BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

UM 1751

In the Matter of PUBLIC UTILITY COMMISSION OF OREGON, Implementing Energy Storage Program Guidelines pursuant to House Bill 2193.	RENEWABLE NORTHWEST AND THE NW ENERGY COALITION'S COMMENTS ON DRAFT STORAGE POTENTIAL EVALUATION REQUIREMENTS

I. Introduction

Renewable Northwest and the NW Energy Coalition appreciate this opportunity to comment on the draft Storage Potential Evaluation Requirements that the Oregon Public Utility Commission ("Commission") proposed in Order 16-316. We commend the Commission for the breadth and depth of the draft guidelines and requirements set forth in Order 16-316, and are encouraged by the process that the Commission proposes to implement H.B. 2193. Specifically, we commend the Commission's encouragement of aggregate project submittals close to the full one percent of peak load allowed under HB 2193. Below, we encourage the Commission to adopt storage potential evaluation requirements that allow for more meaningful opportunities for stakeholder and Commission engagement.

A successful implementation of H.B. 2193 will give Oregon utilities and the state of Oregon meaningful experience with the benefits of energy storage. To this end, Renewable Northwest's June 22, 2016 comments encouraged the Commission to establish a process for project selection that includes three components. First, we recommended that the identification of a utility's operational or financial needs that an energy storage system ("ESS") can address be data-driven and include meaningful opportunities for stakeholder engagement and Commission oversight. Second, we recommended that the Commission establish minimum supplier qualification criteria to ensure that utilities receive reliable products. Finally, we recommended that the Commission establish a process that allows storage developers to use their unique expertise and modeling capabilities to study and identify the most effective ESS applications. We thank the Commission for its efforts to incorporate some of these components in the draft guidelines and requirements set forth in Order 16-316, and focus our recommendations on maximizing the benefits from Oregon's first energy storage program.

II. The Storage Potential Evaluations Should Be Comprehensive

The energy storage program that will emerge from this process is the first opportunity for the Commission, Commission Staff ("Staff"), utilities, and stakeholders to gain experience with storage in the regulatory arena. ESSs differ from other resources that utilities in Oregon have traditionally procured in that the benefits that an ESS can provide vary with the configuration of the system, and in that ESSs may often provide multiple use cases and benefit streams.

As a result, we encourage the Commission to require that the Storage Potential Evaluations show a comprehensive assessment of the location-specific potential for ESS deployment, either stand-alone or combined with renewable energy generation and distributed energy resources, either customer-sited or not, at all levels on the grid (including transmission, primary and secondary distribution, and behind the meter). We recommend that the Commission require this assessment to be capable of supporting the identification of projects with an aggregate capacity of one percent or more of the 2014 annual peak load. We also recommend that the Commission require utilities to comprehensively assess all facets of their electric systems and all types of storage applications. Furthermore, utilities should analyze all of the benefits and costs of each type of storage application and use case when identifying higher and lower value applications. For customer-sited storage, this should include the benefits and costs that accrue to the customer as well as the benefits and costs to the distribution system.

III. The Framework for the Storage Potential Evaluations Should Be in Place Earlier

Under the Commission's draft Storage Potential Evaluation Requirements, "the framework for the evaluations [would] be developed through Staff led workshops outside of the contested case process."[1] The Commission also sets a comprehensive list of issues that those workshops should address and, if possible, resolve. We commend the Commission for identifying a broad set of issues to be addressed at the workshops, but are concerned with the timeline for this process.

We recommend that the Commission's final guidelines and requirements ensure a longer timeline for the preparation and vetting of the storage potential evaluations than the draft requirements contain. Under the current draft requirements, the framework for the evaluations may not be defined until March 31, 2017. In that case, the Commission, Staff, utilities, and stakeholders would only have eight months prepare and vet the evaluations. Given how crucial the evaluations are to this process, we recommend that the Commission incorporate the feedback it has received from Staff and stakeholders and order completion of the framework by February 1, 2017. This timeline will allow more time for more meaningful stakeholder comments, as discussed below.

[1] Order No. 16-316, Docket UM 1751 (Aug. 19, 2016).

IV. The Storage Potential Evaluation Requirements Should Include Meaningful Opportunities for Stakeholder Engagement

We encourage the Commission to allow for meaningful opportunities for stakeholder and Commission vetting of the draft storage potential evaluations. We commend the Commission for requiring that the draft storage potential evaluations include utilities reporting on the data and methods used to identify their points of need. However, we are concerned that under the draft requirements, stakeholders and the Commission would only have the opportunity to provide informal input. Hence, we encourage the Commission to allow for a more structured and meaningful opportunity for stakeholder involvement in the storage potential evaluation process.

Renewable Northwest and the NW Energy Coalition recommend that the final Storage Potential Evaluation Requirements and Project Guidelines require utilities to give storage developers the ability to conduct modeling and assist the utility in identifying the most economical and technically feasible options to be pursued. The project selection process should be informed by storage developers studying the system locations identified in the Storage Potential Evaluations to assess the economics and technical capabilities of a specific ESS to meet a location-specific need. We consider this step crucial to maximizing the benefits of H.B. 2193. Storage developers are well positioned to help utilities identify the configuration of an ESS that can most cost-effectively meet a utility need.

We encourage the Commission to require in the Storage Potential Evaluation Requirements that the utilities provide all of the necessary data to energy storage developers, subject to non-disclosure agreements, so that developers can study the data and propose the most effective applications. In order for developers to be able to propose the most effective applications, utilities would need to submit data at an appropriate level of granularity. RFIs could serve as screening mechanisms to determine which developers are qualified to access the utility's data.

Finally, Renewable Northwest and the NW Energy Coalition are concerned that meaningful stakeholder engagement may not take place under the draft Storage Potential Evaluation Requirements because storage experts may be unwilling to provide public comments that are based on proprietary modeling tools. To address this concern and allow for more meaningful input from subject-matter experts, we suggest that energy storage developers have the opportunity to submit confidential comments to the Commission and the utilities on the draft storage potential evaluations.

V. Conclusion

Renewable Northwest and the NW Energy Coalition thank the Commission for this opportunity to comment on its draft Storage Potential Evaluation Requirements. We are encouraged by the process that the Commission proposes in Order 16-316, and look

forward to continue engaging to help ensure that this energy storage program gives Oregon utilities and the state of Oregon meaningful experience with the benefits of energy storage.

RESPECTFULLY SUBMITTED this 16th day of September, 2016.

/s/ Silvia Tanner
Silvia Tanner
Staff Counsel
Renewable Northwest

/s/ Cameron Yourkowski
Cameron Yourkowski
Senior Policy Manager
Renewable Northwest

/s/ Fred Heutte
Fred Heutte
Senior Policy Associate
NW Energy Coalition