

1407 W. North Temple, Suite 330 Salt Lake City, UT 84116

June 20, 2025

#### 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 Power Settlements Consulting (YES Energy LLC).

# Dear 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 Power Settlements Consulting (YES Energy LLC) ("Power Settlements") that exceeds \$1,000,000. The total contract value for the scope of work is

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.

In preparation to join the Extended Day Ahead Market ("EDAM") the Company has contracted with Power Settlements to design, build, implement and test the EDAM module as a back-office solution upgrade. The reasons for a non-competitive procurement process include the following.

- 1. **Incumbency and Expertise**: Power Settlements is the incumbent provider of the key systems, specifically SettleCore, which supports the day-to-day settlements activities of the Company's Energy Supply Management and Transmission departments within the existing Western Energy Imbalance Market (WEIM). As the trusted provider, Power Settlements has developed deep expertise in the systems and processes, which is essential for a smooth transition and adaptation to the new EDAM marketplace.
- 2. Critical System Adaptation: Power Settlements must extensively adapt and enhance its existing SettleCore system to support the features and functionalities required for EDAM. Given their familiarity with the platform, Power Settlements is uniquely positioned to develop and deploy these new modules. This makes the transition less risky and more aligned with PacifiCorp's internal needs and market specifications, thus requiring their direct involvement.

- 3. **Minimizing Risks and Disruptions**: Adapting the existing systems to the new EDAM market design requires a seamless transition to avoid operational, financial, and regulatory risks. Power Settlements' deep understanding of the current system ensures that the solution will be implemented in a manner that minimizes disruptions, which would be challenging to replicate with a new provider without significant additional time, resources, and risk.
- 4. Complexity and Risk of Replacing the Provider: A new competitive bidding process would disrupt the current systems, requiring significant time and resources to potentially onboard a new provider and transition the entire infrastructure. Given the complexity and urgency of migrating to EDAM by Spring 2026, replacing the current provider would involve considerable risks, potentially causing costly delays and complications that could undermine the anticipated savings and market stability.
- 5. No Clear Next Opportunity for Competitive Bidding: The current assessment suggests that the next opportunity for a competitive bid is not clear, and a change in the provider now would result in excessive complexity, time consumption, and heightened risk. Given that there is no projected end of life for the current systems, the necessity for continuity and successful integration outweighs the option of pursuing a competitive bid at this time.

Questions regarding this notice can be directed to Max Backlund at 801-220-3121 or <a href="max.backlund@pacificorp.com">max.backlund@pacificorp.com</a>.

Sincerely,

Jana Saba

Director, Regulation and Regulatory Operations

cc: Division of Public Utilities
Office of Consumer Services

# **CERTIFICATE OF SERVICE**

Docket No. 25-999-01

I hereby certify that on June 20, 2025, a true and correct copy of the foregoing was served by electronic mail to the following:

# **Utah Office of Consumer Services**

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