

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

LC 80

In the Matter of  
PORTLAND GENERAL ELECTRIC,  
2023 Integrated Resource Plan and  
Clean Energy Plan.

ROUND 2 COMMENTS OF  
RENEWABLE NORTHWEST

**I. Introduction**

Renewable Northwest (“RNW”) is grateful to the Oregon Public Utility Commission (“OPUC” or “Commission”) for the opportunity to submit these comments on Portland General Electric Company’s (“PGE”) 2023 Integrated Resource Plan (“IRP”) and Clean Energy Plan (“CEP”) (collectively, “Plan”). Because the Commission’s scheduling order identifies this opportunity as “All Parties Comments on Staff Round 2 Comments and Recommendations,” we have framed our comments in direct response to Staff’s Round 2 Comments and Recommendations (“Staff Comments”).

RNW broadly supports the Staff Comments and appreciates Staff’s thorough work and thoughtful analysis reflected in the Comments. In this response, we offer support for a number of Staff’s draft recommendations and expectations as written, offer suggestions for minor modifications to some draft recommendations that are still intended to support Staff directionally, and in a few instances respond to the comments of other parties to this docket. All in all, we continue to appreciate the work of both Staff and PGE to ensure that PGE’s plan balances a number of economic and policy considerations -- including, crucially, achieving a rapid reduction in greenhouse gas emissions -- and we look forward to continuing to engage with this docket through its final stages.

**II. Comments**

**Draft Recommendation 3: Community Based Renewable Energy (“CBRE”) Action Item**

RNW supports the Commission Staff’s Recommendation 3 – “[t]he Commission should acknowledge PGE’s CBRE Action Item subject to the condition that PGE pursue the broader range of procurement actions that it identified in comments in this docket.” RNW looks forward to seeing PGE propose CBRE actions that adhere to their written and verbal comments and leverage a wide range of procurement pathways.

## Draft Recommendation 4: Energy and Capacity Action Items

RNW generally supports the second part of Staff's Draft Recommendation 4 -- that "[b]efore issuing its next utility-scale RFP, PGE will file a proposal for a Long Lead Time Resource RFI in LC 80 and facilitate a stakeholder discussion of findings from and reactions to the RFI" -- but offers the following suggestions for modified language to ensure that any RFI is meaningful. From RNW's understanding, Staff recommends PGE provide a draft RFI or comments soliciting feedback on the design of the RFI in this docket with the purpose of allowing stakeholders to provide input on the RFI design as it relates to long-lead time resources.<sup>1</sup> RNW supports Staff's recommendation, with three clarifications or modifications.

First, RNW recommends changes to the process and requirements of the RFI to ensure stakeholder feedback is adequately considered in the design of the RFI related to how long-lead time resources are fairly considered and treated in future RFPs that are beneficial for utility customers. We recommend this be accomplished by including a workshop so that PGE and stakeholders can discuss the recommended changes to the RFI prior to PGE's release of the RFI. This workshop would occur in this IRP docket after the Commission acknowledges the IRP.

Second, RNW recommends that there should be sufficient time after PGE completes the RFI for stakeholders to review and recommend RFI information obtained by PGE be incorporated into its next RFP. Depending on when PGE intends to issue its next RFP, this could occur by reviewing the RFI and its results in PGE's next IRP, or (if the next IRP will not be completed prior to the next RFP) in PGE's filing providing the results and soliciting comments a few months before filing its next RFP. Also, RNW recommends that the timing of Oregon offshore wind development stages, including leasing events, be considered when establishing timing of the RFI and incorporation of the RFI into RFPs.

Third, RNW recommends the Commission clarify that transmission should be treated as a long-lead time resource. Both transmission and long-lead time generation/storage resources can for all practical purposes meet the same energy and capacity needs. Therefore, the risks and costs of transmission investments should be evaluated and compared with long-lead time resources in an RFP that is fairly designed to allow long-lead time resources to demonstrate their full benefits.

Specifically, RNW recommends the following revisions to Staff's recommendation:

Before issuing its next utility-scale RFP, PGE will file a proposal for a Long Lead Time Resource RFI in LC 80, **seek stakeholder comments on the RFI proposal related to long-lead time resources**, and facilitate a stakeholder discussion of reactions to the RFI

---

<sup>1</sup> Staff Round 2 Comments and Recommendations at 13 (Oct. 24, 2023).

proposal with a workshop. Results of the RFI should be incorporated into PGE's next RFP to accommodate long-lead time resources or PGE should provide an explanation on why it did not incorporate any recommended changes. Stakeholders should be able to review and comment on RFI results and PGE's proposed changes to the RFP related to the RFI results. If PGE will issue its next RFP *before* it plans to obtain acknowledgment of its next IRP, then PGE should make a filing with the results of the RFI before it files the RFP. If PGE will instead issue its next RFP *after* it plans to obtain acknowledgment of its next IRP, then PGE should include any proposed changes to the RFP to accommodate long-lead time resources in the IRP. PGE will include transmission as a long-lead time resource to be evaluated in the RFI and RFP.

More discussion and explanation of RNW's recommended changes to the RFI follow.

A. Changes to the Process and Requirements of the RFI Are Needed to Ensure Stakeholder Feedback Will Be Adequately Incorporated Into the Design of this RFI

RNW supports PGE's issuing the RFI and hopes that it will provide PGE with important information, and generally supports Staff's recommended modifications to how PGE would issue the RFI. In light of PGE's comments and Staff's recommendation, RNW is no longer recommending that PGE issue a separate long-lead time RFP.

However, Staff's RFI recommendation has some limitations in that it does not ensure stakeholder feedback will be adequately incorporated into the design of the RFI. RNW recommends that PGE provide an opportunity for initial input in the design of the RFI related to long-lead time resources or ensure there is sufficient time after the RFI to incorporate any changes or elicit feedback on those changes to the RFP process to accommodate long-lead time resources.

Among other things, the purpose of the additional input would be to improve the RFI so that PGE could better design its next RFP to allow PGE to better consider the benefits associated with long-lead time resources. PGE would then review and potentially incorporate this feedback prior to issuing the RFI. PGE should be required to provide an explanation on the reasons any stakeholder feedback is not incorporated into the design of the RFI.

B. There Should Be Sufficient Time After PGE Completes the RFI for Stakeholders to Review and Recommend the Information PGE Obtains From the RFI Be Incorporated Into Its Next RFP

Another recommended modification to Staff's RFI recommendation is that PGE be required to ensure: 1) the RFI information will be incorporated into the RFP in a timely manner, and 2) the RFP is issued in a time window appropriate for the development of Oregon offshore wind. RNW is concerned there may not be enough time after the RFI to incorporate any changes into PGE's next RFP to accommodate long-lead time resources. In general, it is important to address any proposed changes to the RFP to accommodate long-lead time resources before the RFP is issued so that stakeholders have enough time to review the changes and propose any modifications.

In RNW's experience, there is often insufficient time in PGE's and PacifiCorp's RFPs to carefully review and address the unique benefits of long-lead time resources, which is one reason why RNW originally proposed a long-lead time RFP.<sup>2</sup> Providing sufficient time for stakeholders, including Staff, to review long-lead time issues, and for PGE to make changes to incorporate them, can be accomplished in different ways, including issuing the RFI and incorporating those results into PGE's next RFP. In other words, PGE should explain what it has learned from the RFI, how that information will be used to make changes in its next RFP, and how the RFP ensures long-lead time resources are fairly and economically evaluated. PGE's explanation should occur early enough to ensure stakeholders have sufficient time to review the proposed changes and provide feedback before the next RFP is issued to the market.

RNW sees multiple ways in which that could occur and provide time for sufficient review. RNW is not certain when PGE plans to issue its next RFP, and specifically whether the next RFP will be filed before or after acknowledgment of its next IRP. First, if PGE issues its next RFP *before* it plans to obtain acknowledgment of its next IRP, then PGE should make a filing with the results of the RFI before it files the RFP. Second, if PGE instead issues its next RFP *after* it plans to obtain acknowledgment of its next IRP, then PGE should include any proposed changes to the RFP to accommodate long-lead time resources in the IRP. This approach is consistent with Oregon's competitive bidding rules, which allow a utility to include any RFP elements, scoring methodology, and associated modeling in an IRP.<sup>3</sup>

The RFP incorporating long-lead time resource feedback should also be issued in a window that is consistent with long-lead time resource development timing requirements. These requirements could be elicited as part of the RFI. However, to illustrate potential timing constraints, Oregon offshore wind developers will be less inclined to participate in an RFP prior to being awarded a lease, the auction for which is expected to take place in the fall of 2024.

---

<sup>2</sup> RNW's Round 1 Comments at 43-46 (July 27, 2023).

<sup>3</sup> OAR 860-089-0250(2).

### C. The Commission Should Clarify that Transmission is a Long-Lead Time Resource

The third RNW recommendation is that the Commission clarify that transmission is a long-lead time resource that competes with both short-term and long-term generation resources. RNW's analysis found that the selection of economic resources is different depending on whether transmission capacity is treated as a sunk cost. The optimal selection between transmission that would enable remote renewable generation or remote market participation or transmission that would enable local generation faces the same barriers to evaluation as long-lead time generation resources. Namely, the timing of investment in transmission resources occurs before results from traditional RFPs are available to guide the investment decision. RNW also found that offshore wind specifically could displace interstate transmission. Thus, it is important that any transmission investment decisions be made concurrently with offshore wind investment decisions to ensure the least cost selection between these two alternatives.

#### **Draft Recommendation 5: Transmission Action Items**

RNW agrees with Staff that PGE's transmission action items are likely not sufficiently developed to warrant acknowledgement, and we specifically support Staff's recommendation that PGE perform additional analysis by the company's next IRP Update.

Specifically, RNW agrees with Staff that transmission congestion is a real and urgent issue. RNW appreciates PGE's efforts to begin incorporating transmission solutions into its IRP in response to this issue. However, we agree with Staff that additional analysis of potential transmission solutions is necessary to ensure PGE's plan is reasonable as proposed. Specifically, we support Staff's recommendation that any such analysis account for alternative transmission strategies. RNW recommends that any such alternative transmission strategies explicitly include consideration of grid-enhancing technologies that may alleviate congestion on a faster timeline

than new physical infrastructure.<sup>4</sup> It is likely that a least-cost, least-risk response to transmission congestion will need to include both physical and non-wires solutions.

### **Draft Recommendation 6: Long-Term Resource Strategy**

RNW appreciates Staff’s efforts to capture a number of key challenges in Draft Recommendation 6 and broadly supports the recommendation. Because the challenges addressed in the recommendation are quite complex, we believe it is important to ensure that any Commission action on this recommendation appropriately balances elements of PGE’s plan that may not be ripe for acknowledgement without sending signals that undermine other elements of the plan. Specifically, it is important to tease apart elements of PGE’s long-term plan that may not be reasonable today (lack of clarity on overall resource mix) from those that likely are (inclusion of identified long-lead time resources that may need strong market signals today to come to fruition). We recommend that the Commission acknowledge that PGE’s long-term resources in its preferred portfolio are the minimum amount needed for compliance with House Bill 2021 and acknowledge specific resources, such as a minimum of 1 GW of offshore wind and 2 GW of pumped hydro storage, are reasonable.

With that broad framing in place, we will briefly address each of Staff’s specific bullets in Draft Recommendation 6.

RNW supports Staff’s recommendation that PGE conduct an hourly analysis of the GHG emissions that result from serving its retail electricity load. We agree with Staff that hourly GHG modeling is key to understanding whether PGE’s preferred portfolio will satisfy the requirement to reduce its emissions 80% by 2030. RNW understands that PGE has committed to conducting this analysis and appreciates the Company’s responsiveness to Staff and stakeholder recommendations. Given the critical nature of this analysis, we look forward to engaging with PGE, Staff, and stakeholders on the results of hourly modeling.

RNW supports Staff’s observation that additional analysis would be helpful in understanding the economics and viability of the WY and NV proxy resources. We share Staff’s concern that the WY and NV proxies may be “overly optimistic” and not based on reasonable assumptions

---

<sup>4</sup> Though not directly relevant to PGE’s Plan, Washington utilities are faced with similar transmission constraints as Oregon utilities’. The Washington legislature amended its integrated resource planning statute in 2023 to include transmission assessments that “must take into account opportunities to make more effective use of existing transmission capacity through improved transmission system operating practices, energy efficiency, demand response, grid modernization, nonwires solutions, and other programs if applicable.” Washington SSB 5165, Sec. 2 (2023), *available at* <https://lawfilesexternal.wa.gov/biennium/2023-24/Pdf/Bills/Session%20Laws/Senate/5165-S.SL.pdf?q=20231121101053>.

around the feasibility of acquiring transmission rights or participating in shared transmission builds that would be operational by 2029.<sup>5</sup> As noted above, RNW hopes to see further analysis by PGE regarding these proxy transmission resources, including treating significant transmission builds as long-lead time resources to be assessed on a competitive basis.

Revisions to PGE’s GHG and transmission modeling will likely have an effect on the composition of the preferred portfolio. For example, the hourly GHG modeling may show that PGE does not have sufficient clean resources to meet HB 2021 targets. The risk of underbuilding or overbuilding a clean electricity system can be mitigated by hourly GHG analysis. As such, RNW supports Staff’s position that PGE should update the preferred portfolio based on the results of this revised modeling.

### **Draft Recommendations 8 and 9: CBIAG / CBIs**

RNW supports Staff’s Draft Recommendations 8 in directing “PGE to work collaboratively with Staff, stakeholders, peer utilities, and the CBIAs in a dedicated working group to develop clear, actionable improvements to community and stakeholder engagement in subsequent IRP/CEPs...” As others note, engagement forums have not been as productive as they could have been. We support Staff’s recommendations that PGE develop a workgroup to improve engagement.

Staff recommends that “[t]he Commission should direct PGE to conclude its process to develop informational and portfolio CBIs and provide baseline metrics prior to filing its next IRP/CEP Update.”<sup>6</sup> RNW also values the continued development of CBIs and appreciates Staff’s recommendation. However, we believe more effort can be directed to the further development of the CBIs in the current IRP/CEP. RNW, along with the Energy Advocates, recommended in earlier comments that PGE adopt more meaningful environmental CBIs. RNW encourages Staff to recommend PGE spend more time in development of the environmental iCBIs.

Previously, RNW recommended PGE develop an iCBI in partnership with Tribes. RNW continues to strongly encourage PGE to begin efforts on this soon, or otherwise state how Tribal concerns *specific to the CEP* are addressed (PGE pointed towards other venues of engagement to consider Tribal indicators). RNW further encourages Staff to recommend that PGE formally keep track of CBI progress through action items, as PGE stated they would not differentiate attribution of benefits from the CEP and other PGE efforts. This may result in difficulty ascertaining which actions need further development in future CEPs.

---

<sup>5</sup> Staff Round 2 Comments and Recommendations at 4.

<sup>6</sup> Staff Round 2 Comments and Recommendations at 31.

## **Staff Expectations for Future IRP/CEPs**

### CBRE Actions

RNW supports and appreciates Staff's expectations on CBRE Actions for future IRP/CEPs. RNW is especially interested in seeing the discussion on the valuation of CBREs advance.

### GHG Modeling

RNW understands that PGE is already working on an hourly GHG analysis for the current Plan, but in the event that this analysis does not come to fruition RNW supports Staff's expectation that PGE develop this analysis for its next Plan.

### Transmission Modeling

RNW generally supports Staff's expectations regarding transmission modeling. We recommend, however, that Staff explicitly add an expectation that PGE assess a full suite of non-wires solutions to transmission congestion as well as new builds and use of DERs and CBREs. The Washington legislation referenced in Footnote 4 above may provide a good reference for language to this effect.

### Portfolio Analysis

RNW supports Staff's expectation regarding portfolio analysis, as the landscape of policy considerations and associated tradeoffs is increasingly complex and additional analysis may be necessary to make informed resource decisions.

### Reliability Analysis

The Alliance of Western Energy Consumers ("AWEC") expressed concerns about the accuracy of the Effective Load Carrying Capability ("ELCC") calculations in PGE's 2023 IRP filing. Their concern centers around PGE's failure to accurately incorporate the 'saturation effect' from its resource adequacy model, SEQUOIA, into its capacity expansion model, ROSE-E. AWEC is worried that this omission could lead to ROSE-E overestimating the reliability benefits of renewable projects. To illustrate their point, AWEC points to an example that demonstrates how the cumulative ELCC benefits tied to a group of solar projects in PGE's portfolio is inflated by 30-50 percent due to the model assessing each project in isolation rather than collectively.

RNW has not found any data that supports AWEC's claim of a disconnect in PGE's modeling process that excludes the saturation effects associated with renewable and energy-limited proxy resources. If ROSE-E indeed assigns ELCC values to individual projects without acknowledging the cumulative effects from the additions of similar resource types, then AWEC's concerns are valid. However, because PGE's roundtrip modeling exercise on its revised Preferred Portfolio

satisfies its Loss of Load Hour (“LOLH”) reliability targets across all years,<sup>7</sup> this suggests ROSE-E is appropriately accounting for the saturation effect as modeled in SEQUOIA. RNW agrees with AWEC that the interaction between the two models is not clear and advises PGE to address the ambiguity by providing more detailed information to Staff and other interested parties. RNW appreciates Staff’s agreement with our recommendation for PGE to include portfolio interactive effects in its future ELCC calculations for IRP filings.

The notable differences in the LOLH and Loss of Load Event (“LOLE”) reliability metrics from PGE’s recent roundtrip modeling exercise underscores the value of using multiple reliability metrics, as RNW suggested in its initial comments.<sup>8</sup> While PGE’s LOLP study indicates it meets its LOLH target of 2.4 hours in all years, it fails to satisfy an LOLE value of 0.1 days per year, an standard industry benchmark, for 2026-2028. This discrepancy, as highlighted by Staff, could potentially put PGE at odds with other developing reliability programs, such as Oregon’s RA program and WRAP. RNW supports Staff’s expectation for future IRPs that calls for PGE to evolve its RA planning standard, aligning it with a 1-in-10-year standard or other benchmarks identified in the 2024 investigation into planning and procurement policies.

#### Small-Scale Renewable Energy

RNW specifically supports Staff’s second bullet on expectations for small-scale renewable energy regarding driving small-scale renewable benefits to communities. As we have expressed in other dockets, we believe the small-scale renewable energy requirement is a reasonable area to focus on effectuating House Bill 2021’s policy preference for delivering direct benefits to communities.<sup>9</sup>

#### Community Benefits

RNW appreciates Staff’s efforts to be supportive of the continued development of CBIs. We look forward to reviewing the “minimum expectations for CBI development and use in portfolio modeling...”<sup>10</sup> RNW supports Staff in strongly holding PGE accountable to CBI advancement.

#### Federal Incentives

RNW supports Staff’s expectation that PGE provide updates on how developments in the implementation and availability of federal incentives affect the company’s strategy.

#### RECs

RNW has no comment on Staff’s expectations regarding RECs.

---

<sup>7</sup> PGE’s Reply Comments to Round 1 Comments, Table 4 at 39 (Sept. 6, 2023).

<sup>8</sup> RNW’s Round 1 Comments at 10.

<sup>9</sup> Oregon HB 2021, section 2(2) (2021).

<sup>10</sup> Staff Round 2 Comments and Recommendations at 37.

### **III. Conclusion**

House Bill 2021 provides that the “Commission shall acknowledge the clean energy plan if the commission finds the plan to be in the public interest and consistent with the clean energy targets set forth in section 3 of this 2021 Act” and sets forth a number of factors for the Commission to consider “[i]n evaluating whether a plan is in the public interest”:

- (a) Any reduction of greenhouse gas emissions that is expected through the plan, and any related environmental or health benefits;
- (b) The economic and technical feasibility of the plan;
- (c) The effect of the plan on the reliability and resiliency of the electric system;
- (d) Availability of federal incentives;
- (e) Costs and risks to the customers; and
- (f) Any other relevant factors as determined by the commission.<sup>11</sup>

Comments in this docket, including RNW’s Round 1 Comments, Staff’s Round 2 Comments and Recommendations, and these Round 2 Comments of RNW, are designed to bear out those public interest factors: to ensure that PGE’s Plan reflects robust greenhouse gas emission reductions, that the plan is as technically and economically feasible as is possible to achieve with a 20-year lookahead to a fully decarbonized system, that the result reflects the emerging best practices for assessing reliability, and that all of this is done at the least cost and risk to PGE’s customers.

RNW continues to appreciate Staff’s work in this docket, and specifically supports many of Staff’s recommendations and expectations, subject in a few cases to minor additional recommendations as set forth above. We are optimistic that, subject to conditions reflecting these recommendations and expectations (including non-acknowledgement of some specific Plan elements), the Commission will ultimately be able to find that PGE’s Plan is in the public interest and, accordingly, to acknowledge the Plan. In the meantime, we look forward to continued engagement in this docket, and we appreciate the Commission’s attention to these comments.

---

<sup>11</sup> Oregon HB 2021, section 5(2) (2021).

Respectfully submitted this 21st day of November 2023,

/s/ Max Greene  
/s/ Katie Chamberlain  
/s/ Emily Griffith

---

Renewable Northwest  
421 SW 6th Ave., Suite 1400  
Portland, OR 97204  
503-223-4544  
[max@renewablenw.org](mailto:max@renewablenw.org)  
[katherine@renewablenw.org](mailto:katherine@renewablenw.org)  
[emily@renewablenw.org](mailto:emily@renewablenw.org)

/s/ Nick Pappas

---

NP Energy  
[Nick@NPEnergyCA.com](mailto:Nick@NPEnergyCA.com)

/s/ Irion Sanger  
/s/ Ellie Hardwick

---

Sanger Law, PC  
4031 SE Hawthorne Blvd.  
Portland, OR 97214  
Telephone: 503-756-7533  
Fax: 503-334-2235  
[irion@sanger-law.com](mailto:irion@sanger-law.com)  
[ellie@sanger-law.com](mailto:ellie@sanger-law.com)

/s/ James Himelic

---

First Principles Advisory LLC  
[jhimelic@firstprinciples.run](mailto:jhimelic@firstprinciples.run)