

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: January 20, 2009

REGULAR X CONSENT _____ EFFECTIVE DATE _____ N/A _____

DATE: January 12, 2009

TO: Public Utility Commission

FROM: Lisa Schwartz

THROUGH: Lee Sparling and Ed Busch

SUBJECT: PACIFIC POWER & LIGHT: (Docket No. UM 1368) Request for expedited approval of amended 2008R-1 Request for Proposals.

STAFF RECOMMENDATION:

I recommend the Commission approve PacifiCorp's request for expedited approval of its amended 2008R-1 Request for Proposals filed January 9, 2009.

DISCUSSION:

The Commission approved with conditions PacifiCorp's 2008R-1 draft Request for Proposals (RFP) at its public meeting on September 18, 2008. See Order No. 08-476. PacifiCorp issued the revised RFP to comply with the Commission's conditions on October 6, 2008. Bids were due in December.

PacifiCorp interprets Utah Senate Bill 202, the state's renewable portfolio standard bill, as requiring the Company to issue an RFP *in* January each year it expects to acquire a renewable energy resource, regardless of whether the Company has a current renewable resources RFP underway.¹ To avoid bidder confusion and minimize administrative burden, PacifiCorp proposes to amend and reissue the 2008R-1 RFP to allow new market bids and refreshment of previous bids.² If existing bidders do not provide any additional information, PacifiCorp will evaluate the previously submitted proposal.

¹ Utah Code Ann. § 54-17-502(2) (a)(i) states, "An affected electrical utility shall issue a public solicitation of bids for a renewable energy source up to 300 megawatts in size by January 31 of each year in which it reasonably anticipates that it will need to acquire or commence construction of a renewable energy resource."

² The RFP includes no self-build resource options.

Condition 6 of Order No. 08-476 states, "Pacific Power must file for approval all requests for new bidders or substantive RFP amendments. Filings will be treated on an expedited basis upon request."

On January 9, 2009, PacifiCorp filed a request for expedited approval of an amended RFP. The amendment consists of a two-page notice calling for new and revised bids along with a modified target schedule. The new schedule anticipates the RFP amendment issued to the market on January 26, 2009, with intent to bid forms for new bids due February 12 and new proposals or updates to existing proposals due February 27. The revised schedule would delay bid evaluation by one month compared to the originally issued RFP, to April 9. But the revisions would not substantially change the targeted completion date for negotiations or PacifiCorp's decision. Therefore, the Company states, the amendments would not hinder a bidder's ability to meet a 2009 on-line date and qualification for federal production tax credits that expire at the end of the year.³

Staff finds the amendments acceptable and recommends the Commission approve PacifiCorp's request for approval of the amended 2008R-1 RFP as filed.

PROPOSED COMMISSION MOTION:

PacifiCorp's request for expedited approval of its amended 2008R-1 Request for Proposals filed January 9, 2009, be approved.

³ The RFP is for resources that go into service in 2009, 2010 or 2011.