

JOHN R. KROGER
Attorney General



MARY H. WILLIAMS
Deputy Attorney General

DEPARTMENT OF JUSTICE
GENERAL COUNSEL DIVISION

November 16, 2010

Attention: Filing Center
Public Utility Commission of Oregon
550 Capitol Street NE, #215
PO Box 2148
Salem, OR 97308-2148
puc.filingcenter@state.or.us

Re: *In the Matter of PUBLIC UTILITY COMMISSION OF OREGON Staff Recommendation to Use Oregon Electricity Regulators Assistance Project Funds from the American Recovery and Reinvestment Act of 2009 to Develop Commission Smart Grid Objectives for 2010-2014*
PUC Docket No.: UM 1460
DOJ File No.: 330-030-GN0389-10

Dear Filing Center:

Enclosed please find the original and one copy of OREGON DEPARTMENT OF ENERGY'S OPENING COMMENTS for filing in the above captioned docket today.

Sincerely,

Janet L. Prewitt
Senior Assistant Attorney General
Natural Resources Section

Enclosure
JLP:mme/#2357198
c: UM 1460 Service List

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
UM 1460

In the Matter of the)	
)	
PUBLIC UTILITY COMMISSION OF)	
OREGON)	
)	
Staff Recommendation to Use Oregon)	OREGON DEPARTMENT OF
Electricity Regulators Assistance Project)	ENERGY'S OPENING COMMENTS
Funds from the American Recovery and)	
Reinvestment Act of 2009 to Develop)	
Commission Smart Grid Objectives for)	
2010-2014)	
_____)	

Background

Oregon Department of Energy (“ODOE”) commends the Oregon Public Utility Commission (“Commission”) and Staff’s (“Staff”) timely efforts to initiate a docket for future discussions with Oregon’s investor-owned utilities on Smart Grid (“SG”) related advancements. ODOE also appreciates the opportunity to file Opening Comments in this docket (UM 1460: Development of Smart Grid Objectives and Action Items for 2010-2014). ODOE views the evolving technological paradigm of SG to be a valuable means for understanding energy “flow and usage” across Oregon’s rate-payer base and conforms well with its statutory goals in ORS 469.030. ODOE also views the docket and related future steps (for example- potential SG Plan “SGP”) to be a useful framework for better assessing SG enabling projects that have been eligible for support (presently and moving forward) under OAR 330-090-0110.

ODOE provides comments below to certain parts of the Staff’s “Straw Proposal” and clarification document, and in some cases raises questions for further discussion.

I. Goals and Guidelines for all Smart Grid Plans

- A. Goals and sub-goals for docket:** As expressed by all other parties, ODOE recognizes that agreeing to one consistent definition of SG is a challenging task. SG can possibly be interpreted differently by each investor-owned utility. Its

composition in terms of an “action and business plan” depends on what it constitutes with regards to technologies being used, programs being implemented and protocols being tested. ODOE also highlights that SG related systems will experience a decade of advancements across all levels of the electricity system: bulk power generation, transmission, distribution and customer-use. Towards that end, ODOE finds the “stated goals” in the Staff “Straw Proposal” to be pragmatic and timely. ODOE also recommends that an SGP define its thematic areas of focus from the outset. For example, will an SGP by an investor-owned utility be focused only on “demand side resource management,” or “cyber-and-physical security improvements,” or supply side -resource assessment,” or all of the above? While it may be obvious that an SGP would identify its areas of focus at the outset, ODOE believes it is important to highlight the importance of doing so. Identifying areas of focus at the outset will provide a better understanding of the SGP and future updates of the SGP.

B. Guidelines for Issues Common to all SGPs

Treatment of Obsolescence Risk – ODOE supports Staff in the sense that any SGP should identify and discuss any potential obsolescence risks associated with actions as proposed in the SGP.

II. SGP Structure and Content

Items A, B and C. SGP Content and Timeframes and Estimated Benefits and Costs

– ODOE supports Staff on items related to content and timeframes and SGP estimated benefits and costs.

Item D. Systems Reliability – In regards to item II D., ODOE strongly supports the Staff proposal for any investor-owned utility to separate its Action Plan along areas of functionality, with details on the degree of implementation and effectiveness of any system-reliability efforts in any or all of the four areas (generation, transmission, distribution, customer use). Some of these efforts (including those being tested by the

Western Electricity Coordinating Council (WECC) that Oregon investor-owned utilities are members of), especially at the transmission and distribution end, may have implications for supply-side resource management. If so, ODOE recommends a synchronicity between the SGPs and an investor-owned utility's Integrated Resource Plan, in conformance with Commission Orders: 07-002 and 07-047.

Item I. Distribution of SGP Benefits and Costs – ODOE supports the need for any SGP to identify the possible benefits and costs, even if estimated and not statistically robust. ODOE does however recommend that the Commission's acknowledgement of an SGP be sensitive to the findings that arise from any analysis of the estimated benefits and costs, as that would call for any SGP to not remain theoretical in its "net benefit" assessment of any deployable SG enabling technologies or SG protocols.

III. SGP Submission Schedule and Frequency – ODOE supports the proposed timeline for SGP and related filing frequency. ODOE also supports the general discussion in the workshop on 3rd November 2010, in which investor-owned utilities expressed a need for some finite timeline to the frequency of Action-plans, since over time SG systems would become mature and easier to replicate, scale and implement.

Summary

In conclusion, ODOE again appreciates this opportunity to file Opening comments and be part of future discussions to develop appropriate tools for development of SG plans in Oregon.

DATED this 16th day of November, 2010.

Respectfully submitted,

JOHN R. KROGER
Attorney General

 for OSB #104394
Jane L. Prewitt, #853070
Senior Assistant Attorney General
Of Attorneys for Oregon
Department of Energy

SERVICE LIST UM 1460

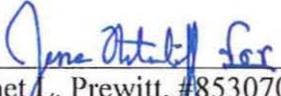
<p>Christa Bearry Idaho Power Company PO Box 70 Boise, ID 83707-0070 cbearry@idahopower.com W</p>	<p>Jan Bryant Idaho Power Company PO Box 70 Boise, ID 83707-0070 jbryant@idahopower.com W</p>	<p>Gordon Feighner-Energy Analyst Citizens' Utility Board of Oregon 610 SW Broadway, Ste. 308 Portland, OR 97205 gordon@oregoncub.org W</p>
<p>Robert Frisbee Smart Grid Oregon 111 SW 5th Ave., Ste. 120 Portland, OR 97204 rfrisbee@si-two.com W</p>	<p>Maury Galbraith OPUC PO Box 2148 Salem, OR 97308 maury.galbraith@state.or.us</p>	<p>J. Richard George PGE 121 SW Salmon St. 1WTC1301 Portland, OR 97204 richard.george@pgn.com W</p>
<p>Roy Hemmingway Smart Grid Oregon 111 SW 5th Ave., Ste. 120 Portland, OR 97204 royhemmingway@aol.com W</p>	<p>Robert Jenks-Executive Director Citizens' Utility Board of Oregon 610 SW Broadway Ste. 400 Portland, OR 97205 bob@oregoncub.org W</p>	<p>Phil Keisling Smart Grid Oregon 111 SW 5th Ave., Ste. 120 Portland, OR 97204 pkeisling@gmail.com W</p>
<p>Jess Kincaid-Energy Partnership Coordinator Community Action Partnership of Oregon PO Box 7964 Salem, OR 97301 jess@caporegon.org W</p>	<p>Doug Kuns-Rates & Regulatory Affairs PGE 121 SW Salmon St. 1WTC0702 Portland, OR 97204 pge.opuc.filings@pgn.com W</p>	<p>Adam Lowney McDowell Rackner & Gibson PC 419 SW 11th Ave., Ste. 400 Portland, OR 97205 adam@mcd-law.com W</p>
<p>Doug Marx PacifiCorp PO Box 39 Midvale, UT 84047 dougals.marx@pacificorp.com W</p>	<p>G. Catriona McCracken-Legal Counsel/Staff Atty. Citizens' Utility Board of Oregon 610 SW Broadway – Ste. 400 Portland, OR 97205 catriona@oregoncub.org W</p>	<p>Wendy McIndoo-Office Mngr. McDowell Rackner & Gibson PC 419 SW 11th Ave., Ste. 400 Portland, OR 97205 wendy@mcd-law.com W</p>
<p>Michelle R. Mishoe-Legal Counsel Pacifi Power & Light 825 NE Multnomah Ste. 1800 Portland, OR 97232 michelle.mishoe@pacificorp.com W</p>	<p>Raymond Myers-Atty. Citizens' Utility Board of Oregon 610 SW Broadway – Ste. 308 Portland, OR 97205 ray@oregoncub.org W</p>	<p>Lisa D. Nordstrom-Atty. Idaho Power Company PO Box 70 Boise, ID 83707-0070 lnordstrom@idahopower.com W</p>
<p>Oregon Dockets PacifiCorp, dba Pacific Power 825 NE Multnomah St., Ste. 2000 Portland, OR 97232 oregondockets@pacificorp.com W</p>	<p>Kevin Elliott Parks-Staff Atty. Citizens' Utility Board of Oregon 610 SW Broadway, Ste. 400 Portland, OR 97205 kevin@oregoncub.org W</p>	<p>Lisa F. Rackner-Atty. McDowell Rackner & Gibson PC 419 SW 11th Ave., Ste. 400 Portland, OR 97205 lisa@mcd-law.com W</p>

<p>Vijay A. Satyal ODOE 625 Marion St. NE Salem, OR 97301-3737 vijay.a.satyal@state.or.us W</p>	<p>Andrea Simmons ODOE 625 Marion St. NE Salem, OR 97301-3737 andrea.f.simmons@state.or.us W</p>	<p>John Sturm-Law Clerk Citizens' Utility Board of Oregon 610 SW Broadway, Ste. 400 Portland, OR 97205 john@oregoncub.org W</p>
<p>Michael Weirich-AAG DOJ-BAS 1162 Court St. NE Salem, OR 97301-4096 michael.weirich@state.or.us</p>	<p>Steven Weiss-Sr. Policy Associate Northwest Energy Coalition 4422 Oregon Trail Ct. NE Salem, OR 97305 steve@nwenergy.org W</p>	<p>Barry T. Woods Smart Grid Oregon 5608 Grand Oaks Dr. Lake Oswego, OR 97035 woods@sustainableattorney.com W</p>
<p>Michael Youngblood-Mngr., Rate Design Idaho Power Company PO Box 70 Boise, ID 83707-0070 myoungblood@idahopower.com W</p>		

CERTIFICATE OF SERVICE

I hereby certify that on the 16th day of November 2010, I served the foregoing OREGON DEPARTMENT OF ENERGY'S OPENING COMMENTS upon the persons named on the service list, by mailing a full, true and correct copy thereof and to such persons waiving such service by mail who were served at their e-mail address as listed on the service list.

DATED: November 16, 2010

 OSB# 04394
Janet L. Prewitt, #853070
Senior Assistant Attorney General