

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

UM 2143

In the Matter of

PUBLIC UTILITY COMMISSION OF
OREGON

Investigation into Resource Adequacy

**PORTLAND GENERAL ELECTRIC
COMMENTS ON STAFF'S
UPDATED PROCESS PROPOSAL FOR
CONTINUATION OF UM 2143**

INTRODUCTION

Portland General Electric Company (PGE) submits these comments in UM 2143 *State Investigation into Resource Adequacy* (RA) in response to the Public Utility Commission of Oregon (Commission or OPUC) Staff's *Updated Process Proposal for Continuation of UM 2143* circulated February 17, 2023.¹ That process proposal followed a Special Public Meeting on January 10, 2023, at which Commissioners heard about RA from the Western Electricity Coordinating Council, Northwest Power and Conservation Council, and the Western Power Pool (WPP).² PGE last submitted written comments on November 21, 2022, noting that mandatory participation in a state-level program and advanced RA forward showings remained foundational to this investigation to ensure sufficient time to procure resources.³ These comments are structured according to Staff's summary of the major changes to the proposed framework, and include: a discussion of PGE's support for Staff's proposed RA framework; support for mandatory participation in a regional RA program; discussion of the need for both investor-owned utilities (IOUs) and electricity service suppliers (ESSs) to plan for RA and decarbonization in parallel; followed by a response to the full updated straw proposal after concluding remarks.

I. PGE SUPPORT FOR STAFF'S RA FRAMEWORK

PGE welcomes Staff's proposal for a four-year informational RA showing for both IOUs and ESSs, followed by a two-year binding forward showing for load responsible entities (LREs) that

¹ UM 2143, Staff's Updated Process Proposal for Continuation of UM 2143, February 17, 2023, available at: <https://edocs.puc.state.or.us/efdocs/HAH/um2143hah93525.pdf>

² OPUC, Special Public Meeting UM 2143 Resource Adequacy Investigation Update/Technical Conference on the State of RA, January 19, 2023, available at: <https://www.oregon.gov/puc/news-events/Pages/default.aspx>

³ UM 2143, PGE's Comments on Staff's Resource Adequacy Proposal, p 1, November 21, 2022, available at: <https://edocs.puc.state.or.us/efdocs/HAC/um2143hac131838.pdf>

are not participating in a regional RA program.⁴ PGE agrees with Staff that “rules with clear expectations”⁵ for an informational four-year RA forward showing should allow stakeholders to better understand the reliability implications of integrated resource plans (IRPs) and House Bill (HB) 2021 clean energy plans to meet state emission targets.⁶ In addition, the two-year binding forward showing for entities not participating in a regional RA program would incentivize participation in the WPP Western Resource Adequacy Program (WRAP). PGE also appreciates Staff’s updates to further align the proposal for a state-level RA framework with WRAP metrics (discussed in the table below), and the clarification that provider of last resort (POLR) issues will be addressed as part of the AR 651 rulemaking into direct access.⁷

II. PGE SUPPORT FOR MANDATORY PARTICIPATION IN A REGIONAL RA PROGRAM

Staff noted its interest in “hearing from stakeholders about whether mandating WRAP participation in lieu of a binding program [for non-WRAP participants] would be preferable to creating a binding program.”⁸ PGE has previously advocated for the OPUC to consider mandating participation in a regional RA program such as the WRAP and looks forward to a robust stakeholder discussion on this issue at the forthcoming workshop on April 6th.⁹ The combination of mandatory participation in a regional RA program and a state-level four-year informational forward showing should contribute significantly to increased transparency into how OPUC jurisdictional LREs are planning to decarbonize reliably.

III. BOTH IOUs & ESSs SHOULD PLAN IN PARALLEL FOR RESOURCE ADEQUACY & DECARONIZATION

Staff also encouraged comments on “[a] proposed starting date for the state RA compliance process.”¹⁰ A starting date should consider how Staff’s proposed compliance process interacts

⁴ UM 2143, Staff’s Updated Process Proposal for Continuation of UM 2143, p 2, February 17, 2023, available at: <https://edocs.puc.state.or.us/efdocs/HAH/um2143hah93525.pdf>

⁵ UM 2143, Staff’s Updated Process Proposal for Continuation of UM 2143, p 2, February 17, 2023, available at: <https://edocs.puc.state.or.us/efdocs/HAH/um2143hah93525.pdf>

⁶ An Act Relating to Clean Energy, HB 2021 Section (3)(c)(A), 81st Oregon Legislative Assembly, 2021 Regular Session. Available at: <https://olis.oregonlegislature.gov/liz/2021R1/Downloads/MeasureDocument/HB2021/Enrolled>

⁷ AR 651, Direct Access Rulemaking (HB 2021 et al), available at: <https://apps.puc.state.or.us/edockets/docket.asp?DocketID=23063>

⁸ UM 2143, Staff’s Updated Process Proposal for Continuation of UM 2143, p 3, February 17, 2023, available at: <https://edocs.puc.state.or.us/efdocs/HAH/um2143hah93525.pdf>

⁹ UM 2143, PGE Comments on Staff Straw Proposal Workshop of October 27 2021, p 6, November 18, 2021, available at: <https://edocs.puc.state.or.us/efdocs/HAC/um2143hac165326.pdf>

¹⁰ UM 2143, Staff’s Updated Process Proposal for Continuation of UM 2143, p 7, February 17, 2023, available at: <https://edocs.puc.state.or.us/efdocs/HAH/um2143hah93525.pdf>

with existing requirements and the WRAP timeline. Staff propose the four-year informational filing should be “[w]ith the IRP for IOUs [with a] RA informational update filed with IRP updates as well [and] [e]very other year for ESSs as part of HB 2021 filings.”¹¹ PGE looks forward to further discussion of an IOU RA filing through a distinct chapter in the IRP or potentially filed as part of a parallel process (in order to protect commercially sensitive data) at the April 6th workshop. Either way, alignment between IOU and ESS RA planning would increase the Commission’s insights as well as providing an additional opportunity to identify and cure any ESS RA deficiencies as LREs plan to meet state emission targets.

Staff’s proposal to link ESS RA compliance to ESS HB 2021 filings, therefore the cadence of the latter needs to be considered. IOUs are required to plan simultaneously for reliability and decarbonization. HB 2021 requires IOUs to “develop a clean energy plan for meeting the clean energy targets [...] concurrent with the development of each integrated resource plan.”¹² Furthermore, at its public meeting on May 31, 2022, the Commission adopted Staff’s recommendation in UM 2225 directing PGE to “[f]ile the CEP [clean energy plan] with the utility’s next IRP”.¹³ Meanwhile, HB 2021 leaves the initial reporting of ESS “[a]ctions to make continual progress toward meeting the clean energy targets” to the discretion of the Commission.¹⁴ As PGE has advocated in AR 651, the initial ESS HB 2021 reporting deadline should ensure that ESSs begin simultaneously to plan for both resource adequacy and decarbonization.¹⁵ Staff’s proposed UM 2143 schedule envisions requesting the Commission open a formal rulemaking at the public meeting on September 19, 2023.¹⁶ Taken together, this means that the initial state-level forward showing for PGE could take place in an IRP or IRP update (or as part of a parallel IOU process) after the effective date of any rules, and as part of an ESS’s HB 2021 filing with the Commission in the same timeframe.

¹¹ UM 2143, Staff’s Updated Process Proposal for Continuation of UM 2143, p 5, February 17, 2023, available at: <https://edocs.puc.state.or.us/efdocs/HAH/um2143hah93525.pdf>

¹² An Act Relating to Clean Energy, HB 2021 Section (4)(1), 81st Oregon Legislative Assembly, 2021 Regular Session. Available at: <https://olis.oregonlegislature.gov/liz/2021R1/Downloads/MeasureDocument/HB2021/Enrolled>

¹³ UM 2225, Order 22-206, Appendix A p 1, June 3, 2023, available at: <https://apps.puc.state.or.us/orders/2022ords/22-206.pdf>

¹⁴ An Act Relating to Clean Energy, HB 2021 Section (5)(3)(c)(A), 81st Oregon Legislative Assembly, 2021 Regular Session. Available at: <https://olis.oregonlegislature.gov/liz/2021R1/Downloads/MeasureDocument/HB2021/Enrolled>

¹⁵ AR 651, PGE Comments on Staff’s Division 38 Direct Access Straw Proposal, p 5, September 15, 2022, available at: <https://edocs.puc.state.or.us/efdocs/HAC/ar651hac161242.pdf>

¹⁶ UM 2143, Staff’s Updated Process Proposal for Continuation of UM 2143, p 8, February 17, 2023, available at: <https://edocs.puc.state.or.us/efdocs/HAH/um2143hah93525.pdf>

CONCLUSION

PGE looks forward to the workshop to discuss comments on Staff's straw proposal on April 6th, 2023, and share's Staff's goal of moving towards drafting rule language.

Respectfully submitted this 13th day of March 2023.

/s/ Shay LaBray

Senior Director, Regulatory Affairs and Strategy

Enclosures:

cc: Michael O'Brien

STAFF’S FULL UPDATED STRAW PROPOSAL

Issue	Staff Proposal	Staff Notes	PGE Comments
1. Reliability Standard			
What is the appropriate RA (resource adequacy) metric for the state’s RA standards?	<p>Planning reserve set to 1 in 10 LOLEvent-day equivalent (loss of load expectation) equivalent/approximation per LRE (load responsible entity).</p> <p>If the LRE is a participant in a binding regional RA program, the LRE is required to demonstrate compliance with the regional program’s designated planning reserve [margin]</p>	Stakeholder asked for clarification on whether this was meant to be event or event-day. This is consistent with the planning reserve margins in the WRAP.	PGE uses a 1 day in 10 years LOLE in its IRP. The WPP WRAP uses a 1 event in 10 years LOLE. PGE supports the use of WRAP (regional) metrics in the informational RA assessment filed as an IRP chapter (or as part of a parallel IOU process) while allowing for different (PGE system) metrics in the rest of the IRP. WRAP and IRP reliability standards should come into closer alignment as utilities approach binding participation in the WRAP. ¹⁷
Will the standard be binding?	Yes, the standard will be binding for compliance filings with the state’s RA program for only entities that are not part of the WRAP. Filing will be informational otherwise.	The intent here is to incentivize participants to engage in the WRAP while still giving Oregon stakeholders an avenue to assess resource adequacy concerns.	PGE supports a 2-year binding compliance filing for non-participants in a regional RA program and agrees with Staff this would incentivize WRAP

¹⁷ Note the WRAP has binding transition period, from Summer 2025 (Oct 2024 forward showing) through Summer 28 (Oct 2027 forward showing).

Issue	Staff Proposal	Staff Notes	PGE Comments
	<p>The forward showing in the compliance process for non-WRAP participants will only be binding for 2 years.</p> <p>For visibility, the standard will be required to be used in the RA analysis that Staff proposes to be included in the IRP or ESS forward looking reporting under HB 2021.</p>	<p>Stakeholders brought up the problems associated with a 2-year filing cadence and a 3-year binding showing.</p>	<p>participation (including non-binding participation during the WRAP transition period).</p> <p>As discussed above, as an alternative to a state-level 2-year binding forward showing (but in addition to a 4-year informational showing) PGE supports the Commission requiring all LREs under its jurisdiction to participate in a regional RA program such as the WRAP.</p>
<p>Will the standard be set by rule or by reference to Commission order? How will the standard be assessed and updated as needed?</p>	<p>The standard will be set in rules.</p>	<p>Staff has selected this proposal because rules are applied generally. In the event that the standard needs to be updated, Staff is supportive of opening a limited rulemaking.</p>	<p>PGE supports setting the standard in rules.</p>

2. Commission Processes

<p>Items contained in informational filings</p>	<ul style="list-style-type: none"> • IOUs will incorporate RA analysis using methods consistent with the WRAP over a four-year horizon into their IRPs to bring RA concerns into planning dockets • ESSs will file a 4-year resource plan modeled off the IRP for acknowledgement, preferably as part of the forward-looking clean energy reporting required for ESSs in HB 2021. Will include: <ul style="list-style-type: none"> o 4-year load forecast at current level. Current levels can be substituted if another reasonable assumption can be supported which would change load while avoiding any business concerns surrounding divulgence. o 4-year assessment of current transmission rights and future ability to meet transmission needs. o Summary of current resource characteristics and future acquisitions to meet RA concerns 	<ul style="list-style-type: none"> • Staff’s goal is to make resource adequacy a more well-defined part of the planning process and to fill the gap between WRAP’s 7-month horizon and the longer-term IRP that doesn’t have a clear methodology. • The four-year horizon is chosen to be consistent with the WRAP’s horizon. • Reminder again that non-WRAP participants will only be subject to two binding years. 	<p>PGE supports IOUs incorporating RA analysis using WRAP techniques filed as a distinct informational chapter in IRPs, or as part of a parallel IOU process</p> <p>The Commission should also design a program that accommodates multi-state utilities without leading to material differences in compliance.</p>
<p>What should the filing frequency be?</p>	<ul style="list-style-type: none"> •With the IRP for IOUs 	<p>Reminder here that Staff is proposing that WRAP</p>	<p>PGE supports RA informational filings as part of</p>

	<p>o RA informational update filed with IRP updates as well</p> <ul style="list-style-type: none"> • Every other year for ESSs as part of HB 2021 filings 	<p>participants will be making only informational filings regardless of timing</p>	<p>IRP/IRP updates or as part of a parallel IOU process.</p> <p>PGE recommends that ESSs should have to file with the same frequency as IOUs.</p> <p>PGE also recommends that if the ESS reporting is tied to HB 2021 filings, then the ESS initial reporting deadline should be brought into alignment with the expectations of IOUs in UM 2225.¹⁸</p>
<p>What will the compliance process look like?</p>	<ul style="list-style-type: none"> • For IOUs and ESSs, compliance docket opened on April 1 every other year if not part of WRAP. • Informational RA assessment using WRAP techniques filed as a chapter in IRP for WRAP participants. • WRAP ESSs make informational only filing in HB 2021 filing using WRAP analysis methods. 	<p>The goal is to integrate WRAP techniques into the IRP planning horizon rather than to make a separate, binding RA process for WRAP participants.</p> <p>Staff envisions a six-month turnaround between filing and acknowledgement for an RA docket.</p>	<p>PGE supports IOU informational RA compliance through a distinct chapter in the IRP or as part of a parallel IOU process.</p>

¹⁸ UM 2225, Staff HB 2021 Investigation into Clean Energy Plans, available at: <https://apps.puc.state.or.us/edockets/DocketNoLayout.asp?DocketID=23160>

<p>What are the consequences of a non-compliant RA docket?</p>	<ul style="list-style-type: none"> •The Commission will identify deficiencies and direct the LRE to cure them. <ul style="list-style-type: none"> o Parties that do not cure deficiencies may be subject to a fine 	<p>Stakeholders raised concerns about whether the intent was for the Commission to direct how to cure the deficiency or just to identify a deficiency that needs to be cured. The intent is the latter.</p>	<p>PGE seeks clarification that the consequences for a non-compliant docket only apply to non- participants in a regional RA program.</p> <p>PGE would also welcome discussion of decertification as a potential penalty for an ESS not participating in a regional RA program that fails to cure any deficit in its binding 2-year forward showing.</p>
<p>3. Compliance (and Visibility) Standards</p>			
<p>What standards does a WRAP Non-Participant need to meet to show compliance in the state RA program?</p>	<ul style="list-style-type: none"> • Planning reserve set to a 1 in 10 LOLEvent equivalent/approximation per LRE, established by rule. • RA plan must show two-year adequacy that meets RA standard up to the following load levels for the binding years using standards consistent with the load levels in the informational filings: <ul style="list-style-type: none"> o 100% 1 years out o 90% 2 years out •2-year binding transmission forward showing consistent with WRAP standards (75% of load with exceptions) for load 	<p>Designed to incentivize WRAP participation by creating a binding transmission forward showing that is identical to WRAP albeit on a longer horizon.</p> <p>Moving to a 2-year binding forward showing based on overlapping timeline issue brought up by stakeholders.</p>	<p>PGE supports the use of WRAP metrics for non-participants in a regional RA program (1 event in 10 years LOLE, along with transmission requirements and exemptions).</p> <p>PGE also supports increasingly binding requirements for non-participants in a regional RA program.</p> <p>PGE notes that the WRAP transmission requirement is 75% of the MW quantity of its FS Capacity Requirement,</p>

	levels outlined above.		which is equivalent to 75% of the qualifying capacity contribution of eligible resources (not 75% of their nameplate). ¹⁹
What is required for all entities?	<ul style="list-style-type: none"> File a 4-year informational forward showing in IRP/HB 2021 filings using WRAP techniques and standards outlined above. 	Entities may file their own load and resource information confidentially. After speaking with WPP and stakeholders, Staff has not been made aware of disclosure concerns from requiring entities to make these periodic informational filings.	PGE supports the protection of confidential load and resource information required by all entities as part of a 4-year informational forward showing.
Do ESSs have an alternative compliance option?	<ul style="list-style-type: none"> Options for ESSs to procure capacity from third-party as alternative means of compliance for non-curtable loads through a bilateral contract. <ul style="list-style-type: none"> Any load subject to backstop by IOU is deemed as load responsible for IOU in state RA/IRP planning 	Staff intends to resolve items related to a non-curtable cap or a capacity backstop charge in AR 651.	PGE supports resolution of issues related to a utility's role as provider of last resort in through the AR 651 proceeding.
What resource capacity contributions should	<ul style="list-style-type: none"> 1-4 year outlook should match, to extent practicable, WPP advisory forecast for resource capacity contribution, transmission, PRM, etc. 		PGE supports using WPP data to the extent practicable.

¹⁹ WPP WRAP Tariff, Section 16.3.1, available at: https://www.westernpowerpool.org/private-media/documents/WRAP_Tariff_12-12-22_W0327945x8DF47_2.pdf

<p>be used in the entities' filings?</p>	<p>o It is the LRE's burden to present how their outlook sufficiently improves over or is negligibly different than the WPP advisory forecast if the WPP advisory is not used. A LRE that uses its own resource contributions in place of WPP's resource contributions should submit a methodology section with its filing.</p>		
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