



August 4, 2017

**Via Electronic Filing**

Public Utility Commission of Oregon  
201 High St SE, Suite 100  
Salem, Oregon 97301-3398

**Re: Docket No. LC 66– Sierra Club’s Comments on Staff Report**

Please find attached Sierra Club’s Comments on Staff Report. Columbia Riverkeeper, 350PDX and Climate Solutions have indicated their endorsement of these comments.

Please do not hesitate to contact me if you have any questions or need other materials. Thank you.

Sincerely,

*/s/ Alexa Zimbalist*

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**BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON**

LC 66

In the Matter of

PORTLAND GENERAL ELECTRIC  
COMPANY,

2016 Integrated Resource Plan

**SIERRA CLUB'S COMMENTS ON  
STAFF REPORT**

Sierra Club writes to express strong support for the majority of Staff's recommendations on PGE's 2016 IRP. Sierra Club especially commends Staff, the Commissioners, and PGE for thorough attention and consideration of the many thousands of written comments from the public. The issues taken up in this year's IRP struck a chord with the public and this Commission should be commended for thoughtful encouragement and consideration of all input. Staff's memo shows the meaningful influence that public comments had on Staff's ultimate recommendations in the IRP.

Most importantly, as Staff's memo acknowledges, the public vocally and vehemently opposed PGE's proposal to replace the Boardman Coal Plant by acquiring or building a large natural gas plant to fulfill the 2021 capacity need. Staff agrees with many of the parties' comments that the IRP did not provide the basis for a natural gas plant or any other large-scale, long-term capital investment. Specifically, PGE's portfolio analysis was biased towards building a new natural gas plant, and failed to properly assess a portfolio of least-cost, lowest-risk resources to meet its capacity need. Staff also agrees that the IRP did not properly consider short to medium term resources that could provide optionality "in the face of tremendous uncertainty in the energy market."

Staff's recommendation presents a compromise that balances the need for further information and assessment with the reality of some future capacity need. Staff recommends acknowledgement of PGE's 2021 capacity need, but also that the Commission decline to acknowledge the issuance of an all-source RFP until four conditions are satisfied that will compensate for the deficiencies in the 2016 IRP: PGE must 1) complete bilateral negotiations; 2) complete a market study; 3) re-run models and develop a new preferred portfolio using data gathered from the bilateral contracts and market study; and 4) issue an RFP for short to medium-term resources. Sierra Club appreciates that the proposed conditions acknowledge the parties' and the public's concerns about PGE's IRP and will provide much-needed information to base future resource decisions.

Sierra Club continues to encourage the Commission to provide for similar transparency, stakeholder access, and the same level of rigor as an IRP proceeding for any future competitive RFP process. Stakeholders should be similarly involved if a waiver from the competitive process is pursued. Especially given the strong public opposition to building or acquiring more fossil fuel resources, medium-term gas contracts should not be considered without public involvement.

Sierra Club also continues to encourage PGE and the Commission to aggressively consider renewable resources and storage to not only obtain future RPS compliance but also for near-term energy and capacity needs. PTC compliant projects should have the near-term opportunity to compete before their value is further limited. Longer delays could result in unnecessary further reliance on fossil fuels.

The public also strongly favors rapid reduction of the Company's full greenhouse gas footprint. Sierra Club looks forward to working with PGE, the Commission and other stakeholders toward the stated goal of decarbonization and believes that in order to set ourselves on the right course to meet that goal we must encourage our utilities to pursue renewables while the time is right.

Dated: August 4, 2017

Respectfully submitted,

    /s/ Amy Hojnowski      
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