

August 9, 2017

VIA ELECTRONIC FILING

Steven V. King
Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive, S.W.
P.O. Box 47250
Olympia, Washington 98504-7250

RE: Draft Request for Proposals for Market Resources

In accordance with the WAC 480-107-015(3)(b), Pacific Power & Light Company, a division of PacifiCorp (PacifiCorp or Company), submits for approval its Draft 2017 Request for Proposals for Market Resources (Market RFP). Concurrently with its Market RFP, the Company filed a Petition for Certain Requirements Related to Requests for Proposals Contained in WAC 480-107.

A. Introduction and Background

The rules established under WAC 480-107 require utilities to solicit bids, rank project proposals, and identify any bidders that meet minimum selection criteria.¹ Under WAC 480-107-015(3)(b), a utility must submit a proposed RFP and accompanying documentation no later than one 135 days after the utility's integrated resource plan (IRP) is due to be filed with the Commission.

On April 4, 2017, the Company filed its 2017 IRP in accordance with WAC 480-100-238(4) in Docket No. UE-160353. The 2017 IRP preferred portfolio identifies resources needed to serve the western balancing authority area over the next three years. This consists of a mix of resources which includes front office transactions and demand-side management (DSM) resources.

Concurrent with this filing, the Company submitted a petition for waiver of certain requirements related to RFPs contained in WAC 480-107. The petition requested waiver of certain sections of WAC 480-107 with respect to 2017 IRP preferred portfolio resources, specifically:

- Waiver of WAC 480-107-015(3)(d) with respect to front office transactions;
- Waiver of WAC 480-107-015(3)(b) with respect to DSM Class 2.

B. Request for Proposals for Market Resources

Consistent with the waivers sought concurrently with this filing, the capacity needed within the next three years for which PacifiCorp must file a RFP for approval by the Commission under WAC 480-107-015(3)(b) are front office transactions. A complete copy of the Market RFP is

¹ WAC 480-107-001(1).

attached as Exhibit A. According to WAC 480-107-025, the RFP contents must include the following:

- The amount and duration of power being solicited within the range estimated in the IRP for new resources
- An initial estimate of avoided cost schedule
- Additional information necessary for potential bidders to make a complete bid
- A general explanation of the evaluation and ranking procedure to be used that is consistent with the Project ranking procedure at WAC 480-107-035
- Minimum criteria for bidders to be considered eligible for ranking
- Timing of the solicitation, ranking and selection processes
- Identification of all security requirements and rationale for same

The Market RFP solicits power purchase agreements of varying contract lengths between 2018 and 2020. It seeks resources with the ability to deliver firm power to PacifiCorp's western balancing authority area for this period. The Market RFP identifies the capacity needs for each year as shown in the tables below, for summer (July) and winter (December):

PacifiCorp 2017 IRP West Capacity Position Forecast (Megawatts), Summer:

	2018	2019	2020
Existing Resources	2,935	2,589	2,648
Planned Resources	552	931	856
Total Resources	3,487	3,520	3,504
Obligation	3,086	3,115	3,101
Planning Reserves (13%)	401	405	403
Total Obligation + Reserves	3,487	3,519	3,504

PacifiCorp 2017 IRP West Capacity Position Forecast (Megawatts), Winter:

	2018	2019	2020
Existing Resources	3,316	3,431	3,335
Planned Resources	352	289	326
Total Resources	3,668	3,720	3,661
Obligation	3,180	3,160	3,239
Planning Reserves (13%)	413	411	421
Total Obligation + Reserves	3,593	3,571	3,661

In addition, the Market RFP includes a schedule of estimated avoided cost for the state of Washington provided as Exhibit B. The avoided cost estimate is provided in the Market RFP in accordance with the requirements of WAC 480-107-025, and provides potential respondents to the Market RFP with information regarding the cost of new power supplies. However, the Company reserves the right to revise its schedule of estimated avoided cost as necessary

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consistent with WAC 480-107-055(3), which allows utilities to revise estimated avoided cost schedules at any time, if filed with the Commission with supporting documentation.

The remainder of the requirements listed above are included and clearly identified in the proposed Market RFP. The Company provides as Exhibit C, a table demonstrating that the Company's proposed Market RFP satisfies the requirements set forth in the relevant sections of WAC Chapter 480-107.

C. Request for Public Comment

The Company invites public comment on its proposed Market RFP. Questions regarding this filing may be directed to Jason Hoffman at (503) 331-4474.

Sincerely,

A handwritten signature in black ink, appearing to read 'Etta Lockey', with a long, sweeping horizontal stroke extending to the right.

Etta Lockey
Vice President, Regulation

Enclosures