

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

LC 73

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY,

2019 Integrated Resource Plan.

THE RENEWABLE ENERGY
COALITION’S FINAL COMMENTS

I. INTRODUCTION

The Renewable Energy Coalition (the “Coalition”) respectfully submits these Final Comments for consideration by the Oregon Public Utility Commission (the “Commission” or “OPUC”) in the matter of Portland General Electric Company’s (“PGE’s”) 2019 Integrated Resource Plan (“IRP”).

As discussed in the Coalition’s Opening Comments filed October 11, 2019, PGE’s 2019 integrated resource plan (“IRP”) fails to reasonably account for anticipated qualifying facility (“QF”) completion rates and future contracts. PGE asserts that there is too much uncertainty to even attempt a forecast of the number of QFs that will actually achieve their scheduled commercial operation dates or the likelihood that new or existing QFs will execute contracts in the future.¹ So, rather than attempt to account for this uncertainty, PGE simply assumes the extremes: that *all* QFs with executed power purchase agreements as of the snapshot date will achieve commercial operation, and that *no* new contracts will be executed in the future. History demonstrates that these

¹ PGE Reply Comments at 62-63 (Nov. 5, 2019).

assumptions are not accurate, and PGE should be required to use reasonable assumptions and forecasts.

II. COMMENTS

PGE should be required to reasonably account for the risk and uncertainty associated with QF development and operation, and the unique nature of QF contracts as must-purchase contracts under the federal Public Utility Regulatory Policies Act (“PURPA”).

A. Uncertainty is Exactly Why PGE Should Make a Forecast

Uncertainty is inherent in any forecast, but that is no reason to not attempt to make a reasonable projection of a likely future. PGE asserts that a forecast into the number of QFs that will actually achieve commercial operation would be “highly speculative and unsupported” and that “there is no guarantee that projects with execute contracts will fail.”² Further, PGE notes that many factors affect potential future QF contracts including the sufficiency/deficiency conditions and each QF’s specific circumstances.³ It should come as no surprise that a variety of factors affect possible futures and that there will be some uncertainty in any forecast, but that is not a reason to not attempt to make a forecast.

The Coalition is not asking for perfection but asking for a reasonable projection based on data available at the time. As demonstrated in the Coalition’s Opening Comments, PGE has data at its disposal which it has not reasonably accounted for in its

² *Id.* at 62.

³ *Id.* at 63.

analysis. By assuming that all QFs will come online as of their scheduled commercial operation date and assuming that no new contracts will be executed in the future, PGE takes an extreme position that is not supported by the data currently available. Current data and trends illustrate that:

- Not all QFs will reach their scheduled commercial operation dates on time;
- Not all QFs will actually be able to achieve commercial operation at all;
- QFs currently face challenges in the power contracting and interconnection processes with PGE and other utilities;
- QFs currently face challenges in acquiring land-use approvals;
- Overall, PGE has been remarkably successful in using the contract enforcement and interconnection process to ensure that fewer QFs with executed power purchase agreements are able to reach timely commercial operation compared to other utilities;
- Most (if not all) QFs will seek to renew or enter new contracts at the conclusion of their existing contract; and
- Recent history shows a higher volume of QF contracting than it has been in the past, but new PGE QF contracting has almost ceased.⁴

These trends show, at a minimum, that PGE’s assumptions are not correct. As such, assuming that all QFs will achieve their scheduled commercial operation on time, or at all is not reasonable, and as staff correctly noted, “assuming no new contracts is

⁴ For more discussion on each of these factors, please see the Coalition’s Opening Comments; *See also In re PGE Application to Lower Standard Price and Contract Eligibility Cap for Solar QFs*, Docket No. UM 1854 Monthly Status Reports. New QF contracting in PacifiCorp’s service territory has nearly ceased: PacifiCorp has only entered into one QF contract with a new project (a 200 kilowatt irrigation district hydro project) since June 2016 and the last new solar QF PPA was in August of 2015. *See In Re Pacific Power – Qualifying Facility Contracts*, Docket No. RE 142.

unjustified by historical trends.”⁵ Therefore, PGE should not be permitted to ignore current and applicable data, but should be required to reasonably account for uncertainty.

B. The Commission May Leave the Details of Future QF Forecasts to UM 2038

The question of whether PGE should be required to perform a reasonable QF forecast should not be deferred; however, the Commission may leave the details regarding how such forecasts are performed in the future to the Commission’s recently opened Docket No. UM 2038, *In re Public Utility Commission Investigation Into the Treatment of QFs in the IRP Process*. PGE notes that Docket No. UM 2000, from which UM 2038 arose, will address the treatment of QFs in the IRP process.⁶ While that docket will address this issue, there should be no question about whether a utility, within its IRP should reasonably account for QFs. Docket No. UM 2038 should focus not on *whether* it is appropriate to account for QF development, but on *how* the utilities should treat QFs in their IRPs. Docket No. UM 2038 will also review what is the appropriate additional capacity payment to QFs to compensate them for the benefits they provide to the utilities when they renew their contracts. In addition, as Staff notes, QF contracting assumptions can impact PGE’s future resource procurement decisions, and it is important to get a more reasonable forecast now.⁷ Therefore, the Commission, in this IRP, can and should still require PGE to make a reasonable forecast and use reasonable assumptions, and leave the details of future QF treatment in IRPs to Docket No. UM 2038.

⁵ Staff Opening Comments at 28 (Oct. 11, 2019).

⁶ PGE Reply Comments at 62.

⁷ Staff Opening Comments at 28.

III. CONCLUSION

For the reasons articulated herein and in the Coalition's Opening Comments, the Commission should not acknowledge PGE's IRP assumptions and direct PGE to, in its next IRP update and future IRPs: 1) account for the uncertainties of QFs reaching their scheduled commercial operation dates or reaching the scheduled commercial operation dates on-time; 2) reasonably forecast and consider the likelihood that new and existing QFs will enter new contracts with PGE in the future; and 3) reasonably forecast and account for its low and high QF sensitivities.

Dated this 17th day of December 2019.

Respectfully submitted,

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