

**BEFORE THE PUBLIC UTILITY COMMISSION
OF THE STATE OF OREGON**

UM 2143

In the Matter of PUBLIC UTILITY
COMMISSION OF OREGON

Investigation Into Resource Adequacy
in Oregon

COMMENTS OF
BROOKFIELD RENEWABLE TRADING AND
MARKETING LP

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I. INTRODUCTION & SUMMARY

Brookfield Renewable Trading and Marketing LP (“BRTM”) hereby submits the following comments on the Oregon Public Utility Commission (“Commission”) staff’s (“Staff”) docket strategy and straw proposal for the UM 2143 Resource Adequacy (“RA”) Investigation.

As a general matter, BRTM supports the development of an Oregon-specific RA program so long as that program is applicable to all load responsible entities (“LREs”) on a mandatory, non-discriminatory basis, is based on market-based principles and mechanisms and, to the extent practicable, is aligned with any larger regional RA requirements and products. BRTM acknowledges that this may result in the Commission ultimately deciding to direct all LREs in Oregon to participate in the Northwest Power Pool’s Western RA Program (“WRAP”) and require them to comply with the WRAP requirements.

Subject to the below outlined modifications and clarifications, BRTM largely supports Staff’s proposed process and straw proposal. BRTM supports Staff’s recommendation to establish a phased procedural schedule where the first phase (“Phase 1”) is comprised of informational RA

showings by LREs and the second phase (“Phase 2”) focuses on the development of long-term RA requirements and rules.

II. BRTM Supports a Phase 1 Informational Showing by All LREs

Staff proposes to begin the investigation in this proceeding with an informational filing from all LREs in Docket No. UM 2143.¹ Specifically, Staff proposes that:²

- All LREs file an RA showing that includes a load/resource balance forecast for the subsequent five years (2022-2027);
- All LREs will also indicate their decision whether to participate in the Northwest Power Pool non-binding WRAP before or as a part of their informational filing;
- Staff identifies the state non-coincident peak and coincident peak and identifies potential capacity shortfalls both within the LREs planning and at a state-wide level.

For purposes of developing the informational showings, Staff proposes to leverage existing investor-owned utility planning practices and, for all other LREs, the NWPP’s proposed load-forecasting and capacity valuation methodologies.³ Finally, with respect to reliability metrics, Staff states that it is exploring the availability of resources to use the 1 day in 10 years loss of load expectation target used in the WRAP forward showing program or use of an average planning reserve margin (“PRM”) from the most recently filed utility integrated resource plans (“IRPs”).⁴

Staff states that the above-outlined informational filings will show the current levels of RA in the state over the next five years, thus assisting parties in “refining straw proposals to fill gaps in state RA and help the Commission right-size the solution it adopts.”⁵ Staff states that it will

¹ See Staff’s October 15, 2021, paper entitled “UM 2143 Investigation into Resource Adequacy in the State Process Proposal and RA Solution Straw Proposal” at p.1.

² Id. at p. 4.

³ Id.

⁴ Id.

⁵ Id.

aggregate and present information so as to protect commercially sensitive data and proposes that the informational RA showings be due January 25, 2022.⁶ The Staff straw proposal states that if the informational filings, "...reveal the need for urgent, binding action to ensure near-term RA in the state, Staff will recommend that the Commission open a rulemaking to adopt an RA standard and program, equivalent to the NWPP standard, as an interim measure, with compliance demonstrated through seasonal forward showing filings that are acknowledged by the Commission."⁷ Staff further states that, "...if the informational filings reveal that there is not a need for urgent, binding action, but a need for a long-term RA program is nevertheless optimal, parties will utilize these insights to develop a long-term RA solution that can operate in concert with a regional program and fill any gaps identified in the state and region."⁸

BRTM generally supports this proposed process. At this juncture, and in light of the fact that there appears to be outstanding questions regarding the implementation details of the WRAP (and little practical experience), BRTM does not support Staff's Phase 1 Alternate wherein the Commission would adopt the WRAP requirements on an interim basis.

BRTM offers the following comments on the Phase 1 proposal:

- Staff should clarify that the information showing only applies to LREs currently serving load in Oregon (BRTM notes that while its affiliate, Brookfield Renewable Energy Marketing US LLC ("BREMUS") is a registered Electricity Services Supplier ("ESS") in Oregon, it is not currently serving load in Oregon);
- BRTM recommends that for the proposed informational RA showing (and in particular the longer-term design) that Staff consider a shorter showing period than five years. BRTM posits that a 1-2 year RA showing window is sufficient and that that timeframe is generally consistent with other RA/capacity programs. BRTM is concerned that a five-year period is too long and effectively extends into an IRP-type planning window. In contrast, RA showings should be, for the most part, focused on *procured*, rather than *planned* resources. This point is particularly relevant for ESS, who, due to the uncertain

⁶ Id. at pp.1-3.

⁷ Id. at p.2.

⁸ Id.

level of load they may be serving five years out, cannot be expected to actually procure resources that far in advance. At a minimum, LREs should only have to show RA for the years they have load under contract.

- While it is important that Staff ensure LREs employ consistent load-forecasting and resource counting methodologies so as to ensure an “apples-to-apples” comparison and an accurate system- or state-level assessment, Staff should also accommodate an iterative approach (and schedule) wherein LREs that either do not have established IRP-type processes/methodologies or are not (yet) participating in the WRAP can work with Staff to develop appropriate load-forecasts or resource counting evaluations;
 - BRTM also notes that ESS load may be subject to larger variations over a five-year period due to the fact that large customers may leave/return over that period. Such one-off events or uncertainty may require manual adjustments and/or flexibility in developing a load forecast.
 - BRTM further notes that there appear to be outstanding issues with respect to the implementation details of the WRAP resource counting rules. BRTM urges Staff to remain flexible with respect to the use and application of resource counting conventions.
- Staff should clarify that market purchases, such as Western System Power Pool Schedule C contracts, will count in full towards satisfying the preliminary RA showings;
- Clarify whether the referenced reliability metric is a “one day in ten year” loss of load expectation (“LOLE”) metric or a “one event in ten year” metric;
 - BRTM expresses a preference for use of an objective metric, such as the 1-10 LOLE, rather than use of an average PRM from the utilities IRP submissions.
- The Staff straw proposal is silent on deliverability requirements/showings. Staff should confirm that it will not apply any deliverability metric in the informational filings;
 - BRTM notes that development of any deliverability requirements will be complex and is best reserved for Phase 2 of the proceeding.

III. BRTM generally supports Staff’s Long-term Solution as a framework or starting place for Phase 2 discussions

Staff’s straw proposal outlines a long-term solution that will be the basis of the Phase 2 rulemaking process and related discussions. Staff states that its goal with the long-term solution is to provide transparency into mid-term RA to complement the shorter-term (seasonal) regional, i.e., WRAP, effort and long-term IRP efforts.⁹ As part of the long-term solution, Staff proposes that

⁹ Id. at p. 5.

the Commission adopt a permanent binding RA standard with compliance obligations. Specifically, Staff recommends that the Commission adopt a 1 in 10 LOLE RA standard by rule where all LREs are required to plan to meet this standard and where compliance is focused on meeting a 1 in 10 LOLE in a resource plan over a 5-year outlook.¹⁰ The Staff proposal states that if a LRE is in a binding regional RA program, the LRE can use the PRM or other planning metric assigned by the binding regional program (assuming the regional program uses a 1 in 10 LOLE). If the LRE is not a participant in a binding RA program, the LRE will be required to use a planning metric that is equivalent or an approximation of a 1 in 10 LOLE specific to the LRE's load and resource characteristics.¹¹

The Staff proposal also proposes that compliance be demonstrated by meeting the standard in a resource planning proceeding filed annually for regional program non-participants and biennially for regional program participants. The Staff proposal states that for utilities, RA compliance demonstration would be incorporated into IRP processes and that for ESSs, RA compliance would be demonstrated by filing a 5-year resource plan similar to the IRP, preferably as part of the forward-looking clean energy reporting required for ESSs in Oregon House Bill ("HB") 2021.¹² Finally, the Staff proposal provides that if a LRE is in a binding regional RA program, action plans must meet the state RA standard up to the following levels:

- 95% 1 years out;
- 90% 2 years out;
- 75% 3 years out;
- 65% 4 years out; and
- 50% 5 years out.

¹⁰ Id.

¹¹ Id.

¹² Id.

If a LRE is not a participant in a binding RA program, their action plan must include a five year action plan that meets RA standard up to the following levels:

- 100% 1 years out;
- 95% 2 years out;
- 80% 3 years out;
- 70% 4 years out; and
- 60% 5 years out.

BRTM supports the basic conceptual framework of Staff's long-term RA proposal, i.e., establishing a forward binding RA requirement based on an objective reliability criterion along with appropriate showing and compliance requirements. BRTM urges Staff to remain flexible and adapt its proposal based not only on information gleaned from the proposed informational RA showings but also based on further development of the WRAP. BRTM supports Staff's proposal to permit LREs to rely on membership in the WRAP as a compliance option. BRTM requests that Staff confirm that LREs could use the information and showings made as part of the WRAP to directly comply with any adopted Oregon RA showings. In other words, LREs should be able to rely on their participation in the WRAP as directly satisfying any binding compliance obligation established for Oregon LREs and the PUC should not establish any duplicative requirements or processes.

Finally, both with respect to the informational showings and the longer-term RA structure, BRTM also urges Staff to be mindful of the fact that the IOUs and ESSs are not similarly situated with respect to the nature of their load and thus their resource planning practices. As noted above, the nature and level of an ESS' load can vary over a period of time.¹³ Moreover, ESS typically

¹³ BRTM reiterates its concern, as stated above, that a five-year showing period is too long, is not realistically aligned with RA procurement timelines, and is particularly problematic for ESS, who may not know whether and to what extent they will be serving load over that timeframe.

contract with large, sophisticated customers whose load is subject to specific curtailment plans and such plans can and should be factored in when considering whether their suppliers are resource adequate. In addition, ESS have not historically had to develop long-term IRPs. As acknowledged by Staff¹⁴, the Commission and ESS will have to develop new reporting mechanisms to comply with HB2021. Specifically, under HB2021, ESSs must report to the PUC:

- An estimate of annual greenhouse gas (“GHG”) emissions associated with electricity sold to retail consumers for the current year and following three years;
- Annual goals for projected reduction of GHG associated with the electricity sold to retail consumers; and
- Other information necessary, as determined by the Commission, to demonstrate the ability to meet the clean energy targets, including any actions to make progress toward meeting the clean energy targets and anticipated actions to quickly reduce GHG emissions at reasonable costs.

In addition, pursuant to HB2021, ESS will be required to publicly disclose a summary of the aggregated energy supply mix and associated emissions of the power sources that serve their direct access customers. Based on the above requirements, the Commission will need to adopt rules to govern these reporting processes and requirements. Any such adopted rules should not duplicate or overburden ESS.

IV. Conclusion

BRTM appreciates the thought and time Staff put into developing its straw proposal and looks forward to engaging with Staff and other parties in the forthcoming rulemaking process.

¹⁴ Id. at p.1 and 5.

DATED this 18th day of November, 2021.

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