

November 21, 2023,  
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Oregon Public Utility Commission  
201 High St. SE, Suite 100  
Salem, OR 97301-3398

Re: Docket LC 80: Energy Advocates' Round 2 Comments on Portland General  
Electric's Clean Energy Plan and Integrated Resource Plan

NW Energy Coalition, Oregon Just Transition Alliance, Verde, Green Energy Institute at Lewis & Clark Law School, Climate Solutions, Community Energy Project, Columbia Riverkeeper, Mobilizing Climate Action Together, and the Multnomah County Office of Sustainability (the "Energy Advocates") appreciate this opportunity to offer feedback on the Round 2 Comments and Draft Recommendations that Oregon Public Utility Commission (the "Commission") Staff filed on October 24, 2023 regarding the Integrated Resource Plan ("IRP") and Clean Energy Plan ("CEP") that Portland General Electric ("PGE") filed in Docket LC 80.

We largely support Staff's Draft Recommendations and offer comments and a few suggestions below. We organized our comments following the structure of Staff's Round 2 Comments and Recommendations. We appreciate Staff's and the Commission's consideration of our comments and suggestions.

## **I. Introduction**

The Energy Advocates largely support the analysis, conclusions, and recommendations that Staff included in their Round 2 Comments. We agree with Staff's preliminary conclusion that, although PGE came close to identifying a set of near-term actions that will allow it to make meaningful progress toward its longer-term needs, the Company has not modeled its resource needs in 2030 and beyond well enough to have confidence in its long-term resource strategy.<sup>1</sup> We agree with Staff's conclusion. Although there are significant challenges and uncertainties beyond the Company's capabilities and control, a more thorough examination of possible pathways after 2030 would have provided a clearer understanding of the possible issues that need to be addressed prior to 2030. That more thorough examination would help the Company prepare to deal with these long-term uncertainties surrounding technology development, transmission, and interconnection. For that reason, the Energy Advocates support Staff's recommendation to not acknowledge PGE's long-term IRP/CEP strategy unless PGE can supplement its current filing with Staff's recommended revisions.<sup>2</sup>

The Energy Advocates share Staff's concern that PGE did not present an hourly analysis of the GHG emissions associated with its retail electricity load, and that PGE relies too heavily on

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<sup>1</sup> OPUC Staff Round 2 Comments and Recommendations at 3.

<sup>2</sup> *Id.* at 4.

proxy resources from Wyoming and Nevada through 2030 while failing to provide reasonable assumptions for the capacity contribution of these resources.<sup>3</sup>

We also support Staff's conditional recommendation to acknowledge PGE's customer actions, community-based renewable energy (CBRE) actions, energy, and capacity actions. We include one suggested change to Staff's Draft recommendation related to CBIs and the RFP.

Staff recommends that the Company engage with stakeholders and develop community-benefit indicators that capture the economic and health impacts of specific resource actions and provide a comparison of community impacts of alternative portfolios in future CEPs.<sup>4</sup> Staff also recommends the Company provide analysis on varying GHG implications associated with alternative portfolios in future CEPs.<sup>5</sup> We support both recommendations and suggested an edit to Staff's draft recommendation on CBIs.

Finally, the Energy Advocates also support Staff's recommendation to not acknowledge PGE's proposed transmission action items because they are not sufficiently tangible, and to request that the Company provide a transmission study that thoroughly evaluates the Company's options to alleviate South of Allston and Cross Cascades South congestion by the IRP Update.<sup>6</sup>

## **II. Action Plan Acknowledgement**

### **A. Customer Action (Demand-side Resources)**

The Energy Advocates share Staff's concern that the Company's energy efficiency (EE) target does not include the full amount of EE selected in the least-cost portfolio in its EE acquisition target,<sup>7</sup> and support Staff's recommendation that the Commission not acknowledge the values shared to date unless the Company puts forward a proposal with a new method for accurately capturing avoided costs.<sup>8</sup> As Staff points out, PGE's failure to include the full amount of EE for the system and decarbonization impacts other resource actions.<sup>9</sup>

The Energy Advocates share Staff's view that Energy Trust investments are proactive and reasonable, and are needed to accelerate EE acquisition while maintaining near-term cost effectiveness. Staff's analysis showing that the EE avoided cost values provided by the Company, which creates the illusion that Energy Trust's investments are less cost effective than they actually are, is troubling.<sup>10</sup> We appreciate that the onus is on PGE to propose a new method for updating avoided costs and, in the meantime, that it pursue all EE it can acquire.

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<sup>3</sup> *Id.*

<sup>4</sup> *Id.*

<sup>5</sup> *Id.*

<sup>6</sup> *Id.*

<sup>7</sup> *Id.* at 6.

<sup>8</sup> *Id.* at 9.

<sup>9</sup> *Id.* at 6.

<sup>10</sup> *Id.* at 7.

## **B. Community-Based Renewable Resource (CBRE) Action**

The Energy Advocates support Staff's recommendation that the Commission acknowledge PGE's CBRE Action Item subject to the condition that PGE pursue the broader range of procurement actions that it identified in comments in this docket.<sup>11</sup> Staff points out that, if PGE is proactive about its responsibility to take ownership of the success of its CBRE action item, "Staff will be happy to review Company proposals to fill gaps in the existing CBRE development landscape and overcome barriers to controlling costs and facilitating CBRE success."<sup>12</sup> The Energy Advocates expect PGE to follow through on its written and verbal comments regarding a CBRE procurement strategy that leverages a wide range of existing and proposed procurement pathways and are excited to vet its proposals.<sup>13</sup>

With regards to CBREs in the action plan, we agree with, and appreciate, Staff's reiteration that resources with co-benefits, including CBREs, belong in the action plan and are consistent with the goal that HB 2021 and the Commission set for this process: "the selection of a portfolio of resources with the best combination of expected costs and associated risks and uncertainties for the utility and its customers, the pace of greenhouse gas emissions reductions, and community impacts and benefits."<sup>14</sup> While we too expect to see PGE's approach to CBRE modeling continue to grow, it mirrors the well-established approach to modeling energy efficiency, another resource with important co-benefits. Indeed, the IRP/CEP finding that CBREs are part of a least-cost, least-risk strategy is sound and consistent with HB 2021 and Commission orders implementing it.

Finally, we wish to have seen Staff direct the Company to adopt our recommendation of modeling a sensitivity with a higher level of CBRE potential than the level that PGE identified. However, we are sensitive to Staff's interest in seeing PGE enhance the sophistication of its CBRE and CBI modeling approaches as well as to the uncertainty of CBRE procurement effectiveness.<sup>15</sup> As a result, we accept Staff's decision and support Staff's expectation for a more robust future analysis.<sup>16</sup>

## **C. Energy and Capacity Actions**

The Energy Advocates support Staff's recommendation that ongoing procurement targets for both energy and capacity resources reflect the additional energy efficiency resources Staff recommends be included in PGE's Customer Action Item.<sup>17</sup>

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<sup>11</sup> *Id.* at 11.

<sup>12</sup> *Id.* at 11.

<sup>13</sup> *Id.*

<sup>14</sup> *Id.* at 10.

<sup>15</sup> *Id.*

<sup>16</sup> *Id.* at 9.

<sup>17</sup> *Id.* at 6.

#### **a. CBIs in RFP Scoring**

The Energy Advocates appreciate PGE's stated willingness to work with stakeholders on non-price scoring elements in future requests for proposals (RFPs) and expect that PGE begins with its next RFP. While the 2023 RFP, as drafted, does not include non-price scoring elements,<sup>18</sup> we understand that PGE has not finalized its RFP, so PGE should proactively include mechanisms to consider bids' benefits to environmental justice communities through non-price factors. Non-price factors are not new to PGE, as the Company has used them in past RFPs. We expect that the Company can and should pursue this goal in the RFP, rather than relegating environmental justice community benefits to a CBRE issue. We encourage Staff to add to its Draft Recommendation 4 the following bullet point: PGE must include non-price factors in its 2023 RFP to consider bids' benefits to environmental justice communities.

#### **b. Long Lead Time Resource Procurement**

The Energy Advocates support Staff's recommendation that PGE file a request for information (RFI) for Long Lead Time (LLT) resources and facilitate a stakeholder discussion of findings and reactions to the RFI, which should encompass offshore wind, pumped hydro storage, advanced geothermal, and any other resources identified by the Company or by stakeholders. However, Energy Advocates have concerns that LLT resources and near-term resources cannot be evaluated in a single procurement, especially if the LLTs are developmental and have higher than market costs but promise attractive future costs and benefits. A state supported regulation or incentive program may be needed to support timely development of promising LLTs.

#### **D. Transmission Action**

The Energy Advocates support Staff's recommendation that the Commission not acknowledge the transmission action items as presented, and direct PGE to file a transmission study that thoroughly evaluates the Company's options to alleviate South of Allston and Cross Cascades South congestion by the next IRP Update.

### **III. Long-term IRP/CEP Strategy Acknowledgement**

As we stated above, the Energy Advocates support Staff's recommendation that the Commission decline to acknowledge PGE's long-term resource strategy beyond the Action Plan and that the Commission direct the Company to revise and resubmit the plan before the IRP/CEP Update.<sup>19</sup>

#### **A. GHG Emissions Modeling**

We appreciate Staff's robust evaluation of PGE's GHG emissions modeling, including what seems like overly optimistic assumptions that can compromise PGE's ability to meet its HB 2021

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<sup>18</sup> *Id.* at 12.

<sup>19</sup> *Id.* at 16.

GHG-emission-reduction obligations.<sup>20</sup> We reiterate our support for Staff's recommendation that the Company conducts hourly dispatch analysis of the Preferred Portfolio to demonstrate that it can achieve compliance with HB 2021 targets.

## **B. Transmission Modeling**

The Energy Advocates appreciate the time and attention Staff gave to our transmission modeling concerns; PGE's modeling assumptions must reflect reality in order to provide the Commission and affected stakeholders with the assurances that the Company's overall strategy is viable. As staff points out, the Company must change its assumptions and analysis sooner rather than later. In the meantime, PGE should remove its optimistic assumptions in reevaluating its portfolio analysis to ensure that CBREs and DERs are properly weighted.

## **C. Portfolio Analysis**

The Energy Advocates agree with Staff comments that PGE's approach of isolating groups of portfolios under different categories with different sets of assumptions prevents a direct comparison of portfolio risks and costs. Portfolio analysis is supposed to provide a framework for quantitative evaluation of cost and risks associated with the utility's resource strategy options. However, PGE's decision to restrict emissions-pathways comparisons to a select group of portfolios prevents understanding emissions implications across all its portfolios. Energy Advocates also agree with Staff's concern that PGE uses cost, risk, and community benefits as portfolio scoring metrics, yet rejects a high performing portfolio on the basis of near-term cost impacts. This inconsistent treatment of portfolios, and the non-comparability of PGE's Preferred Portfolio with alternatives, prevents a full understanding of whether the Preferred Portfolio is the most reasonable strategy to meet emissions reduction goals, from an economic, technical, and community-impacts perspective.

The Energy Advocates support Staff's recommendation that for future IRP/CEPs the Company provide portfolio analysis that allows more direct comparison of tradeoffs of different resource strategies. For example, the Company should more precisely capture the CBIs of portfolios beyond the inclusion of CBREs, which would allow comparison of the CBIs of the entire portfolio of actions and permit GHG emissions to vary across portfolios.

## **IV. Additional Issues**

### **A. Small-scale Renewable Energy (SSR)**

The Energy Advocates support Staff's recommendation that the Commission direct PGE to analyze compliance with its SSR requirements in its next IRP/CEP Update.<sup>21</sup> To the extent that PGE's strategy relies on customer-sited solar, we wonder whether PGE's AdopDER forecasts would remain accurate with potential changes to net energy metering that PGE has discussed

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<sup>20</sup> *Id.* at 18-20.

<sup>21</sup> *Id.* at 28.

with stakeholders, including the Energy Advocates. It seems intuitive that changes to the compensation mechanism for customer-sited solar would depress the number of MW of customer-sited solar that PGE would see by 2030. This would increase the importance of Staff's recommendation of a more robust SSR compliance analysis. We agree with Staff that it may very well be a prudent compliance strategy to close the SSR gap with additional CBREs and QFs.<sup>22</sup>

## **B. Community Engagement**

We appreciate Staff's receptiveness to our desire to better understand how PGE incorporates in its CEP and IRP the feedback that it receives from its multiple engagement forums, with a focus on feedback on issues that impact energy justice. We note that a few specific and important efforts to advance that engagement in this IRP were not fruitful. For example, our feedback on a stronger environmental CBI was simply rejected and the Company retained a CBI that we consider of limited value as it tracks compliance with the Company's legal obligations. Similarly, efforts to put together a community-facing workshop on the IRP and CEP did not move in a timeline that would have allowed any input to be considered. We are intrigued by Staff's idea of having the Company stand up a working group, and by the potential for such a group to improve engagement generally as well as the IRP guidelines related to engagement. We appreciate Staff's recommendation.

## **C. Community Benefits**

Staff recommends that the Commission direct PGE to conclude its process to develop informational and portfolio CBIs and provide baseline metrics prior to filing its next IRP/CEP update, or provide a detailed status update and explanation of how it will address issues if unable to complete this effort by filing.<sup>23</sup> We appreciate Staff's efforts to include recommendations that ensure continued development and a growing understanding of CBIs.

That continued development is key as, under their current state, Staff considers that CBIs appear of limited use for attaining meaningful impacts on important goals. For example, Staff considers PGE's CBIs "not sophisticated enough to capture the relative community benefits of EE investments to other resource actions, such as health impacts and affordability."<sup>24</sup> Similarly, Staff considers PGE's CBIs "not sophisticated enough to meet the non-price scoring criteria at this time."<sup>25</sup> While we agree with the need to see continued development of CBIs and their current potentially limited usefulness is worrisome, the current state of CBI development should not be a barrier to asking the Company to ensure that action items in the action plan move the needle on its identified CBIs.

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<sup>22</sup> *Id.*

<sup>23</sup> *Id.* at 30-31.

<sup>24</sup> *Id.* at 6.

<sup>25</sup> *Id.* at 12.

On our recommendation that PGE adopt a more meaningful environmental CBI, we understand Staff's comment that "implementing a new pCBI is not feasible in this IRP/CEP cycle." However, our recommendation that PGE adopt a more meaningful environmental CBI, rather than one that simply measures compliance with the law, is not new. We raised it to both utilities through their engagement forums well before filing. We are disappointed that the Company is able to simply ignore our recommendation and then claim that there is not time to adopt it.

Finally, we reiterate our recommendation that the Company be required to tie action items in its action plan to positive impacts on CBIs, and encourage Staff to add language to that effect to its Draft Recommendation 10. CBIs are only meaningful if the utility's action items advance outcomes related to those CBIs. We suggest the following language: "The Commission directs PGE to specify how each of its action plan items advances progress on identified CBIs."

#### **D. Federal Incentives**

We think Staff's suggestion that PGE "take ownership over the successful implementation of federal incentives" is a wise request.<sup>26</sup> We hope the Company will see the value of the Infrastructure Investment and Jobs Act (IIJA) and Inflation Reduction Act (IRA) as the game changers that they are. PGE could be a leader in this space, supporting and encouraging customers to accelerate electrification, which will in turn impact demand-side management programs, provide grid benefits with more efficient space and water heating, and increase customer satisfaction. Most customers will learn about these incentives through their utility and we expect PGE to be a key partner in helping get the word out about the importance of building decarbonization in achieving Oregon's climate goals. We support Staff's request for a report on federal incentive implementation in the Company's IRP/CEP Update.

#### **E. Renewable Energy Credits (RECs)**

Energy Advocates appreciate the request for more transparency related to PGE's RECs. It will be important for the Commission to have insight into how the company plans to manage RECs in excess of RPS compliance obligations in order to ensure that customers receive the benefits they are entitled to under the law and that the CEP is in the public interest. We also underscore the importance of ensuring that the company is fully transparent in its public statements about HB 2021 to avoid deceiving customers.

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<sup>26</sup> *Id.* at 32.

## V. Conclusion

We thank Staff for its thoughtful comments and draft recommendations. We largely support Staff's conclusions and recommendations and encourage Staff to consider our comments and the small number of edits we suggest.

Respectfully submitted this 21st day of November, 2023,

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