

REDACTED



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March 25, 2020

VIA ELECTRONIC FILING

Gary Widerburg
Commission Administrator
Public Service Commission of Utah
Heber M. Wells Building
160 East 300 South
Salt Lake City, Utah 84114

Re: Notice of Non-Competitive Procurement with Energy Exemplar

Commissioners:

In accordance with PacifiCorp's ("the Company") Procurement Policy, the Company must report to the Public Service Commission of Utah ("Commission") purchases of goods or services exceeding \$1,000,000 that are not competitively bid. This letter hereby serves as notice that PacifiCorp has entered into a non-competitively bid contract with Energy Exemplar that exceeds \$1,000,000. The contract is for the purchase of Energy Exemplar's Plexos model, which will be used to develop PacifiCorp's integrated resource plan ("IRP") and to perform analysis supporting resource procurement opportunities. The contract price is [REDACTED]

Pursuant to PacifiCorp's Procurement Policy, a supplier may be awarded a contract on a non-competitive basis under certain circumstances, such as when competitive bidding is impossible or impractical, or when otherwise a non-competitive procurement has been demonstrated to be in the best interest of the Company and its customers. Currently, to develop the IRP and evaluate resource procurement decisions, the Company uses modeling software from a company called ABB, which includes the System Optimizer and Planning and Risk models. ABB has indicated that it will stop supporting the current version of the software used by PacifiCorp and would like to transition the Company to its most current modeling tools. In advance of the 2019 IRP process, the IRP team engaged in discussions with ABB to explore the functionality and performance implications of transitioning to ABB's e7 modeling platform. The IRP team found that the e7 modeling platform has enhanced user-friendly features and visualization tools that would be useful for reporting. However, additional due diligence identified functionality limitations and performance concerns that would likely lead to significant increases in model run times. For these reasons, PacifiCorp did not transition to the e7 modeling platform for use in the 2019 IRP.

The transaction by PacifiCorp with Energy Exemplar addresses the need to replace the existing, and now obsolete, modeling software from ABB. Development of the IRP requires specialized

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software to develop resource portfolios that reflect changes to potential generating unit retirements, alternatives for adding new supply-side and demand-side resources, and alternatives for adding new transmission infrastructure. This same specialized software is also used to model the projected cost and performance of different resource portfolios over a 20-year planning period. This tool is further used to evaluate real resource procurement opportunities, including evaluation of bids in competitive solicitations and bi-lateral resource acquisitions.

The IRP team uses these tools to model many different planning uncertainties and to accommodate external requests for studies that explore how changes in assumptions impact future resource mix and operations. Modeled outputs inform a resource planning and procurement processes that are reviewed and approved by regulators across six states. In this way, PacifiCorp's investments in future transmission, supply-side, and demand-side resources are routinely dependent upon the outputs from the IRP modeling tools.

Upon completing the 2019 IRP, the modeling team initiated discussions with Energy Exemplar, which offers Plexos, a modeling platform that could be used for IRP and resource procurement work. The modeling system used to produce PacifiCorp's IRP will influence significant capital investment necessary to deliver reliable and low cost service for our customers. It is critical that the modeling system used for the IRP provides the tools necessary to support development of a resource plan that will significantly influence PacifiCorp's resource decisions. For these reasons, PacifiCorp has selected Plexos as the preferred model for purposes of developing the IRP and for evaluating resource procurement opportunities.

If you have any questions, please feel free to contact Jana Saba at 801-220-2823.

Sincerely,



Joelle Steward
Vice President, Regulation

cc: Division of Public Utilities
Office of Consumer Services

CERTIFICATE OF SERVICE

Docket No. 20-999-01

I hereby certify that on March 25, 2020, a true and correct copy of the foregoing was served by electronic mail to the following:

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