

November 6, 2013

***VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY***

Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive, S.W.
P.O. Box 47250
Olympia, Washington 98504-7250

Attn: Steven V. King
Executive Director and Secretary

RE: Docket UE-131670 - WAC 480-107-015 Draft Request for Proposals for Market Resources

Dear Mr. King:

Pursuant to the Washington Utilities and Transportation Commission's (Commission) Rules and Regulations, PacifiCorp d/b/a Pacific Power & Light Company (PacifiCorp or Company), submits for approval by the Commission an original and twelve (12) copies of a Request for Proposals for Market Resources (Market RFP).

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 Pursuant to WAC 480-107-015(3)(b), a utility must submit to the Commission a proposed RFP and accompanying documentation no later than one hundred third-five days after the utilities integrated resource plan (IRP) is due to be filed with the Commission.

On April 30, 2013, in Docket UE-120416, the Company filed its 2013 IRP pursuant to WAC 480-100-238. The 2013 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 at liquid hubs from existing or new generation sources, demand-side management (DSM), thermal plant turbine upgrades, combined heat and power (CHP), and renewable resources.

On September 6, 2013, in Docket UE-131670, the Company filed a petition for waiver of certain requirements related to RFPs contained in WAC 480-107.² The petition requested waiver of certain sections of WAC 480-107 with respect to each of the 2013 IRP preferred portfolio resources, specifically:

- Waiver of WAC 480-107-015(3)(d) with respect to Front Office Transactions;

¹ WAC 480-107-001(1).

² The petition for waiver filing met the filing deadline of 135 days from the date when the IRP was filed.

- Waiver of WAC 480-107-015(3)(b) with respect to Jim Bridger Turbine Upgrades;
- Waiver of WAC 480-107-015(3)(b) with respect to CHP Biomass;
- Waiver of WAC 480-107-015(3)(b) with respect to DSM Class 2;
- Waiver of entire WAC Chapter 480-107 with respect to Solar.

At its October 10, 2013 public meeting, the Commission granted the waiver as requested. Accordingly, consistent with its September 6, 2013 petition for waiver, the Company is now filing its Market RFP for Commission approval. A complete copy of the Market RFP for which the Company is seeking approval is attached as Exhibit A.

B. Request for Proposals for Market Resources

Consistent with the waivers listed above, the capacity needed within the next three years for which PacifiCorp must file a RFP for approval by the Commission pursuant to WAC 480-107-015(3)(b) are front office transactions. 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 2014 and 2017. 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 West Capacity Position Forecast (Megawatts)

2013 IRP Load and Existing Resource Balance

Calendar Year	2014	2015	2016	2017
West				
West Existing Resources	2,536	2,760	2,649	2,624
West obligation	3,241	3,279	3,337	3,379
Planning Reserves (13%)	421	426	434	439
West Obligation + Reserves	3,662	3,705	3,771	3,818
West Position	(1,126)	(945)	(1,122)	(1,194)
West Reserve Margin	(21.8%)	(15.8%)	(20.6%)	(22.3%)

In addition, the Market RFP includes a schedule of estimated avoided cost for the state of Washington provided as Exhibit B. The estimated avoided cost is provided in the Market RFP in accordance with the requirements of WAC 480-107-025 and to provide 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.

C. Request for Public Comment

The Company invites public comment on its proposed Market RFP. Informal questions regarding this filing should be directed to Gary Tawwater at (503) 813-6805. Questions regarding the Market RFP should be address to Stacey Kusters at (503) 813-5351.

Sincerely,

William R. Griffith
Vice President, Regulation

Enclosures