



November 21, 2022

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
Attn: Filing Center
201 High Street SE, Suite 100
Salem, OR 97301-3398

RE: UM 2143—PacifiCorp’s Comments on Staff’s Straw Proposal Update

PacifiCorp d/b/a Pacific Power (PacifiCorp or the Company) provides these comments in response to the October 21, 2022 straw proposal update on resource adequacy provided by the Staff of the Public Utility Commission of Oregon (Commission Staff). The Company appreciates the significant effort and analysis that has characterized Commission Staff’s approach to Resource Adequacy (RA) in this docket so far.

PacifiCorp supports the inclusion in the straw proposal of the concept of a different compliance mechanism for participants in a regional program, but remains concerned that the revised staff proposal could lead to significant deviations from the Western Power Pool’s Resource Adequacy Program (WRAP), threatening the benefits of participation in a regional program that could lower costs for customers if the alternative compliance does not cover all RA requirements for Oregon load serving entities (LSE).

Establishing an Oregon-only binding RA program that differs from the WRAP places utilities and Energy Service Suppliers that are participating in the regional program in a situation where the two different processes could be working at cross-purposes. In fact, PacifiCorp remains concerned about this divergence and these comments indicate certain areas where this divergence is occurring and may not be appropriate. The Commission should not create additional burdens for Oregon utilities that are part of the WRAP and have robust existing Integrated Resource Planning requirements in Oregon already.

PacifiCorp recommends that the Commission allow WRAP participants to provide the same data and filings that are provided in the WRAP to Oregon Staff to establish compliance with resource adequacy requirements. WRAP participants are already subject to significant and punitive penalties as part of the WRAP program participation, establishing Oregon specific penalties and increasing the regulatory burden on utilities is both unnecessary and duplicative of the WRAP program.

Additionally, PacifiCorp notes that the compliance standards identified by Oregon Staff are significantly more burdensome than those used by the WRAP.¹ PacifiCorp appreciates that Staff is open to holding further discussions on these thresholds, and welcomes the opportunity to explain why these thresholds should mirror those used by the WRAP.

¹ Staff’s Updated Process Proposal for continuation of UM 2143 (Oct. 21, 2022).

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PacifiCorp supports Staff's position that electric service suppliers (ESS) are in a unique position because they are not subject to the Commission's IRP requirements and therefore there is significantly less transparency in their planning processes. Staff's options on alternative ESS compliance seem to be predicated on addressing POLR issues while exempting ESSs from the necessary planning requirements that any load-serving entity should already do. Resource adequacy should not be substituted with utility capacity backstops or preferential curtailment. These solutions shift costs and planning burdens from the ESS to the Utility. Staff's straw proposal has already established an alternative compliance structure by setting RA standards for WPP non-participants. ESSs should be held to those standards.

Finally, PacifiCorp would like to emphasize that the concept of RA is very different from Provider of Last Resort (POLR) obligations. Issues of POLR are being addressed in the ongoing Direct Access rulemaking and it is not appropriate to conflate two separate obligations for load-serving entities. RA is a vital compliance requirement to address the increased risk as additional renewable generation resources are added to the system and used to serve direct access load, but it does not cover the full range of POLR obligations or alleviate the entire risk of unwarranted cost shifting.

PacifiCorp appreciates the opportunity to provide these comments, and looks forward to continuing to actively participate in this investigation.

Sincerely,

A handwritten signature in black ink, appearing to read 'Matthew McVee', written in a cursive style.

Matthew McVee
Vice President, Regulatory Policy and Operations