

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**LC 73**

In the Matter of

PORTLAND GENERAL ELECTRIC  
COMPANY

2019 Integrated Resource Plan

NORTHWEST &  
INTERMOUNTAIN POWER  
PRODUCERS COALITION'S  
COMMENTS

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**I. INTRODUCTION**

The Northwest & Intermountain Power Producers Coalition (“NIPPC”) respectfully submits these Comments for consideration by the Oregon Public Utility Commission (the “Commission”) on Portland General Electric Company’s (“PGE’s”) 2019 Integrated Resource Plan (“IRP”) Update. It is NIPPC’s understanding from PGE’s filing that the “IRP Update does not propose any changes to the acknowledged 2019 IRP action plan” and that PGE requests that the Commission acknowledge the IRP Update solely so that PGE “can include the updated inputs” in its next avoided cost update filing.<sup>1</sup> NIPPC is not substantively addressing the updated inputs, nor the appropriateness of acknowledgment for the purpose of updating avoided cost pricing except to express concern over the process limitations. NIPPC’s comments here are narrow in scope and address only the ongoing importance of ensuring that PGE properly designs and conducts its upcoming Request for Proposals (“RFP”) process.

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<sup>1</sup> PGE IRP Update at 2.

NIPPC supports PGE’s proposal to continue under its action plan and conduct an RFP. Here, NIPPC provides comments on important RFP design aspects, primarily regarding ensuring that PGE’s RFP fairly implements the Commission’s new RFP rules and adequately facilitates all resource types to bid in, including long-lead time resources like pumped storage hydro. At this time, NIPPC has concerns with the lack of clarity on PGE’s plans for complying with the Commission’s RFP rules and facilitating participation by long-lead time resources.

Finally, NIPPC notes that it looks forward to engaging in PGE’s RFP process in the upcoming Independent Evaluator (“IE”) selection proceeding. PGE has previously elected not to proactively engage with NIPPC while selecting the IE, and it appears to be taking the same path here.<sup>2</sup> In the past, PGE has chosen IEs that could not perform their core functions. NIPPC requests that stakeholders receive an opportunity to review and comment on the solicitation process to hire the IE.

## II. COMMENTS

In Order No. 20-152, the Commission acknowledged with conditions PGE’s proposed action plans of: 1) issuing a renewables RFP for 150 average megawatts (“MWa”) to contribute towards PGE’s capacity needs by the end of 2024; and 2) issuing an RFP for non-emitting dispatchable resources that contribute to meeting PGE’s capacity needs.<sup>3</sup> Among other conditions, the Commission instructed PGE to “optimiz[e] the renewables RFP with the capacity RFP to achieve the goals of the preferred

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<sup>2</sup> PGE IRP Update at 17 (“PGE will collaborate with Staff to recommend an [IE]”).

<sup>3</sup> Order No. 20-152 at 25-27 (May 6, 2020); PGE’s Final Comments at 7, 9.

portfolio,” which the Commission noted could be achieved by “combining the procurements.”<sup>4</sup> In its 2019 IRP Update, PGE now proposes issuing a single RFP and it plans to do so in 2021.<sup>5</sup>

NIPPC generally supports this approach and looks forward to engaging in the IE process.<sup>6</sup> NIPPC encourages the Commission to allow PGE to proceed rapidly with its RFP because PGE has a substantial capacity need and limited time to acquire resources.<sup>7</sup>

**A. PGE’s Upcoming RFP Should Allow for a Complete Review and Not the “Fast Track” Process**

NIPPC appreciates PGE’s statement in the IRP Update that it intends to follow the Commission’s new RFP rules,<sup>8</sup> but PGE cites only one of several crucial rule provisions, leaving it unclear what PGE plans to do. Notably, the provision PGE cites, OAR 860-089-0250, contains language allowing a streamlined or “fast track” process if the utility files adequate information in the IRP.<sup>9</sup> The Commission declined to address whether PGE’s IRP provided sufficient information to “fast track” the RFP process.<sup>10</sup> As it did in prior comments, NIPPC recommends that the Commission condition any

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<sup>4</sup> Order No. 20-152 at 26.

<sup>5</sup> PGE IRP Update at 16-17.

<sup>6</sup> NIPPC reserves the right to raise additional or new concerns in the IE process.

<sup>7</sup> Order No. 20-152 at 12 (recognizing a “300 to 700 MW capacity deficit in 2025”); PGE’s IRP Update at 34 (“The updated Reference capacity need in 2025 is 511 MW, increasing to 909 MW in 2026.”).

<sup>8</sup> PGE IRP Update at 17 n.23 (“PGE will follow the procedure identified in the recently updated Competitive Bidding Rules. *See* OAR 860-089-0250.”).

<sup>9</sup> OAR 860-089-0250(2)(a).

<sup>10</sup> Order No. 20-152 at 27 (not deciding this issue for the IRP).

approval of a “fast track” process upon PGE first providing more information, including scoring metrics and any new contract language.<sup>11</sup>

**B. The RFP Should Allow Long-Lead Time Resources**

In particular, PGE needs to start its RFP process soon to ensure a fair and adequate opportunity for long-lead time resources like pumped storage hydro to participate. In Order No. 20-152, the Commission “recognize[d] the competing value that longer-term commitments to new capacity resources may offer given the likelihood of PGE's ongoing capacity needs and the likelihood of capacity scarcity in the region over the same term,” and expressed appreciation for PGE’s agreement to “make accommodation for long-lead time resources.”<sup>12</sup> However, PGE’s agreement to make accommodations may have been conditional upon PGE issuing its RFP in 2020, not 2021,<sup>13</sup> and whether PGE will seek a waiver of the RFP rules.<sup>14</sup> To address this issue, the Commission could (1) allow PGE to solicit resources with commercial operation dates (“CODs”) slightly later than the Commission already approved (2025 instead of 2024); and/or (2) require PGE to give bidders more time between agreement execution

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<sup>11</sup> NIPPC’s Final Comments at 10.

<sup>12</sup> Order No. 20-152 at 25-26.

<sup>13</sup> Order No. 20-152 at 24 (“National Grid and Swan Lake comment that PGE’s two step capacity procurement plan may start too late (originally proposed for 2021), and end too early (capacity online in 2024-2025), to allow for resources with longer lead times. ... PGE responds that its revised capacity action with concurrent procurements beginning in 2020 allows for long-lead time resources to participate in a RFP.”).

<sup>14</sup> Order No. 20-152 at 26 (concluding “that an anticipatory waiver of our RFP rules is not necessary for PGE to fully and fairly evaluate long-lead time resources, but we remain open to such a waiver in the future if PGE determines that one is necessary”).

and COD. Either change should allow more resources to be eligible to meet PGE's needs and more closely align with industry practice. It is unclear at this time what accommodations PGE will make for long-lead time resources, and NIPPC looks forward to hearing more from PGE on this topic.

Overall, NIPPC is concerned that PGE may be limiting the ability of long-lead time resources to "fully and fairly" compete in PGE's upcoming RFP unless the Commission grants a rule waiver or allows PGE to "fast track" the RFP. PGE has neither demonstrated that a rule waiver is justified nor provided sufficient information to justify the "fast track" process. Overall, NIPPC is concerned by the lack of clarity in PGE's IRP Update. NIPPC supports PGE's plan to proceed with an RFP to meet its customers' needs and hopes that PGE clarifies these fundamental questions at the earliest opportunity.

**C. PGE Should Solicit Input Prior to Issuing an RFP to Hire an IE**

The Commission's Rules require that "[p]rior to issuing an RFP, an electric company must engage the services of an IE to oversee the competitive bidding process. The electric company must notify all parties to the electric company's most recent general rate case, RFP, and IRP dockets of its need for an IE, *and solicit input* from these parties and interested persons regarding potential IE candidates."<sup>15</sup> Obtaining stakeholder input in the IE selection process is a longstanding requirement, which pre-

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<sup>15</sup> OAR 860-089-0200(1) (emphasis added).

existed the Commission's Rules as part of Guideline 5 in the Commission's Competitive Bidding Guidelines originally adopted in 2006.<sup>16</sup>

NIPPC has been disappointed that PGE chose not to follow these requirements in the past and did not engage with NIPPC and other stakeholders before issuing an RFP to hire an IE. The RFP to hire an IE is an essential component of hiring the IE. Therefore, utilities should solicit input *before* issuing the RFP to hire an IE. NIPPC looks forward to engaging with PGE regarding the IE selection process for the upcoming RFP and hopes that PGE complies with the Commission's rules by soliciting input before issuing the RFP to hire an IE. NIPPC's primary goal is that the RFP to hire an IE should ask questions that will allow the Commission and interested stakeholders to understand whether the IE candidates understand their duties. These duties include but are not limited to ensuring that the RFP is fair, transparent, and properly evaluates the unique risks and advantages associated with any company-owned resources.<sup>17</sup>

#### **D. Avoided Cost Price Update**

The primary practical impact of this IRP Update will be to update inputs and assumptions that will have the practical impact of lowering avoided cost prices paid to Qualifying Facilities under the Public Utility Regulatory Policies Act. NIPPC is concerned about the reasonableness of those changes and whether stakeholders have had an adequate opportunity to review and vet the changes, especially in light of significant

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<sup>16</sup> *In re Investigation Regarding Competitive Bidding*, Docket No. UM 1182, Order No. 06-446, App. A at 1 (Aug. 10, 2006); *see also* Docket No. UM 1182, Order No. 06-446 at 7 (stating the Commission "believe[s] the utility *and non-bidders* should participate in the process" of hiring an IE) (emphasis added).

<sup>17</sup> OAR 860-089-0450(1), (6).

other changes PGE is proposing for its next full IRP. Those changes include its commitments to emissions free power and the Governor's executive order on climate, new flexible load plan, its treatment of Colstrip, and responses to new state and federal policies.<sup>18</sup> Many of those changes may actually increase PGE's need for new renewables and PGE's avoided cost prices, but PGE did not capture that in this IRP Update. Further, PGE has not entered into any PPAs with new QF projects since its 2019 post-IRP acknowledgment avoided cost update, so there is no pressing need to substantially reduce the avoided costs without a more holistic review, which can occur in the next IRP.

## V. CONCLUSION

For the reasons articulated above and in NIPPC's prior Comments in this docket, NIPPC recommends that the Commission direct PGE to clarify its plans for conducting a fair and competitive RFP, particularly regarding facilitating participation by long-lead time resources.

Dated this 10th day of March 2021.

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<sup>18</sup> See PGE IRP Update at 53.

Respectfully submitted,

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