

Agenda Date: March 10, 2022
Item Number: A2

Docket: UE-210979
Company: PacifiCorp d/b/a Pacific Power & Light Company

Staff: Andrew Rector, Regulatory Analyst

Recommendation

Issue an order approving PacifiCorp’s draft all-source request for proposals with the following condition:

The Company must revise the tab name and the explanation of the Appendix P – Equity Questionnaire tab currently named ‘2 Addtl Questions – WA Bidders’ to indicate that it must be completed by all bidders. The Company must make clear in the RFP narrative that the information provided in tab 2 should pertain to PacifiCorp’s Washington customers only.

Background

According to WAC 480-107-017(1), an electric utility must file a request for proposals (RFP) no less than 120 days after filing its final integrated resource plan (IRP). PacifiCorp d/b/a Pacific Power & Light Company filed its final IRP in Docket UE-200420 on September 1, 2021.

On December 29, 2021, PacifiCorp d/b/a Pacific Power & Light Company (PacifiCorp or Company) timely filed with the Washington Utilities and Transportation Commission (Commission) its draft RFP for Commission review in Docket UE-210979. On January 4, 2022, the Commission issued a Notice of Opportunity to File Written Comments (Notice) in the docket, with a comment deadline of February 14, 2022. After reviewing stakeholder comments, PacifiCorp filed its final RFP, along with redline edits and a matrix of responses to stakeholder comments, on February 28, 2022.

This is PacifiCorp’s first RFP under Washington’s Clean Energy Transformation Act (CETA) and directly follows the Company’s IRP and Clean Energy Implementation Plan (CEIP) submittals.¹ It is also the fourth electric utility RFP² that comes before the Commission following promulgation of the purchases of resources rules in December 2020.³ Staff notes the new requirements in rule provide very limited time for Staff and public review *after* the

¹ RCW 19.405 Washington Clean Energy Transformation Act.

² (1) Docket UE-210220, Puget Sound Energy’s 2021 Request for Proposals for All Generation Sources; (2) Docket UE-210832, Avista Corporation’s 2022 Draft All-source Request for Proposals; (3) Docket UE-210878, Puget Sound Energy’s 2022 Distributed Energy Resources Request for Proposals; (4) Docket UE-210979, PacifiCorp All-Source Request for Proposals.

³ WAC 480-107 Electric Companies—Purchases of Resources.

Company files its revised RFP (redlines) based on stakeholder feedback. Further, the date the Company may file the comments matrix responding to stakeholder concerns, and revised RFP, is not explicitly outlined in rule. Staff’s discussion later in this memo is hampered by this limited review timeframe.

According to WAC 480-107-017(4), the Commission must approve, approve with conditions, or suspend an RFP within 75 days of its filing, which would be March 14, 2022, for this RFP. Per WAC 480-107-017(5), the Company would then be required to solicit bids within 30 days of Commission approval, which would be no later than April 9, 2022, for this RFP. However, on February 10, 2022, the Commission issued an order granting the Company’s petition to solicit bids no later than May 1, 2022.

WAC 480-107-023(1) required PacifiCorp to hire an independent evaluator (IE) to “assess and report on the solicitation process.” The Company hired Bates White as its IE for this RFP.⁴

PacifiCorp serves approximately 130,000 electric customers in its Washington service territory with the majority located in Columbia, Walla Walla, and Yakima counties.

RFP Schedule

PacifiCorp’s RFP proposes a schedule extending beyond 2026. The below table shows dates extending through the end of this year:⁵

2022 All-Source RFP issued to market	April 26, 2022
First bidders conference	May 6, 2022
OATT cluster study request window closes	May 16, 2022
Demand-side voluntary targeted RFP issued to market (as necessary)	August 31, 2022
Demand-side RFP notice of intent to bid due	September 30, 2022
Second bidder workshop	October 20, 2022
Last day for RFP questions	November 1, 2022
Cluster study results posted/bidders notified by PacifiCorp Transmission	November 12, 2022
Notice of intent to bid due	November 17, 2022
Benchmark bids due	November 21, 2022
Demand-side voluntary targeted RFP bids due	November 30, 2022 ⁶
PacifiCorp completes benchmark bid evaluations	December 14, 2022

⁴ Docket UE-210779, Order 01.

⁵ Docket UE-210979, 2022 All-Source Request for Proposals (RFP) at p. 12-13.

⁶ The RFP specifies that the demand-side bids will be due on “11/31/2022”. Since November only has 30 days, Staff assumes the Company meant to have the bids due by November 30.

Stakeholder Comments

In response to its January 4, 2022, Notice, the Commission received six sets of comments. Comments were received from Commission Staff (Staff), the Public Counsel Unit of the Attorney General’s Office, Renewable Northwest, the Northwest Intermountain Power Producers Coalition (NIPPC), Rye Development on behalf of the Swan Lake and Goldendale pumped hydro storage projects, and the Washington & Northern Idaho District Council of Laborers.

Discussion

In its final filing, the Company provided responses to the recommendations from stakeholders, including Staff. Staff generally finds the changes that PacifiCorp made to be an improvement to the final RFP and appreciates the Company’s flexibility on those matters. The Company filed its final RFP late in the afternoon on Monday, February 28; neither Staff nor the stakeholders were able to review the final filing until the morning of March 1. In the ensuing two days, Staff had several phone conversations and email exchanges with the Company and with stakeholders to understand how well the changes in the final RFP addressed the concerns brought up by stakeholders.

It is clear from those conversations and the comment matrix filed alongside the final RFP that PacifiCorp has not incorporated many of the recommendations raised by stakeholders. Staff’s outreach in the days following the filing has been to understand the issues that remain and gauge the stakeholders’ stances after reviewing the final version of the RFP. To date, though they have expressed some misgivings with the final RFP, no stakeholders have taken the position that the Commission should suspend the filing.

Staff’s review, meanwhile, has focused on determining whether the final RFP meets with the purchase of electricity rules as written in WAC 480-107, while simultaneously taking into account any unresolved concerns from stakeholders. To date, Staff has only found one instance (discussed below) where the RFP does not meet with Commission rules. Staff is also aware that PacifiCorp is working through the RFP review process in Oregon and Utah, where it also serves customers and where it has also hired IEs to review the RFP. Of the three states, Washington appears to be the first in line to offer approval or disapproval of the RFP, and any condition that the Commission requires in this docket would have ramifications in those other states as well.

Appendix P – Equity Questionnaire

As part of its RFP, PacifiCorp included an equity questionnaire in Excel format as Appendix P. The workbook includes three tabs. The first is required of all bidders and asks about job creation and pollution impacts, among other topics; the third is specific to health impacts in California. The second tab is currently labeled “Addtnl Questions – WA Bidders” and is only required of resources located in Washington. The questions asked on this tab help determine whether and to what extent the resource would help PacifiCorp comply with CETA. It asks about community impacts, whether the resource would have a positive impact on the Company’s proposed

customer benefit indicators (CBIs) and asks for the facility's rank on Washington's environmental health disparities map.⁷

Staff believes that in order to meet with 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. As outlined in Staff's comments in this docket,⁸ not collecting said data from all resources is problematic because any of those resources could ultimately be allocated to serve Washington customers, and not having equity data on hand for non-Washington-located resources when allocating said resources could mean those resources do not meet state regulatory requirements driven by CETA. This is also consistent with Staff's informal comments submitted to PacifiCorp's CEIP,⁹ where Staff noted that it could find no exclusion in statute or rule stating CETA's equity provisions only applied to resources located within Washington. Finally, it is unclear to Staff how the Company can complete its bid evaluation process without having gathered Appendix P data from all bidders. Because the information gathered should only be relevant to Washington customers, though, Staff has written its condition narrowly.

Condition: "The Company must revise the tab name and the explanation of the Appendix P – Equity Questionnaire tab currently named '2 Addtl Questions – WA Bidders' to indicate that it must be completed by all bidders. The Company must make clear in the RFP narrative that the information provided in tab 2 should pertain to PacifiCorp's Washington customers only."

Conclusion

Staff recommends that the Commission issue an order approving PacifiCorp's draft RFP, subject to the condition described above.

⁷ Accessed from: <https://fortress.wa.gov/doh/wtnibl/WTNIBL/>.

⁸ "Commission Staff Comments Regarding PacifiCorp's 2022 All-Source Request for Proposals for Resources Pursuant to RCWs 19.405, 19.280, and WAC 480-107", at p. 5-6.

⁹ "Staff Informal Comments on PacifiCorp's Draft Clean Energy Implementation Plan" (Dec. 10, 2021), accessed from: https://www.pacificorp.com/content/dam/pcorp/documents/en/pacificorp/energy/ceip/UE-210829_PacifiCorp_draft_CEIP-WA-UTC_Staff_comments_final_12_10_2021.pdf.