

August 13, 2015

***VIA ELECTRONIC FILING***

***AND OVERNIGHT DELIVERY***

Steven V. King

Executive Director and Secretary

Washington Utilities and Transportation Commission

1300 S. Evergreen Park Drive, S.W.

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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 2015 Request for Proposals for Market Resources (Market RFP). Concurrent with its Market RFP, the Company is submitting a Petition for Waiver of Certain Requirements Related to Requests for Proposals Contained in WAC 480‑107.

1. **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]](#footnote-1) Under WAC 480-107-015(3)(b), a utility must submit a proposed RFP and accompanying documentation no later than 135 days after the utility’s integrated resource plan (IRP) is due to be filed with the Washington Utilities and Transportation Commission (Commission).

On March 31, 2015, the Company filed its 2015 IRP in accordance with WAC 480-100-238(4) in Docket UE-140546. The 2015 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, demand-side management (DSM), and renewable resources.

Concurrent with the filing of its Market RFP, the Company is submitting a petition for waiver of certain requirements related to RFPs contained in WAC 480-107. The petition requests waiver of certain sections of WAC 480-107 with respect to 2015 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; and
* Waiver of entire WAC Chapter 480-107 with respect to Solar.

1. **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 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 2016 and 2018. 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 table below:

PacifiCorp 2015 IRP West Capacity Position Forecast (Megawatts)

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2016** | **2017** | **2018** |
| Existing Resources | 2,554 | 2,596 | 2,637 |
| Planned Resources | 993 | 959 | 922 |
| Total Resources | 3,548 | 3,555 | 3,559 |
|  | | | |
| Obligation | 3,140 | 3,146 | 3,150 |
| Planning Reserves (13%) | 408 | 409 | 409 |
| Total Obligation + Reserves | 3,548 | 3,555 | 3,559 |

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 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.

1. **Request for Public Comment**

The Company invites public comment on its proposed Market RFP. Questions regarding this filing may be directed to Ariel Son at (503) 813-5410.

Sincerely,

R. Bryce Dalley

Vice President, Regulation

Enclosures

1. WAC 480-107-001(1). [↑](#footnote-ref-1)