



State of Utah
DEPARTMENT OF COMMERCE
Committee of Consumer Services

To: The Public Service Commission of Utah

From: The Committee of Consumer Services
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Date: March 15, 2007

Subject: Docket No 05-035-47: In the Matter of the Application of Rocky Mountain Power for Approval of a 2009 (2012) Request for Proposals for Flexible Resources.

On February 28, 2007, Rocky Mountain Power filed a revised Application for Approval of a 2009 Request for Proposals for Flexible Resource (RFP). The Application is in response to the Utah Public Service Commission's (Commission) suggested modifications issued December 21, 2006.

The Committee of Consumer Services has reviewed the RFP for consistency with the Commission's suggested modifications. We provide the following observations and recommendations.

Overall, PacifiCorp has adequately incorporated the Commission's suggestions. However, we note that the delay in the timing of two of the self-build options from 2013 to 2014¹ is not directly suggested by the Commission and could affect the evaluation of resource options in Step 2 of the evaluation process. Therefore, if the Company can still meet a 2013 online date, the Committee recommends that both 2013 and 2014 be considered in Step 2 of the evaluation process to assure that the portfolios developed for final analysis are not artificially constrained.

¹ The November 2, 2006 draft RFP included a 575 MW supercritical pulverized coal unit or a 500 MW IGCC unit at Jim Bridger as benchmark resource options in 2013. The current draft includes these same units as benchmarks in 2014. See page 5 and RFP Attachment 1: Company Benchmark Base Load Resource by Year Over The Term.

In addition, we recommend two small wording changes in Section 5. A: Overview of the Evaluation Process. The third sentence in the second paragraph of this section was modified to include fuel type. We recommend that the wording “and by fuel type” that was added at the end of the sentence be removed and instead the phrase “by fuel type” be added after “top performing proposals.” Thus the sentence would read: “The RFP Base Model will be used to establish the initial shortlist of the top performing proposals by fuel type in each of the Eligible Resource Alternative categories specified in the RFP based on the projected net present value revenue requirement (net PVRR) per kilowatt month (Net PVRR/kW-mo).” We also note that the last word in the third paragraph of this section should be plural rather than singular. It should say “IEs” rather than “IE.”

Finally, we note that the singular use of the word IE was not limited to this section, and we therefore recommend that the Company check for plurality throughout the document.