

Rocky Mountain Power  
Docket No. 21-035-52  
Witness: Heather B. Eberhardt

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF UTAH

ROCKY MOUNTAIN POWER

---

Direct Testimony of Heather B. Eberhardt

January 2022

1 **Q. Please state your name, business address, and present position with PacifiCorp**  
2 **d/b/a Rocky Mountain Power (“PacifiCorp” or “the Company”).**

3 A. My name is Heather B. Eberhardt. My business address is 825 NE Multnomah Street,  
4 Suite 600, Portland, Oregon 97232. I am employed by PacifiCorp in Resource and  
5 Commercial Strategy, as Sr. Commercial Services Power Marketer.

6 **Q. Briefly describe your education and business experience.**

7 A. I have a B.A. in economics from Colby College and a masters of international  
8 management from Thunderbird, the Global School of International Management. I  
9 have been employed by the Company for over four years and previously worked for  
10 ten years in various positions of project development, procurement, project finance,  
11 mergers and acquisitions for renewable energy developers EDF Renewable Energy and  
12 NextEra Energy Resources.

13 My current responsibilities as Sr. Commercial Services Power Marketer include  
14 the negotiation and management of wholesale power supply and resource acquisition  
15 through requests for proposals (“RFP”) as well as Public Utility Regulatory Policies  
16 Act (“PURPA”) requests from qualifying facilities. Most relevant to this docket, I am  
17 responsible for procuring generation resources and new power purchase agreements  
18 (“PPA”) through implementation of competitive solicitation processes consistent with  
19 applicable state procurement rules and guidelines.

20 **Overview of Testimony**

21 **Q. What is the purpose of your testimony?**

22 A. My testimony supports the Application of Rocky Mountain Power for approval of the  
23 solicitation process proposed in PacifiCorp’s 2022 All-Source Request for Proposals

24 (“2022AS RFP”). This Application is filed under the Utah Energy Resource  
25 Procurement Act (“Act”), in accordance with Utah Code § 54-17-201 *et seq.* and Utah  
26 Admin. Code R746-420-1 *et seq.*

27 **2022AS RFP Background and Procedural History**

28 **Q. Please explain the scope of the 2022AS RFP.**

29 A. PacifiCorp established an action item out of its 2021 Integrated Resource Plan  
30 (“IRP”) to conduct an all-source RFP in 2022. The 2022AS RFP is an all-source RFP  
31 including renewable and non-renewable resources as well as energy storage, capable  
32 of interconnecting with or delivering to PacifiCorp’s transmission system in its east  
33 or west balancing authority areas (“PACE” and “PACW”, respectively). The 2022AS  
34 RFP is seeking resources consistent with its 2021 IRP preferred portfolio which  
35 identified 1,345 megawatts (“MW”) of new proxy wind and solar energy resources  
36 collocated with 600 MW of new proxy battery energy storage system (“BESS”)  
37 capacity by the end of 2026.<sup>1</sup> In addition, PacifiCorp will accept certain long-lead  
38 time resource types such as nuclear and pumped storage hydro in the 2022AS RFP,  
39 which require a longer development and construction schedule, so long as those types  
40 can achieve a December 31, 2028 in-service date.

41 **Q. Why is PacifiCorp proposing to issue the 2022AS RFP?**

42 A. There are two major reasons. First, PacifiCorp’s 2021 IRP evaluated the long-term  
43 resource needs of PacifiCorp, including transmission projects that would be required  
44 to support those identified proxy resources. PacifiCorp is initiating the 2022AS RFP  
45 now consistent with the action item window identified in the 2021 IRP.

---

<sup>1</sup> The figures for solar and wind exclude resource capacity added to meet assumed customer preference targets that are included in the 2021 IRP preferred portfolio.

46                   Second, the 2021 IRP identified the need for additional firm capacity in 2026  
47                   of over 2,000 MW after accounting for expected incremental procurement of energy  
48                   efficiency and planned early retirements. The amount of “firm” capacity from new  
49                   generating resources being contemplated in the RFP, based on preferred portfolio  
50                   resource selections, totals just over 1,345 MW. The 2022AS RFP will procure  
51                   resources to reduce PacifiCorp’s capacity deficit during the action plan timeframe. If  
52                   the Company does not acquire additional resources through the 2022AS RFP it risks  
53                   not meeting its reliability obligations.

54                   **Compliance with Utah Statutes and Rules**

55                   **Q.     Has PacifiCorp provided the 60-day notice required by Utah Admin. Code**  
56                   **R746-420-1(3)(a)?**

57                   A.     Yes. On October 8, 2021, PacifiCorp provided the required 60-day notice to allow  
58                   the Commission to promptly retain an Independent Evaluator (“IE”) to monitor the  
59                   2022AS RFP, as required by Utah Code § 54-17-203.

60                   **Q.     Has PacifiCorp held a pre-issuance bidders conference in Utah, either in-person**  
61                   **or by teleconference, with those who might be interested in participating in the**  
62                   **2022AS RFP?**

63                   A.     Yes; as required by Utah Admin. Code R746-420-1(3), PacifiCorp held a pre-  
64                   issuance bidders conference on January 11, 2022; the presentation provided at that  
65                   conference is attached as Exhibit RMP\_\_\_(HBE-2).

66 **Q. At the conference, did PacifiCorp describe the timeline for the Commission’s**  
67 **review of the draft 2022AS RFP and opportunities for providing input,**  
68 **including sending comments and questions to the IE, as required by Utah**  
69 **Admin. Code R746-420-1(3)(c)?**

70 A. Yes. PacifiCorp advised bidders and stakeholders of its plan to file the draft 2022AS  
71 RFP by January 26, 2022, reviewed the draft schedule with conference participants,  
72 including the timeline for regulatory review by the Commission, and notified  
73 potential bidders and stakeholders of opportunities to provide input and comments on  
74 the draft 2022AS RFP.

75 **Q. Will PacifiCorp provide bidders the opportunity to submit questions and receive**  
76 **responses from PacifiCorp regarding the 2022AS RFP, as required by Utah**  
77 **Admin. Code R746-420-1(1)(e)?**

78 A. Yes; PacifiCorp will track and review bidder questions and the Company will provide  
79 bidders a direct response and post such responses on its 2022AS RFP webpage.  
80 Bidders and stakeholders can also submit questions directly to the IE who will  
81 coordinate with PacifiCorp to secure a response. I discuss the IE’s involvement in  
82 this process in more detail later in my testimony.

83 **Q. Have you attached a copy of the proposed solicitation with appendices and draft**  
84 **pro forma contracts, as required by Utah Code § 54-17-201(2)(b)(ii) and Utah**  
85 **Admin. Code R746-420-1(1)(b)?**

86 A. Yes. Exhibit RMP\_\_\_(HBE-1) is the draft 2022AS RFP with associated appendices,  
87 which include pro forma agreements or term sheets to accommodate resource types  
88 and bid structures including two forms of PPA, a tolling agreement for standalone

89 energy storage, a term sheet for build-transfer agreements (“BTA”), and a  
90 professional services agreement for demand-side bidders plus required bidder forms  
91 and instructions, and other technical information. In general, the 2022AS RFP  
92 describes: (1) the organization and administration of the 2022AS RFP including the  
93 schedule, the IE’s involvement throughout the RFP process, the RFP teams  
94 participating in the process, bid eligibility requirements, bid forms and evaluation  
95 fees, and information about how to submit questions; (2) RFP content including a  
96 description of bid proposal structures or variations of those structures, proposal  
97 instructions, and pro forma agreements; (3) resource information including pricing,  
98 resource characteristics and performance, bid eligibility, tax credits and project  
99 incentives, and interconnection, integration and transmission service requirements;  
100 (4) bid evaluation and selection process; and (5) awarding of contracts.

101 **Q. Does the draft 2022AS RFP provide a description of the solicitation process, as**  
102 **required by Utah Code § 54-17-201(2)(b)(i)?**

103 A. Yes. The draft 2022AS RFP provides a description of the solicitation process. The  
104 draft 2022AS RFP also contains numerous appendices that provide additional  
105 information and instructions to potential bidders regarding the nature of the  
106 solicitation process.

107 **Q. Has PacifiCorp provided a list of potentially interested parties to whom it sent**  
108 **notices of the filing for approval of the 2022AS RFP?**

109 A. Yes. PacifiCorp sent notices of the filing for approval of the 2022AS RFP to all  
110 parties identified in Exhibit RMP\_\_\_\_(HBE-3).

111 **Q. Please provide an overview of the solicitation process in the draft 2022AS RFP.**

112 A. The draft 2022AS RFP is tailored to procure renewable and non-renewable resources  
113 and battery storage consistent with the 2021 IRP preferred portfolio. Accordingly,  
114 the 2022AS RFP is seeking approximately 1,345 MWs of new proxy solar and wind  
115 resources collocated with 600 MWs of new energy storage capacity. Proposals must  
116 demonstrate that projects will achieve commercial operation no later than  
117 December 31, 2026, recognizing that long lead-time resources are eligible so long as  
118 they can demonstrate ability to achieve commercial operation by December 31, 2028.  
119 Bidders are encouraged to offer four different structures. The first is a PPA with a  
120 term up to thirty (30) years for generating resources with exclusive ownership by  
121 PacifiCorp of all capacity and environmental attributes associated with all energy  
122 generated. The Company will also include a form of PPA that contemplates a  
123 generating resource with collocated battery energy storage, and a form of PPA that  
124 contemplates a traditional generating resource only. The second is a tolling agreement  
125 where the bidder is proposing a stand-alone battery energy storage system. The third  
126 structure is a BTA where the bidder develops the project, assumes responsibility for  
127 construction, and ultimately transfers the asset to PacifiCorp before, or upon, the in-  
128 service date, in accordance with additional terms in the BTA. Finally, PacifiCorp will  
129 also accept demand-side resource bids offering a professional services agreement. As  
130 an all-source RFP, PacifiCorp recognizes that the pro forma agreements in the RFP  
131 may not fit every resource type and will consider variations of a PPA, tolling  
132 agreement, or BTA at its sole discretion, and it reserves the right to reject any non-  
133 compliant bids.

134 **Q. Does the draft 2022AS RFP provide descriptions of the proposed screening and**  
135 **evaluation criteria and the methodology, including any weighting and ranking**  
136 **factors to be used to evaluate bids, as required by Utah Admin. Code R746-420-**  
137 **3(2) and (5)?**

138 A. Yes. Section 6 (Bid Evaluation and Selection) of the draft 2022AS RFP provides a  
139 detailed description of the bid scoring, modeling and selection process including  
140 assumptions, criteria and methodology that will be used to evaluate, rank, and  
141 shortlist bids. As described in the draft 2022AS RFP, the screening and evaluation  
142 criteria meet the requirements of the Commission’s rule.

143 **Q. Does the 2022AS RFP contemplate oversight by an IE?**

144 A. Yes. The 2022AS RFP will be conducted under the oversight of an IE. In response to  
145 PacifiCorp’s notices, filed on August 21, 2021, and October 8, 2021, I understand  
146 that the Commission has already retained the IE who is responsible for evaluating  
147 and overseeing the 2022AS RFP.

148 In addition, in accordance with competitive bidding rules adopted by the  
149 Public Utility Commission of Oregon (“OPUC”) in Order 21-3451, the 2022AS RFP  
150 will be conducted under the oversight of an IE approved by the OPUC. Finally, in  
151 accordance with the purchases of resources rules for electric utilities adopted by  
152 Washington Utilities and Transportation Commission (“WUTC”) Order 01 to Docket  
153 No. UE-210779, the 2022AS RFP will be conducted under the oversight of an IE  
154 approved by the WUTC. On behalf of both the Commission, the OPUC and the  
155 WUTC, IEs will be involved in overseeing the 2022AS RFP process to ensure it is  
156 conducted fairly and properly.



157 **Q. Does the draft 2022AS RFP include Benchmark Options?**

158 A. Yes. The Company anticipates that the 2022AS RFP will include resources that are  
159 Benchmark Options, as defined by Utah Code § 54-17-102(2). The Company will  
160 propose Benchmark Options that are both Owned Benchmark Resources, where  
161 PacifiCorp owns and self-develops the resource, and Market Benchmark Resources,  
162 whereby PacifiCorp has a purchase option to acquire the resource upon selection to  
163 a final shortlist, as those terms are described in Utah Admin. Code R746-420-3(4)(a).  
164 Owned Benchmark Resources will be for property either leased by PacifiCorp or on  
165 property for which PacifiCorp has acquired development rights, whereas Market  
166 Benchmark Resources will be for property secured by a third-party market developer  
167 who may also be bidding the resource separately into the 2022AS RFP as a market  
168 bid. PacifiCorp has included a list of Benchmark Options under consideration as part  
169 of the draft RFP, including a description of the resource capacity, technology type,  
170 and location of each proposed resource.

171 PacifiCorp has proposed a schedule by which both PacifiCorp and the IE  
172 receive, score, and file all Benchmark Option scores prior to the receipt and opening  
173 of market bids. The IE will review the reasonableness of the scores for the Benchmark  
174 Options. The scores of the Benchmark Options will be assigned using the same bid  
175 scoring and evaluation criteria that will be used to score market bids. If bidder updates  
176 are allowed during the RFP, as determined by PacifiCorp, with input from the IE,  
177 PacifiCorp may update the costs and score for the Benchmark Options.

178 **Q. Will the bids be “blinded” as required under Utah Admin. Code R746-420-**  
179 **3(10)(a)?**

180 A. PacifiCorp is requesting that bids not be “blinded.” PacifiCorp is requesting a waiver  
181 of this requirement, consistent with similar requests in past RFPs. My understanding  
182 is that the Commission has approved such requests based, in part, on  
183 recommendations by the IE and the Utah Division of Public Utilities, who have  
184 questioned the value of blinding the bids in prior RFPs. As in past solicitation  
185 processes, blinding bids will provide limited value because the detailed information  
186 that will be included in each bid will effectively disclose the bidder’s identity.  
187 Therefore, blinding bids will create an administrative burden on the IE and the  
188 Company, with no commensurate value.

189 **Q. Do you believe that the 2022AS RFP is in the public interest?**

190 A. Yes. It is my understanding that Utah Code § 54-17-201(2)(c) provides that the  
191 Commission must determine that the proposed solicitation process is in the public  
192 interest, after taking into consideration the following factors:

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

201 Based on these factors, the 2022AS RFP is in the public interest. First, as described  
202 above and in the 2021 IRP, the winning resources (inclusive of energy storage) selected  
203 as a result of the 2022AS RFP will be least-cost, least-risk and will produce near- and

204 long-term customer benefits. The winning resources will be chosen out of a robust  
205 solicitation process. Second, PacifiCorp is financially capable of acquiring the winning  
206 resources. It has a variety of funding sources to finance these projects including cash  
207 from operations. PacifiCorp currently has access to the capital markets and expects to  
208 have the ability to borrow any funds necessary to help with the financing. Also,  
209 PacifiCorp has received cash equity contributions from its parent company in the past  
210 and, if necessary, may again in the future. Third, transmission system upgrades that  
211 may ultimately be necessary to support the winning resources will relieve existing  
212 congestion and will enable interconnection and integration of the proposed resources  
213 into PacifiCorp's transmission system, adding to PacifiCorp's overall system  
214 reliability. Thus, I believe that the 2022AS RFP is in the public interest and should be  
215 approved.

216 **Q. Does this conclude your direct testimony?**

217 A. Yes.