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VIA ELECTRONIC FILING

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**Re: Investigation Into Distribution System Planning (Docket No. UM 2005)
Energy Advocates' Comments on Proposed DSP Guideline Revisions**

The undersigned organizations, collectively the Energy Advocates, appreciate this opportunity to provide comments on the Oregon Public Utility Commission (PUC) Staff's revisions to the Distribution System Planning (DSP) Guidelines (the Guidelines) that Staff filed in Docket UM 2005 on April 26, 2024. We are thankful for Staff's willingness to consider our feedback and to extend the opportunity for comment.

We appreciate Staff's efforts to revise the Guidelines to promote transparency within the DSP process and to streamline it with other utility planning processes. Distribution system planning is critical to achieving climate goals, realizing community benefits, and meeting the needs of the people who rely on the energy system. We therefore share an interest with Staff in finalizing these guidelines in a timely manner so that we can all have a better understanding of some of the drivers of utility decisions on distribution-level investments. This improved understanding is especially important and needed given the increasing roles of distribution system investment on rates.

Given the need for more granular detail that Staff has articulated, as well as qualitative aspects supporting distribution-level decision-making, we are generally supportive of Staff's approach to revising the Guidelines. We highlight our support for the following aspects of the revisions:

- Sharpening the focus on the linkage between DSP assessment and utility investment and action.
- Requiring consideration of coordination with local governments and Tribal nations in DSP assessment and actions.
- Better coordination between DSP and Clean Energy Plans/Integrated Resource Plans (CEPs/IRPs).
- Closer alignment to other assessments and processes, including non-distribution asset development, Flexible Load Plans, Wildlife Mitigation Plans, etc.
- Streamlining of electronic data submissions, while not reducing the scope and depth of data provided.
- Continued progress on refinement and granularity for load forecasting and distribution system carrying capacity.

We also propose strengthening the revised Guidelines in several respects:

- Requiring utilities to maintain accessible engagement forums.
- Strengthening the recommendations on identification and assessment of non-wires solutions, while also strengthening expectations beyond the testbed phase to pilot implementations of emerging, innovative demand management technologies.
- Continuing progress on refining a hosting capacity threshold or metric that promotes transparent and balanced development of distribution system capacity.

Overall, the Energy Advocates highlight the central role that the distribution system plays in delivering service and value to customers and, in turn, allowing customers to provide value to the system. Responding specifically to the framing suggested by Idaho Power, the Energy Advocates support Staff's recommendations for revising the Guidelines so that the elements of DSP, as well as the process as a whole, will move in a measurable, feasible and controlled fashion from aspirational to practical.

I. Community Engagement

We appreciated the opportunity that Staff's July 10 workshop provided us to better understand Staff's thinking behind its proposed revisions to the community engagement section of the Guidelines, and we are supportive of the concept of leveraging existing engagement forums and integrating engagement from other ongoing utility planning spaces in the distribution system planning process. Many of us have long advocated for that more integrated approach across utility processes due to concerns with organizational capacity constraints as well as the fatigue experienced by many community members and energy advocates who often have to repeat ourselves when engaging with agencies and utilities. The traditional siloing of issues and processes in utility spaces makes it so that stakeholders have to participate in several spaces concurrently, as our input in one space is usually not integrated into others.

The effectiveness of the integration of community engagement that Staff envisions in the draft revised Guidelines, however, depends upon the avenues available to advocates and community members, as well as their quality. We are concerned that, without accessible venues already established to collect our input on utility planning, venues that can center community benefits and concerns, there will not be robust input incorporated into the next round of DSP. This is especially true for input by energy-justice advocates and other advocates that hold important knowledge and input and that are unlikely to show up in technical forums.

For example, PGE is currently in the process of re-envisioning its Learning Labs, one of very few generally accessible avenues that PGE has hosted. While a work in progress, this venue was significantly more accessible to energy justice advocates than the more technical forums that PGE has preserved: its integrated resource planning and distribution system planning meetings. As we expressed during the July 10 workshop, several Energy Advocates have been and remain willing to work directly with PGE to support their preserving this accessible engagement forum. Right now, it is unclear to us how the utilities can meaningfully and

effectively incorporate energy-justice feedback into the development of their Distribution System Plans.

Similarly, PacifiCorp is also currently in the process of improving their stakeholder engagement strategies and has been collaborating with some of us to create an accessible forum for CEP engagement. As this process for both utilities is iterative, the timeline for establishing stakeholder engagement spaces accessible to energy-justice stakeholders is not yet known.

Given the uncertainty with the venues for other utility planning processes, it is appropriate for DSP Guidelines to encourage utilities to conduct DSP-specific engagement activities that are accessible to energy-justice stakeholders while they work on building and improving their community engagement approaches. As a result, we suggest the following edit to Staff's proposed guidelines:

b) To engage stakeholders and community on distribution system planning, a utility should leverage best practices, and lessons learned from engagement efforts from prior Plans, and other planning processes. A utility should also leverage ongoing community and stakeholder engagement processes, **maintain accessible engagement forums**, and integrate distribution system planning engagement to the full extent it is beneficial to do so. Ongoing processes may include but are not limited to Clean Energy Planning, regional or local-area planning exercises.

To close, the first round of distribution system planning was important because of the recognition of its crucial nature both to our evolving grid and to the humans it serves, but also because it was a new paradigm in planning and community engagement. The robust Guidelines in place likely contributed to that more meaningful engagement. As a result, we strongly encourage Staff to incorporate into the revisions those elements in the Community Engagement table that are associated with stages 2 and 3 and that remain relevant under the process that Staff envisions for this next round of DSPs.

II. Sequencing of DSPs and CEP-IRPs

The Energy Advocates urge Staff and the Commission to adopt clear guidance on the relationship and timing of DSP and CEP-IRP filings. Utilities have proposed quite different approaches in this regard:

- PGE intends to file its second DSP in October 2024, well before its next CEP-IRP in the spring of 2025. Furthermore, PGE proposes to file subsequent DSPs approximately every two years, which could result in a different timing with regard to future CEP-IRP filings.
- PacifiCorp, on the other hand, requests its DSP filing by March 31, 2026, while scheduling the next CEP-IRP filing a full year before that on March 31, 2025.

- Idaho Power requests a DSP filing date of March 6, 2026 but also states its next IRP filing will be in the summer of 2025.

While there can be some flexibility in the timing between DSP and CEP-IRP filings, there also should be consistency in the approach across utilities. On sequencing, while there may be reasons supporting a DSP filing closely after filing an IRP (and associated CEP, when appropriate), there is greater benefit to positioning the DSP ahead of the IRP. That way, the detailed assessment of the distribution system, including changes in load shape and magnitude and the increasing capabilities of customer side resources (flexible load including EV charging, distributed generation and storage, etc.) can be clearly represented in the IRP assessment and CEP-directed actions. This approach puts more emphasis on the value of improved customer service in the IRP and CEP resource planning process.

If, for practical reasons, this sequencing could not be fully accomplished given the current DSP and IRP cycles, then the Guidelines should state it as a priority for the next cycle. Importantly, Staff and the Commission should clearly convey to the utilities and stakeholder community that the DSP and IRP/CEP are not two separate, isolated processes that may proceed separately without the DSP informing the IRP/CEP. Rather, the cadence should reflect the importance of the DSP analysis to the modeling and outcomes of the CEP/IRP.

III. DSP and Prudency Review

We support Staff's inclusion of language that seeks to link the grid needs reported in the DSP to investments submitted in future general rate cases. Specifically, we support the language that the summary table of grid needs in Guideline 6(d), the action plan prioritized list and projected spending in Guideline 8(c), and the long-term plan roadmap prioritized list in Guideline 9(b)(iii) should each "aid Staff and stakeholders in finding a thru-line" from the DSP "to investments seen in future general rate cases." We also support the language in Guideline 7 that "solutions identified should correspond to future general rate cases."

In their comments, PGE recommended removing the "thru-line" language¹ and PacifiCorp expressed concern that the guidelines could function as an impermissible "de facto preview of the Company's general rate cases, or as a 'pre-prudence' or 'dual prudence' inquiry" that functionally allows the Commission to direct management of the utility.²

We appreciate the concern that a rigid application of the ten-year plan for cost-recovery purposes could pose problems in terms of the utilities' ability to adapt to changing grid needs and recover costs appropriately. However, we support Staff's thru-line language because it can help ensure that the DSP is accomplishing its intended purpose: providing visibility into utilities' planning processes as they relate to distribution investments that are ultimately implemented.

¹ UM 2005 PGE Comments submitted May 31, 2024, at 16, 18, & 20.

² UM 2005 PacifiCorp Comments submitted May 31, 2024, at 1–3.

The DSP is not unlike the IRP in this way. In the context of the IRP, the Commission's acknowledgement of, or refusal to acknowledge, the plan does not guarantee or prohibit cost recovery in a general rate case.³ Likewise, the DSP activities, including the ten-year action plan, should inform the OPUC and stakeholders about how utilities plan for and implement distribution investments without being predecisional regarding a cost recovery determination in a general rate case. Deviation from the action plans in the DSP should not preclude cost recovery if a reasonable explanation is provided during a general rate case. Just as the IRP is not a "pre-prudence" or "dual prudence" review for cost recovery purposes, and only might be evidence to consider in a general rate case,⁴ so the DSP should serve a similar function in this regard, with even less impact on rate recovery given the distinction between acknowledgement for IRPs and acceptance for DSPs. The "thru-line" language is simply trying to advance Staff's expressed and reasonable interest in increasing visibility on utility investment decisions on distribution-level infrastructure and should therefore be retained.

Relatedly, we support Staff's statement in Proposed Guideline 8(c) that "when pursuing recovery in a general rate case, utilities should prepare to provide materials assembled for the DSP filing" Again, linking the DSP activity to investments evaluated in a general rate case can help ensure that utilities' DSP filings are giving insight into planning for investments that are ultimately pursued and that utility distribution system investments are backed by robust planning, where possible. Indeed, tracking how long-term cost projections evolve into real-world costs provides insights into how to improve these long-term costs projections. A utility's IRP may be considered in a general rate case but also allows for deviation from the plan in order to adapt to a changing energy landscape. Likewise, the DSP should function in a similar fashion and Staff's "thru-line" language and the expectation that utilities provide information from the DSP to support or explain their investment decisions are appropriate to that end.

IV. Identification and Assessment of Non-Wires Solutions (NWS)

The Energy Advocates support the Solution Identification section of the Guidelines that seeks to expand the scope of equipment, technologies and programs that will be considered in the DSP. Given the rate pressure from distribution system investments, it's essential that the DSP solution space be expanded from traditional hardware solutions (such as substation upgrades, reconductoring, and additional transformer deployment), to emerging technologies and programs that address peak demands, which are one of the primary drivers of grid needs.

³ Order No. 89-507, at 7 ("Consistency with the [IRP] may be evidence in support of favorable rate-making treatment of the action, although it is not a guarantee of favorable treatment. Similarly, inconsistency with the [IRP] will not necessarily lead to unfavorable rate-making treatment, although the utility will need to explain and justify why it took an action inconsistent with the plan.").

⁴ See Order No. 24-073, at 2 (Acknowledgement of an IRP means "that a utility's action plan and preferred portfolio represent the least-cost, least-risk strategy for meeting customer needs, based on the best data available at the time and using the best available tools to analyze and review that data. . ." but "any risks associated with carrying out even acknowledged actions rest with the company.").

Energy Advocates recommend investigating a very broad range of potential solutions, including increased system monitoring automation, expanded switching capability, and innovative distributed energy resources, such as:

- **Heat pumps with integral thermal energy storage** to optimize the heat pump operation and take advantage of the best ambient temperatures and periods when power from the grid is least expensive.⁵ This type of heat pump is only one example of how storage and smart controls can shift typical peak power demands into non-peak times without sacrificing performance or service.
- **Stand-alone residential batteries** to provide customer resilience and utility load management. Batteries at the customer site have the greatest demand management impacts, provide the customer with back-up power in case of outages, and give the utility or provider a distributed-but-aggregated demand management resource.⁶
- **Commercial solar rooftops on existing buildings** (warehouses, schools, malls, etc.), through innovative commercial arrangements that incentivize building owners, investors and ratepayers.⁷ Current net metering rules severely limit the capacity of rooftop solar systems to the site demand. For long-term planning, we recommend examining what regulatory or legislative changes are needed to allow developers to rent rooftop space for solar panels sized to provide power to the grid up to the limits for Small-scale Renewable project types.

In PGE's comments, the Company states that they "currently do not have the tools or processes to systematically implement NWS that could reliably address grid needs using customer-sited DERs in the required timeframe." They recommend more focus on "PGE's Smart Grid Testbed (SGTB) to advance the development of the capabilities required to enable a cost effective, reliable NWS." PGE further states that "NWS are highly specific to need characteristics which tend to evolve quickly and are dependent on timeline and community engagement challenges." We fundamentally disagree with that comment, which implies that PGE has a limited concept of NWS opportunities, and ignores the fact that smart devices which avoid peak periods along with distributed generation and storage all reduce grid needs. We urge Staff to push the utilities to think beyond the testbed phase and explore pilot projects with emerging DER opportunities.

⁵ David Roberts, *Heat pumps with thermal batteries*, VOLTS (June 26, 2024), https://www.volts.wtf/p/heat-pumps-with-thermal-batteries?utm_source=podcast-email%2Csubstack&publication_id=193024&post_id=145562868&utm_campaign=email-play-on-substack&utm_medium=email&r=dj0lp&triedRedirect=true.

⁶ David Roberts, *A clever new way to distribute storage on the grid*, VOLTS (July 3, 2024), https://www.volts.wtf/p/a-clever-new-way-to-distribute-storage?utm_source=podcast-email%2Csubstack&publication_id=193024&post_id=145433356&utm_campaign=email-play-on-substack&utm_medium=email&r=dj0lp&triedRedirect=true.

⁷ David Roberts, *Envisioning a more democratic, bottom-up energy system*, VOLTS (May 15, 2024), https://www.volts.wtf/p/envisioning-a-more-democratic-bottom?utm_source=podcast-email%2Csubstack&publication_id=193024&post_id=143772399&r=dj0lp&utm_campaign=email-play-on-substack&utm_medium=email&triedRedirect=true.

V. Hosting Capacity Analysis (HCA)

The Energy Advocates are supportive of Staff's direction to update the maps with a new refresh cadence and latency expectations, in accordance with decisions made in Docket No. UM 2111. The continued updating of HCA maps is essential to providing insights into the distribution grid's capacity at the feeder level. Increasing the cadence of updates will ensure that the maps are more useful for installers and stakeholders and could streamline interconnection of distributed energy resources. While UM 2111 is ongoing, it would be helpful for Staff to provide some indication in this docket about when new direction will be given to the HCA maps.

The Energy Advocates appreciated Staff's work on establishing HCA maps throughout the first iterations of the DSP, but we find it difficult to reconcile the decision to shelve a determination of a hosting capacity threshold as a grid need. Without a threshold to require utility action to upgrade congested feeders on the distribution system, the benefits of a HCA are greatly reduced. In the initial DSP, stakeholders sought to set a threshold that would contain equity indicators to ensure that grid modernization and upgrades would be prioritized in communities that have been left behind. While we recognize the difficulty in establishing a hosting capacity threshold that encompasses the technical requirements and equity indicators, it is increasingly important that previously underserved communities have access to a modernized grid that will enable increased individual and community resiliency. Accordingly, Staff should reconsider their decision to shelve the hosting capacity threshold determination.

VI. Conclusion

We appreciate Staff's efforts to evolve the distribution system planning process through its guideline revisions and generally support Staff's recommendations. We offer suggestions to further strengthen the guidelines and this planning process.

Sincerely,

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