

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of  
  
PACIFICORP, dba PACIFIC POWER &  
LIGHT COMPANY

Petitioner,

For Order Approving Recommended  
Independent Evaluator

Docket UE - \_\_\_\_\_

**PacifiCorp’s Petition for Approval  
of its Recommended Independent  
Evaluator**

**I. INTRODUCTION**

1           In accordance with Washington Administrative Code (WAC) 480-07-370(3) and 480-107-023(2), PacifiCorp d/b/a Pacific Power & Light Company (PacifiCorp or Company) petitions the Washington Utilities and Transportation Commission (Commission) to issue an order approving the Company’s recommendation for an independent evaluator (IE) to assess and report on the Company’s 2022 All-Source Request for Proposal (2022AS RFP) as required by the Commission’s Purchase of Resources Rules.<sup>1</sup>

2           PacifiCorp is an electric company and public service company in the State of Washington within the meaning of RCW 80.04.010, and is subject to the Commission’s jurisdiction with respect to its prices and terms of electric service to retail customers in Washington. The Company provides electric service to approximately 130,000 retail customers in Washington and approximately 1.9 million total retail customers in Washington, California, Idaho, Oregon, Utah, and Wyoming.

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<sup>1</sup> WAC 480-107.

3 PacifiCorp's name and address:

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## II. BACKGROUND

4 On September 1, 2021, in docket UE-200420, PacifiCorp filed its 2021 Integrated Resource Plan (IRP).<sup>2</sup> PacifiCorp has determined that a 2022AS RFP is required to pursue resource need identified in its 2021 IRP Action Plan.<sup>3</sup> Specifically, the 2021 IRP preferred portfolio includes the following incremental resources:

- 1,345 megawatts (MW) of new proxy supply-side generation resources and 600 MW of co-located energy storage resources with commercial operation date by December 31, 2026; and
- 274 MW of new proxy demand-side resources.

In addition, PacifiCorp will accept bids from long lead resources requiring longer lead time to develop and construct that places the project completion beyond the required 2022AS RFP commercial operation date of December 31, 2026. Furthermore, for the 2022AS RFP, PacifiCorp will consider proposals for the following transaction structures: benchmark transaction whereby the utility proposes the project; build-transfer transaction; power purchase agreement transaction; tolling agreement transaction; and professional services contracts for demand-side bids.

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<sup>2</sup> *In the Matter of the Petition of PacifiCorp, d/b/a Pacific Power & Light Company, 2021 Integrated Resource Plan, Docket No. UE-200420, 2021 Integrated Resource Plan (Sept. 1, 2021).*

<sup>3</sup> *Id.* at Vol. 1, p. 23.

### III. PACIFICORP'S REQUEST FOR APPROVAL OF AN IE

5 WAC 480-107-023(1) provides that “[a] utility must engage the services of an independent evaluator to assess and report on the [RFP] solicitation process if:

- a) The utility or its subsidiary or affiliate participates in the utility's RFP bidding process;
- b) The utility intends to retain the option to procure resources that will result in the utility owning or having a purchase option in the resource over its expected useful life; or
- c) The utility is considering repowering its existing resources to meet its resource need.”

Further, WAC 480-107-023(2) provides that “[a]fter consulting with commission staff and stakeholders, the utility may issue a solicitation for an independent evaluator and must recommend an independent evaluator for approval by the commission.”

Additionally, WAC 480-107-021(2) provides that “[i]f the utility must retain an independent evaluator under WAC 480-107-023, the utility must publish, on its public website, information explaining its independent evaluator selection process and commission approval process, including how interested persons can participate in the approval process.”

6 Under WAC 480-107-023(1), PacifiCorp is required to engage an IE for the 2022AS RFP because it will consider benchmark transactions in the RFP whereby the utility proposes to develop, construct, and own the project. Thus, because PacifiCorp anticipates participating in the 2022AS RFP bidding process, it is required to engage an IE to provide oversight, assess and report on the solicitation process.

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As a result, in accordance with WAC 480-107-023(2), PacifiCorp consulted with Staff and stakeholders regarding the solicitation for an IE for the 2022AS RFP. First, on August 19, 2021, PacifiCorp provided Staff with its anticipated RFP schedule. Second, on September 2, 2021, PacifiCorp consulted with Staff about the Company's plans to issue a solicitation for an IE. Initially, because of PacifiCorp Transmission's interconnection cluster study schedule as well as the regulatory requirements and milestones for the solicitation process, the Company sought to determine a shortlist before the close of the cluster study process, the window for which closes on May 16, 2022. To meet this schedule, the Company had anticipated filing a draft 2022AS RFP with the Commission by October 22, 2021, requiring an immediate approval of an IE. Through email correspondence and telephonic conversations with Staff in early and mid-September 2021, Staff expressed concerns about the accelerated timelines in the Company's proposal for both the IE selection and RFP approval. As a result, subsequent to the issuance of the IE RFP, the Company revised its solicitation process to allow for more time to select the IE and file a final draft 2022AS RFP with the Commission for approval. Specifically, the Company is requesting approval of its proposed IE at the Commission's November 12, 2021 public meeting.<sup>4</sup> With the Washington IE engaged, PacifiCorp anticipates filing of a final draft 2022AS RFP by December 30, 2021 for approval by the Commission.

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Second, PacifiCorp also consulted with stakeholders regarding the Company's plans to issue a solicitation for an IE. On September 2, 2021, PacifiCorp created a website and communicated it to stakeholders, which described the IE solicitation process,

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<sup>4</sup> PacifiCorp is anticipating the approval of IEs from the Public Utility Commission of Oregon and the Utah Public Service Commission in mid- to late- October 2021.

the expected RFP timeframe, and the means by which interested parties could participate in the approval process. On September 2, 2021, PacifiCorp sent an email notification to the interested parties on its Washington IRP list and Clean Energy Implementation Plan (CEIP) service lists to notify them of the IE solicitation, the creation of the website where updates would be posted, and an email address where interested parties could provide comments regarding the IE solicitation process, submit questions, and inquire about participating in the IE RFP. Furthermore, PacifiCorp presented information about the IE solicitation and the website on three separate occasions in September 2021; first during a September 8, 2021 CEIP public participation meeting, second on September 14, 2021 at a CEIP technical conference, and finally on September 15, 2021 at the fifth Equity Advisory Group meeting.

- 9           PacifiCorp has extensive experience in conducting IE RFPs for its resource RFPs. Over the last five years, the Company has conducted three IE RFPs for the Public Utility Commission of Oregon in support of PacifiCorp’s resource RFPs, and concurrently worked with the IE selected by the Utah Public Service Commission on each of those RFPs. The IE RFP design uses best practices for soliciting professional services and includes a scope of work, a proposed schedule, and a list of key deliverables. In addition, the IE RFP includes mandatory minimum qualifications and provides the scoring criteria by which proposals will be graded. The IE RFP lists the required contents of any proposal and a pricing template. Bidders are required to break their pricing into several fixed price components based on the scope of work, and bidders are required to provide a redline of a proforma professional services contract that is consistent with PacifiCorp’s procurement practice across its system.

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PacifiCorp has considered an equity evaluation in its IE solicitation. In addition to the standard IE scope of work PacifiCorp has used in Oregon, Washington IE candidates must evaluate the unique risks, burdens, and benefits of each bid consistent with PacifiCorp’s CEIP requirements and participation. Washington bidders must demonstrate experience and competence in assessment, evaluation and monitoring related to equity evaluation criteria such as workforce standards, incremental to the standard experience criteria PacifiCorp requires of its Oregon IE. As part of its professional services contracting process, PacifiCorp requires its service providers, in this case the IEs, to report on diversity of their subcontractors, including women-owned, minority-owned, disabled, veteran-owned, and lesbian, gay, bisexual, and transgender (“LGBT”)-owned businesses subcontractors.

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PacifiCorp shared a draft IE RFP with Staff in early September 2021. Staff provided the Company feedback on the proposed timeline. Based on this feedback, the timeline presented in the final IE RFP was revised as set forth below.<sup>5</sup>

<b>Activity</b>	<b>Target Date</b>
Staff and Stakeholder Comment Pre-IE RFP Issuance	September 3-9, 2021
Public Outreach to Public to Notify of IE RFP and Selection Process <sup>6</sup>	September 3-November 12
Issue IE RFP	September 10, 2021
IE Bids Due from Bidders	September 24, 2021
PacifiCorp Evaluation of Bids	September 24-October 7, 2021
Requested Washington Commission public hearing decision	November 12, 2021

<sup>5</sup> PacifiCorp acknowledges that the timeline for concluding its selection process, and the remaining activities that follow, may be subject to change depending on when the Commission acts upon the Company’s petition requesting approval of an IE.

<sup>6</sup> PacifiCorp directed interested parties to the IE RFP Website with information on IE selection process and Commission approval process, including how interested persons can participate in the approval process.

12 In its IE RFP, PacifiCorp stated that the evaluation of bids submitted by candidates would take into account the four major evaluation criteria; ability of bidder to perform proposed work, bidder evaluation methodology, price proposal, and conformity to proposed professional services contract. Further detail on each criteria and scoring is outlined in Exhibit A.

13 After consulting with Staff and stakeholders on the solicitation of an IE for the 2022AS RFP, PacifiCorp issued the final IE RFP for Washington on September 10, 2021. Please see Exhibit B to this Petition for a copy of the Request for Proposals Washington Independent Evaluator for PacifiCorp's All-Source Request for Proposals issued on September 10, 2021.

14 A summary of the Washington IE solicitation as well as the complete scope of work were posted to PacifiCorp's website along with an email where interested parties could submit questions or inquire about participating in the IE RFP. PacifiCorp directly emailed and solicited bids from 34 potential IE bidders on September 10, 2022, received questions to its IE email box from four potential bidders, and received three bids.

15 The bid evaluation process is described below.

- a. Initial Review: PacifiCorp reviewed all proposals to help ensure that all prescribed provisions and procedures were met.
- b. Evaluation Process: PacifiCorp's team independently reviewed and scored each proposal. After each member of the evaluation committee reviewed and scored each proposal, the evaluation committee reviewed their findings and developed consensus scores for each proposal based on the evaluation criteria in in Exhibit A.

The PacifiCorp evaluation team reviewed and scored bids based on the criteria listed and summarized above in Paragraph 12 and described in detail in Exhibit A. PacifiCorp ultimately identified and is recommending an IE who exhibits the following criteria:

- i. Direct experience as an IE for utility solicitation and procurement processes in Western Electricity Coordinating Council (WECC).
- ii. Knowledgeable staff with strong background in technical modeling and evaluation expertise as it pertains to renewable, non-renewable and demand-side resources.
- iii. Equity evaluation experience.<sup>7</sup>
- iv. Familiarity with system performance optimization tools (*e.g.* Plexos)
- v. Knowledge and understanding of PacifiCorp's Open Access Transmission Tariff, interconnection cluster study process and unique transmission system characteristics and constraints.

The PacifiCorp evaluation team reviewed and scored the bids and the recommended bidder was Bates White, LLC, who not only had the highest combined score but demonstrated more knowledge, understanding and experience related to the equity components of Washington's Chapter 480-107 WAC Electric Companies – Purchases of Resources rules. Please see Exhibit C to this Petition for information regarding Bates White, LLC.

#### **IV. PETITION FOR APPROVAL**

WAC 480-107-023(2) provides in part that a utility must recommend an IE for

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<sup>7</sup> See WAC 480-107-025(2), 480-107-035(1), and 480-107-075(3).

approval by the commission. Further, in General Order, regarding this requirement, the Commission states that it

... expects that a utility will file a petition seeking approval, and that the Commission will consider the petition at an open meeting. The Commission expects that its review and approval will take at least 30 days.<sup>8</sup>

PacifiCorp is filing this Petition over 30 days before the November 12, 2021 open meeting that the Company requests that the Commission consider the petition to approve the recommended IE.

18 PacifiCorp will notify stakeholders of this Petition and the opportunity to participate in the Commission's approval process, consistent with WAC 480-100-021(2). Additionally, PacifiCorp will publish an update on its website to this effect.

## V. CONCLUSION

19 Based on the foregoing, the Company requests that the Commission approve PacifiCorp's recommendation that Bates White, LLC serve as the IE in the requests for proposals for its 2022AS RFP that the Company will submit for approval by the Commission no later than December 30, 2021. PacifiCorp respectfully requests that the Commission consider this request as part of its open meeting agenda on Friday, November 12, 2021.

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<sup>8</sup> General Order R-602 at ¶34.

DATED: this 7<sup>th</sup> day of October, 2021.

Respectfully submitted,

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