

**BEFORE THE PUBLIC UTILITY COMMISSION**

**OF OREGON**

**UM 2011**

In the Matter of  
  
PUBLIC UTILITY COMMISSION OF  
OREGON,  
  
General Capacity Investigation

JOINT RESPONSE TO UTILITIES’  
PROPOSAL ON BEHALF OF THE  
RENEWABLE ENERGY  
COALITION, NORTHWEST &  
INTERMOUNTAIN POWER  
PRODUCERS COALITION,  
OBSIDIAN RENEWABLES, LLC,  
RENEWABLE NORTHWEST, AND  
PACIFIC OCEAN ENERGY TRUST

**I. COMMENTS**

Following nearly three years of ongoing and extensive stakeholder engagement, it is time for the Oregon Public Utility Commission (the “Commission”) to make a final decision in this docket and have this docket begin providing real benefits. The Renewable Energy Coalition, Northwest & Intermountain Power Producers Coalition, Obsidian Renewables, LLC, Renewable Northwest, and Pacific Ocean Energy Trust (the “Joint Commenters”) provide these Comments in support of Staff’s September 30, 2021 proposal to approach the Commission for a decision in the near future and in opposition to the utilities’ proposal to further delay a Commission decision. As explained herein, pursuing the utilities’ proposal would constitute a significant step backward in this docket for little to no actual gain.

On September 30, 2021, Staff indicated it intended to approach the Commission for a decision in the near future, likely at the December 14, 2021 Public Meeting.<sup>1</sup> The ultimate issue for the Commission to resolve is whether staff’s framework is an appropriate starting point for future proceedings—a “standardized starting point,” as Chair Decker noted at a recent meeting.<sup>2</sup> While there may be some issues with the Staff proposal and modifications or refinements needed over time, the Joint Commenters believe there is consensus among non-utility stakeholders that Staff has done excellent overall work in this docket and Staff’s Capacity Value Best Practices Proposal (“Staff’s Proposal”) is, generally speaking, ready for Commission deliberation.<sup>3</sup>

At the November 14, 2021 workshop, Staff asked stakeholders to propose ways to facilitate the Commission’s decision, and Portland General Electric Company (“PGE”), PacifiCorp, and Idaho Power Company (“Idaho Power”) (the “Utilities”) recommended postponing a Commission decision. The Utilities recommended, in essence, abandoning Staff’s proposal to use Effective Load Carrying Capability (“ELCC”) and instead exploring a Loss of Load Probability (“LOLP”) approach. Stakeholders sought clarity on what data and LOLP modeling the Utilities would provide and requested a written

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<sup>1</sup> Staff’s Capacity Value Best Practices Updated Draft at 1 (Sept. 30, 2021).

<sup>2</sup> Special Public Meeting at 1:53:20-1:55:06 (Nov. 4, 2021).

<sup>3</sup> Individual members of the Joint Commenters have specific concerns about certain aspects of Staff’s Proposal (and they reserve their rights to raise those with the Commission). However, the Joint Commenters recommend that the Commission review the Staff Proposal and decide whether to adopt it with or without modifications.

proposal, which the Utilities provided on November 23, 2021 (the “Utilities’ Proposal”).<sup>4</sup> In the Joint Commenters’ view, the Joint Utilities bear the responsibility to provide any relevant data and modeling prior to an informed decision on capacity contribution methodology. Since the Joint Utilities have refrained from providing that, it is not appropriate to postpone a decision to ensure that Joint Utilities have a Commission framework to rely on to expedite their modeling and data transparency in this docket.

After reviewing the Utilities’ Proposal, the Joint Commenters concluded that it would be beneficial to modify Staff’s Proposal to include LOLP data in addition to ELCC data, but that data can be required without extending this docket. Among other issues, the Utilities’ Proposal does not propose any evaluation or comparison of LOLP results to ELCC results.<sup>5</sup> It merely indicates that such an endeavor “would require additional time.”<sup>6</sup> Further, the Utilities’ Proposal states that it “is not intended to define the capacity contribution methodology that should be used going forward and should not be understood to reflect the Joint Utilities’ position or recommendation in this docket.”<sup>7</sup> An indefinite delay to this proceeding for uncertain benefits is not appropriate or worthwhile. Stakeholders have engaged and deliberated extensively regarding Staff’s Proposal,

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<sup>4</sup> Utilities’ Proposal at 1. The document has not yet been filed and is therefore appended as Attachment A.

<sup>5</sup> See Utilities’ Proposal at 1-3.

<sup>6</sup> Utilities’ Proposal at 1.

<sup>7</sup> Utilities’ Proposal at 1.

including over four workshops.<sup>8</sup> There is no justification for abandoning Staff's Proposal at this late date.

The Joint Commenters recommend against delaying this case as the Utilities propose and instead recommend that Staff seek a Commission decision without delay.

Dated this 3rd day of December 2021.

Respectfully submitted,

**Renewable Energy Coalition and  
Northwest & Intermountain Power  
Producers Coalition**



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<sup>8</sup> Staff's Straw Proposal for ELCC Modeling Standards (June 8, 2021). Staff led workshops on June 15 and 29, 2021; July 15, 2021; November 4, 2021 (a Special Public Meeting); and November 16, 2021.

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**Attachment A**

**Joint Utilities' Proposal for Providing Capacity Contribution Results  
Using the Loss of Load Probability (LOLP) Methodology**

November 23, 2021

**Re: *In the Matter of Public Utility Commission of Oregon General Capacity Investigation, Docket No. UM 2011 – Joint Utilities’ Proposal***

In accordance with the agreement reached at the November 16, 2021, workshop, Portland General Electric Company (PGE), PacifiCorp d/b/a Pacific Power (PacifiCorp), and Idaho Power Company (Idaho Power) (together, the Joint Utilities) present the following proposal for providing capacity contribution results using the Loss of Load Probability (LOLP) methodology.

This proposal is intended to inform continued discussions and facilitate a better shared understanding of capacity valuation methodologies. The LOLP results are based on each utility’s current best practices and most recent Integrated Resource Plan (IRP) or IRP Update, as modified to accommodate Staff and stakeholder feedback and requests in this docket. While the Joint Utilities favor the LOLP method over Staff’s Effective Load Carrying Capacity (ELCC) proposal, this modeling proposal is not intended to define the capacity contribution methodology that should be used going forward and should not be understood to reflect the Joint Utilities’ position or recommendation in this docket.

By using the LOLP methodology based on each utility’s most recent IRP, the Joint Utilities can provide the modeling results in January 2022, in accordance with Staff’s proposed schedule, which will allow this docket to continue moving forward. Incorporating additional modifications or methodologies, such as the ELCC methodology, would require additional time.

To ensure a common understanding of the Joint Utilities’ proposal, the following outlines the planned deliverables:

- Each utility will provide LOLP results based on its most recent IRP.<sup>1</sup> The LOLP results are resource agnostic, which will allow Staff and stakeholders to input any proposed generation profile and obtain capacity

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<sup>1</sup> PGE notes that its most recent IRP and IRP Update were filed before the passage of HB2021, and the resources additions associated with the preferred portfolio were not developed to meet PGE’s current emission-reduction targets. Therefore, PGE proposes to include the resource type and additions that it has identified in portfolio analysis conducted for the RFP.

contribution results. Staff and stakeholders can then apply any assumed capacity cost to the LOLP results to estimate the capacity value for any resource type. In this way, the LOLP is flexible and transparent and allows for broader capacity contribution estimation than an alternative like the ELCC that requires individual modeling for each unique resource type.

- Each utility will provide LOLP results beginning in 2025 and for every three years thereafter through 2040. Providing triennial results is generally consistent with paragraph 3(e) of Staff's proposed Best Practices.
- Each utility will provide two LOLP results for each year—one based on modeling that includes the incremental resource additions included in each utility's IRP preferred portfolio and one that reflects the resource assumptions in paragraph 3(f) and (g) of Staff's proposed Best Practices (i.e., the LOLP results will reflect resource retirements and no uncommitted incremental resource additions).
- To model the output of variable energy resources, each utility will use the methodology that is employed in its most recent IRP, which does not necessarily correspond to the modeling recommendation in paragraph 4 of Staff's proposed Best Practices. For clarity, here are the data sets used by each utility:
  - PGE: In its 2019 IRP and IRP Update, PGE used eight years of proxy resource data.
  - PacifiCorp: In its 2021 IRP, modeled wind and solar generation is derived from the hourly actual output during 2018. For resources which were not online in 2018, an hourly shape is developed based on resources of the same type that are located in close proximity. For both existing and new resources, the modeled hourly output is adjusted so that it is consistent with a resource's forecasted annual output. To help ensure appropriate wind and solar generation across a range of load conditions, the order of the 2018 historical days was rearranged so that the forecasted intra-month variations in renewable output and load were reasonably consistent with observed patterns from 2016-2019. To maintain correlations within wind and solar output, all wind and solar resources across the entire system are rearranged in the same way.<sup>2</sup>

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<sup>2</sup> For additional details, please refer to Appendix K – Capacity Contribution in Volume II of PacifiCorp's 2021 IRP (p. 221-223)



- Idaho Power: Idaho Power uses four years of actual historical generation data.
- As indicated by paragraph 5 of Staff's proposed Best Practices, weather and the correlation between load and resource output can be key drivers of capacity contribution. While resource-agnostic LOLP values may not completely capture this relationship, to accurately calculate capacity contribution it is necessary to ensure that proposed generation profiles are reasonably aligned with modeled inputs for similar resources. To that end, each utility will provide sample wind and solar generation profiles used in developing the provided LOLP results.

The Joint Utilities' proposal will provide a robust data set to Staff and stakeholders on a reasonable timeline and without requiring extensive and time-consuming modeling. The LOLP results, both with and without incremental resource additions, will allow Staff and stakeholders to better understand the impact of resource additions and retirements and how a resource's capacity contribution changes over time. And because of the flexibility inherent in the LOLP results, Staff and stakeholders are not limited in the resource types or generation profiles that can be analyzed.

The Joint Utilities appreciate stakeholders' continued engagement in this docket and look forward to discussing this proposal at the next workshop.

Respectfully submitted,



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