



## State of Utah

### Department of Commerce Division of Public Utilities

FRANCINE GIANI    CHRIS PARKER  
*Executive Director    Director, Division of Public Utilities*

GARY HERBERT  
*Governor*

SPENCER J. COX  
*Lieutenant Governor*

## Action Request Response

**To:** Utah Public Service Commission

**From:** Utah Division of Public Utilities

Chris Parker, Director

Artie Powell, Energy Section Manager

Joni Zenger, Technical Consultant

**Date:** June 3, 2019

**Re: Recommendation, No Action**

Docket No. 19-999-01, PacifiCorp Notice of Non-Competitive Procurement with General Electric International, Inc.

### Recommendation (No Action)

After reviewing PacifiCorp's (the Company) notice of non-competitive procurement with General Electric International, Inc. (GE) for the purchase of goods and services exceeding \$1,000,000, the Division of Public Utilities (Division) determined that the purchase pertains to goods and services on the Company's existing GE wind turbine generator equipment. The proprietary nature of the GE goods and services, along with the intellectual property rights of GE, justifies the purchase as exempt from competitive bidding requirements. No action is required by the Public Service Commission (Commission).

### Issue/Discussion

In response to the Commission's May 9, 2019 Action Request, the Division reviewed the proprietary contract that the Company entered into with GE in this matter. The Company's non-competitive procurement pertains to the purchase of GE goods and services required to complete

the repowering of the Company's existing GE wind turbine generator equipment, previously approved by the Commission in Docket No. 17-035-39.<sup>1</sup> As part of the repowering project, the Company entered into a full service agreement (FSE) with GE in the amount of approximately \$176.7 million. The FSE is included in the Company's Master Retrofit Contract with GE in Docket No. 17-035-39 and is a continuation of a prior sole source contract, dated December 2, 2016, when the Company initially took delivery of proprietary GE equipment in order to qualify for federal production tax credits on the repowered wind turbine generators.<sup>2</sup>

The Division determined that the non-competitively bid contract with GE is justified as an exception to the Company's competitive bidding requirements because it involves intellectual property rights for work on existing, proprietary GE equipment, previously approved by the Commission in the repowering docket.

## **Conclusion**

The Company filed its notice of non-competitive procurement with GE for informational purposes, and no action is required by the Commission in this matter.

Cc: Jana Saba, PacifiCorp  
Michele Beck, Office of Consumer Services

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<sup>1</sup> Report and Order, Docket No. 17-035-39, May 25, 2018.

<sup>2</sup> Notice of Non-Competitive Procurement with General Electric International, Inc., Docket No. 17-999-01, December 5, 2016.