



February 5, 2025

Via electronic filing

Oregon Public Utility Commission
Attn: Filing Center
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**Re: Comments on Workshop #3
OPUC Docket UM 2348**

Renewable Northwest (“RNW”) appreciates the opportunity to provide comments in UM 2348, Staff’s investigation into integrated resource plan (“IRP”) and request for proposals (“RFP”) modernization. Our comments are responsive to Workshop #3, held on January 21, 2025, which covered Staff’s proposed changes to the Public Utility Commission of Oregon’s (“Commission”) competitive bidding rules and the RFP process. RNW recognizes how difficult it is to run a robust public process to update Oregon’s current planning and procurement rules, and we appreciate the tremendous effort Staff and all interested parties have put toward this modernization docket. We have tried to keep our comments relatively brief, voicing support for Staff’s proposals where we align, and asking questions or seeking clarification where appropriate.

COMMENTS

A. Draft RFP alignment with IRP

Staff recommends several changes to better align the draft RFP with the utility’s most recent IRP. First, Staff suggests removing the option for utilities to describe RFP design and scoring in the IRP since it is not being used and increases the scope of review in the IRP. RNW supports this as we have not seen utilities use this option recently and this information is more appropriately housed in the RFP process. However, it may be helpful to require or encourage utilities to indicate the estimated size and timing of their next RFP in the IRP to send a clearer signal to the market. This proposal will also aid Staff, stakeholders, and the Commission in determining whether the utility is complying with applicable regulatory and legislative mandates.

Second, Staff proposes requiring the draft RFP to demonstrate the scoring methodology across all proxy resources that were eligible for selection in the most recently filed IRP or IRP Update. RNW would appreciate additional clarity on how this would work, including how utilities would score proxy resources and how non-price scoring would factor into the demonstration. We

understand that, currently, utilities must “develop and file for approval in the electric company’s IE selection docket, a proposal for scoring and any associated modeling” *before* preparing a draft RFP.¹ Does this proposal effectively combine the scoring and modeling step with the draft RFP step, or is Staff retaining the two-step process with scoring and modeling methodology first, and the draft RFP second?

Third, Staff proposes requiring that the draft RFP be aligned with an identified need in the most recently *filed* IRP, IRP Update, or “subsequently identified need or change in circumstances with good cause shown.” Given the pace of procurement necessary to meet load growth and HB 2021 mandates, RNW supports moving the standard from an acknowledged IRP to a filed IRP and allowing IRP Updates to serve as the basis for an identified resource need. Alignment between the IRP and RFP resource needs should be indicative rather than a hard requirement since the Commission, Staff, and stakeholders will not necessarily have had a chance to test the reasonableness of a filed (as opposed to acknowledged) IRP or IRP Update, and in particular because it may be prudent to procure above the target volume in certain circumstances.

B. Final shortlist alignment with IRP

The second part of Staff’s proposal focuses on more closely aligning the final shortlist determination with IRP analysis. RNW supports Staff’s proposal to allow utilities to identify alternate bids in addition to a final shortlist (“FSL”). In its last RFP, Portland General Electric (“PGE”) identified a final shortlist divided into Group A and Group B bids. PGE noted it would engage Group A bids in commercial negotiations first as these projects represented the best value for customers. The utility also noted that Group B projects “may be necessary if PGE is unable to execute contracts with projects from Group A or if there is any remaining capacity need after Group A negotiations are complete.”² RNW supports formalizing this practice through the competitive bidding rules since FSL projects can fail to materialize for various reasons. Selecting alternate bids can help utilities more nimbly adjust to changed circumstances, while also providing developers more certainty and keeping them engaged in the process. Additionally, alternate bids may represent viable projects for green tariff customers; identifying them through the RFP can provide more transparency into how the utility selects these resources.

Identifying and contracting for alternate bids should come with the same level of analysis and scrutiny that accompanies the final shortlist bids. That is to say, the independent evaluator (“IE”) retains the authority to rigorously analyze the costs and risks associated with alternate bids and utilities should not move forward with alternate bids unless the IE deems them reasonable alternatives from a cost and risk perspective.

C. Role of the Independent Evaluator

Staff proposes allowing utilities to use IEs from prior RFPs, unless the Commission asks the utility to conduct an IE RFP. RNW believes this modification could provide continuity in the RFP process, deepen the expertise of the IE, and potentially expedite the RFP process at a time when utilities need to procure more quickly to meet growing loads and HB 2021’s emission

¹ OAR 860-089-0250(2)(a)

² UM 2274 - PGE Request for Acknowledgement of Final Shortlist, p.7-8

reduction targets. All of these factors may provide benefits to customers. That said, RNW understands parties' concerns about using IEs from prior RFPs and remains open to reconsidering this proposal. RNW strongly supports the provision that the Commission may direct a utility to conduct an IE RFP should anyone have concerns over the last IE. To that end, it may be helpful to further discuss and agree upon a clear procedural avenue that would allow parties to express any concerns with a previous IE that may warrant examining whether another IE is better suited to oversee the process.

Staff also proposes broadening the scope of the IE's work to encompass requesting portfolios to inform FSL selection, making recommendations for future RFP design, monitoring contract negotiations, and producing a memo at each RFP stage gate. RNW supports these changes as they strengthen the role of the IE and increase the Commission's oversight throughout the RFP process. In particular, RNW believes that tasking the IE with monitoring contract negotiations will enhance parties' understanding of any changes between the FSL and executed contracts.

Additionally, an IE report on contract execution for each selected resource will give the Commission and interested parties a better picture of utilities' procurement efforts. Procurement figures are hard to piece together from various utility filings; these kinds of brief reports could ameliorate that challenge and shed light on utility progress toward HB 2021 targets. Going one step further, RNW sees value in the IE providing a comprehensive list of resources that were contracted for out of an RFP, and, for utilities subject to HB 2021, how that procurement contributes toward compliance with HB 2021's emission reduction targets. We recognize that, depending on contract negotiations, this kind of report may be filed long after the RFP was initiated, yet it would still provide valuable information to interested parties who want to understand the throughline between the initial shortlist, the final shortlist, and contracted resources, along with progress toward HB 2021.

D. Streamlined RFP Options

Staff's proposal includes expedited review of RFP design in the following circumstances: a PPA-only RFP, a prior-approved RFP with updated procurement targets but no other modifications, and a prior-approved RFP with redlined modifications. RNW generally supports this proposal. This proposal is framed as a Staff "recommendation" to expedite review, which we believe leaves room for parties to oppose such a recommendation; however, we would appreciate confirmation on that point. We are also curious what kind of time frame Staff is imagining for "expedited review" and whether the timeframe will change depending on which of the three circumstances are applicable.

In comments, the Northwest & Intermountain Power Producers Coalition ("NIPPC") points out that there are two circumstances in which a "PPA-only RFP" may require additional scrutiny.³ RNW agrees with NIPPC that if a utility intends to submit a utility affiliate PPA bid or require PPA provisions to transfer ownership to the utility, the RFP should not be considered a PPA-only RFP and thus, its design should not be eligible for expedited review. These circumstances may present the same or similar risks as utility ownership, and would fail to provide financial diversity separate from utility-owned financing that may provide a benefit to customers.

³ UM 2348 - NIPPC's Comments on Workshop #3, p.12

RNW also supports NIPPC's suggestion that utility benchmark teams should not have access to highly confidential bidder information from current or previous RFPs for all the same reasons NIPPC provides.⁴

CONCLUSION

RNW thanks Staff for the opportunity to comment on the January workshop on RFP modernization. We believe that Staff's proposed changes will create more of a throughline from IRP analysis to RFP decisions and provide more efficient oversight of the RFP process. We look forward to continuing our engagement with Staff and all interested parties in this docket.

Respectfully submitted this 5th day of February, 2025,

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⁴ UM 2348 - NIPPC's Comments on Workshop #3, p.2-5