

Davison Van Cleve PC

Attorneys at Law

TEL (503) 241-7242 • FAX (503) 241-8160 • com@dvclaw.com
Suite 450
1750 SW Harbor Way
Portland, OR 97201

June 10, 2022

Via Electronic Filing

Public Utility Commission of Oregon
Attn: Filing Center
201 High St. SE, Suite 100
Salem OR 97301

Re: In the Matter of PUBLIC UTILITY COMMISSION OF OREGON,
House Bill 2021 Investigation into Clean Energy Plans.
Docket No. UM 2225

Dear Filing Center:

Please find enclosed the Alliance of Western Energy Consumers' Comments in the above-referenced docket.

Thank you for your assistance. If you have any questions, please do not hesitate to call.

Sincerely,

/s/ Corinne O. Milinovich
Corinne O. Milinovich

Enclosure

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 2225

In the Matter of)	
)	COMMENTS OF THE ALLIANCE OF
PUBLIC UTILITY COMMISSION OF)	WESTERN ENERGY CONSUMERS
OREGON,)	
)	
House Bill 2021 Investigation into Clean Energy)	
<u>Plans.</u>)	

I. INTRODUCTION

The Alliance of Western Energy Consumers (“AWEC”) submits the following comments in the above-referenced docket regarding Oregon Public Utility Commission (“Commission”) Staff’s Roadmap Acknowledgement Questionnaire (“Questionnaire”), filed May 20, 2022. Staff’s Questionnaire sets forth four questions for stakeholder comment “regarding annual goals for actions in the Clean Energy Plan (“CEP”) as well as the standards for and implications of acknowledgement.”¹ AWEC’s comments are limited to Staff’s Question 3, which asks “How should compliance and continual progress be demonstrated and assessed?”²

II. COMMENTS

As noted by Staff, House Bill (“HB”) 2021 §4(4)(e) requires electric companies to demonstrate in their CEPs that they are “making continual progress within the planning period towards meeting the clean energy targets...including demonstrating a projected reduction of

¹ Docket No. UM 2225, Staff’s Roadmap Acknowledgement Questionnaire, at 2 (May 20, 2022).
² Id. at 4.

annual greenhouse gas emissions." Similarly, HB 2021 §4(6) requires that the Commission “ensure that an electric company demonstrates continual progress...and is taking actions as soon as practicable that facilitate rapid reduction of greenhouse gas emissions at reasonable costs to retail electricity consumers.”³ Importantly, HB 2021 §4(4)(f) requires a CEP to “result in an affordable, reliable and clean electric system.”

To assist in answering the question of how compliance and continual progress be demonstrated and assessed, Staff provided a number of prompt questions. These prompt questions include (1) how a CEP should demonstrate continual progress within the planning period towards meeting the clean energy targets...including demonstrating a projected reduction of annual greenhouse gas emissions? and (2) how should the Commission ‘ensure that an electric company is taking actions as soon as practicable that facilitate rapid reduction of greenhouse gas emissions at reasonable costs to retail electricity consumers?’⁴ AWEC’s comments focus on answering these two prompt questions to inform the “continual progress” and “rapid reductions” at “reasonable costs” elements of HB 2021 §4(4)(e) and §4(6).

For demonstrating continual progress within planning periods in meeting clean energy targets that include reductions in greenhouse gas emissions, the Commission should rely on each utility’s consistency with the CEP analysis and actions contained within its IRP, which are grounded in least-cost, least-risk planning. This approach is consistent with the Commission’s prior decision to adopt Staff’s recommendation to direct PacifiCorp and Portland

³ HB 2021 §4(6).

⁴ Docket No. UM 2225, Staff’s Roadmap Acknowledgement Questionnaire, at 4 (May 20, 2022).

General Electric Company to “[f]ile the CEP with the utility’s next [Integrated Resource Plan (“IRP”)], as a chapter, appendix, or accompanying filing...[and] [f]ile a CEP that is consistent with the IRP analysis and IRP Action Plan.”⁵ As explained by the Commission, “[t]he IRP is a road map for providing reliable and least-cost, least-risk electric service to the utility's customers, consistent with state and federal energy policies, while addressing and planning for uncertainties...The primary outcome of the process is the ‘selection of a portfolio of resources with the best combination of expected costs and associated risks and uncertainties for the utility and its customers.’”⁶ “This is often referred to as the ‘least cost/least risk portfolio.’”⁷ It follows that a CEP should similarly identify the least cost/least risk path to meeting HB 2021 requirements.

In identifying the least cost/least risk path, the Commission should require that utilities provide clear justification for decisions made in a CEP, as similarly required for IRPs.⁸ Any modeling approach used by utilities for CEPs should similarly further transparency of planning projects and not distract from the evaluation of the benefits of projects for the customers who will ultimately pay for the projects.⁹ AWEC is concerned that an approach

⁵ Docket No. UM 2225, Order, at 2 (June 3, 2022).

⁶ Docket No. LC 77, Order No. 22-178, at 3 (May 23, 2022).

⁷ Docket No. LC 64, Order No. 21-184, Appendix A, at 6 (June 4, 2021) (internal citations omitted).

⁸ See Docket No. LC 77, Order No. 22-178, at 11 (“In future IRPs, we expect PacifiCorp to articulate clearer justifications for its transmission projects, including how the company assessed transmission needs and alternatives comprehensively, how and why a particular project was selected in a transmission planning process, why it is reasonable for ratepayers to pay substantial costs for these particular projects, and what quantifiable (and quantified) and non-quantifiable (but valued qualitatively) benefits will come to Oregon ratepayers in particular and PacifiCorp ratepayers in general, as compared with benefits from regional projects that accrue to other regional actors not contributing to costs.”).

⁹ See Docket No. LC 77, Order No. 22-178, at 11-12. (The Commission found that the utility’s modeling approach “obscured nearly 75 percent of the cost of the transmission project in modeling results by placing it in the base case” and further found that “[t]his approach was unhelpful to the transparency of the

including more specific interim targets within a planning period, also known as a “glide path,” to meet the clean energy targets in HB 2021 §3, will at worst be divorced from a least-cost, least-risk approach, or at best, artificially constrain the most efficient compliance pathways. As such, the Commission should conclude that a utility should plan for CEP compliance on a least-cost, least-risk basis consistent with its IRP, and that actions in accordance with its CEP meet the standard for “continual progress.”

In addition to the cost cap measures included in HB 2021 §10, the Commission must also ensure that compliance comes at a “reasonable cost” to ratepayers in accordance with HB 2021 §4(6), and that each CEP “result in an affordable, reliable and clean electric system” in accordance with HB 2021 § 4(4)(f). The Commission should consider costs to be “reasonable” and “affordable” to the extent that they are consistent with least-cost, least-risk planning as identified in each utility’s IRP, and in accordance with any other applicable resource acquisition requirements, including competitive bidding rules, and constrained by the cost cap provisions of HB 2021 §10. Adherence to these standards ensures that customers will pay no more than necessary to comply with HB 2021 requirements, while also ensuring that progress is made towards the policy objectives contained therein. Ultimately, rates must continue to be “fair, just and reasonable.”¹⁰

III. CONCLUSION

¹⁰ planning process and distracted from the evaluation of the benefits of the transmission project for the customers who will pay for it.”).
ORS § 757.210(1)(a).

AWEC appreciates the opportunity to provide comments on Staff's Questionnaire and looks forward to working with the Commission and stakeholders to this docket.

Dated this 10th day of June, 2022.

Respectfully submitted,

DAVISON VAN CLEVE, P.C.

/s/ Corinne O. Milinovich

Tyler C. Pepple

Corinne O. Milinovich

1750 SW Harbor Way, Suite 450

Portland, Oregon 97201

(503) 241-7242 (phone)

(503) 241-8160 (facsimile)

tcp@dvclaw.com

com@dvclaw.com

Of Attorneys for the

Alliance of Western Energy Consumers