

July 27, 2023,  
Via Electronic Filing

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

Re: Docket LC 80: Energy Advocates' Round 1 Comments on Portland General Electric's Clean Energy Plan and Integrated Resource Plan

## **I. Introduction**

The NW Energy Coalition, Oregon Just Transition Alliance, Green Energy Institute at Lewis & Clark Law School, Oregon Solar + Storage Industries Association, Climate Solutions, Columbia Riverkeeper, Coalition of Communities of Color, Metro Climate Action Team, Multnomah County Office of Sustainability (Energy Advocates) thank the Oregon Public Utility Commission (Commission) for this opportunity to provide Round 1 Comments on the Clean Energy Plan (CEP) and Integrated Resource Plan (IRP) that Portland General Electric (PGE) filed on March 31, 2023 in Docket No. LC 80. We offer the comments and recommendations below with the objective of ensuring that PGE's implementation of HB 2021 leads to a clean and just energy transition. We encourage the Commission to either 1) direct the Company to adopt the Energy Advocate recommendations below or 2) to acknowledge the IRP and CEP contingent on the Company adopting our recommendations for this IRP and CEP or in future cycles as appropriate.

We appreciate the utility's efforts to prepare and file the first CEP in Oregon, and recognize the tremendous amount of work that went into this process. We offer the comments and recommendations below with the goal of strengthening the plans. Where possible, we encourage the Commission and the utility to consider our recommendations in this round of planning and not just as feedback for the future. While we appreciate the vision of clean energy planning as iterative, actions taken today will shape our clean energy transition for years to come.

As a general matter, the Energy Advocates would like to express concern with the lack of revisions to the CEP and IRP in response to Round 0 Comments. We recognize the time and capacity constraints associated with releasing the first CEP and IRP. However, we call into question the wisdom of future waivers of the requirement that utilities file draft IRPs given that Round 0 Comments appear to have led to no changes in the plans.

## **II. The Clean Energy Plan, Centering Energy Justice, and Engagement**

### **A. The Commission should direct PGE to add energy-justice-focused actions throughout its action plan and to incorporate energy justice principles in future CEPs**

We encourage the Commission to direct PGE to add actions to its action plan, or to expand on existing actions, so that expected environmental and energy justice outcomes are expressly identified in the plan. While the community-based renewable energy (CBRE) action can be a means to attain energy justice outcomes, energy justice should be considered throughout the plan beyond the CBRE action. The Commission could direct PGE to add additional actions related to advancing the community benefit indicators (CBIs) that the utility has identified, or to make explicit that advancing CBIs is part of the goal of its currently listed actions. Additionally, we encourage the Commission to include in its final order in this docket direction to PGE to incorporate energy justice principles more thoughtfully in future CEPs.

### ***1. The CEP is the appropriate venue for energy justice conversations***

Our Round 0 comments included our general recommendation that PGE revise its 2023 CEP in consideration of energy justice principles, as well as more specific recommendations on steps that PGE could take to address issues like distributional justice.<sup>1</sup> In its Reply Comments, PGE pointed out that their “inaugural CEP/IRP is a first attempt at more directly applying these principles to resource planning processes” and pointed to other planning venues.<sup>2</sup> PGE also stated that they “see significant opportunity to continue to advance the Energy Advocates’ suggestion through these other planning venues, which will be informed by the decarbonization targets and strategies detailed in the CEP/IRP, and which will ultimately tie back to future CEP/IRPs through higher-resolution Community Benefits Indicator (CBI) reporting and consideration.”<sup>3</sup>

PGE’s response reflects what seems like a fundamentally different understanding from ours of what a CEP is in relation to the IRP. Since early in HB 2021 implementation conversations, the Energy Advocates have viewed the CEP as more than an IRP that incorporates the elements of HB 2021 that fit neatly into traditional integrated resource planning. Hence, we have advocated for development of the CEP, the CEP itself, and for HB 2021 implementation to be transformative and significantly different from what we have come to expect from the IRP. For example, we have continuously advocated for a CEP development process that is drastically more accessible and relevant to grassroots-community stakeholders than IRP meetings have been or could ever be. Simply stated, the CEPs are plans to comply with a law that has important decarbonization targets *and* that speaks to resilience, to community benefits, to health and environmental benefits, among other justice-related topics. We want to see that reflected in the CEP not just in narrative but also in proposed actions.

PGE can and should make this and future CEPs more relevant to people in the community and to those interested in energy justice issues without deferring the conversation to other forums. Our Round 0 comments provided ample feedback on steps that PGE could have taken to develop a stronger CEP from an energy justice and environmental justice community benefits

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<sup>1</sup> Energy Advocates Round 0 Comments at 2

<sup>2</sup> PGE’s Reply Comments at 6.

<sup>3</sup> *Id.* at 6-7.

perspective. This is largely feedback that we have offered to PGE for months in the forums that the Company identifies in its CEP. For example, we recommended that PGE “more directly outline how its CEP advances distributional justice,” and offered as an example “program concepts with preliminary budgets” that will bring benefits to EJ communities.<sup>4</sup> Even an action plan that spoke to the development of those program concepts could be progress. We also asked that the CEP identify how the Company plans to improve outcomes related to CBIs and address how the Company plans to remove barriers to community programs and initiatives seeking to materialize those benefits.<sup>5</sup>

It is important that we have conversations about how the utility’s efforts to implement HB 2021 address energy justice issues, so we ask the Commission to direct PGE to address in its action plan and in its CEP how its compliance with HB 2021 move the CBIs and energy and environmental justice issues more generally, beyond the CBRE RFP.

***2. Limited recognition of energy justice in the CEP impact Stakeholders’ and the Commission’s ability to engage with the plan***

PGE’s Reply Comments seem to see the CEP’s role with regards to energy justice outcomes as largely one of just informing other venues through its decarbonization target and strategies and being a venue for “higher-resolution [CBI] reporting and consideration.”<sup>6</sup> In addition to not considering the limited capacity and resources of energy justice advocates, let alone of grassroots community advocates, PGE’s response asks us to trust the CEP will translate to actions in other forums even though energy justice or CBIs are not expressly identified or referred to in the action plan except regarding the CBRE action. We disagree with PGE’s framing of the role of energy justice actions as ones that belong to other forums as it seems to assume that energy justice issues are not relevant to CEP acknowledgement. However, how can the Commission determine if the CEP is in the public interest, and, for example, meets factors like ORS 469A.170(2)(a), without greater detail regarding PGE’s actions to provide environmental and health benefits? Similarly, how can energy and environmental justice advocates assess the energy justice value in the CEP based on the idea of future discussions in multiple other forums?

Again, we appreciate seeing the CBRE action, and feedback on this action below, but we need to see energy justice and progress in the CBI reflected throughout PGE’s action plan and CEP.

**B. The Commission should direct PGE to increase accessibility of all or part of future CEPs**

Our Round 0 Comments encouraged PGE to revise its CEP to make it more accessible to non-expert members of the public.<sup>7</sup> PGE’s Reply Comments highlight engagement venues and

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<sup>4</sup> Energy Advocates Round 0 Comments at 3.

<sup>5</sup> *Id.*

<sup>6</sup> PGE’s Reply Comments at 6-7.

<sup>7</sup> Energy Advocates Round 0 Comments at 2.

express an intention to broaden and continue its engagement processes.<sup>8</sup> Given that PGE did not revise its CEP in response to Round 0 comments, we encourage the utility to work with non-utility stakeholders with expertise in communicating about energy in ways that are more accessible to non-practitioners for its future CEPs. We also encourage the Commission to formally offer that direction to the utility in its final order in this docket.

Our Round 0 Comments also encouraged PGE to revise its CEP so that a reader could engage in this process and provide high-level feedback without having to refer to the IRP. We included a couple of examples of issues for which that was not possible. PGE's Reply states that "[a] reader should not have to read any chapter beyond the first chapter to understand the results of our modeling and how those results inform our action plan to the 2030 targets." We respectfully disagree with PGE's characterization. Our comment was motivated by experience of some Energy Advocates for whom engaging solely based on the CEP is not possible. Hence, we reiterate our recommendation and encourage the Commission to address this issue in its order in this docket.

Finally, we also ask the Commission to direct PGE to utilize the Utility Community Benefits and Impacts Advisory Group (UCBIAG) to continue to facilitate, and improve on, other community engagement efforts. As we have continuously advocated, "it is important that this group is not the only venue for community feedback, but also helps shape and guide engagement."<sup>9</sup> The UCBIAG can be leveraged more effectively to verify that the CEP is accessible and relevant to a wide variety of stakeholders, and to collect community feedback to inform utility decision-making and planning. The Commission should play a larger role in ensuring that the skills, expertise, and relationships of UCBIAG members are honored and used constructively.

### **C. PGE should track the feedback it receives and how it uses it**

The Commission should require utilities to track feedback received in clean energy planning forums, including forums outside of the IRP, and to incorporate in the plan or an addendum the feedback received and how it incorporated it or why it did not. Our Round 0 comments recommended that PGE be transparent about what feedback it received from community members and how it incorporated that feedback into its plans. This recommendation is not new. In fact, it is consistent with the feedback that we provided to the Commission and utilities at the March 7, 2023 public meeting.

In its Reply Comments, PGE acknowledged the importance of registering and incorporating feedback and mentioned the Community Learning Labs and surveys and how low response rates made it difficult for PGE to report back on topics on which they were seeking feedback.<sup>10</sup> The Energy Advocates include participants that provided feedback at Learning Labs. Seeing that feedback referenced in the CEP or IRP along with an explanation of how it was

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<sup>8</sup> PGE's Reply Comments at 7.

<sup>9</sup> Docket UM 2225, Advocate Comments on PGE's Conceptual Framework for Engagement (Jun. 3, 2022).

<sup>10</sup> PGE Reply Comments at 8.

incorporated, or why it was not, would help us see that our time and feedback are valued. Hence our continued encouragement that PGE adopts this practice in the development of future CEPs. We encourage the Commission to signal that expectation in its acknowledgement order.

#### **D. PGE should take a more thorough approach to Tribal Engagement**

Our Round 0 comments recommended PGE take a genuine approach to engaging with Tribes. While PGE notes in their response that they recognize the importance of meaningful engagement with Tribes, we have ongoing concerns. PGE's Reply Comments refer to the Strategic Tribal Engagement Plan (STEP). This engagement plan is another outside venue that is not tied specifically to the CEP, and we recommend that PGE directly engage the Tribes in conversations relevant to CEP goals and actions.

In their response concerning Tribal engagement, PGE reiterates their near and long-term goals and desired outcomes. This is another area that requires descriptions of specific action items that PGE will take to achieve these goals. For example, how will PGE accomplish their goal to “[b]Build awareness, inform and provide learning opportunities to communities” or “Increase community participation, including Tribal and EJ communities”?

PGE states that “[t]he CBIAG is an essential contributor to PGE’s achievement of its long-term objectives.” Considering that the UCBIAG has already had its inaugural meeting in April, PGE should prioritize finding a Tribal representative for the group.

We also recommended in Round 0 that PGE take into consideration the Columbia River Inter-Tribal Fish Commission’s Energy Vision. This resource was not acknowledged in PGE’s response. We again stress the importance of engaging with Tribes and understanding Tribal concerns and priorities. The Energy Vision<sup>11</sup> is one resource that PGE can and should utilize.

### **III. PGE should include additional Energy Efficiency and Demand Response in its Action Plan**

The Energy Advocates share CUB’s and Staff’s skepticism about the lack of additional energy efficiency (EE) and demand response (DR) beyond the status quo in the Action Plan. In particular, we are troubled by PGE’s explanation for the exclusion of additional EE from the Preferred Portfolio. First, PGE argues that the fact that EE is not financed means that the costs are incurred before the benefits accrue. While this is true, the lack of financing for EE is actually a benefit to customers since they do not have to pay for the company’s rate of return on investments in EE. Second, PGE points to the fact that EE reduces retail sales as a reason not to include additional EE in its action plan. We are compelled to point out that there is a long-standing regional consensus in the Northwest that “reducing retail sales” by controlling load growth through EE is part of what keeps our energy system clean and affordable. Further, PGE would be indifferent to reducing retail sales if Settling Parties had not agreed to eliminate PGE’s decoupling mechanism in its last general rate case. We are extremely troubled by the

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<sup>11</sup> <http://www.critfc.org/energy-vision/>

Company's transparent preference in its CEP for supply-side resources which "do not decrease retail sales".<sup>12</sup> The Company's refusal to include additional EE in its Action Plan, despite the findings of its portfolio analysis, illustrates in stark terms why removing the throughput incentive through decoupling is necessary to support continued robust investment in energy efficiency.

PGE states that "with the introduction of HB 2021 and the forecasted constraints on transmission, the CEP/IRP also evaluates the remaining technical achievable potential (noted as additional, or non-cost-effective, energy efficiency) as a resource option within portfolio analysis, leading to the finding that energy efficiency would reduce long-term cost and risk."<sup>13</sup> But PGE later states that "[a]ddressing these barriers by amending current policy to alleviate this near-term cost pressure could make the Additional EE resource more attractive to PGE."<sup>14</sup> Energy Advocates request more clarity about which policies PGE believes need to be amended in order to make EE "more attractive to PGE," and why long-term benefits to customers is not a sufficient basis for PGE to incorporate more EE into the Action Plan.

Finally, we are troubled by the circular logic of PGE's argument that the amount of cost-effective, reliable, and feasible EE can only be determined through the ETO budget setting process,<sup>15</sup> and is determined based in part on ETO's ability to procure savings - while also agreeing that the portfolio analysis in the CEP/IRP suggests that long-term cost and risk reduction benefits can be secured through additional quantities of EE beyond what was previously deemed cost-effective.<sup>16</sup>

HB 2021 requires a re-examination of all business-as-usual practices with its requirement to reduce emissions by 100% by 2040 – a brand-new required metric. Since energy efficiency, both economically and by statute, is the frontline resource to achieve that new requirement, we must also examine what is actually cost-effective in light of that new requirement.

Even before the passage of HB 2021, cost-effectiveness was a topic that many advocates wanted to explore. A changing climate, new roles for the electric system – such as electrifying the transportation sector, requirements set out in 2016 that directed utilities to acquire efficiency first all called for a re-examination of what we meant by cost-effective energy efficiency.

Now, with the adoption of HB 2021, with the need to acquire energy efficiency at an unprecedented scale, the topic of cost-effectiveness is front and center. But one wouldn't know it from the Company's proposed Clean Energy Plan. Not only does the energy efficiency discussion fall short but any detailed examination of cost-effectiveness is absent, or at best, put at the feet of ETO's planning processes. It is not acceptable for PGE to seemingly wash its hands of the topic, especially in the Clean Energy Plan where it is outlining how it will meet the twin requirements of emissions reduction and efficiency first.

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<sup>12</sup> See Round 0 Comments: PGE Response, page 20-26

<sup>13</sup> See Round 0 Comments: PGE Response, page 53

<sup>14</sup> See Round 0 Comments: PGE Response, page 20-26

<sup>15</sup> Ibid.

<sup>16</sup> Ibid.

We agree that conducting this analysis in the CEP/IRP docket is appropriate, as required by HB 2021.<sup>17</sup> And, we suggest that the Commission direct PGE to make the analysis more robust within the plan and then work with ETO and PUC staff to determine how to best incorporate this analysis into ETO's budget-setting and implementation process going forward.

#### **IV. Resource Options**

##### **A. Updated DER Forecast in Addendum**

The Energy Advocates appreciate PGE's attempt to incorporate the changes from the Inflation Reduction Act and the Infrastructure Investment and Jobs Act through the updated distributed energy resource (DER) forecast in their addendum.<sup>18</sup> However, the AdopDER model does not account for several Oregon incentives for low-and-moderate-income households. For example, the model does not account for the Energy Trust of Oregon's Solar Within Reach Incentive, nor does it account for the Oregon Department of Energy Solar and Storage Rebate. Both of these programs are increasing access to solar for communities who have not previously adopted solar. We would recommend that PGE presume a higher adoption of solar PV than previously forecasted. This updated model indicates an increase of load by 41 MWh in baseline corporate load by 2029. If the model is overestimating the increased load from DERs because it is under-forecasting solar adoption, then it may result in unnecessary procurement.

The Energy Advocates recommend that the Commission require PGE to include the Energy Trust Solar Within Reach Incentive and the Oregon Department of Energy Solar and Storage Rebate in all future uses of the AdopDER model.

##### **B. NEM Policy**

PGE's IRP/CEP states that the extension of tax benefits on rooftop solar would increase the cost shift stemming from current net-energy-metering (NEM) policies, thereby increasing energy burden.<sup>19</sup> However, when asked to provide data or additional detail on the cost shift caused by NEM policies, the Company replied, "PGE has not quantified estimates of the NEM cost shift as part of the CEP/IRP analysis."<sup>20</sup> If PGE is not going to provide quantified data on this supposed cost shift, then it should not have included it as a section in its IRP/CEP, especially when such statements do not seem to advance the planning exercise in question.

Additionally, the company suggests that non compliance with IEEE 1547-2018 is increasing inequities across customers.<sup>21</sup> PGE should be well aware that the various utilities and stakeholders have been working for over a year to integrate IEEE 1547-2018 smart inverter standards into Oregon Administrative Rules as a part of Docket No. UM 2111. Starting next

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<sup>17</sup> Ibid.

<sup>18</sup> See PGE 2023 CEP and IRP Addendum Filing at 8.

<sup>19</sup> See PGE 2023 CEP and IRP at 109.

<sup>20</sup> See Round 0 Comments: PGE Reply at 15.

<sup>21</sup> See PGE 2023 CEP and IRP at 109.

year, all new NEM interconnections onto PGE's system will be required to be IEEE 1547 compliant.<sup>22</sup> Many NEM systems already connected on PGE's system are already using IEEE 1547 compliant smart inverters, but the Company has not yet been able to utilize the beneficial capabilities of those smart inverters.

The Energy Advocates recommend that the Commission requires PGE to refrain from including statements in their future IRP and CEP for which PGE does not have supporting analysis.

## **V. Transmission**

### **A. Energy Advocates believe a technical workshop on transmission is necessary.**

In both the 2021 and 2023 IRP cycles, numerous stakeholders highlighted the urgency of greater focus on transmission constraints and opportunities, including non-transmission measures, in providing balanced system development and access to high value renewable energy resources and storage.

The Energy Advocates are very supportive of the new prominence of transmission in the 2023 CEP and IRP. We agree with PGE that effective transmission solutions are integral to meeting our reliability, clean energy, affordability and equity targets. We also agree that transmission solutions may include purchase of rights on existing transmission, joint development of new lines, upgrades of existing transmission assets and grid-enhancing technologies, as well as new lines owned and operated by PGE.

We also strongly agree that the complex challenges for transmission development require a greater role for distributed resources of all kinds and particularly for community-based renewable energy (CBRE) so that transmission expansion can be "right-sized" and energized when and where it is needed, while minimizing community, environmental and cost impacts.

Further, as noted by PGE, this also requires close coordination with other transmission owners, particularly the Bonneville Power Administration, as well as market operators. And PGE is already taking important steps to secure federal financial support for high priority new transmission investment.

New transmission is high cost and has significant timing risk, but also can leverage much greater value for delivery of clean energy resources that are owned or purchased by PGE, as well as expanded access to clean energy delivered through power markets. To this end, co-optimization of new transmission and new clean energy generation is essential. We appreciate the extended review of transmission context and issues in Chapter 9. In fact, this material, 25 pages in length, goes well beyond the discussions during the workshop phase of this CEP and IRP.

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<sup>22</sup> See UM 2111 Combined Screens, Study Methods, and Modern Configurations & IEEE 1547 Workshop Presentation (Mar. 28, 2023).



As a result, the Energy Advocates believe there is a need in the near future for one or more technical workshops on the transmission components of PGE's IRP/CEP. This would provide an opportunity for PGE, stakeholders, and Staff to better engage on questions to provide better high level understanding and to delve into key details relating to transmission resources.

While integration of transmission resources is fairly new to the IRP process, the potential courses of action broadly summarized in the CEP and IRP will ultimately determine where future procurement will happen as the existing transmission system becomes further constrained. In particular, a focus on the proposed changes for South of Allston (SoA) and the potential selection of new transmission lines from Wyoming and Nevada would help to address concerns surrounding those proxy resources and whether they are reasonable.<sup>23</sup>

### **B. Resource Options that Can Avoid Transmission**

In PGE's CEP/IRP, CBREs and DERs are all modeled as on-system resources and are not subject to transmission constraints.<sup>24</sup> Avoiding upgrades to the transmission system likely factored into the CEP selecting 155 MW of CBRE resources. However, we still want to better understand how PGE determined that 155 MW is the maximum amount of CBRE potential that is realistic and achievable in the action plan. Additional on-system resources would also reduce the need for further transmission upgrades in the near term and provide significant direct community benefits.

The Energy Advocates recommend that the Commission require PGE to explain how the Company decided that 155 MW was the maximum potential for CBREs and to direct the Company to run a model sensitivity with a higher adoption of CBRE and distributed-generation resources. A model with increased acquisition of CBREs would put resources closer to load and would allow the PUC and stakeholders to compare costs of an actual transmission build. We recommend that PGE be required to model a portfolio that results in 125% of the maximum stated CBRE that is attainable.

### **C. Clarification of Transmission Costs**

PGE states that “[w]hile the costs are meant to be indicative only, the upgrades associated with SoA are likely within the existing footprint of PGE's transmission system. The costs associated with off-system transmission to access additional climate zones are indicative and based on public sources of the cost to permit and build new transmission.”<sup>25</sup> While we understand that the costs are meant to be indicative only, we want to better understand the reasonableness of Wyoming and Nevada transmission proxy resources. The report cited as the price info for these proxy resources is from 2018. Did PGE update the price estimates to reflect current prices? If not, how is PGE accounting for the possibility of significantly different prices?

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<sup>23</sup> See Round 0 Comments: PGE Reply at 32.

<sup>24</sup> See Round 0 Comments: PGE Reply at 34.

<sup>25</sup> See Round 0 Comments: PGE Reply at 35.

There has been a substantial increase in prices for energy infrastructure since 2018, so, at a minimum, prices should be updated to reflect inflation. Additionally, there are questions about whether a new build or expansion project could be completed in the timeline laid out by the IRP. The IRP begins selecting resources as a result of these new lines in 2029,<sup>26</sup> but, unless these projects have been in development and have started their permitting process, it is unclear that they could be completed in this timeframe. As PGE notes, “because new significant transmission projects can take 15-20 years to develop, PGE and other transmission providers in the west recognize that studying these scenarios now is necessary.”<sup>27</sup> While there is an understandable need to examine transmission resources ahead of time, we want to make sure that timelines are achievable. We worry that utilizing a transmission proxy that could not be built in that time frame calls into question the technical feasibility of portions of the plan.

#### **D. Thermal Resource Utilization and Transmission**

Energy Advocates appreciate PGE's response regarding the differences between mid-long term planning models that use generic plant data and optimize for cost-effectiveness and operational models that look to balance actual system operation and rely on actual plant and load data.<sup>28</sup> We also understand that the generic resource acquisitions identified in the IRP/CEP will be used to direct resource acquisition choices, and that PGE's system operators will then determine how to best dispatch their non-emitting and thermal resources, such that emissions from electricity delivered to Oregon customers will meet the HB 2021 emissions targets while maintaining system reliability.<sup>29</sup> However, as the share of variable resources grows, and as the availability of new efficiency and demand response resources increases, operational strategies will need to evolve. Our question in Round 0 comments focused more on how PGE plans to better understand and adapt to these changes

### **VI. GHG Modeling and Analysis**

#### **A. Energy advocates appreciate and agree with PGE's distinction between resource planning and operations.**

We understand that resource planning is a modeling exercise intended to inform resource procurement, with the expectation being that after procuring the right resources, the utility will make reasonable and prudent operational decisions. We find PGE's response on this point clear and informative. However, we continue to advocate that the intent of HB 2021 is not to simply replace thermal generation with clean generation over time but to ensure that the utility is procuring the *optimal* combination of clean demand- and supply-side resources to serve 100% of its retail load. The distinction here is that, as the utility decarbonizes, the link between resource planning and real-time operational decisions becomes even more important. In the future, PGE will need to manage load, integration of distributed energy resources, energy

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<sup>26</sup> See PGE 2023 CEP and IRP at 215.

<sup>27</sup> Ibid.

<sup>28</sup> See Round 0 Comments: PGE Reply at 43.

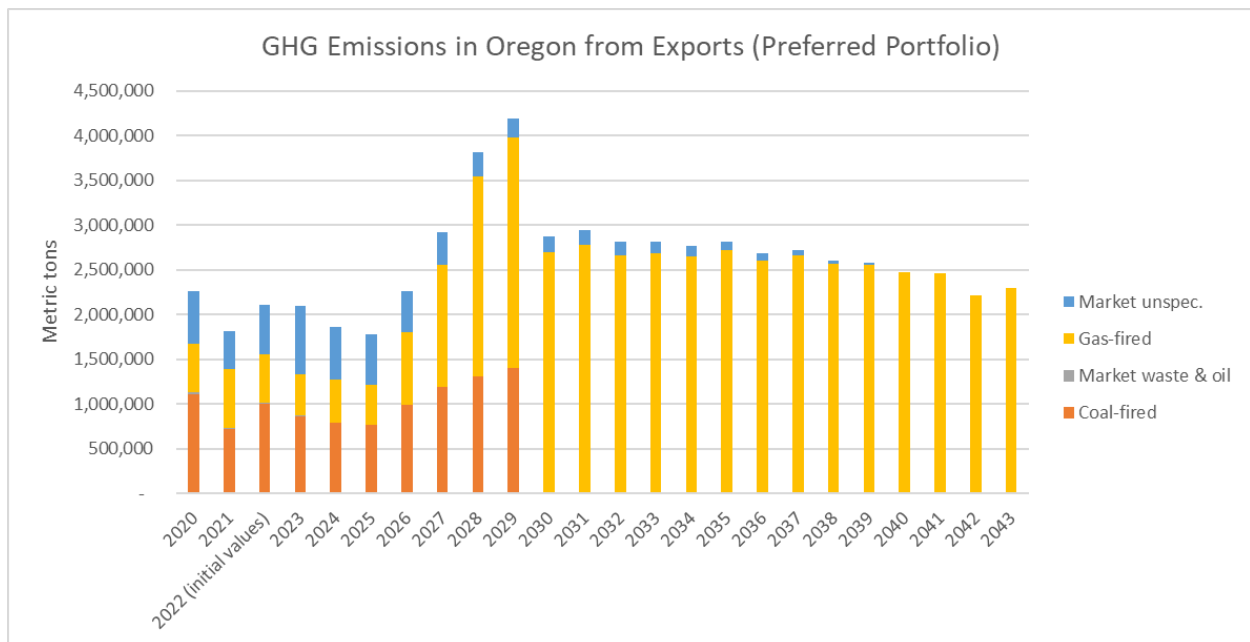
<sup>29</sup> Ibid.

storage, and two-way energy flows. These are programmatic considerations with operational elements that cannot necessarily be captured in resource planning, but rely on actual system operational data.

### B. Intermediary GHG model detail

According to PGE’s response, the Intermediary GHG model determines an optimal economic dispatch for retail load service in the absence of a carbon target. Then, if the carbon emissions exceed the target (the usual case), the surplus generation is assumed to be sold outside the state. We request that PGE provide details regarding the components of their calculation of economic dispatch. Given the goals of HB 2021 to provide benefits to impacted communities, we believe that this economic calculation should consider the costs for health and social impacts to Oregonians near these plants, and that these costs be incorporated using the social cost of carbon as an estimate of cost of GHG-related emissions on Oregonians in general.

Furthermore, PGE claims to be transparent regarding the generation (and emissions) from existing thermal facilities for wholesale sales. They provided data showing the retail/wholesale allocations via the Clean Energy Plan Data Template in the IRP/CEP Addendum. That data for the Preferred Portfolio is shown in the figure below, which shows a level of GHG emissions from exports growing from 2 million Mt/yr to over 4 million Mt/yr in 2029 and a relatively steady 2.5 million Mt/yr after 2030. The major growth comes from gas-fired generation, while the drop is due to the closing of Colstrip. Energy Advocates consider this level of continuing emission in Oregon to be unacceptable and not consistent with Oregon overall GHG reduction targets. Seeing this level of emissions further reinforces our position that PGE’s economic dispatch calculation should consider the costs for health and social impacts to Oregonians near these



plants, using the social cost of carbon as an estimate of the cost of GHG-related emissions on Oregonians in general.

### C. Portfolio Analysis Detail

The CEP/IRP mentions other factors that impact GHG emissions beyond hydro and temperature variations, including, but not limited to, economic factors and wind/solar conditions. Specifically, the Portfolio analysis takes economic factors into account by incorporating different load trajectories via the High and Low Need Futures scenarios. However, these Futures scenarios do not appear in the 40 scenarios developed to support the Action Plan, as shown in the Portfolio list below. Can PGE clarify where we can find the analysis of High and Low Need Futures?

Index	Portfolio list	
1	Portfolio1	Linear decline
2	Portfolio2	Front-loaded decline
3	Portfolio3	Back-loaded decline
4	Portfolio4	100% emissions reduction by 2035
5	Portfolio5	2-yr forward shift in targets
6	Portfolio6	Optimize NCE
7	Portfolio7	Zero NCE
8	Portfolio8	60 Mwa EE
9	Portfolio9	Default CBREs
10	Portfolio10	CBRE - 75%
11	Portfolio11	CBRE - zero
12	Portfolio12	CBRE - microgrid
13	Portfolio13	CBRE - optimize
14	Portfolio14	Unconstrained Tx
15	Portfolio15	No Upgrades
16	Portfolio16	Unconstrained SoA
17	Portfolio17	Unconstrained SoA Plus
18	Portfolio18	SoA in 2027
19	Portfolio19	SoA in 2029
20	Portfolio20	WY in 2026
21	Portfolio21	NV in 2026
22	Portfolio22	WY in 2028
23	Portfolio23	NV in 2028
24	Portfolio24	Oregon-only resources
25	Portfolio25	Physical RPS
26	Portfolio26	Hydrogen blending
27	Portfolio27	Hydrogen building
28	Portfolio28	Offshore wind
29	Portfolio29	Long Duration Storage
30	Portfolio30	Pumped hydro
31	Portfolio31	RTO
32	Portfolio32	Min Avg LT cost
33	Portfolio33	Min Avg ST cost
34	Portfolio34	Min Ref ST cost
35	Portfolio35	SoA in 2027 Plus
36	Portfolio36	50 Mwa EE
37	Portfolio37	25 Mwa EE
38	Portfolio38	70 Mwa EE
39	Portfolio39	Optimized
40	Portfolio40	Preferred

## **VII. PGE should plan for an earlier closure of the Colstrip plant**

We appreciate PGE's response about Colstrip operations. We acknowledge that PGE's planning with respect to the Colstrip plant continues to be guided by the following principles: focusing on achieving an orderly exit as soon as practicable, as well as working with the other plant owners to shift operations, in order to reduce near-term emissions and limit generation to the times of greatest need to serve customers. Still, we urge PGE to clarify these principles in its CEP, and we acknowledge that PGE will not purchase any power from Colstrip for customers after 2029, if the plant has not been retired before then. We further note that the EPA's Mercury and Air Toxics Standards (MATS) proposal could require investment in excess of \$600 million to retrofit Colstrip controls, likely resulting in the shutdown of both Colstrip units as soon as 2027.

However, we find the reasoning in PGE's response confusing, and we question the merits of its modeling approach. PGE states that, "keeping Colstrip in the model reduces the amount of GHG-emitting energy that can be retained for retail sales, all other factors equal."<sup>30</sup> We understand this to mean that removing Colstrip more quickly from the model would result in more gas generation. However, the nature of an emissions-based standard would favor a portfolio of new renewable energy and lower-emitting resource (gas) over keeping Colstrip in the model longer than PGE admits is likely to happen. Hence, PGE could be under-investing in the clean energy that would be needed to replace the plant when it actually ceases operations. Given that its closure could be "as soon as 2027", it would be prudent to start planning for clean replacement resources in preparation for an early closure in this CEP. As a result, we recommend that the Commission direct PGE to model a 2027 retirement of Colstrip and adjust its Action Plan consistent with the results.

## **VIII. Community Benefit Indicators**

We encourage the Commission to direct PGE to consider the Energy Advocates suggestions below. We acknowledge PGE's efforts to collaborate with Energy Advocates by, for example, considering the lists of proposed CBIs that the Energy Advocates collected and filed in UM 2225, bringing the CBI prioritization exercise to the Energy Advocates meeting, and collaborating with a subset of us to also bring that same exercise to the grassroots Community Advocates cohort. However, we are also frustrated by resistance to Energy Advocates feedback on this topic first presented well before the Round 0 comments, and reiterated in the Round 0 comments, and offer the recommendations below.

### **A. PGE should include an additional environmental CBI**

We have repeatedly suggested that PGE adopt an additional environmental CBI because, while we suggested greenhouse gas emissions reductions as an CBI early in the UM 2225 process, over time we realized that this environmental CBI does not give us additional useful information as it is simply tracking the utilities' progress towards the HB 2021 targets. We suggested in meetings with the utility as an alternative that the utility track the air quality impacts of the

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<sup>30</sup> See Round 0 Comments: PGE Response page 42

actions in the CEP, and also suggested openness to discussing additional environmental CBIs. We do not see that suggestion or discussion reflected in the CEP. In fact, when we include in the engagement section a request for feedback to be tracked and addressed to assure us that it does not go into a vacuum, this is one of the suggestions that we had in mind. Adoption of an additional environmental CBI is reasonable because, again, the one that PGE proposes simply tracks compliance with the law. For that reason, we encourage the Commission to direct PGE to adopt a different environmental CBI like air quality impacts associated with actions in the CEP.

#### **B. PGE should include an additional CBI related to Tribal priorities**

We similarly encourage the Commission to direct PGE to adopt CBIs related to Tribal priorities like the ones included in the Energy Advocates UM 2225 submission<sup>31</sup> in which staff at the Columbia River Inter-tribal Fish Commission were consulted. We appreciate PGE's willingness to continue conversation and iteration of CBIs in future planning processes, as well as its thinking on what entities and work could be leveraged to develop those CBIs. However, it is crucial to advance work on this front during this CEP because every plan from here to 2040 will take impactful steps to reaching ambitious decarbonization and energy justice targets, so Tribal impacts should be considered throughout and Tribal consultation should have been a core element of the first CEP to begin with.

#### **C. PGE should seek to understand how the CEP itself advances progress in its CBIs and should include actions in the action plan explicitly related to its CBIs**

We also encourage the Commission to direct PGE to seek to understand what impacts on CBI can be attributed to which policies. For example, PGE proposes "increase energy affordability for EJ communities" as its CBI 2.<sup>32</sup> Its metrics include reductions in electricity bill burden, the number of customers in arrearages, and the number of disconnections. The Energy Advocates are very supportive of looking at this community benefit indicator and want to make sure that the CEPs include actions that advance progress on that indicator and its metrics. However, it is not clear to us that this CEP has that type of action since, as we outline above, advancing any specific CBIs is not expressly mentioned in the action plan.

As a result of HB 2475 implementation, we are going to see progress on the metrics associated with CBI 2 even if this CEP leads to zero actions related to addressing energy burden. To our concern, PGE responds that they "view progress toward community benefits as the combined outcome of all PGE efforts as more important than detailed attribution to one policy or plan alone."<sup>33</sup> We agree that progress on community benefits is the desired outcome regardless of where it comes from. However, if this plan lists a CBI it should include actions intended to address it. Understanding the effectiveness of those actions requires efforts to differentiate their impact from that of other policies. As a result, we encourage the Commission to direct PGE to at

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<sup>31</sup> UM 2225, Order No. 22-390, Appendix A (Oct. 25, 2022) at 65.

<sup>32</sup> PGE's Clean Energy Plan and Integrated Resource Plan at 147.

<sup>33</sup> PGE's Reply Comments at 29.

the very least address its CBIs through its action plan and to ideally also seek to understand the impact of actions pursuant to its CEP on advancing those CBIs.

**IX. PGE’s Community Based Renewable Energy procurement strategy should go beyond a request for proposals**

We recommend that the Commission directs PGE to modify its CBRE action to reflect a procurement approach that relies on a CBRE request for proposals (RFP) plus additional approaches to facilitate the development of CBREs of the types and scales that are unlikely to bid into an RFP. The Energy Advocates strongly support a CBRE action in the action plan, and are deeply interested in the development of the CBRE RFP. However, and as we have expressed to the Company multiple times since before the CEP filing, we are concerned that a CBRE procurement strategy relying solely on an RFP would require capital, time, and work that would likely preclude a subset of CBREs that could benefit environmental justice communities. While a large portion of the CBREs could come online through the RFP, we also want to see projects providing benefits like community ownership, small-scale projects with resiliency benefits, projects that could address energy burden for households or communities, etc. Some of these benefits we outline would also be consistent with the CBIs that the Company included in its CEP. Those are unlikely to come through an RFP.

We are hopeful to see in the Reply Comments that “PGE anticipates working directly with communities to develop an acquisition process, such as a request for proposals (RFP)”<sup>34</sup> as an acquisition process leaves space for procurement approaches that are more supportive of the type of projects we would also like to see. We are also hopeful that the Company may be open to a more comprehensive procurement approach based on conversations we have had with the Company. We would like to see that openness reflected in the Action Plan and encourage the Commission to direct the utility to do that.

**X. PGE’s Request for Proposals for large scale resources should factor CBIs and environmental justice in the scoring criteria.**

Our Round 0 comments requested that PGE prioritize meet and exceed its procurement target of 181 aMWa per year by procuring resources that provide the greatest benefit for environmental justice communities. In its Reply Comments, PGE points to its CBRE Action. As our comments outline above, we support a CBRE action as one of multiple paths to materialize community benefits in HB 2021 compliance. However, benefits for environmental justice communities should not be confined to the CBRE action. The RFP(s) seeking large scale resources should also maximize benefits for environmental justice communities. We understand that PGE has tried to pursue community benefits in at least one large-scale RFP but had to remove the criteria in question as a result of the stakeholder process. Those RFPs took place prior to HB 2021 so we expect the reception to efforts to maximize benefits to environmental justice communities would be differently received today. We encourage the Commission to

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<sup>34</sup> *Id.* at 30.

direct PGE to include non-price scoring criteria in its large-scale RFPs metrics aimed at identifying projects that maximize benefits for environmental justice communities.

## **XI. Conclusion**

Thank you for your consideration of these comments. We look forward to continued engagement with PGE, the Commission, and other stakeholders in this process.

Respectfully submitted this 27th day of July 2023,

/s/

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