

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
LC 80**

In the Matter of		NW Energy Coalition Comments on
PORTLAND GENERAL ELECTRIC COMPANY,		Staff Round 2 Comments and
2023 Clean Energy Plan and Integrated		Recommendations
Resource Plan.		

The NW Energy Coalition (NVEC) appreciates the opportunity to reply to Staff’s Round 2 Comments in LC 80. Portland General Electric’s (PGE, or the Company) Clean Energy Plan (CEP) and Integrated Resource Plan (IRP) are a first big step to implementing HB 2021 (2021) on behalf of their customers and therefore constitute a consequential planning process. The NW Energy Coalition recognizes the diligence and effort on Staff’s part to understand the substantive changes required by the new legislation and guide this process accordingly.

These comments will be brief and will serve to mostly acknowledge and reinforce Staff’s Round 2 Comments. We are gratified that Staff took many comments from advocates to heart and reflected them in their current round of comments.

General Overview

While we agree with Staff that PGE is getting “...close to identifying the right combination of near-term actions to make meaningful progress toward its longer-term needs...,” Staff also identifies specific shortfalls in the Company’s planning on energy efficiency where the Company:

- Needs to update their avoided cost analysis on energy efficiency (EE) to align with “evidence that PGE’s portfolio analysis suggests EE avoided costs may be...higher than current values and potentially significantly higher.”
- Not wait to invest in Energy Trust “until additional collaboration opportunities and information regarding external funding become available” but rather recognize that “Energy Trust is already actively conducting what PGE seeks—collaboration with the external funding sources and programs to bring new, non-ratepayer funded EE to market.”
- Addresses the near-term rate pressures of increased EE investment but without shifting the cost to future ratepayers by more closely reviewing proposals to securitize EE investments.

- Include optimal EE targets in order to accommodate the expanded electrification that the Company projects will happen.

We will survey those aspects of Staff's Round 2 comments that address each of these points in turn.

Updating Avoided Cost Estimates

NWEC fully supports Staff's Draft Recommendation 2 stating: "(t)hat the Commission not acknowledge PGE's EE avoided cost inputs and direct PGE to propose a new method for calculating avoided costs that could be used in Docket No. UM 1893." HB 2021 changed the playing field for resource acquisition and underscored the statutory requirement that all cost-effective EE be prioritized in resource acquisition planning. The Company's IRP/CEP needs to do a better job in reflecting how the requirements in HB 2021 impact the avoided costs brought about by EE.

Investing in More EE Now Rather Than Later

NWEC is in complete alignment with Staff's position where it "views Energy Trust investments as proactive and reasonable. Energy Trust's 2024 draft budget demonstrates investments to prepare the market for accelerated EE acquisition, while still maintaining near-term cost effectiveness." NWEC is strongly in support of the direction that Energy Trust's budget development process is taking. We believe the process will lead to a "no-regrets" budget that invests in increased EE now rather than not making those investments and realizing later that they would have been valuable.

Alleviate Rate Pressures Without Kicking the Can Down the Road

NWEC endorses Staff's Draft Recommendation 1 stating that "(t)he Commission should acknowledge PGE's Customer Action Items subject to (certain) conditions (including): PGE pursues all cost-effective EE, which means pursuing all EE identified through the IRP/CEP as providing for the best balance of cost, risk, community impacts, and pace of GHG reductions." The recommendation continues that PGE should engage collaboratively in addressing EE implementation issues with Staff, Stakeholders, and Energy Trust of Oregon, including Energy Trust's 2024 budget, further exploration of securitization of EE, and a 2024 effort to update avoided cost methods to include the full value of HB 2021 compliance and avoided transmission." NWEC believes this recommendation will lead to better HB 2021 implementation outcomes.

More EE and More Electrification Go Hand in Hand

NWEC shares Staff's concern "with PGE's non-inclusion of optimal EE targets..." The Staff, along with NWEC, acknowledge that "projecting electrification is difficult at this time" but we note

with Staff “that the Company’s reaction (to investing in more EE) is even more worrisome considering the pressures on the system from other sectors (such as transportation).”

Conclusion

NWEC again expresses its gratitude for the serious consideration of its analyses and we look forward to continuing to actively engage in the implementation process of HB 2021. With the work of both Staff and Stakeholders, we are optimistic in a positive outcome of that process.

Respectfully submitted this 21st day of November, 2023,

/s/ Alma Pinto
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NW Energy Coalition