

Preliminary Review of PacifiCorp's Draft 2008 RFP

Prepared by:



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Role of PacifiCorp IE

- Utah IE – Merrimack Group
- Oregon IE – Accion Group and Boston Pacific
- IE's will:
 - Review process and documents
 - Review evaluation model
 - Monitor Compliance with
 - Commission Guidelines
 - Code of Conduct
 - Established Processes & Protocols
 - Evaluation Standards
 - Be available to answer Questions
 - Monitor post-bid discussions
 - Review PacifiCorp Decisions
 - File reports

Areas of Review by Accion

- Process & Draft RFP
- Draft PPAs
- Draft Tolling Agreements
- Other Agreement Documents
- Bidder Qualifications & Credit Requirements
- Product Specifications
- Fuel Supply Requirements
- Code of Conduct

Areas of Review By Accion

- PacifiCorp Draft 2008 All Source RFP was based on the last RFP
- Presentation includes views on:
 - Changes from 2012 RFP
 - Incorporation of Lessons learned

IE Preliminary Review

- RFP Documents are clear and comprehensive
- The products sought are adequately defined
- Proposed RFP protocols are reasonable, but can be improved

Changes from 2012 RFP

- Significant improvements in the RFP:
 - RFP invites bids from all non-coal fueled sources
 - Terms of 5 or more years
 - Deliveries beginning in 2012 through 2016
 - Bids accepted for baseload, intermediate and summer peaking resources.

Changes from 2012 RFP

- Company intends to submit a Self Build Bid in lieu of developing a benchmark for this RFP
- Waiver of the Commission's Guidelines is needed
- IE finds this reasonable if:
 - Self-build Team is adequately isolated from RFP Team
 - Self-build bid is evaluated in strict conformity with evaluations conducted of third party bids
 - Self-build bid is submitted contemporaneously with all bids
 - Self-build bid is required to submit the same RFQ data as third party bids
 - Self-build is subject to the bid fees imposed on third party bidders
 - Self-build bid must provide the same security as third party bids

Changes from 2012 RFP

- Plant specifications are sufficient
- Some differences between Current Creek and Lake Side appear confusing
- IE will share specific recommendations with PacifiCorp before RFP is final

Lessons Learned

- Company has significantly altered its RFQ process and will now require bidders to provide credit assurances at the time a bid is short-listed.
 - This will eliminate a barrier to participation identified previously
 - This will significantly reduce the work involved in reviewing the RFQ submissions

Lessons Learned

- RFP maintains the requirement that bids be “blinded” prior to submissions.
- In our Opinion:
 - The blinding process did not materially improve the evaluation process.
 - The blinding process should be eliminated.