

# EXHIBIT 2



prompted the Company to revise its draft RFP.<sup>1</sup>

- 5 As part of its Draft RFP, PacifiCorp included an equity questionnaire for bidders as Appendix P. The Excel workbook includes three tabs. The first tab requires all bidders to respond to questions about job creation and pollution impacts, among other topics. The second tab is currently labeled “Addtln Questions – WA Bidders” and contains questions only required for resources located in Washington. The questions address (1) whether and to what extent the resource would help PacifiCorp comply with CETA, (2) community impacts, (3) whether the resource would have a positive impact on the Company’s proposed customer benefit indicators (CBIs), and (4) the facility’s rank on Washington’s environmental health disparities map.<sup>2</sup> The third tab is specific to health impacts in California.
- 6 The Commission received comments filed by Staff, companies working to develop the Swan Lake and Goldendale pumped hydro storage projects (represented by Rye Development), Renewable Northwest, the Public Counsel Unit of the Attorney General’s Office (Public Counsel), Washington & Northern Idaho District Council of Laborers (WNIDCL), and the Northwest & Intermountain Power Producers Coalition (NIPPC). The comments are summarized in the comment matrix filed by the Company on February 28, 2022.
- 7 Staff asserts that in order to comply with WAC 480-107-025(2), the Commission should condition its approval of the Draft IRP on PacifiCorp requiring all bidders for all resources, not just those located in Washington, to complete the questions in the “WA Bidders” tab 2 of Appendix P. As outlined in Staff’s comments in this Docket, Staff states that failing to collect this data from all resources is problematic because any resources could ultimately be allocated to serve Washington customers. Staff argues that without equity data, the Commission will not be able to determine whether allocating non-Washington-located resources meets CETA or its related requirements.
- 8 Staff’s position is consistent with its informal comments submitted in response to PacifiCorp’s Clean Energy Implementation Plan, wherein Staff noted that it could find nothing in statute or rule stating that CETA’s equity provisions apply only to resources located within Washington. Finally, it is unclear to Staff how the Company can complete

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<sup>1</sup> See “PacifiCorp 2022 All Source Request for Proposals, UE-210979: Matrix of Stakeholder Comments and Responses” (February 28, 2022), PacifiCorp 2022 All-Source RFP, UE-210979.

<sup>2</sup> Accessed from: <https://fortress.wa.gov/doh/wtnibl/WTNIBL/>.

its bid evaluation process without having gathered Appendix P data from all bidders. Because the information gathered should only be relevant to Washington customers, Staff has written its condition narrowly.

- 9 Staff has reviewed the revised Draft RFP and recommends approving it subject to the condition that the Company must revise the tab name and description of Appendix P – Equity Questionnaire tab, which is currently named “2 Addtnl Questions – WA Bidders” to reflect that the questions in that tab must be completed by all bidders. Staff further recommends the Commission require the Company to make clear in the RFP narrative that the information provided applies to PacifiCorp’s Washington customers only.

### **DISCUSSION AND DECISION**

- 10 We approve PacifiCorp’s Draft RFP as revised on February 28, 2022, subject to the conditions described below.
- 11 First, WAC 480-107-025 requires specific content for RFP solicitations. Although PacifiCorp’s draft RFP as filed on December 29, 2021, contained deficiencies as noted in comments filed by Staff and stakeholders, the Company revised its Draft RFP in response to those comments. We agree with Staff that PacifiCorp’s revised Draft RFP complies with the rule.
- 12 We also agree with Staff that to meet the requirements in WAC 480-107-025(2), the “WA Bidders” tab of Appendix P should be filled out by all bidders for all resources, not just those located in Washington because any resource could ultimately be allocated to serve Washington customers. Accordingly, the Company will need equity data from all resources to demonstrate that each resource serving Washington customers meets CETA’s requirements, regardless of where the resource is located.
- 13 Finally, at its regularly scheduled open meeting on March 10, 2022, the Commission heard comments from Public Counsel, Renewable Northwest, the Washington Northern Idaho District Counsel of Laborers (WNIDCL), and NIPPC. Among other recommendations, Renewable Northwest and NIPPC requested the Commission extend the required commercial operation date for one year, and WNIDCL recommended the Commission require the Company collect additional labor information from bidders.
- 14 Based on that discussion, the Commission finds that extending the required commercial operation date for one year will improve bidder participation, and that requesting more

labor information from bidders will improve potential community economic outcomes. Therefore, we additionally require the Company to:

- Revise the RFP to extend the required commercial operation date from December 21, 2026, to December 21, 2027.
- Amend appendix P to identify the total employment of fossil fuel construction workers.
- Require the following information from bidders: quarterly reports detailing the number of local and state workers employed during construction projects, and incident notices when construction contractors commit health and safety environmental infractions.

15 Overall, we find that, with the conditions described above, PacifiCorp's Draft RFP meets the requirements set out in WAC 480-107-025 and is consistent with the public interest. The substantive changes that stakeholders suggested, and PacifiCorp adopted, have improved the Company's Draft RFP. We appreciate the parties' collaborative efforts to achieve this outcome.

### FINDINGS AND CONCLUSIONS

- 16 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including electric companies.
- 17 (2) PacifiCorp is an electric company and a public service company subject to Commission jurisdiction.
- 18 (3) WAC 480-107-009 requires a utility to file an all-source RFP subject to Commission approval if the utility's integrated resource plan demonstrates that the utility has a resource need within four years.
- 19 (4) WAC 480-107-025 requires all RFPs to include certain information.
- 20 (5) Staff has reviewed the Draft RFP in Docket UE-210979, as revised, and all comments received from the public.
- 21 (6) Staff believes the proposed Draft RFP is reasonable and should be approved with

the following condition:

- The Company must revise the tab name and description of Appendix P – Equity Questionnaire tab, which is currently named “2 Addtnl Questions – WA Bidders” to reflect that the questions in that tab must be completed by all bidders. The Company will make clear in the RFP narrative that the information provided applies to PacifiCorp’s Washington customers only.

- 22 (7) Among other recommendations, Renewable Northwest, NIPPC, and WNIDCL request the Commission condition approval on the following requirements:
- The Company must revise the RFP to extend the required commercial operation date from December 21, 2026 to December 21, 2027.
  - The Company must amend appendix P to identify the total employment of fossil fuel construction workers.
  - The Company must require the following information from bidders: quarterly reports detailing the number of local and state workers employed during construction projects, and incident notices when construction contractors commit health and safety environmental infractions.
- 23 (8) This matter came before the Commission at its regularly scheduled meeting on March 10, 2022.
- 24 (9) After reviewing PacifiCorp’s Draft RFP filed in Docket UE-210979, as revised on February 28, 2022, and giving due consideration to all relevant matters, the Commission finds that the Draft RFP should be approved subject to the conditions described in paragraphs 12 and 14, above.

## **ORDER**

### **THE COMMISSION:**

- 25 (1) Approves PacifiCorp d/b/a Pacific Power & Light Company’s Draft RFP in Docket UE-210979 subject to the conditions set out in paragraphs 12 and 14 of this Order.
- 26 (2) Requires PacifiCorp d/b/a Pacific Power & Light Company to issue the RFP by May 1, 2022, consistent with Order 01 in this Docket.

- 27 (3) Determines this Order shall not affect the Commission's authority over rates, services, accounts, valuations, estimates, or determination of costs, on any matters that may come before it.
- 28 (4) Retains jurisdiction over the subject matter and PacifiCorp d/b/a Pacific Power & Light Company to effectuate the provisions of this Order.

DATED at Lacey, Washington, and effective March 11, 2022.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chair

ANN E. RENDAHL, Commissioner

JAY M. BALASBAS, Commissioner