

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UM 1368**

In the Matter of PacifiCorp’s Request for  
Approval of a 2008R-1 Solicitation  
Process for New Renewable Resources

**DRAFT REQUEST FOR PROPOSAL  
FOR NEW RENEWABLE RESOURCES**

1           PacifiCorp dba Pacific Power hereby submits its draft request for proposal for new  
2 renewable resources to the Public Utility Commission of Oregon (“Commission”) pursuant  
3 to Order No. 06-446 (“Exhibit A”).

**Introduction of the 2008R-1 RFP**

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5           1.       On March 4, 2008, PacifiCorp filed a request to open this docket and begin  
6 the solicitation process for an independent evaluator (“IE”). IE proposals were submitted to  
7 PacifiCorp April 4, 2008 and Commission Staff and interested parties are in the process of  
8 reviewing the IE proposals.

9           2.       As explained in PacifiCorp’s March 4, 2008 filing, the purpose of the 2008R-  
10 1 RFP is to establish a Commission approved RFP that can be used, as needed, to request and  
11 evaluate proposals from bidders to fulfill a portion of the supply-side renewable resources  
12 identified in PacifiCorp’s 2007 Integrated Resource Plan (“IRP”). PacifiCorp is proposing a  
13 form of RFP process that would enable the Company to call for new bidders or updated bids  
14 on an as needed basis to provide needed flexibility in the procurement process due to timing  
15 concerns, uncertainty with the status of the production tax credit, the status of the then-  
16 current wind turbine supply market, and quality and quantity of bids received. Similar to the  
17 process PacifiCorp used with its RFP 2003-B in Docket UM 1118, once the 2008R-1 RFP is  
18 approved by the Commission, PacifiCorp would use the form and process associated with the  
19 2008R-1 RFP to solicit bids from the market. PacifiCorp will notify the Commission of its

1 intent to re-issue an “updated 2008R-1 RFP” and the detail associated with such updates.  
2 Should the Commission determine that the updates are substantive modifications and  
3 necessitate a filing with the Commission for approval of the updates then the Company will  
4 make such a filing.

5 3. The 2008R-1 RFP will solicit system-wide (east and west) renewable  
6 resources new to the Company’s portfolio and which are capable of delivery, within the  
7 prescribed time period, in or into PacifiCorp’s network transmission system or to another  
8 Company prescribed point(s) that enables the Company to meet its obligations. The first  
9 request for renewable resources pursuant to the 2008R-1 RFP will be for renewable resources  
10 with commercial operation dates prior to December 31, 2011. The targeted acquisition  
11 quantity for this 2008R-1 RFP will be up to 500 MW; the 2008R RFP may solicit up to 300  
12 MW.

13 4. The chart below identifies the renewable resources targeted in the current IRP:

Commercial Operation Date	Target Quantity
2008	Up to 200 MW
2009	Up to 100 MW
2010	Up to 300 MW
2011	Up to 200 MW

14 5. For purposes of the 2008R-1 RFP, each renewable resource is limited in size  
15 to no more than 300 MW.<sup>1</sup> In addition, each renewable resource must have an expected  
16 annual output of at least 70,000 megawatt hours after accounting for planned and unplanned  
17 outages. PacifiCorp issued a RFP (“2008R RFP”) on January 31, 2008 for renewable

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<sup>1</sup> Nameplate capacity or quantity of capacity. 300 MW is the upper limit permitted by Utah Senate Bill 202.

1 resources of less than 100 MW (for resources greater than five years in length) or greater  
2 than 100 MW for resources less than or equal to five years in length. The 2008R RFP solicits  
3 renewable resources that have a commercial operation date prior to December 31, 2009.

4         6.       The 2008R-1 RFP will permit qualified bidders to bid qualifying renewable  
5 resources in the form of a power purchase agreement and/or asset transfer arrangements. As  
6 described in the attached draft RFP document, the Company is developing one or more cost-  
7 based benchmark resources for use in the RFP process. The Company's determination as to  
8 the size, number, and feasibility of any such benchmarks in meeting the RFP criteria will be  
9 based on the then-current status of development, permitting, and major equipment  
10 availability as well as the Company's understanding of regulatory cost recovery issues  
11 associated with long lead-time equipment and/or other development costs. .

12         7.       In addition to bidding in renewable resources, bidders will have the option to  
13 bid in renewable resources coupled with energy storage. Energy storage has the distinct  
14 advantage of potentially enabling higher penetrations of intermittent renewable energy in the  
15 company's portfolio. Pumped water, compressed air, battery storage, or other contractual  
16 forms can firm intermittent renewable resources and therefore create an energy resource that  
17 can be scheduled to better match customer demand or result in a higher degree of  
18 dependability throughout a prescribed time period.

19         8.       The 2008R-1 RFP will not be duplicative of the 2012 RFP (Base Load  
20 solicitation) (Docket UM 1208) or the 2008 RFP (Base Load, Intermediate Load, Peak Load  
21 solicitation) (Docket UM 1360). The 2008R-1 RFP will request renewable resources located  
22 in the Western Electricity Coordinating Council that are compliant with existing or  
23 anticipated renewable portfolio standards. The 2008R-1 RFP is not anticipated to be  
24 duplicative with the 2008R RFP unless a bidder has a resource that can reach commercial

1 operation by December 31, 2009 and the bidder elects to bid the same resource in each RFP.

2 9. The Company decided to issue the new 2008R-1 RFP as the time for  
3 submissions of interest and submission of bids published in the 2008R RFP made it difficult  
4 and potentially confusing to bidders to simply modify that RFP. If the same resource is bid in  
5 the 2008R RFP and the 2008R-1 RFP, each bid will be considered under the terms of the  
6 RFP under which the bid is submitted. It is generally expected that wind resources will be the  
7 primary resources bid but other forms of renewable resources will be accepted. The  
8 Company will further define each such compliant renewable resource in the draft form of the  
9 2008R-1 RFP submitted to the Commission for approval.

10 **Revised Preferred Schedule**

11 10. To assist parties in understanding anticipated timelines, the Company has  
12 included a revised preferred schedule below.

<b>Event</b>	<b>Estimated Timeline</b>
RFP for Independent Evaluator issued	By March 21, 2008
Selection of Independent Evaluator	May 2008
2008R-1 Draft RFP filed	April 28, 2008
2008R-1 RFP approval process completed	June 2008
2008R-1 RFP issued	June 2008
Intent to Bid Forms and Appendix D due	July 2008
2008R-1 Benchmark Resource proposals due	August 2008
2008R-1 RFP responses due	September 2008
Evaluation completed	November 2008
Final shortlist filed in Oregon	November 2008
Oregon Commission acknowledgement of final shortlist	December 2008
Bidder negotiations completed	March 2009
Finalize resource decision(s)	April 2009
Commercial operation	Prior to December 31, 2011

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1           WHEREFORE, PacifiCorp respectfully requests that the Commission approve the  
2 2008R-1 RFP following comments by the parties.

DATED: April 28, 2008

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**EXHIBIT A**

**DRAFT 2008R-1 RENEWABLE RESOURCE  
REQUEST FOR PROPOSAL**