2030. In response to Sierra Club's and GEI's comments, PacifiCorp noted that the decline in net power costs in 2030 does not capture the full picture because other coal costs, such as decommissioning expenses, depreciation costs, and salvage, are not represented in net power cost analysis.[17] While the decrease in net power costs in 2030 may not capture the full picture of removing coal from Oregon rates, the decrease provides important context given that the resources on the final shortlist were selected in part to replace the 875 MW of Oregon's share of coal nameplate capacity.
When forecasting out a year farther to 2030, the estimated cumulative impact of the FSL resources in 2030 a 36.7 percent increase in net power costs relative to 2026. Since the RFP enables exit from coal, the decrease in other net power costs in 2030 could be attributed to the RFP, resulting in a cumulative impact of 15.2 percent relative to 2026.

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16 Sierra Club and GEI Comments on the Final Shortlist, page 4.

17 PacifiCorp's response to Comments on its Final Shortlist of its Request for Proposals to 2025 Oregon Situs Projects, page 3.

Staff has also reviewed PacifiCorp's annual net power cost (NPC) projections for three scenarios: the E9 Portfolio, the Full FSL, and a half FSL alternative. Table 3 summarizes the comparison.

Table 3: Estimated Impacts to Net Power Costs and Portfolio Performance[18]

Metric	E9 Portfolio	Full FSL	Half FSL
[BEGIN HIGHLY CONFIDENTIAL]			
2027 Annual NPC ($M)	[redacted]	[redacted]	[redacted]
2028 Annual NPC ($M)	[redacted]	[redacted]	[redacted]
2029 Annual NPC ($M)	[redacted]	[redacted]	[redacted]
2030 Annual NPC ($M)	[redacted]	[redacted]	[redacted]
2027 Year-over-Year NPC Increase	[redacted]	[redacted]	[redacted]
2028 Year-over-Year NPC Increase	[redacted]	[redacted]	[redacted]
2029 Year-over-Year NPC Increase	[redacted]	[redacted]	[redacted]
2030 Year-over-Year NPC Increase	[redacted]	[redacted]	[redacted]
2027 NPC Increase w/o coal, gas, markets	[redacted]	[redacted]	[redacted]
2028 NPC Increase w/o coal, gas, markets	[redacted]	[redacted]	[redacted]
2029 NPC Increase w/o coal, gas, markets	[redacted]	[redacted]	[redacted]
2030 NPC Increase w/o coal, gas, markets	[redacted]	[redacted]	[redacted]
2030 GHG Reduction vs. Baseline	[redacted]	[redacted]	[redacted]
Firm Capacity (MW)	[redacted]	[redacted]	[redacted]
[END HIGHLY CONFIDENTIAL]			

Staff finds that the net power cost benefits from a smaller selection of bids does not outweigh HB 2021 compliance and reliability risks. Staff finds the full FSL reasonably meets compliance and reliability requirements in terms of its anticipated impact on net power costs.

Cost Cap

HB 2021 includes a compliance cost cap process under which the Commission may grant a narrowly tailored, limited-duration exemption if compliance costs are determined to exceed six percent of the annual revenue requirement (ARR) for an electric company. PacifiCorp's 2026 estimated ARR is approximately $2.14 billion. Grossed up for inflation each year, six percent of ARR for 2027-2030 falls in a range of approximately $131 million to $141 million per year. The six-percent cap provides a useful upper

18 UM 2383 PacifiCorp Request for Acknowledgment of Final Shortlist. Page 29.

bound for evaluating the rate impacts of this procurement, though the Commission's decision in this docket is not itself a cost cap determination.

PacifiCorp has presented an Oregon-allocated cost analysis comparing the E9 Portfolio to a counterfactual scenario in which there is no HB 2021 requirement. The analysis, summarized in Table 4, shows that the E9 Portfolio costs Oregon customers less than the counterfactual over 2027-2030: $2,329 million in nominal Oregon-allocated costs under the E9 Portfolio versus $2,356 million under the counterfactual, a $27 million savings over four years. Cost savings in 2027 and 2028 reflects the model's early selection of standalone storage resources, which address capacity needs, but do not bring HB 2021 compliance attributes.

The E9 Portfolio produces a 38 percent year-over-year increase in 2029, but at effectively the same cost as the "no 2021 Counterfactual" (See Table 4 below). The Full FSL including back-ups produces a slightly higher 41 percent year-over-year increase, reflecting the additional back-up bids cost, but Staff assumes that these costs should not expect to manifest, as the bids are 'back-ups.' The half FSL produces a more moderate 21 percent year-over-year increase, but at a substantial cost to both compliance and reliability. The half FSL would meet only 70 percent of the HB 2021 2030 emissions target and would provide just 621 MW of firm capacity, just over half of the approximately 1,168 MW reliability and resource adequacy need identified in PacifiCorp's 2025 IRP.

Table 4: Portfolio Cost Comparisons[19]

Year	E9 Portfolio (m$)	No HB 2021 Counterfactual (m$)	Difference (m$)
2026	$364	$364	$0
2027	$420	$444	($24)
2028	$466	$504	($38)
2029	$673	$672	$1
2030	$770	$736	$34
2027-2030 Total	**$2,329**	**$2,356**	**($27)**

[19] *See* (P)_2025 OR Situs RFP – Incremental Costs Final.xls.

Considering customer price impacts from the perspective of the HB 2021 cost cap, PacifiCorp's analysis indicates that neither the E9 Portfolio nor the Full FSL is forecast to trigger the HB 2021, six-percent compliance cost cap. The Full FSL adds approximately $56 million in 2030 incremental cost relative to the E9 Portfolio, which remains well below the 2030 cap threshold of approximately $141 million.

These are rough analyses, not developed through the appropriate process to identify a utility's cost cap position, and the cost cap is not intended to be considered until a resource is committed to. However, Staff appreciates the added context that the E9 Portfolio and Full FSL both fall well below the HB 2021 estimate and produce cost savings against the no-HB-2021 counterfactual on a 2027-2030 nominal basis. Staff notes that both meet or exceed the 80 percent HB 2021 emissions reduction target, and both provide firm capacity at or above PacifiCorp's identified 2028 reliability need. The Half FSL alternative would moderate the year-over-year NPC step in 2029 but fails the clean-energy dimension (70 percent reduction, ten points below target) and the reliability dimension (621 MW, approximately half the identified need).

AWEC argues that these costs should count toward the HB 2021cost cap because the Company has to replace coal with HB 2021 compliant resources and disagrees with PAC that there's little to be done. They argue the Commission should raise this issue with the Legislature.

Sierra Club says the modeling is still in question and that costs resulting from this procurement may be in part driven by the needs of other states but argues that this docket is not the forum for determining cost allocation.

Regarding assigning costs to other states, PAC argues that making this a system wide RFP would mean OR would only be filling a quarter of its HB 2021 needs and that by running this as an Oregon situs RFP, Oregon gets full credit for the emission benefits. Regarding discussion of the HB 2021 cost cap and prudency, PacifiCorp agrees that both determinations belong elsewhere and will be addressed in future proceedings and rulemaking.

Staff does not believe this is the appropriate venue for determining whether the HB 2021 cost cap has been triggered, or to determine cost allocations.

On the rate impact data PacifiCorp has provided, the proposed FSL appears to reasonably balance the three considerations of customer affordability, clean energy policy compliance, and the continued provision of safe and reliable electric service. Next Staff considers the impacts of a more constrained procurement level.

Cost and Reliability Risk of Constrained Procurement
Market trajectories, federal tax credit risks, developer attrition, transmission and interconnection uncertainty, and HB 2021 continual progress all provide supporting evidence indicating that a smaller FSL carries cost and reliability risk.

First, market trajectory. The expectation that renewable resource prices will decline in future RFPs has not been supported by recent procurement activity in Oregon. In Docket No. UM 2274, Staff and stakeholders observed that increasing in transmission constraints, longer and more costly interconnection processes, and rising critical equipment costs are more likely to drive higher prices in coming years.[20] Staff's review of Docket No. UM 2371 reinforces this conclusion. PGE's 2025 RFP encountered constrained market response to its transmission flexibility improvements, with the IE concluding that the market was not able to respond rapidly.

Second, federal tax credit risk. Idaho Power's 2028 All-Source RFP (Docket No. UM 2317) prioritized projects with earlier CODs in part because of the risk that production tax credits and investment tax credits would be repealed or curtailed for projects achieving COD after 2028.[21] Executive Order 25-25, which directs accelerated development of projects seeking to qualify for federal clean energy tax credits, reinforces the time-sensitivity of these credits.

Third, developer attrition. Recent regional RFP experience demonstrates that a meaningful share of shortlisted projects do not reach contract execution. In Idaho Power Company's prior RFP, Idaho Power ultimately contracted with only four of ten shortlisted projects.[22] In UM 2371, Staff observed that PGE was notified of one shortlisted project's desire to pause negotiations due to advanced contracting with a competitor and that even benchmark projects were at risk of being lost to competitors in the current dynamic market conditions. Procuring at or near the lower bound of identified need therefore exposes customer to elevated risk that the actual delivered MW will fall meaningfully short of the acknowledged volume.

Fourth, transmission and interconnection uncertainty. PacifiCorp's own 2021 IRP analysis found that the portfolio without the Boarman to Hemmingway transmission line (B2H) was $388 million higher cost than the portfolio with B2H, with more market dependence, higher fossil-fueled generation, and higher emissions.[23] The Bonneville

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20 Docket No. UM 2274, Staff Report (Nov. 12, 2024) at 11.
21 Docket No. UM 2317, Staff Report (Aug. 11, 2025) at 6-7.
22 Docket No. UM 2255, Report on Contract Negotiations (July 9, 2025).
23 Docket No. LC 77, PacifiCorp 2021 IRP, Vol 1 at 270-71.

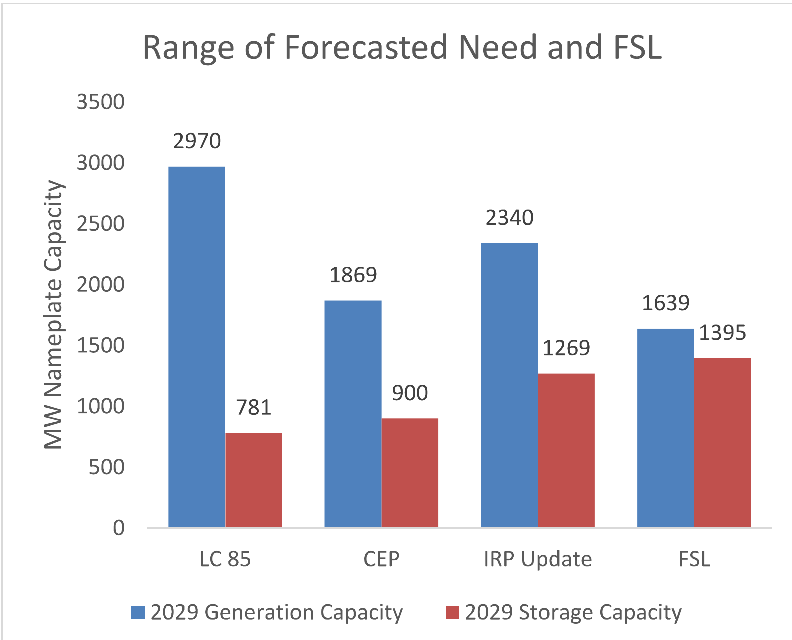
Power Administration's (BPA) paused cluster study has not yet produced a definitive timeline for Longhorn-to-PACW connectivity. The second-phase RFP contemplated by Order No. 25-343 is designed to capture B2H-dependent bids when that uncertainty resolves, but the timing of that second phase and the volume of cost-effective resources it ultimately produces remain uncertain.

Staff Assessment
Taking these considerations together, Staff's view is PacifiCorp's Full FSL represents the better supported procurement level. The E9 Portfolio alone is sufficient to satisfy the HB 2021 2030 emissions target (80 percent reduction) and provides 1,377 MW of firm capacity, addressing the reliability need identified in the 2025 IRP. If PacifiCorp had an opportunity to secure ***all*** bids on the FSL, including the backup bids, the Full FSL would add 84 MW of firm capacity (to 1,461 MW total) and one additional percentage point of

emissions reduction at an incremental cost of approximately $56 million in 2030, well below the HB 2021 six-percent cost cap threshold.

The procurement volume of the FSL falls conservatively within the range of volumes forecast by the IRP, CEP, and IRP Update:

Table 5: Range of Forecasted Need and FSL



Given the documented risks of developer attrition, transmission and interconnection uncertainty, and federal tax credit phase-out, the additional flexibility provided by the back-up bids constitutes meaningful insurance against under-execution of the primary bids without triggering the HB 2021 cost cap or producing customer price impacts inconsistent with the cap framework. Acknowledging the Full FSL is consistent with the approach the Commission adopted in UM 2371, where the Commission acknowledged PGE's 12 primary bids together with their corresponding alternates.

Recommendation: Acknowledge PacifiCorp's Full FSL, inclusive of the E9 Portfolio of eight primary bids plus the two back-up bids.

Issue 2: Fairness and Competitiveness
The following section addresses whether PacifiCorp has conducted a fair and competitive solicitation process consistent with the CBRs and the conditions established

in Order No. 25-343. The IE has closely observed PacifiCorp's process, analyzed its methods, and independently evaluated bids, communications, conformance decisions, and analysis methodology. Because this is a PPA-only RFP, review of competitive issues was narrower than in an RFP with ownership options.

Staff did not receive written feedback related to the fairness or competitiveness of the FSL as of the time of this Staff report. However, during the June 9 Commissioner Workshop, NewSun raised concerns about the RFP design results in inflated pricing and under selection of viable Oregon-sited resources due to unrealistic transmission assumptions; unrealistic renewable supply forecasts; punitive proforma risk allocation that inflated bid prices; and interconnection delays that are not appropriately reflected in the modeling.

The assessment and ultimate approval of the RFP and the associated scoring and modeling methodology is where the Commission considered the Company's approach. However, Staff worked with the IE to assess the issues raised by NewSun and to determine whether the Commission should consider explicit next steps at this time.

Regarding transmission assumptions: The model workpapers and model outputs did not provide underlying transmission topology assumptions. The PLEXOS outputs provided to the IE were hardcoded transmission flow values and revenue values that the model was calculating based on the topology of their transmission system. The financial models provided assumptions and data related to the Point of Interconnection of each project, the total network upgrade costs, and the requested interconnection MW value. Staff and the IE did not identify issues with this approach and welcomes feedback from Stakeholders about whether this approach could be improved for Phase 2.

Regarding unrealistic renewable supply forecasts: Staff understands that PacifiCorp used market prices from the Company's Draft 2025 IRP Update on page 50, under Figure 5.1. – Nominal Wholesale Electricity and Natural Gas Price Scenarios. The Company also ran market price sensitivities to stress test its FSL selection, which is seen in its Low Gas, Medium Gas and High Gas scenarios. This is an attempt to ensure one price forecast is not the only influencing factor in the FSL selection.

Regarding the impact of the PPA proforma on bid prices: Although the Company requested bidders bid to their RFP and associated standard terms and conditions, this is not necessarily the "worst case" scenario and resulting bid price. Further, allowing bidders to deviate from standard terms and RFP requirements can create its own fairness concerns. Bidders may underprice their initial offers to improve their chances of being shortlisted, only to seek price increases during negotiations. Requiring bidders to price to established requirements helps maintain a fair process and reduces the risk of later cost increases for ratepayers.

However, Staff notes that a primary issue that Staff, the IE, and stakeholders raised throughout Draft RFP review was whether bidders could propose revisions to PacifiCorp's pro forma contracts as a nonconforming bid, or whether such proposals would be rejected. The terms at issue appear in the Draft RFP main document and in PacifiCorp's pro forma contracts, which include:

- Appendix E-1 - PPA for Generation Only
- Appendix E-2 - PPA for Generation with Energy Storage
- Appendix E-3 - ESA for Energy Storage

PacifiCorp's compromise was that:

> while redline revisions will not be prohibited at the time of bid submission, they will not be considered during bid evaluation for the shortlist. Bidders will also be instructed to structure and price their proposals based on the terms and conditions of the provided pro forma agreement(s), unmodified, with the understanding that contract negotiations will occur following the shortlist process.[24]

To implement this change, PacifiCorp's August 21, 2025 Draft RFP contained language that "Bidders are required to provide an issues list ("Issues List") and redlines to PacifiCorp and the IE by the date of bid submittal. In accordance with OAR 860-089-0250(3)(d), PacifiCorp will engage in contract negotiations that are mutually agreeable with bidders that make the final shortlist."[25] Staff has confirmed that said issues list and redlines were submitted by bidders in this RFP.

While Staff did not recommend any additional changes, the Commission, of its own accord, flagged the issue of PacifiCorp's contract terms and ordered that the Company work with Staff and the IE to understand what is considered "market standard" today regarding other contract terms raised by NIPPC in its comments.[26] This included the issue akin to that raised by NewSun, namely that PacifiCorp's Transmission Breach Waivers should be Removed. Staff and the IE found this concept is market standard, as

[24] PacifiCorp's Comments and Response to the Independent Evaluator Report (Aug 21, 2025).
[25] *Id.*, Draft RFP Main Document. Page 21 (Aug. 12, 2025).
[26] Order No. 25-243. Page 1.

typically there is another entity responsible for completing transmission upgrades. The contracting utility and transmission entity would typically have separate liability.

Staff sees this as an important issue for the IE to monitor during contract negotiations. See Issue 3 below for more details.

Regarding how interconnection delays are reflected in the model: PacifiCorp did not model interconnection delays but rather reflected the COD submitted by bidders in their bids and supporting documentation. The IE notes that this is a reasonable approach as PacifiCorp should not make assumptions on a project's ability to interconnect outside of the information provided through a bid, including documentation required through the RFP as provided by the bidder.

Based on the IE Closing Report and Staff's own review of the record, Staff finds that PacifiCorp has conducted a fair and competitive solicitation consistent with the CBRs in OAR Chapter 860, Division 89. PacifiCorp engaged PA Consulting as the IE under the partial waiver granted in Order No. 25-505; the IE was copied on all bidder correspondence, monitored conformance decisions, conducted independent scoring of a sample of bids, and reviewed PacifiCorp's portfolio analysis and sensitivity testing. Review of the raw-price scoring results does not reveal major disconnects in the rankings of this large bid pool. The IE Closing Report concludes that PacifiCorp's selection of the FSL was completed fairly and reasonably, and that the evaluation methodology was applied consistently across bids.

Staff also notes that the RFP allows the Commission to evaluate the performance of bids against one another and weigh the tradeoffs of procurement levels and pacing decisions. Cost recovery proceedings offer additional review of the overall impact of the Company's decisions on customer rates and Staff will review whether this short list selection process, the Company's contracting decisions, and the Company's decision to delay its previous RFP, represents inflated costs that would be borne by customers.

IE will monitor contract negotiations and specifically address the concerns raised by NewSun. The IE is expected to report back to the Commission any concerns about the reasonableness of negotiated terms, including as they related to risk-sharing and pricing impacts of interconnection and transmission delays.

Implementation of Order No. 25-343 Conditions
Staff reviewed the Company's compliance with Order No.25-343 related to the approval of the RFP. This includes:

- Recommendation 1 - Washington RFP on-ramps: The IE concludes that the previously contemplated on-ramp mechanism is no longer applicable following the announced PGE acquisition of PacifiCorp's Washington service territory, which eliminates the need to preserve optionality for Washington load. Staff agrees and views this Recommendation as superseded by the change in circumstances.

- Recommendation 2 - Second-phase RFP in 2026: The Commission ordered PacifiCorp to initiate a second phase RFP that reflected the availability of B2H. The Company is actively developing its Phase 2 RFP and Staff expects to work with the Company, the IE, and Stakeholders to consider any critical updates. However, Staff notes that the circumstances around the procurement levels from this RFP, and the status of redirect rights on B2H are worth further discussion. Staff proposes addressing next steps after more information is available, including review of PacifiCorp's LC 85 supplemental filing on resource acquisition progress expected before July 2026. See Issue 4 below for more details.

- Recommendation 3 - Conditional firm transmission: Bidders were allowed to use conditional firm transmission. Staff understands that [**BEGIN HIGHLY CONFIDENTIAL**] [redacted] [**END HIGHLY CONFIDENTIAL**].

- Recommendation 4 - Alternative interconnection screening: PacifiCorp, in consultation with the IE and PacifiCorp Transmission, treated Cluster Study documentation as functionally equivalent to an SIS for purposes of meeting the minimum requirement, and both affected bids were deemed conforming. The IE recommends modernizing the RFP language for future solicitations.

- Recommendation 5 - Model-based and raw-price rankings: Staff finds that PacifiCorp included both model-based and raw-price rankings in its evaluation.

Staff finds that PacifiCorp conducted the 2025 Oregon-situs RFP fairly and competitively in a manner consistent with the CBRs and the conditions established in Order No. 25-343.

Issue 3: Post FSL Acknowledgement Actions and Expectations
Per the updated Competitive Bidding Rules, the IE is to be retained to monitor contract negotiations.[27] As noted in the section above, the IE will report back to the Commission with any concerns which can be considered in future ratemaking proceedings or future procurements. Staff expects that:

- PAC will work with developers on negotiating terms that reflect reasonable cost and risk sharing regarding delays caused by interconnection and transmission related liabilities.
- While the IE will be monitoring contract negotiations generally, in instances where interconnection and transmission related delay damages are under consideration, the IE should be given notice so that they can actively monitor and report out on trends and market reactions to negotiated terms.

Issue 4: Future Procurement Activities
Order No. 25-343 directed PacifiCorp to conduct a second phase of this RFP with the goal of signaling to the market that there may be future opportunities for resources that rely on B2H and the Longhorn-to-PACW connection while waiting for resolution of the BPA cluster study.

Staff understands that PacifiCorp currently plans to initiate its Phase 2 RFP on or around August 15, 2026 and that this timing aligns with the planned opening of PacifiCorp's 2026 Transmission cluster study window. Phase 2 offers an opportunity to address any portion of remaining resource need after this first-phase FSL, including

[27] See OAR 860-089-450(10).

2030 needs which are projected in the IRP to increase significantly and should be better understood after review of the LC 85 supplemental filing, expected before July 2026.

The IE Closing Report makes four specific recommendations for future PacifiCorp RFPs:

- Modernize the Generation Interconnection Minimum Requirements language: either accept SIS, Cluster Study, or Facilities Study (FS) documentation as sufficient (favoring procurement speed and competition), or require only an FS (favoring pricing certainty at the cost of approximately 90 additional days).
- Improve transparency around the portfolio variant selection process and evaluate a broader set of portfolio variants, recognizing that portfolio-level performance can differ from standalone bid-level scoring.
- Align the wording of non-price scoring questions with the worksheet's scoring methodology to avoid the inadvertent scoring discrepancies the IE identified in sample bids.
- Formalize the working schedule for interim deliverables among PacifiCorp, Staff, and the IE, with material modifications subject to Staff's approval, and keep bidders informed of cure-deadline changes.

Staff supports the above-mentioned improvements and notes that it is not reasonable to conduct a PUC process to adjudicate all of these suggestions or other stakeholder concerns raised with the Phase 1 RFP if Phase 2 initiates in August 2026. If the Company remains on this timeline, Staff recommends the Company make a narrow set of modifications to the RFP elements and process:

1. Include an option for bidders from Phase 1 to submit a price refresh into Phase 2 along with confirmation that the bid continues to conform to the 2025 Oregon RFP requirements and that no other elements of the bid have changed.[28]
2. Confer with Staff on Long-horn to PACW connectivity scenarios.
3. Modernize the Generation Interconnection Minimum Requirements language: either accept SIS, Cluster Study, or Facilities Study (FS) documentation as

[28] Staff notes that Phase 2 will also accept new bids. Staff envisions the price refresh option being akin to how PGE conducted a price refresh on its 2023 RFP initial short list. See UM 2274 – PGE's Request for Acknowledgement of Updated FSL, October 1, 2025 filing.

sufficient (favoring procurement speed and competition), or require only an FS (favoring pricing certainty at the cost of approximately 90 additional days).

4. Align the wording of non-price scoring questions with the worksheet's scoring methodology to avoid the inadvertent scoring discrepancies the IE identified in sample bids.
5. Formalize the working schedule for interim deliverables among PacifiCorp, Staff, and the IE, with material modifications subject to Staff's approval, and keep bidders informed of cure-deadline changes.

Alternatively, the Company and the Commission can wait and revisit Phase 2 activities after review of the LC 85 supplemental filing and/or when more is known about EDAM implementation and B2H redirects.

Note on PLEXOS Modeling of EDAM for Future RFPs

Given the limited EDAM operational history available at the time of PacifiCorp's bid evaluation, Staff anticipates PacifiCorp continuing to develop its PLEXOS modeling treatment of EDAM in time for the second-phase RFP and any subsequent procurement, and would expect future modeling to include sensitives reflecting plausible EDAM market scenarios that diverge from the IRP forward curve and a clear description of how price-realization risk is allocated between PacifiCorp and bidders under the standard-form PPA and ESA terms.

Conclusion

Staff recognizes that rapidly evolving federal and state energy policies, increasing competition from large customers, and the need to maintain reliable and affordable service create a challenging procurement environment. In developing its recommendation on PacifiCorp's 2025 Oregon RFP FSL, Staff has balanced these factors and concludes that PacifiCorp has presented a reasonable FSL for Commission consideration.

PROPOSED COMMISSION MOTION:

Acknowledge PacifiCorp's 2025 Oregon Request for Proposals Final Shortlist.

Direct PacifiCorp to include the following RFP elements and process improvements in the Phase 2 RFP:

1. Include an option for bidders from Phase 1 to submit a price refresh into Phase 2 along with confirmation that the bid continues to conform to the 2025 Oregon RFP requirements and that no other elements of the bid have changed.
2. Confer with Staff on Long-horn to PACW connectivity scenarios.
3. Modernize the Generation Interconnection Minimum Requirements language: either accept SIS, Cluster Study, or Facilities Study (FS) documentation as sufficient (favoring procurement speed and competition), or require only an FS (favoring pricing certainty at the cost of approximately 90 additional days).
4. Align the wording of non-price scoring questions with the worksheet's scoring methodology to avoid the inadvertent scoring discrepancies the IE identified in sample bids.
5. Formalize the working schedule for interim deliverables among PacifiCorp, Staff, and the IE, with material modifications subject to Staff's approval, and keep bidders informed of cure-deadline changes.