

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**LC 56**

In the Matter of	)	
Portland General Electric	)	FINAL COMMENTS OF THE
2013 Integrated Resource Plan	)	NW ENERGY COALITION
	)	

The NW Energy Coalition is pleased to offer comments on Portland General Electric (PGE)'s 2013 IRP. The Coalitions finds the 2013 IRP Action Plan to be a reasonable plan to utilize available resources and recommends acknowledgement. In the following brief comments, the Coalition addresses a few critical issues for the Commission to consider in the context of this 2013 IRP order. The issues identified below are relevant for setting the stage for PGE's next IRP, which will certainly be more consequential in determining how PGE can meet its future energy requirements in a least cost, least risk manner.

The preferred portfolio in the 2013 IRP (outside of the 5 year action plan) identifies 790 MW of new baseload gas plants to meet load, largely as replacement resources for the Boardman coal plant. PGE has an opportunity to deliver better results for their customers by identifying least cost/least risk portfolios that incorporate a greater amount of clean energy. The Commission should urge PGE to aggressively pursue the additional studies and modeling approaches that will allow for thorough evaluation of clean energy resources. Areas recommended for further development in the next IRP include framing around greenhouse gas reductions, energy efficiency resource evaluation and availability, and climate change risks. Additionally, the Coalition refers the Commission to the initial comments of Renewable Northwest for a discussion of the important areas of emphasis for renewable generation.

**Framing for Greenhouse Gas Reduction**

With help from the consulting group E3, the 2013 IRP process began by identifying several portfolios that could meet Oregon's long-term greenhouse gas reduction goals. The initial process added value by satisfying the spirit of Oregon's legislative goal, framing the planning process with emission milestones, identifying the strong effect of future energy efficiency assumptions, and determining the portfolio actions necessary to meet the greenhouse gas reduction goals. Federal policy, under EPA

regulations in Section 111d of the Clean Air Act, will require states to meet carbon dioxide emissions targets and states will in turn require utilities to achieve specific reductions. Furthermore, it is likely that future state policies will require additional action toward greenhouse gas reduction progress. For that reason, PGE should continue a process similar to the one utilized in the 2013 IRP and take the next step, embedding Section 111d compliance assumptions into the model, and also considering the possibility of additional state regulations that go beyond 111d compliance.

## **Energy Efficiency Evaluation and Availability**

### Improve Ability to Determine Future Supply Curves

The E3 study demonstrated the potential for future, unrealized advancements in energy efficiency to dramatically reduce greenhouse gas emissions and portfolio energy needs. Demand-side resources have such an outsized effect on future needs, it is important to constantly improve the forecasts used to determine the availability of energy efficiency. We are, therefore, pleased that PGE is expanding its demand-side actions by combining energy efficiency with demand response (DR) and distributed stand-by generation (DSG).

We recommend that PGE continue to collaborate with the Energy Trust of Oregon (ETO) to identify what future energy efficiency technologies will become available and what future measures may become least cost. New planning assumptions and tools to expand participation rates are likely required to capture future energy efficiency measures currently outside the scope of the IRP's design. PGE and ETO should remain flexible as they consider how energy efficiency forecasts can be improved in this novel way. Additionally, in the 2015 IPR it will be important to consider how implementation of EPA Section 111d rules will impact energy efficiency resources.

### Solve Large Customer Acquisition Barriers

The Coalition shares the concerns expressed by the Citizen's Utility Board and PUC staff regarding the current limitation on ETO's acquisition of cost effective conservation from large customers. Beginning in 2015, Energy Trust may not be able to acquire all cost effective conservation from large industrial customers due to the spending limit imposed by Senate Bill 838 (SB 838) for customers with load greater than one average megawatt.

CUB argues that the energy efficiency action item in the IRP should not be acknowledged because the EE target of 124 MWa by 2017 contained in Action Item 2.a is too high if ETO can not pursue all cost effective conservation from these large customers. This is a very concerning issue; failing to acquire the least cost resource is not in the best interests of customers. Additionally, we believe it is contrary to the Oregon state policy to acquire all cost effective conservation. We urge the Commission to weigh in on this issue and urge the Company to work with stakeholders to find a solution to this issue before the end of 2014. At this time, the Coalition stops short of recommending non-acknowledgement of the energy efficiency section of the 2013 IRP because we are

hopeful that a solution to this problem will be identified and implemented before we have to forgo least cost resources.

### **Climate Change Risks**

The Coalition agrees with staff's recommendation to develop a new IRP guideline that would require the utility to identify and plan to meet the risks presented by climate change. Identifying and modeling the risks associated with climate change is a prudent addition to the IRP planning process given the impacts that we know are already upon us in the Pacific Northwest. This analysis will allow the Company to fully prepare for and undertake mitigation measures necessary to adapt to hydrological and weather impacts from our changing climate.

The NW Energy Coalition is pleased to recommend acknowledgement of the 2013 IRP and looks forward to working with the Commission, PGE and other stakeholders on the development of the 2015 IRP.

Respectfully submitted this 25<sup>th</sup> day of July 2014,

*/s/ Wendy Gerlitz*

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Senior Policy Associate

## CERTIFICATE OF SERVICE

I hereby certify that I have this day caused **Final Comments of NW Energy Coalition** to be served by electronic mail to those parties whose email addresses appear on the attached service list, and by First Class Mail, postage prepaid and properly addressed, to those parties on the service list who have not waived paper service from OPUC Docket No. LC 56.

DATED this 25th day of July, 2014.

*/s/ Wendy Gerlitz*

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**Summary Report****LC 56 PORTLAND GENERAL ELECTRIC****Category:** Least Cost Planning**Filed By:** PORTLAND GENERAL ELECTRICIn the Matter of PORTLAND GENERAL ELECTRIC COMPANY,  
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**Summary Report**

**LC 56 PORTLAND GENERAL ELECTRIC**

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