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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of)	Docket No. 21-035-52
Rocky Mountain Power for Approval of a)	
Solicitation Process for 2022 All Source)	
Request for Proposals)	APPLICATION FOR APPROVAL OF
)	SOLICITATION PROCESS
)	
)	

In accordance with Utah Code Ann. § 54-17-201 and Utah Admin. Code R746-420, Rocky Mountain Power, a division of PacifiCorp (“Company”) submits this application (“Application”) to the Public Service Commission of Utah (“Commission”). The Company respectfully requests that the Commission issue an order approving the Company’s 2022 All-Source Request for Proposals (“2022AS RFP”), which seeks to procure resources confirmed by the 2021 Integrated Resource Plan (“IRP”) preferred portfolio. The 2021 IRP preferred portfolio identified a resource need for 1,345 megawatts (“MW”) of new renewable wind and solar resources by the end of 2026, including 600 MW of new storage resources. Consistent with the 2021 IRP action window, the 2022AS RFP has a required resource in-service date of December 31, 2026; however, the Company will accept certain long-lead time resource types in the 2022AS RFP, such as nuclear

and pumped storage hydro, which require a longer development and construction schedule, so long as those resources can reach commercial operations by a December 31, 2028, in-service date.

The Company has met the milestones, to date, required for approval of the 2022AS RFP. On August 31, 2021, the Company filed a motion to deviate from the 60-day notice of its intent to seek approval of a solicitation process under Part 2 of the Energy Resource Procurement Act, Utah Code Ann. Title 54, Chapter 17, which the Commission granted on October 4, 2021. On October 8, 2021, the Company filed an updated schedule allowing for the full required 60-day notice prior to issuing the RFP, and on December 14, 2022, filed a courtesy update to the RFP filing timing. On January 11, 2022, the Company held a pre-issuance bidders conference, in compliance with Utah Admin. Code R746-420-1(3)(b-c). In early January 2022, the Commission appointed an independent evaluator (“IE”) for the 2022AS RFP.

The Company respectfully requests an order from the Commission by April 22, 2022. The Company proposes a schedule for this docket that follows Utah Admin. Code R746-420-1(4)(a).¹ The Company proposes to issue the 2022S RFP to the market by May 1, 2022.

In support of its Application, Rocky Mountain Power states as follows:

1. The Company is a public utility that provides electric service to retail customers through its Rocky Mountain Power division in the States of Utah, Wyoming, and Idaho, and through its Pacific Power division in the states of Oregon, California and Washington. Rocky Mountain Power is subject to the Commission’s jurisdiction with respect to its prices and terms of electric service to retail customers in Utah. The Company serves approximately

¹ Under this rule, stakeholder comments are due within 45 days of the RFP filing date, and comments from the IE are due within 55 days of the RFP filing date. Reply comments from the Company, as necessary, are due within 65 days of the RFP filing date.

948,000 customers in Utah. Rocky Mountain Power's principal place of business in Utah is 1407 West North Temple Street, Salt Lake City, Utah 84116.

2. Communications regarding this Application should be addressed to:

Jana Saba
Utah State Regulatory Affairs Manager
Rocky Mountain Power
1407 West North Temple, Suite 330
Salt Lake City, Utah 84116
Telephone: 801-220-2823
Email: jana.saba@pacificorp.com

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Telephone: 801-220-2233
Email: stephanie.barber-renteria@pacificorp.com

In addition, the Company requests that all data requests regarding this matter be addressed to:

By email (preferred): datarequest@pacificorp.com

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, OR 97232

Informal inquiries may be directed to Jana Saba by telephone at 801-220-2823.

I. SUPPORTING TESTIMONY

1. This Application is supported by the pre-filed written direct testimony and exhibits of Ms. Heather B. Eberhardt, Sr. Commercial Services Power Marketer from the Resource and

Commercial Strategy Group. Ms. Eberhardt’s testimony describes the Company’s proposed solicitation process, the relationship between the solicitation process and the Company’s 2021 IRP. Ms. Eberhardt’s testimony also includes the information required by Utah Admin. Code R746-420-1(1), and demonstrates that the solicitation process will comply with Utah Admin. Code R746-420-1(2) and (3) and R746-420-3. As required by Utah Code Ann. § 54-17-201(2)(b)(ii) and Utah Admin. Code R746-420-1(1)(b), attached to Ms. Eberhardt’s testimony is the Company’s draft 2022AS RFP.

II. BACKGROUND

2. PacifiCorp’s 2021 IRP was developed through comprehensive analysis and a public-input process spanning almost two years resulting in the selection of a least-cost, least-risk preferred portfolio. The 2021 IRP preferred portfolio includes accelerated coal retirements and investment in transmission infrastructure that will facilitate adding over 3,294 MW of new renewable resources with storage capacity by the end of 2024, with 1,345 MW of additional renewable resources and 600 MW of collocated storage by the end of 2026.²

3. PacifiCorp’s 2021 IRP was developed through an open and extensive public process, with input from an active and diverse group of stakeholders, including customer advocacy groups, community members, regulatory staff, and other interested parties. The public-input process began with the first public-input meeting in January 2020. Over the subsequent year and a half, PacifiCorp hosting 18 public-input meetings. Throughout this effort, PacifiCorp received

² By the end of 2024, the 2021 IRP preferred portfolio includes the results of the 2020 All-Source Request for Proposals (RFP) final shortlist resources. These projects include 1,792 MW of wind, 1,302 MW of solar additions, and 697 MW of battery storage capacity—497 MW paired with solar and a 200 MW standalone battery. During this time, the preferred portfolio also includes the acquisition and repowering of Rock River I (49 MW) and Foote Creek II-IV (43 MW) wind projects located in Wyoming. Through the end of 2026, the 2021 IRP preferred portfolio includes an additional 745 MW of wind and an additional 600 MW solar collocated with storage.

valuable input from stakeholders and presented findings from a broad range of studies and technical analyses that shaped and informed the 2021 IRP.

4. The action plan in the 2021 IRP preferred portfolio reflects a resource plan that provides adequate and reliable electricity supply at a reasonable cost and in a manner consistent with the long-term public interest. The IRP identifies the preferred portfolio as the least-cost, least-risk portfolio that can be delivered through specific action items at a reasonable cost and with manageable risks, while ensuring compliance with state and federal regulatory obligations. In the 2021 IRP, PacifiCorp presents a preferred portfolio that builds on its vision to deliver energy affordably, reliably and responsibly through near-term investments in transmission infrastructure that will facilitate continued growth in new renewable resource capacity while supporting substantial investment in energy efficiency programs.

5. The 2021 IRP established an action item to conduct an all-source RFP in 2022. The 2022AS RFP is designed to meet this action item, and is an all-source RFP including renewable and non-renewable resources as well as energy storage, capable of interconnecting with or delivering to PacifiCorp's transmission system in its east or west balancing authority areas.

III. APPROVAL REQUIREMENTS

6. The Company designed the 2022AS RFP to meet each of the requirements of the Energy Resource Procurement Act, Utah Code Ann. §§ 54-17-1 *et seq.*, and all corresponding requirements under the Commission's rules.

7. Utah Admin. Code R746-420-1(a) requires the Company to provide a description of the solicitation process. This Application and Ms. Eberhardt's testimony generally describe the purpose and details of the solicitation process.

8. Utah Admin. Code R746-420-1(b) requires the Company to provide with its application a copy of the complete proposed Solicitation with appendices, attachments and draft pro forma contracts. Exhibit RMP___(HBE-1) to this Application is the draft 2022AS RFP with associated appendices, which include pro forma agreements or term sheets to accommodate resource types and bid structures including forms of power purchase agreement (“PPA”), tolling agreements for battery storage proposals, and a term sheet for build-transfer agreements (“BTA”), plus required bidder forms and instructions, and other technical information.

9. Utah Admin. Code R746-420-1(d) requires, “[d]escriptions of the criteria and the methodology, including any weighting and ranking factors, to be used to evaluate bids...” In the draft 2022AS RFP, included as Exhibit RMP___(HBE-1), Section 6, the bid evaluation process is described in detail.

10. As required by R746-420-1(e), the draft 2022AS RFP (*see*, Exhibit RMP___(HBE-1), Section 3.D) directs interested parties to the Company’s RFP website³ where they may direct all questions and answers regarding the solicitation and solicitation process.

11. Utah Admin. Code R746-420-1(f) requires the Company to provide interested parties “[i]nformation on how participants in the pre-issuance Bidders’ conference should submit advance written questions to the Soliciting Utility that are to be addressed at the pre-issuance Bidder's conference.” The pre-issuance Bidders’ conference was held on January 11, 2022. In advance of that conference the Company posted information about the conference and how to participate on its 2022AS RFP webpage. In addition, the Company included an email address where written questions could be submitted in advance of the conference. The presentation the Company provided is provided in Exhibit RMP___(HBE-2), and Ms. Eberhardt’s testimony

³ www.pacificorp.com/suppliers/rfps/2022-all-source-rfp

confirms that the Company has complied with the other rule requirements for the pre-issuance conference.

12. The “list of potentially interested parties to whom the Soliciting Utility has sent or will send notices of the filing of the request for approval of the proposed solicitation with the Commission” required by Utah Admin. Code R746-420-1(g), is included with this Application as Exhibit RMP___(HBE-3). The notice identifies the timeline for providing comments and other input about the draft 2022AS RFP.

13. The proposed timeline for the 2022AS RFP is as follows:

Milestone	Date
RFP Issued to market	04/26/2022
First Bidders Conference	05/06/2022
PacifiCorp Transmission Cluster Study - request window closes	05/16/2022
Second Bidders Conference	10/20/2022
Last day for RFP questions to IEs for Q&A	11/01/2022
PacifiCorp Transmission Cluster Study – cluster study results available	11/12/2022
Notice of Intent to Bid due	11/17/2022
Benchmark Resource bids due	11/21/2022
Benchmark Resource evaluations complete	01/13/2023
RFP market bids due	01/16/2023
Bid eligibility screening completed	02/15/2023
Capacity factor and BESS evaluation complete	02/23/2023
Performance optimization modeling (PLEXOS) generates Final Shortlist (FSL)	04/14/2023
Final Shortlist (FSL) selected	04/24/2023
IEs' review of FSL Completed	05/05/2023
Complete negotiation of T&Cs for resource agreements	10/13/2023
Execute Agreements	11/21/2023
Winning Bid Guaranteed COD	12/31/2026

14. To ensure a transparent and fair process, the proposed RFP will be conducted under the oversight of the IE approved by the Commission as well as two other IEs approved by Oregon and Washington commissions. An IE was approved by the Public Utility Commission of Oregon (“OPUC”) to oversee the RFP to ensure the process is consistent with the OPUC’s competitive

bidding guidelines as well as transparent and fair to all involved.⁴ An IE was also approved by the Washington Utilities and Transportation Commission (“WUTC”) to oversee the RFP to ensure the process is consistent with WUTC’s purchases of resources for electric companies rules and conducted fairly, transparently, and properly.⁵

15. The Company intends to propose site-specific, self-build and purchase resource options, referred to as Benchmark Options, into the 2022AS RFP. *See* Utah Code Ann. § 54-17-102(2) and Utah Admin. Code R746-420-3(4). The Benchmark Options will ensure there is a sufficient amount of new wind and solar resource capacity available in the solicitation process, as required to deliver customer benefits identified in the 2021 IRP. This Application, Ms. Eberhardt’s testimony, and the draft 2022AS RFP demonstrate that the solicitation meets the Benchmark rules. The proposed 2022 RFP includes a description of the Benchmark facility(ies). All proposals will be evaluated using the same assumptions, modeling, and scoring as bids from the market. Evaluations will be fair and non-preferential to Benchmark Options. The IE will have access to review the reasonableness of all scores, including scores assigned to Benchmark Options. Benchmark Option bid evaluation scores will be validated by IE and will not be subject to change unless updates are allowed for all bids.

16. The Commission’s RFP rules require that the IE “blind” all bids for the evaluation process. Utah Admin. Code R746-420-3(10)(a). The Company requests a waiver of this requirement, consistent with prior waivers granted by the Commission.⁶ As with prior processes,

⁴ See, In the Matter of PacifiCorp, dba Pacific Power, , For an Order Approving its Application for Approval of an Independent Evaluator in 2022 All-Source Request for Proposals, Docket No. UM 2193, Order No. 21-351.

⁵ See, In the Matter of the Petition of PacifiCorp, d/b/a Pacific Power & Light Company, For an Order Approving its Recommended Independent Evaluator, Docket No. UE-210779, Order 01 (Nov. 12, 2021)

⁶ See, e.g., *Application of Rocky Mountain Power for Approval of Solicitation Process for 2020 All Source Request for Proposals*, Docket No. 20-035-05, Order Approving 2020 All Source RFP at 18 (July 17, 2020); *Application of Rocky Mountain Power for Approval of Solicitation Process for Wind Resources*, Docket No. 17-035-23, Order Approving RFP With Suggested Modification at 12 (September 22, 2017); *In the Matter of the Application of*

blinding bids in the 2022AS RFP will provide limited value because the detailed project information included in each bid (e.g., the proposed location of the resource) will effectively identify the bidder. Blinding bids imposes additional burdens on the IE and the Company that will have no impact on the overall fairness of the solicitation process.

14. To approve a solicitation process, the Commission must determine that it is in the public interest, after considering the following:

- whether the decision will most likely result in the acquisition, production, and delivery of utility services at the lowest reasonable cost to the retail customers of the utility;
- long-term and short-term impacts;
- risk;
- reliability;
- financial impacts on the utility; and
- other factors determined by the Commission to be relevant.

See Utah Code Ann. § 54-17-201(2)(c)(ii). See also Utah Admin. Code R746-420-3(1)(b)(ii) (setting forth same standard).

15. This Application, Ms. Eberhardt's testimony, and the draft 2022AS RFP demonstrate that the solicitation is designed to procure resources that will meet the Company's least-cost, least-risk criteria. The Company's 2021 IRP demonstrates that the resources identified in the preferred portfolio are likely to deliver substantial reliability benefits. As Section 6 of the 2022AS RFP states, the portfolio optimization tools (PLEXOS) used for the 2021 IRP are the same

PacifiCorp, by and through its Rocky Mountain Power Division, for Approval of a Solicitation Process for a Flexible Resource for the 2012-2017 Time Period, and for Approval of a Significant Energy Resource Decision, Docket No. 07-035-94, Commission's Suggested Modifications and Order at 18 (May 23, 2008) (granting waiver of blinding requirement after noting that both the IE and the Division of Public Utilities "question the value of blinding bids" because "while the blinding of names of bidders was valuable during the question and answer period, the specific blinding of bids did not have commensurate value given the level of effort.")

that will be used to evaluate 2022AS resources and guide prudent resource acquisition paths that maintain system reliability at a reasonable cost. Moreover, the analysis of bids using PLEXOS, the performance optimizations tool, will allow the Company to determine whether any bids received are expected to deliver customer benefits over the long and short term. The terms of RFP do not require the Company to select any winning bidders, and therefore will not commit the Company to moving forward with any projects that do not meet the public interest criteria in Utah Code Ann. § 54-17-201(2)(c)(ii) and the Commission's rules. Ms. Eberhardt's testimony also demonstrates that the Company has access to a variety of funding sources to acquire the resources sought in the 2022AS RFP, and the Company is capable of accessing those funding sources without negative financial impacts.

16. The proposed solicitation process is fair, reasonable and in the public interest. Utah Admin. Code R746-420-3(1)(a). The 2022AS RFP will be conducted in accordance with the Commission's rules, as described in Ms. Eberhardt's testimony. The Commission has approved the selection of the IE. The IE will ensure that the process is transparent, ensure that all bids are treated fairly and scored consistent with the Commission's rules, oversee the bid scoring and evaluation process, independently score and evaluate the Benchmark Resources, and report its findings and conclusions to the Commission. The 2022AS RFP will include robust participation by the IE and stakeholder involvement. These facts, coupled with the approvals provided by the Commission throughout the process, will ensure that the 2022AS RFP is fair and reasonable.

17. The proposed RFP process will also be "sufficiently flexible to permit the evaluation and selection of those resources or combination of resources determined by the Commission to be in the public interest," and designed to solicit a robust set of bids. Utah Admin. Code R746-420-3(1)(b)(iii)-(iv). The process will be open to bids offering PPAs, BTA, stand-

alone storage via tolling agreements, and bidder proposed alternative ownership structures. While the Company will be submitting Benchmark Options, the process is designed to ensure that those resources are not given an unfair advantage and that every bid is evaluated on the same terms. The RFP also does not commit the Company to move forward with particular bidders and ensures that the Commission will have the ability to influence final selections in accordance with its determinations of the public interest.

18. The process must also be “commenced sufficiently in advance of the time of the projected resource need to permit and facilitate compliance with the Act and the Commission rules and a reasonable evaluation of the resource options that can be available to fill the projected need” and satisfy the “Commission’s criteria for approving a significant energy resource decision.” Utah Admin. Code R746-420-3(1)(b)(v). The Company is seeking approval of this solicitation process nearly six months after it submitted the 2021 IRP to the Commission on September 1, 2021. The Commission and other parties to this proceeding will have had sufficient time to review that IRP before any final selections in the 2022AS RFP will be made, which will allow the Commission a meaningful opportunity to reasonably evaluate the resource options and the need.

19. This Application and Ms. Eberhardt’s testimony demonstrates that the Company’s proposed solicitation process satisfies the requirements of the Energy Resource Procurement Act, Utah Code Ann. § 54-17-201 *et seq.* Specifically, Ms. Eberhardt’s testimony includes the material required by Utah Admin. Code R746-420-1(1) and Utah Code Ann. § 54-17-201(2)(b)(iii). Ms. Eberhardt’s testimony also describes the pre-bid-issuance process, demonstrating that the Company complied with the requirements of Utah Admin. Code R746-420-1(3). Ms. Eberhardt’s testimony also demonstrates that the solicitation process conforms to the requirements in Utah Admin. Code R746-420-3.

III. CONCLUSION

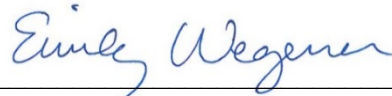
WHEREFORE, based on the foregoing and by this application, the Company respectfully requests that the Commission:

- a) Set a schedule in this matter that is consistent with R746-420-1(4)(a);
- b) Issue an order approving the 2022AS RFP by April 22, 2022;
- c) Waive the Utah Admin. Code R746-420-3(10)(a) requirement for “blinding” bids for the reasons stated herein; and
- d) Grant such other relief it deems just and reasonable and in the public interest.

DATED this 26th day of January, 2022.

Respectfully submitted,

ROCKY MOUNTAIN POWER



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Attorneys for Rocky Mountain Power