

April 26, 2022

***VIA ELECTRONIC FILING***

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

**Re: UM 2225—PacifiCorp’s Response to OPUC Staff’s Community Lens Questionnaire**

**I. INTRODUCTION**

PacifiCorp d/b/a Pacific Power (PacifiCorp or Company) respectfully submits these comments in response to the Public Utility Commission of Oregon’s (Commission) Community Lens Questionnaire issued on April 4, 2022.

PacifiCorp is excited to collaborate with the Commission and stakeholders on the important work to implement House Bill (HB) 2021. To that end, PacifiCorp recommends the Commission adopt generally accepted risk-based resiliency analyses for Clean Energy Plans (CEPs), ensure that community-based renewable energy (CBRE) generation analyses are folded into traditional integrated resource plan (IRP) modeling practices, and clarify that CEPs should only address system-wide, tangible community benefits.

**II. COMMENTS**

**A. The Commission should adopt generally accepted risk-based resiliency analyses.**

HB 2021 § 4(4)(c) requires utility CEPs to include a “risk-based examination of resiliency opportunities that includes costs, consequences, outcomes and benefits based on reasonable and prudent industry resiliency standards and guidelines established by the Public Utility Commission.”

PacifiCorp notes that “resiliency,” however defined, should strive for uniformity across jurisdictions and between utilities. For example, PacifiCorp recently filed its Clean Energy Implementation Plan (CEIP) with the Washington Utilities and Transportation Commission (WUTC) for the state’s Clean Energy Transformation Act (CETA).<sup>1</sup> In its CEIP, PacifiCorp proposes to measure the frequency and duration of energy outages with several existing industry measurements, including:

- A system average interruption duration index (SAIDI), that measures the average outage duration for each customer served;
- A system average interruption frequency index (SAIFI), that measures the average number of interruptions a customer may experience; and

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<sup>1</sup> PacifiCorp Clean Energy Implementation Plan (Dec. 30, 2021) (available here: [https://www.pacificorp.com/content/dam/pcorp/documents/en/pacificorp/energy/ceip/PAC-CEIP-12-30-21\\_with\\_Appx.pdf](https://www.pacificorp.com/content/dam/pcorp/documents/en/pacificorp/energy/ceip/PAC-CEIP-12-30-21_with_Appx.pdf)).

- A customer average interruption duration index (CAIDI), that measures the average outage duration any given customer would experience.<sup>2</sup>

Likewise, this Commission should define “resiliency” as the “frequency and duration of energy outages,” and consider requiring SAIDI, SAIFI, and CAIDI metrics to quantify outages and interruptions. As PacifiCorp represented to the WUTC: “Generally, total performance (including major events) can be an indicator of resilience, while data excluding major events is an indicatory of reliability.”<sup>3</sup> This definition would ensure consistency between the states, based on industry standards that measure the right category of resiliency risks—utility performance based on frequency and duration of energy outages, including and excluding major system events.

This definition (and related measurements) would ensure that PacifiCorp’s CEP includes a “risk-based examination” and adequately quantifies relevant resiliency opportunities. For example, PacifiCorp plans to perform its IRP modeling aligned with its role as a long-term planning tool. This means the model will optimize proxy resources and transmission at broadly defined locations. For the CEP analysis, the Company will further refine the optimized IRP modeling outcomes. The refinement of the portfolio for the CEP will compare risks and benefits of community resources, which feature limited incremental transmission requirements, compared to traditional developments which seek to optimize utility scale cost savings and interconnected transmission system reliability.

As with CETA in Washington, PacifiCorp’s Oregon CEP should begin with least-cost, least-risk system portfolio analyses—the foundation of utility IRP modeling—and then account for, and layer in, CEP requirements to derive a preferred portfolio of resources for PacifiCorp’s Oregon customers.

**B. CBRE generation analyses should be folded into traditional IRP modeling practices.**

HB 2021 § 4(4)(d) requires utility CEPs to “examine the costs and opportunities of offsetting energy generated from fossil fuels with community-based renewable energy.”

PacifiCorp notes that in its IRP planning processes, “opportunities” are not presupposed prior to modeling. All generation projects are hypothetical at the outset. Consistent with long-term resource planning, there are no initial assumptions made about the structure of supply-side resources selected by IRP modeling. Rather, resources compete on a least-cost, least-risk basis as part of the system-wide optimization of PacifiCorp’s six-state territory. After IRP modeling, the Company will first assess the potential costs and benefits of assuming appropriately selected resources are treated as CBRE generation. For example, there may be benefits to communities of avoiding large transmission builds, and there may be local economic or health benefits, and other CBRE factors. Second, the Company will assess compliance to determine if sufficient resources of appropriate types have been selected to fulfill CEP requirements and restrictions.

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<sup>2</sup> *Id.* at 56.

<sup>3</sup> *Id.*

Any shortfalls will be remedied in the final preferred portfolio through the additional selection of optimal compliant resources.

This analysis will include all costs traditionally modeled for each type of resource (the 2021 IRP serves as a good reference), plus any additional considerations such as the potential for added delivery costs for demand side management programs due to efforts to distribute programs equitably, or cost savings by the avoidance of new transmission projects. All CEP community benefits will ultimately be included in the final compliant preferred portfolio. Costs are evaluated on a present value revenue requirement basis as determined by the entire portfolio and any measured impacts, including cost savings due to emissions reductions.

At this time, the Company anticipates the CEP will be an integral section of the 2023 IRP, with all cost information and analyses included in the IRP and accompanying workpapers.

**C. Only tangible, system-wide community benefits should be included in CEPs.**

HB 2021 § 5(2)(a) requires the Commission to consider the “reduction of greenhouse gas emissions that is expected through the plan, and any related environmental or health benefits.”

Consistent with PacifiCorp’s answers above, the Company plans to perform its IRP modeling aligned with its role as a long-term planning tool, relying on proxy resources, broadly defined locations, and significant transmission option representation. In the IRP, the CEP analysis will further refine IRP modeling outcomes, identifying which locations and technologies in the IRP expansion plan will take the form of small community-based projects. To the extent that identified supply-side resources are insufficient to meet CEP objectives, additional compliant resources will be identified to arrive at the IRP preferred portfolio.

Additionally, the primary input for demand side resources in the IRP comes from the Company’s Conservation Potential Assessment (CPA). In Oregon, the energy efficiency portion of the CPA is conducted by Energy Trust of Oregon and includes non-energy benefits for measures with quantifiable and attributable non-energy benefits in accordance with docket UM 551.<sup>4</sup> These non-energy benefits reduce the Total Resource Cost (TRC) of energy efficiency measures being selected in the IRP model. The same TRC perspective is also used for demand response resources in the CPA and IRP. To the extent that additional community benefits are identified, monetized, and attributable to demand side resources, they can be readily incorporated into existing planning processes and reflected in the CEP.

Finally, the Commission should only consider costs and benefits that can be reasonably monetized or actualized in energy markets. This would ensure that only factors that have a tangible ratepayer impact would be considered.

For example, there may be health benefits that result from certain renewable resources compared to thermal generators. However, if those benefits to health outcomes do not reasonably affect

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<sup>4</sup> *In the Matter of an Investigation into the Calculation and Use of Cost-Effectiveness Levels for Conservation*, Docket No. UM 551, Order No. 94-590 (Apr. 6, 1994).

energy markets, then the Commission should decline to address the issue (of course, health outcomes that are reasonably quantifiable should be considered). Additionally, the Commission should ensure that offsetting costs are appropriately considered when weighing benefits. For example, local community benefits may result from various resiliency measures (customers may avoid incremental transmission projects necessary to connect nodes in a utility's transmission topology by the development of CBRE generation), but these benefits may come with costs (there might be less resource sharing and system-wide benefits as a result of these hyper-local resources). These local benefits would need to be viewed in light of system-wide costs. Together, the Commission should only consider tangible, net benefits, when reviewing utility CEPs.

### III. CONCLUSION

PacifiCorp respectfully requests the Commission consider the reasonable comments discussed above.

Sincerely,

A handwritten signature in blue ink that reads "Shelley McCoy". The signature is written in a cursive, flowing style.

Shelley E. McCoy  
Director, Regulation