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June 21, 2005

VIA OVERNIGHT MAIL

Carole J. Washburn
Executive Secretary
Washington Utilities and
Transportation Commission
1300 S Evergreen Park Drive SW
Olympia, WA 98504-7250

Re: Comments in Support of Puget Sound Energy, Inc.'s Motion For Amended Protective Order With Highly Confidential Provisions
Docket No. UE-050870

Dear Ms. Washburn:

I am submitting these comments on behalf of RES North America and its affiliates ("RES North America"). RES North America is a renewable energy developer that participated in the recent competitive bidding process of Puget Sound Energy, Inc. ("PSE"). As part of PSE's recent Request for Proposals "RFPs"), RES North America provided PSE with a bid proposal for its Hopkins Ridge wind project, which was selected by PSE at the conclusion of the RFP. The bid proposal contained detailed, extensive information about the cost structure of RES North America's Hopkins Ridge wind project and of its company, about its key supplier contracts and about wind data related to the Hopkins Ridge wind project. Some of this information is highly proprietary and commercially sensitive.

RES North America provided this information to PSE, pursuant to the Mutual Confidentiality Agreement. Under the Mutual Confidentiality Agreement, PSE agreed to seek a protective order from the Commission with "highly confidential" provisions to protect RES North America against the disclosure of such confidential information to competitors or others.

As a developer of renewable energy, RES North America competes with other developers to sell wind generation projects or power from such projects. Disclosure of RES North America's commercially sensitive information to our competitors or their consultants could make it possible for them to determine the cost structure of existing RES North America resources, as well as future proposed projects. This would put RES North America at a distinct and unfair disadvantage in future competitive bidding situations.

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The following information is particularly sensitive, and should be included in the category of "highly confidential" information, protected as proposed by PSE:

- 1. All Hopkins Ridge project wind data and all analyses using such data, whether performed by consultants for RES North America or by consultants for PSE.
- 2. RES North America's Hopkins Ridge direct project costs, or other internal or external indirect project costs, whether for development, construction, financing, operating or maintaining the project, and whether existing in the form of submissions to PSE or as PSE work product employing such information. RES North America does not object to treatment of its final bid prices as merely "confidential," subject to protective order.
- 3. All information concerning the terms of RES North America's project agreements, such as the Asset Purchase Agreement and the EPC Agreement, and subcontracts, including the Turbine Supply Agreement.
- 4. All proposals by RES North America as to how specific milestone payments could be structured, as revealing the level or RE North America's ability and willingness to internally finance projects.

RES North America is concerned about the release to competitors or their current or future consultants of the specific components of RES North America's RFP bid, even if it is subject to a confidentiality agreement. Knowledge of the details of a developer's initial and follow-up bid responses in one RFP can give a competitor a he advantage in subsequent RFPs because the competitor will know the bidder's price point. Because such information, once learned, cannot be "unlearned," it is reasonable for us to object to having our confidential bid proposals reviewed by consultant that work for our competitors, even under a confidentiality agreement.

Only ICNU appears to be affected by PSE's proposal. In addition, the amount of commercially sensitive material that RES North America would seek to protect from competitors and their consultants is, at best, tangentially relevant to the current proceeding. The commission, Commission Staff, and Public Counsel – as well as any interveners that are not our competitors or consultant to such competitors – would, subject to the protective order, have access to all materials involving RE North America under PSE's proposal.

Disclosure of sensitive commercial information that reveals underlying cost structures can effect competitive bidding in Washington. One consequence of disclosing highly sensitive commercial data to competitors or their consultants may be to discourage participation in future RFP's in Washington. Another consequence will be to assure much greater resistance to supplying such "highly confidential" information to a public utility in future RFP's overseen by the Commission. The likely result will be fewer choices and increased costs for PSE and, ultimately, its customers.

For these reasons, RES North America supports PSE's request that the Commission issue a protective order with "highly confidential" provision that permits the PSE to designate information as "highly confidential" in its testimony, exhibits, responses to data requests, and briefing. Only the Commission, Commission Staff and Public Counsel should have access to such "highly confidential" information. Any further release to experts for Commission Staff or Public Counsel, or to any other parties who intervene in the June 7, 2005 PCORC Filing, should be subject to a showing that such persons or entities are not competitors or consultants to competitors of RES North America. With respect to treatment of "highly confidential" material, RES North America supports PSE's request for

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limitations on copying and handling of such materials by parties who are entitle d to access such materials in order to reduce the risk of inadvertent disclosure.

By applying these "highly confidential" provisions to limited types of proprietary data specified above, the Commission can significantly reduce the risk of competitive harm to the owners and developers of power resources that participated in PSE's recent competitive bidding process under Chapter 480-107 WAC.

Very Truly Yours,

Craig A. Mataczyńsk

President