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IDAHO PUBLIC  
UTILITIES COMMISSION

31 January 2013

Ms. Jean Jewell  
Commission Secretary  
Idaho Public Utilities Commission  
P O Box 83720  
Boise ID 83720-0074

RE: **Case No. IPC-E-10-03**

Dear Ms. Jewell:

Enclosed please find an original and seven (7) copies of the **ANSWER OF THE NORTHWEST AND INTERMOUNTAIN POWER PRODUCERS COALITION** in the above case.

An extra copy is also enclosed to be stamped & returned to our office.

Sincerely,

Nina Curtis  
Administrative Assistant

encl.

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Power Producers Coalition

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IDAHO PUBLIC  
UTILITIES COMMISSION

BEFORE THE  
IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE DEVELOPMENT )	
OF REQUEST FOR PROPOSAL (RFP) )	
GUIDELINES FOR THE PROCUREMENT OF )	CASE NO. IPC-E-10-03
SUPPLY-SIDE RESOURCES BY IDAHO )	NORTHWEST AND
POWER COMPANY )	INTERMOUNTAIN POWER
)	PRODUCERS COALITION'S
)	ANSWER TO STAFF'S MOTION TO
)	CLOSE CASE

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COMES NOW, the Northwest and Intermountain Power Producers Coalition ("NICCP") and pursuant to the Idaho Public Utilities Commission's ("Commission") Rules of Procedure, Rule 57(3) IDAPA 31.01.01.57(3) and hereby provides its Answer to Staff's Motion to Close Case.

NIPPC, along with the J. R. Simplot Company and the Idaho Irrigation Pumpers Association, initiated this docket on November 26, 2008 in a Petition asking the Commission to open a generic investigation into the desirability of establishing competitive bidding guidelines for the procurement of supply-side resources by Idaho Power, PacifiCorp and Avista. Your Petitioners expressed a concern that the current process for selection of new supply side

resources was not transparent and possibly biased toward the utility's self build option. The Commission opened Docket No. GNR-E-08-03 in response to the joint Petition.

On December 22, 2009, NIPPC filed a motion with the Commission requesting the generic docket be limited in scope to just Idaho Power (eliminating Avista and PacifiCorp) due to the fact that PacifiCorp and Avista's majority service territory regulators already have competitive procurement rules in place. The Commission granted that motion on February 9, 2010 by opening the current docket (IPC-E-10-03) in Order No. 30999.

Nevertheless, this docket was stayed pending completion of Idaho Power's Langley Gulch Certificate case, in Docket No. IPC-E-09-03. In Commission Order No. 30892 granting the Certificate for Langley Gulch, the Commission made the following findings:

The Company should, however, be concerned about perception that the third-party consultant was directed by the Company and there was a bias in the selection process. The actual and perceived flaws in the RFP process, we find, while not fatal to the Company's resource selection, clearly demonstrate a need for a separate proceeding to consider RFP competitive bidding rules and guidelines. We recognize that the Northwest & Intermountain Power Producers Coalition has filed a petition requesting such an investigation (Case No. GNR-E-08-13). The Commission will explore utility RFPs for supply-side resources in that case or another opened for that purpose.

Order No. 30892, pp 30-31.

Since the date of Order No. 30999, Commission consideration of competitive procurement rules has languished without diminishing the importance of getting the RFP process right. In the most recent development, Commission Staff's communications with Idaho Power has elicited a result that NIPPC supports – assuming NIPPC's understanding of the private correspondence between Idaho Power and the PUC Staff is accurate.

In its January 2, 2013, letter to the PUC Staff, Idaho Power states:

Idaho Power conforms to the Competitive Bidding Guidelines in the state of Oregon. The Company continues its involvement in Phase II of Oregon Public Utility Commission Case No. UM 1182, a competitive bidding investigation intended to provide further refinement to the comparison of relevant risks associated with resource acquisitions.

NIPPC is actively involved alongside Idaho Power in the Oregon Commission UM 1182 Docket.

It should be noted that Idaho Power's reference to "planned compliance" with Oregon's RFP rules is not discretionary with the utility. That is, Oregon Rules are prescriptively and not voluntarily complied with. Notwithstanding the Oregon rules, Idaho Power did not comply with that State's competitive bidding requirements when it issued its RFP for what is now the Langley Gulch plant. In OPUC Docket No. UE-248, the Oregon Commission admonished Idaho Power:

This Commission was not given the opportunity to review the request for proposal (RFP) process used to solicit bids for its [Langley Gulch] construction or the selection process used to select the winning bid. ... To address the concerns about the utility's chosen process for acquiring Langley, Idaho Power has committed itself to submit all future resource acquisitions subject to our competitive bidding guidelines to the Commission for a full and complete review up to and including the issuance of an order approving the RFP or granting a waiver or other expectations expressly set forth in the guidelines then in effect.

Order No. 12-358 pp. 3 – 4.

In response to Idaho Power's January 2, 2013, letter the Idaho Commission Staff filed its motion to close this docket stating:

Idaho Power confirms that it is bound by competitive bidding guidelines in the State of Oregon for its RFP process, and that the Company will comply with those competitive bidding guidelines in Idaho.


Staff Motion p. 2.

After reviewing Idaho Power's and the PUC Staff's NIPPC is pleased to endorse the commitment by Idaho Power and the PUC Staff to follow the Oregon guidelines<sup>1</sup> (via Commission Order) in Idaho.

WHEREFORE, the Northwest and Intermountain Power Producers Coalition respectfully request the Commission issue its order closing Docket No. IPC-E-10-03 by requiring Idaho Power to fulfill its commitment to utilize the Oregon RFP guidelines that are in effect as of the time of its next RFP in Idaho.

DATED this 31<sup>st</sup> day of January 2013.

Richardson & O'Leary, LLP

By 

Peter J. Richardson  
Northwest and Intermountain  
Power Producers Coalition

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<sup>1</sup> See Oregon PUC Order No. 06-446 in Docket No. UM 1182

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 31<sup>st</sup> day of January 2013, a true and correct copy of the within and foregoing ANSWER OF THE NORTHWEST AND INTERMOUNTAIN POWER PRODUCERS COALITION was served by U.S. Postal Service and electronic delivery to:

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