

October 29, 2020



To: Oregon Public Utility Commission

From: Spencer Moersfelder, Energy Trust of Oregon

Re: Oregon Public Utility Commission Draft Distribution System Planning Guidelines

Energy Trust of Oregon appreciates the opportunity to provide comments on the draft Distribution System Planning (DSP) Guidelines as part of UM 2005. While Energy Trust does not have an expansive role identified in the DSP Guidelines, the guidelines may have a significant impact on Energy Trust's delivery of energy efficiency programs on behalf of customers of Portland General Electric, Pacific Power, NW Natural, Cascade Natural Gas and Avista Corporation and renewable energy services on behalf of customers of PGE and Pacific Power. Furthermore, Energy Trust programs and the consequent energy savings and renewable generation may have a significant impact on distribution system use and upgrade needs. Energy Trust has identified five primary areas of organizational activities or processes that may potentially be impacted by outcomes of this docket:

1. Targeted Load Management
2. Distributed Renewable Energy
3. Energy Efficiency Potential Forecasting
4. Energy Efficiency Avoided Costs
5. Community Engagement

These comments: A) provide a description of each of these five areas and how each of the areas are potentially impacted and B) identify how specific distribution system guidelines potentially impact and/or overlap with Energy Trust activities and processes.

A. Description of five primary areas of Energy Trust organizational activities or processes that may potentially be impacted by outcomes of this docket and how these areas are potentially impacted by guidelines.

1. Targeted Load Management

Targeted Load Management is an example of a non-wires solution to address improvement needs in the grid. Under this title, Energy Trust has undertaken projects with Pacific Power and NW Natural to determine how energy efficiency and renewable energy deployment can defer investments in distribution system infrastructure in areas of the grid that are identified as load constrained. Potential system expansions may be deferred in these areas based on Energy Trust support for geographically focused deployment of Distributed Energy Resources (DERs), providing incremental energy savings and/or generation that alleviates local system constraints during peak periods. Incremental savings and generation go beyond Energy Trust's forecast of the DER

adoption that would have been achieved in these areas through standard Energy Trust program implementation.

Outcomes of this docket could potentially impact Targeted Load Management efforts if the guidelines define analytical processes used to identify load constrained areas and identify peak periods within these areas. In addition, location-specific avoided costs may be applied to determine the cost-effectiveness of specific efficiency measures in these areas. The proposed guidelines could provide increased visibility on areas that are experiencing local system constraints this would allow Energy Trust to address these constrained areas in forecasting and program planning to help provide additional value to utilities and customers.

2. Distributed Renewable Energy

The viability of distributed renewable energy projects that Energy Trust supports are heavily dependent on feeder level hosting capacity and project economics. The economics are dependent on the value of the generation and/or energy services the project delivers which are compensated through utility bill savings or in payment for power from qualifying facilities. Clarity early in project development regarding where utilities have system capacity for renewable project installations can help Energy Trust solar trade ally contractors, project developers and communities identify viable sites for projects on suitable feeders. In addition, avoided costs are a primary determinant of the price that utilities will pay for energy generated by qualifying facilities. We hope that this docket may produce analytical guidelines that are used to quantify the distribution capacity value of these avoided costs on both a system basis and a localized basis.

3. Energy Efficiency Potential Forecasting

Energy Trust works closely with PGE, Pacific Power, NW Natural, Cascade Natural Gas and Avista Corporation to provide forecasts of energy efficiency potential for utility Integrated Resource Planning. Utilities use these energy efficiency potential forecasts to plan holistic approaches to meet future system needs that include a mix of demand-side energy efficiency resources and supply-side resources. The energy efficiency forecasts that Energy Trust assembles for these plans are currently scaled to the utility system level, although we have provided local forecasts for Targeted Load Management on a customized basis. If it becomes necessary to routinely produce efficiency forecasts on a more local distribution system level, Energy Trust will need to adapt existing efforts to produce a streamlined, efficient process for doing so according to the requirements that result from this docket.

4. Energy Efficiency Avoided Costs

The Oregon Public Utility Commission requires all energy efficiency measures to pass two cost-effectiveness tests in order to be eligible for Energy Trust incentives (unless the OPUC otherwise grants an exception via criteria outlined in UM 551): 1) Utility Cost Test

and 2) Total Resource Cost test. The primary value in the numerator of both of these tests is the avoided cost of the equivalent energy that the utility would otherwise have to provide if the energy were not being saved. Energy Trust works with the OPUC and PGE, Pacific Power, NW Natural, Cascade Natural Gas and Avista Corporation via OPUC UM 1893 to calculate blended electric and natural gas avoided costs to apply to cost-effectiveness testing. Energy Trust electric and gas avoided costs include distribution capacity values and it is assumed that outcomes of this docket may produce analytical guidelines that are used to quantify the distribution capacity value of these avoided costs via UM 1893. Outcomes of this docket may also produce analytical guidelines that are used to quantify the distribution capacity value of these values on a localized basis.

5. Community Engagement

The proposed DSP Guidelines underscore the importance of community engagement in the distribution system planning process to ensure the development of an approach that benefits impacted and vulnerable customers. Energy Trust renewable energy and energy efficiency projects are an outcome of working with individual customers, trade ally contractors and other product and service suppliers. We are increasingly engaging with communities to identify and scope projects that meet local needs and achieve community goals. We recognize the importance of creating requirements for community engagement during Distribution System Plan development and implementation. In addition to the activities unique to the Distribution System Planning process that are outlined in the guidelines, it may be worth considering community engagement efforts already underway so that utilities can build from what exists and use the time of community leaders efficiently.

Additionally, a community may engage in a planning process that sets goals and activities which have distribution system planning implications. For example, many communities in Oregon are actively creating climate action plans and community energy plans that identify an increase in adoption of energy efficiency and renewable energy as a method to meet broader community goals. As part of the development process and in preparation for community engagement it may be instructive for utilities to collect existing information from communities that have engaged in energy, climate or sustainability planning to better understand plans that communities have underway which have an impact on the distribution system.

B. Energy Trust Activities and Processes Potentially Impacted by and/or overlap with Distribution System Guidelines

Distribution System Guideline	How Guideline Potentially Impacts Energy Trust
1. Process and Timing	Utility Plans that Encompass Energy Trust Activities have coordination and implementation implications that impact Energy Trust resources and workflows.

<p>3. Scope</p>	<p>Utility Plans that Encompass Energy Trust Activities have coordination and implementation implications that impact Energy Trust resources and workflows.</p>
<p>3. 1 Baseline Data and System Assessment</p>	<p>Energy Trust has already installed efficiency and renewable projects throughout utility territories. Baseline characterizations that include information on these projects will require significant coordination and analysis with Energy Trust.</p>
<p>3. 2 Load, Distributed Energy Resource and EV Forecasting</p>	<p>Energy efficiency and renewable projects represent significant Distributed Energy Resource potential in utility service territories. Energy Trust already provides efficiency forecasts to utilities in conjunction with utility Integrated Resource Planning. Permutations of this existing process for Distribution System Planning and incorporation of renewable resources into these forecasts may require significant resources from Energy Trust for analysis and coordination.</p>
<p>3. 3 Hosting Capacity Analysis</p>	<p>Hosting Capacity Analysis impacts perspective on where utility systems are constrained and this has implications for the viability and benefits of efficiency and renewable energy projects. Hosting Capacity Analysis can potentially: a) help to identify areas that are good candidates for Energy Trust Targeted Load Management projects b) help to identify areas that are able to host new renewable generation projects and c) influence the capacity components in system-wide or localized avoided cost stacks.</p>
<p>3. 4 Community Engagement Plan</p>	<p>As utilities engage communities for Distribution System Planning there is overlap with the efficiency and renewable Distributed Energy Resources (DER) that Energy Trust provides to these communities. Portions of community engagement efforts associated with these DERs relate back to Energy Trust program planning and implementation. Energy Trust aims to educate customers on the products that we offer and similarly seeks to gain insight on customer needs. As such, Energy Trust will need to strike the right balance to provide representation associated with these engagement efforts with Energy Trust’s available resources. Per the above, it may be possible to maximize available resources by leveraging community engagement efforts that are already underway and using existing community objectives in conjunction with Distribution System Planning efforts.</p>
<p>3. 5 Grid Needs Identification</p>	<p>This appears to be technical assessment forecasting the future needs of a utility system. It is assumed that a thorough review of future grid needs will require a forecast of the efficiency and renewable energy resource potential that Energy Trust expects to be able to garner through its programs.</p>

<p>3. 6 Solution Identification</p>	<p>It is anticipated that utilities will need to engage Energy Trust to identify efficiency and renewable technologies and quantify their related energy impacts in order to itemize how efficiency and renewable solutions contribute to the overall utility plan to meet future system needs. Permutations of existing forecasting processes to meet Distribution System Planning requirements may require significant resources from Energy Trust for analysis and coordination.</p>
<p>3. 7. 1 Near-Term Action Plan</p>	<p>If utilities engage with Energy Trust to assemble components for the Near-Term Action Plans that they submit, this could require a significant investment of Energy Trust resources to assist in formulating these plans per some of the items outlined above.</p>
<p>3. 7. 1 Long-term Distribution System Plan</p>	<p>If utilities engage with Energy Trust to assemble components for the Long-term Distribution System Plans that they submit, this could require a significant investment of Energy Trust resources to assist in formulating these plans per some of the items outlined above.</p>
<p>4. Overview of Distribution System Planning Process</p>	<p>The intention of this portion of the guidelines is intended to result in a holistic planning process. Because Energy Trust provides significant Distributed Energy Services on behalf of the Investor Owned Utilities in Oregon it is assumed that Energy Trust will need to be engaged to formulate holistic plans. As a result, Energy Trust assumes that this process will require a significant incremental investment in Energy Trust activities to meet this objective.</p>

Thank you,

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Planning Manager

Energy Trust of Oregon