

# WASHINGTON INDEPENDENT EVALUATOR SCOPE OF WORK

## PacifiCorp's 2022 All Source RFP

### A. DELIVERABLES

The 2022AS RFP is being issued in response to the resource need that was identified in the 2021 IRP. The RFP is time sensitive due to the need to identify an Initial Shortlist before the close of the Cluster Study Request Window on May 16, 2022 per PacifiCorp Transmission's Open Access Transmission Tariff. Consequently, the scope of work has a condensed and rigorous schedule up to the selection of the ISL, which IE bidders should fully consider in their proposals.

#### 1. IE ASSESSMENT OF RFP DESIGN

- a. PacifiCorp will file an initial draft 2022AS RFP with the Commission after selection of the IE to allow an opportunity for the selected IE to participate in the final drafting and stakeholder comments to the draft RFP and provide other feedback before the final draft RFP is filed and approval process is completed.<sup>1</sup> This process will ensure that the final draft RFP reflects any comments received by both stakeholders and the IE without delaying the timeline for selection of an initial shortlist of bids.
- b. The selected IE will complete a thorough assessment of the 2022AS RFP design and submit its assessment of the final RFP draft to the Commission when PacifiCorp files its final draft RFP for approval. The assessment should review the adequacy, accuracy and completeness of all solicitation materials to ensure compliance with the Commission's procurement of energy rules and consistency with accepted industry standards and practices.
- c. The IE will participate in joint meetings and discussions via Teams or Zoom, as needed, with Oregon and Utah's selected independent evaluators regarding the overall RFP process and final comments on the 2022AS RFP to ensure the final draft RFP is consistent across PacifiCorp's states as submitted to the Washington, Oregon and Utah Commissions. PacifiCorp has proposed two specific joint IE meetings to be conducted via video conference; one to cover the overall RFP process and a second to review final draft RFP to align comments from Washington, Utah and Oregon stakeholders. These meeting will occur via Teams or Zoom video meetings. Additional virtual or face-to-face meetings may be established during the RFP process.

#### 2. REPORTS

The IE will be required to file the following identified RFP reports with the Commission:

- a. Final Draft RFP Assessment: The IE will complete and file an assessment of the final RFP draft as described in A.1.a above at the time PacifiCorp files its final draft RFP for Commission approval. The IE will verify the RFP contents meet the criteria in WAC 480-107-025.
- b. Bid Scoring: The IE will independently score the competing bids and file the scores with the Commission. PacifiCorp intends to submit multiple benchmark bids, and so this task

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<sup>1</sup> WAC 480-107-023 (5) (b)

will be completed to provide results to the Commission. This report will be provided to the Commission under seal or as highly confidential information subject to a modified protective order. The IE will verify the RFP bid ranking procedure meet the requirements in WAC480-107-035 (1)-(6).

- c. Closing Report: The closing report will provide the IE's detailed assessment of PacifiCorp's selection of the final short-list of bids, including all aspects of the solicitation process and the IE's involvement, observations, conclusions and recommendations. The reasons and basis for a) ranking benchmark and market bids, b) selecting and scoring benchmark and market bids, and c) rejecting benchmark and market bids are to be fully detailed in the IE's closing report. After reconciling rankings with the utility in accordance with WAC 480-107-035(3) the closing report must:<sup>2</sup>
  - a. Include an evaluation of the competitive bidding process in selecting the lowest reasonable cost acquisition or action to satisfy the identified resource need, including the adequacy of communication with stakeholders and bidders; and
  - b. Explain ranking differences and why the independent evaluator and the utility were or were not able to reconcile the differences.

The closing report will also include an analysis of whether or the extent to which:

- a. resources selected minimize long-term costs for PacifiCorp's retail customers taking into consideration overall system costs and risks,
- b. the solicitation process was conducted fairly, transparently and consistently
- c. screening factors and weights were applied consistently and comparably to all benchmark and market bids,
- d. credit and security requirements, liquidated damages provisions, resource performance and operational characteristics, warranties and other similar requirements were appropriately applied to bid evaluation and appropriately affected the outcome of the solicitation process,
- e. all reasonably available data and information necessary for a potential bidder to submit a bid was provided,
- f. the IE was provided with or given access to all data, information and models relevant to the solicitation process to permit full and timely scoring, testing and verification of assumptions, models, inputs, outputs, and results,
- g. confidentiality claims and concerns between the IE and PacifiCorp were resolved in a manner that preserved confidentiality as necessary, yet permitted dissemination and consideration of all information reasonably necessary for the bidding process to be conducted fairly and thoroughly, and
- h. the evaluation was performed consistent with Commission-approved procurement of energy rules.<sup>3</sup>

The closing report will also include an evaluation of the unique risks, burdens, and benefits of each bid.<sup>4</sup>

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<sup>2</sup> WAC 480-107-023 (5) (g)

<sup>3</sup> WAC 480-107

<sup>4</sup> WAC 480-107-023 (5) (c)

## B. OTHER ACTIVITIES

1. In consultation with Commission Staff, participate in additional meetings with parties, hosted by Staff, related to final short-list selection or any request for acknowledgment of the final short-list.
2. Participate in the pre-bid RFP conference and be available to discuss the IE role in the 2022AS RFP process. Participate in any additional pre-bid conferences.
3. Review and comment on PacifiCorp's screening process for bidder eligibility.
4. Participate in any Commission public meeting (if any) related to the Commission's consideration of RFP approval, based on the IE's assessment of the 2022AS RFP design.
5. Monitor all aspects of the solicitation process from the RFP issuance through the final shortlist of bids, including the following:
  - a. Opening and cataloging of benchmark and market bids including bid fees,
  - b. Bidder eligibility screening,
  - c. Communications between bidders and PacifiCorp before and after proposals are due,
  - d. Provide to the utility the independent evaluator's minutes of meetings and the full text of written communications between the independent evaluator and the utility and any third-party related to the independent evaluator's execution of its duties
  - e. Any requested bidder updates,
  - f. Any RFP amendments issued by PacifiCorp,
  - g. Evaluation and ranking of responses,
  - h. Selection of the initial shortlist bids,
  - i. Selection of the final shortlist of bids, and
6. Audit the evaluation process and validate the evaluation criteria, methods, models, and other solicitation processes have been applied as approved by the Commission and consistently and appropriately applied to all bids. Verify assumptions, inputs, outputs and results are appropriate and reasonable.<sup>5</sup>
7. Verify the basis for selection of the initial shortlist of bids.
  - a. Verify that the price score is calculated as appropriate for the product and technologies submitted in the bids.<sup>6</sup>
  - b. Verify that the non-price score is based on resource characteristics identified in PacifiCorp's most recent acknowledged IRP Action Plan or IRP Update (e.g., resource term, type, development, operational characteristics, etc.) and materially conforming to the standard form contracts or term sheets attached to the RFP.
8. Verify the basis for selection of the final shortlist of bids.
  - a. Verify the impact of PacifiCorp Transmission's interconnection agreements or study reports setting forth the cost and timing of each project's interconnection service on the selection of the final shortlist from the initial shortlist.

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<sup>5</sup> WAC 480-107-023 (5) (e)

<sup>6</sup> WAC 480-107-023 (5) (f)

- b. Verify the utility's process of scoring the bids and selection of the initial and final shortlist is reasonable.<sup>7</sup>
  - c. Verify that the portfolio modeling and decision criteria used to select the final shortlist of bids are consistent with the modeling and decision criteria<sup>8</sup> used to develop PacifiCorp's IRP Action Plan.
- 9. Advise PacifiCorp and Commission Staff of any issue that might reasonably be construed to affect the integrity of the solicitation process and provide PacifiCorp an opportunity to remedy the defect identified. Advise Commission Staff of significant changes or unresolved issues as they arise.
  - 10. Independently score all of the benchmark and market bids to determine whether the selections for the initial and final shortlists are reasonable.
  - 11. Evaluate the unique risks, burdens, and benefits of each bid consistent with PacifiCorp's Clean Energy Implementation Plan.
  - 12. Compare the IE's and PacifiCorp's scoring and evaluation of the competing bids and attempt to reconcile and resolve any scoring differences.
  - 13. Participate in any additional meetings with parties on request.

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<sup>7</sup> WAC 480-107-023 (5) (f)

<sup>8</sup> WAC 480-107-035 (1)