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September 6, 2022

Via Electronic Filing

Public Utility Commission of Oregon
Attention: Filing Center
P.O. Box 1088
Salem, OR 97308-1088

Re: **UM 2225 Investigation into Clean Energy Plans; PGE Comments on Staff Roadmap Acknowledgement and Community Lens Straw Proposals**

Dear Filing Center:

Portland General Electric Company (PGE) hereby submits comments in Docket UM 2225. PGE's comments address the Draft Straw Proposals filed by Oregon Public Utility Commission (Commission or OPUC) Staff on August 9, 2022.

If you have any questions, please contact Sam Newman at sam.newman@pgn.com or 503-464-2112. Please direct all formal correspondence and requests to the following e-mail address: pge.opuc.filings@pgn.com.

Sincerely,

/s/ Jason Salmi Klotz

Jason Salmi Klotz
Manager, Regulatory Strategy & Engagement

JSK/SN
Enclosure
cc: Kristen Sheeran
Sam Newman
Michael O'Brien
Caroline Moore OPUC
Kim Herb OPUC

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 2225

In the Matter of PUBLIC UTILITY COMMISSION OF OREGON House Bill 2021 Investigation into Clean Energy Plans	**PORTLAND GENERAL ELECTRIC COMMENTS ON STAFF'S ROADMAP ACKNOWLEDGEMENT AND COMMUNITY LENS STRAW PROPOSALS**

INTRODUCTION

Portland General Electric Company (PGE or Company) submits these comments in docket UM 2225 *HB 2021 Investigation into Clean Energy Plans* in response to the Public Utility Commission of Oregon (Commission or OPUC) Staff's August 9, 2022, *Straw Proposals and Schedule Update*.[1] PGE appreciates Staff's analysis and supports most of the Proposal's findings and recommendations. In these comments, we provide overarching comments in Section II on the alignment of Staff's Straw Proposals with our evolving understanding of Clean Energy Plan (CEP) analytical needs, engagement processes, and process timing. This is followed in Section III by a detailed topic-by-topic discussion. In consideration of Staff's comments encouraging stakeholders to offer actionable alternatives when raising any concerns with the initial Straw Proposal, we have included suggested revised guidelines with our comments.

I. COMMENTS ON WORK PLAN UPDATE

PGE appreciates Staff's ongoing efforts to use a transparent approach to coordinate and bring resolution to UM 2225 workstreams within a constrained timeline. We believe it is appropriate for the Commission to consider CEP guidance in multiple phases, as indicated in Staff's schedule, to provide clarity as early as possible.

PGE is cognizant of the large amount of work ahead for Staff, stakeholders, and utilities, and throughout these comments, we have emphasized opportunities for streamlining processes and ensuring that the first CEP can be effective in delivering on its core objectives while laying groundwork for revisions in future cycles.

[1] UM 2225, Staff Straw Proposal, filed August 9, 2022, available at: https://edocs.puc.state.or.us/efdocs/HAH/um2225hah11736.pdf.

As Staff considers feedback on its Straw Proposals, PGE encourages Staff to prioritize guidance that supports the utilities' ability to produce House Bill (HB) 2021-compliant first CEPs in a timely manner. As discussed further in these comments, the proposed treatment of particular issues in Staff's Straw Proposals, and in the subsequent August 26, 2022 UM 2225 workshop, carry significant implementation hurdles in this condensed timeframe for the first CEP. For this reason, Staff should consider using a future formal rulemaking to inform future CEPs. This would allow the timely conclusion of the current process and allow the first CEPs to offer an important foundational step toward subsequent CEPs.

II. COMMENTS ON STRAW PROPOSAL IMPLICATIONS

PGE envisions the CEP as a streamlined and accessible roadmap of the equitable and affordable transition to a carbon-free grid. The CEP will be grounded in the analytical processes of the integrated resource plan (IRP) and distribution system plan (DSP). As Staff's Proposals make clear, analysis specifically tied to CEP objectives will be interwoven with IRP models and processes. In Order 22-206, the Commission directed the utilities to "file the CEP with the utility's next IRP, as a chapter, appendix, or accompanying filing" and to "file a CEP that is consistent with the IRP analysis and IRP Action Plan."[2] We have referenced CEP, IRP and DSP analysis throughout these comments, underscoring the interdependent nature of these integrated planning efforts.

In sharing these Straw Proposals, Staff has put forward a focused conceptual framework for the first CEP. While we are generally aligned with Staff's intent and approach to these proposals, we have significant practical concerns with the complexity of the Straw Proposals' expectations for new resource types, portfolio analysis, scenario runs, data and reporting requirements. In these comments, we have highlighted areas where Staff's draft guidance is overly complex compared to HB 2021 requirements. As such, we encourage Staff to consider framing this as guidance specifically applicable to the first CEP cycle and subject to subsequent reconsideration and finalization.

In the remainder of this section, we summarize overarching themes for Staff's consideration when refining both Straw Proposals as well as forthcoming guidance targeting the UM 2225 Analytical Improvements workstream. We emphasize areas where the Straw Proposals could be updated to prioritize critical path items for the first CEPs. Detailed recommendations related to each Staff topic are addressed in the following section.

1. Attention to Planning Cycle Streamlining

In previous comments in this docket, PGE urged Staff attention to the end-to-end timeline by which utilities develop IRPs, seek approval of a request for proposals (RFP), conduct solicitations,

[2] OPUC Order 22-206, adopting Staff's recommendation regarding Threshold Planning Framework Issues for the First Clean Energy Plans. June 3, 2022.

and execute agreements for new generation resources.[3] It is not uncommon for this total cycle to take more than 48 months from beginning to end, and we remain concerned that certain proposed CEP guidance may add to process complexity and duration.

As provided in our 2021 PGE RFP docket, PGE's decarbonization pathway will necessitate significant resource needs by 2030.[4] Those comments highlighted the fact that:

> Many northwest utilities face similar and significant renewable resource requirements in 2030 whether they are subject to Oregon's HB 2021, Washington's Clean Energy Transformation Act (CETA), or California's reduced 2032 emissions targets associated with Senate Bill 100 requirements. In an environment of rapidly increasing demand and decreasing market liquidity, PGE could face elevated supply costs and risks if planning to close a larger fraction of compliance requirements in the 2025 to 2030 time period.

These concerns persist, despite extension of tax credits via federal Inflation Reduction Act in August 2022.

We have significant work ahead to develop CEP/IRP analysis that meets HB 2021 requirements on schedule for our March 31, 2023 filing and that enables flexible and timely resource acquisition. We remain committed to advancing these planning processes with significant community and stakeholder engagement, building on DSP and IRP lessons learned as described in our CEP Engagement Strategy.[5]

2. Community Benefit Indicators for Community Lens Analysis

In the Community Lens Straw Proposal, Staff identifies Community Benefits Indicators (CBIs) as a "critical near-term priority for the implementation of HB 2021".[6] We agree; although the "CBI" term is not used in HB 2021, the concept of community benefits is related to HB 2021's provisions for examinations of Community-Based Renewable Energy (CBRE) and resiliency, as well as the Commission's consideration of CEP alignment with the public interest.[7] However, formal incorporation of CBIs will take time, and we recommend new CBIs be considered deliberately through more formal regulatory proceedings prior to full adoption as described in the Straw Proposals.

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[3] For example, see PGE's Comments on Planning Framework Straw Proposal, filed to UM 2225 May 10, 2022. https://edocs.puc.state.or.us/efdocs/HAC/um2225hac162117.pdf.
[4] PGE's Reply Comments, filed in UM 2166 (PGE 2021 All-Source RFP) on June 15, 2022. https://edocs.puc.state.or.us/efdocs/HAC/um2166hac16197.pdf.
[5] PGE's CEP Engagement Strategy, filed in UM 2225 on August 4, 2022. https://edocs.puc.state.or.us/efdocs/HAH/um2225hah165755.pdf.
[6] Staff's Straw Proposal, page 23 ("Community Benefits Indicators")
[7] HB 2021 addresses CBRE and resiliency expectations in Section 4. Section 5 stipulates that the Commission's consideration of the public interest shall consider "environmental and health benefits" associated with GHG emissions reductions.

Importantly, CBIs developed in the context of the CEP should align with other CBI-related work being advanced by the Commission, including but not limited to, the transportation electrification (TE) and low-income needs assessment activities identified in the Staff Straw Proposal.[8] Due to potentially broad implications of any new quantitative CBIs on other regulatory topics and the need for thorough community and stakeholder input processes, including through new Community Benefits and Impacts Advisory Groups (CBIAGs), new CBIs should be considered deliberately through more formal regulatory proceedings prior to adoption.

In Staff's Straw Proposal, CBIs are addressed in Roadmap Acknowledgement Topics 3, 6 and 8, and woven throughout the Community Lens Guidance. As we work with communities, stakeholders and Staff to develop usable CBIs, CBIs can have immediate practical value in informing targets for CBRE and distributed energy resources (DERs). This approach will direct consideration of community benefits to the types of resource actions that they are most suited to and reduce portfolio modeling analytical and data complexity. As such, we recommend a focused approach on prioritized CBIs on Community Lens topics for the first CEP, while we work to evolve our approach to for future CEPs and other parallel workstreams such as the TE and the CBIAG.

In suggested guideline revisions throughout these comments, we recommend this phased approach to CBI development and application for the first CEP with further ongoing work to expand to IRP portfolio modeling in future cycles.

3. Community-Based Renewables Target-Setting

HB 2021 directs utilities to include in their CEP an examination of the "costs and opportunities of offsetting energy generated from fossil fuels with community-based renewable energy".[9] Community Lens Topic #4 includes Staff's draft guidance for satisfying this direction, which emphasizes incorporation of CBRE forecasts in IRP portfolio modeling. We agree that IRP portfolio analysis is the appropriate venue to analyze opportunities to offset fossil fuel energy.

Staff suggests a long-term preference for a process in which proxy CBRE resources would be considered via a potential analysis and fully integrated in IRP portfolio analysis. We agree, and we also agree with Staff's recognition that this holistic approach is infeasible for the current CEP, and possibly beyond. We support Staff's observation that "utilities may only have time to identify a fixed level of CBRE acquisition in the first IRP/CEP".[10] We propose to arrive at a CBRE planning target range through our CEP engagement work which reflects technical feasibility and community ambition and considers interactions with ORS 469A.210 (goal for community-based renewable energy projects) and potential CBRE procurements driven by HB 2021 Section 20(5)

[8] Staff's Straw Proposal, page 23 ("Community Benefits Indicators")
[9] HB 2021, Section 4(4)(d)
[10] Staff's Straw Proposal, page 21 ("Community Lens Acquisition Targets")

(community clean energy tariff). In addition to its feasibility with analysis and engagement timelines, a streamlined CBRE approach yields the following additional benefits:

- **Allows engagement to focus on acquisition strategies**. PGE is planning multiple public engagement opportunities over the coming six months to inform the IRP and CEP. In our experience, these processes can provide valuable feedback to the complex questions of how we encourage CBRE to meet our targets in ways that balance the competing objectives of transparency, affordability, and usability by community groups and participants. In consideration of timing constraints, we seek to focus engagement efforts on the types of resources and procurement approaches that can be driven by CBRE targets, as well as to inform future CEP development.

- **Builds foundation for future refinement**. As CEP and DSP processes mature, CBRE analysis can be built into updated DSP resource forecasting, allowing a consistent approach to all DER forecasts that considers benefits and costs appropriately. Future refinement can build on national best practices and incorporate defined CBIs as they are formalized, as well as any subsequent OPUC guidance on standard cost-effectiveness methodologies.

4. Upcoming Guidance for Scenario Analysis

As Staff considers upcoming Straw Proposals concerning scenario analysis requirements and data availability, we are concerned with further scope expansion. While we recognize these topics are beyond the scope of the current straw proposals and will be addressed by Staff's Analytical Improvements workstream, we encourage Staff to consider the usefulness of any specifically directed scenarios to inform near-term actions. IRP scenarios are complex and take substantial time and expertise to set up and ensure rigorous, meaningful and transparent outputs. Utilities should retain final responsibility for determining whether additional scenario requests can feasibly be incorporated in the CEP/IRP modeling workplan and timeline. We anticipate further comments on this topic in upcoming workshops and comment opportunities. And as with CBIs, we encourage a phased approach that develops a foundation in the first CEP that can be updated in future cycles.

III. COMMENTS ON DETAILED STRAW PROPOSAL TOPICS

In the subsections below, we consider Staff's detailed narrative and guidance language specific to each guidance topic presented by Staff.

Roadmap Acknowledgement Straw Proposal

1. Topic #1. CEP planning and acknowledgement horizons

PGE supports Staff's proposal for planning and acknowledgement horizons. We agree that consistency with IRP planning horizons is appropriate, which also aligns with DER forecasts

developed in the DSP. In our survey response on this topic, we recommended that the CEP focus on a 10-year time horizon for annual GHG emissions scenarios.[11] This recommendation was based on the increasing uncertainty of proxy resource costs and technical feasibility beyond a ten-year planning horizon. We continue to believe that substantial uncertainty exists for years 11-20, but we support Staff's proposal that the CEP include forecasts and modeling for the entire 20-year period.

PGE does not have proposed revisions to Staff straw proposal.

2. Topic #2. Annual goals for actions

PGE supports Staff's framing of annual goals focusing on resource actions within the 2-4 year action plan window. While the list of action types proposed by Staff aligns with what we plan to analyze for the CEP, we recommend analyzing resiliency as a benefit or attribute of other resource types, rather than as a standalone "Resiliency Projects" category with its own associated goal. This recommendation is further discussed in our comments on Community Lens Topic #1.

To simplify Staff's guidance, we also recommend removing detailed guidance concerning distribution system upgrades, at least from the first CEP. The scope of Staff's proposal for inclusion of "upgrades required for the utility's planned resource actions" in the action plan is not well-defined and is better addressed in the DSP. While the CEP should and will thoroughly reference the DSP and may present select distribution investments as CEP actions, the expansion of scope that would be associated with an attempt by the CEP to define, disaggregate and forecast the costs and timing of distribution upgrades required to enable CEP resource actions would be complex, potentially duplicative and interdependent with existing capital planning and regulatory review processes. For CBRE resources, which were not addressed in detail by DER forecasts within the initial DSPs, determination of targets and acquisition strategies as described in Community Lens Topic #1 can consider potential distribution upgrade costs as part of the resource cost estimate.

On Staff's second point, PGE disagrees with the characterization of "system resources" as different in kind from "resources that the utility expects to acquire through voluntary customer or community programs (e.g. community solar, green tariff, net metering, community-sponsored resiliency projects)".[12] HB 2021's emissions framework does not differentiate between these different resource types. Instead, CEP/IRP Action Plan targets are informed by potential assessments, cost/benefit considerations and community and customer ambition. For DERs, including rooftop solar, these targets flow from DSP analysis. For CBRE, the new process outlined in Staff's Community Lens Topic #1 will apply. Neither case warrants establishing

[11] PGE's Comments on Roadmap Acknowledgement Questionnaire, filed in UM 2225 on June 10, 2022. https://edocs.puc.state.or.us/efdocs/HAC/um2225hac144750.pdf.
[12] Staff's Straw Proposal, page 6.

separate targets or metrics for customer- or community-directed project development. To the extent these resources are supported by program-based acquisition strategies, that can be identified in the acquisition plan discussion. In the guideline revisions below, we have recommended removal of the provision on goals for voluntary actions.

Proposed revisions to Staff straw proposal:

Annual goals should be provided for all resource actions in each portfolio evaluated in the IRP. Resource actions include, at a minimum: clean energy resources, energy storage, energy efficiency, demand response, resource retirements, changes in system operations, transmission and other supporting infrastructure, and community-based renewable energy projects ~~and resiliency projects~~.
~~Annual goals~~ Actions for clean energy resources and storage may consider utility-led procurement as well as ~~should differentiate between system resources and resources that the utility expects to acquire through~~ voluntary customer or community programs.
~~If distribution system upgrades are required for the utility's planned resource actions, these investments should be clearly described and their costs should be included in the evaluation of the associated actions.~~

3. Topic #3. Annual metrics measuring the impacts of actions

PGE agrees with Staff regarding the challenges of attributing specific impacts to individual resource actions and agrees that it is appropriate for the CEP to assess metrics at the portfolio level. Staff proposes metrics in three areas, which would be applied to all IRP portfolios on an annual basis. We address each in turn.

On greenhouse gas (GHG) emissions, HB 2021 is clear on the use of Oregon Department of Environmental Quality (DEQ) methodology, which is focused solely on emissions to serve retail load. Rather than provide emissions data associated with each portfolio evaluated, it will be more straightforward to present data associated with specific scenarios. We look forward to providing meaningful and useful emissions analysis from our modeling of our existing thermal fleet and our market operations. Doing so will require collaboration with both Staff and Stakeholders, including in the UM 2225 Analytical Improvements workstream, to ensure our modeling process and stakeholder expectations are well understood.

Regarding energy prices or rates, while Staff offers a simple formula, we are concerned it would be misleading to stakeholders, communities and customers. Any cost estimates developed in the CEP would be for comparison purposes only, based on forward cost projections, and not disaggregated in any way to PGE's distinct customer classes. Presentation of these values as average rate forecasts would not represent or imply a proposed regulatory requirement, which would be submitted in a general rate case. Recognizing these drawbacks, a Net Present Value of

Revenue Requirement (NPVRR) has been used to consider cost impacts of IRP portfolios.[13] Expanding on this methodology, we can include annual NPVRR costs associated with modeled portfolios in our 2023 IRP/CEP. This approach addresses Staff's goal of comparing the timing of cost impacts across scenarios and retains NPVRR as the appropriate metric for comparing cost impacts of CEP/IRP portfolios.

Finally, Staff's proposed approach to incorporation of CBIs into IRP/CEP portfolio-level metrics presents challenges. As we described in our overarching comments, a focused approach to CBIs that builds on DSP processes and informs targets for DERs and CBREs as described in Chapter 2 of Staff's proposal (Community Lens Guidance) is appropriate for the first CEP. Given the uncertainties and interdependencies associated with development of quantifiable CBIs, we recommend a narrower approach and have suggested a redline to that guidance point.

Proposed revisions to Staff straw proposal:

The utility should report the following information on an annual basis in the CEP ~~for each portfolio evaluated in the IRP~~:

- **Total greenhouse gas emissions associated with the portfolio based on the DEQ methodology, and broken out by individual fossil fuel resources, market purchases, and market sales.**
- **Estimated costs ~~average electric rates~~, calculated as the total net present value of the revenue requirement for Oregon customers ~~divided by the total retail sales in Oregon~~.**
- ~~**Estimated community impacts and benefits, metrics that are developed in coordination with representatives of the communities impacted by the plan, including environmental justice communities.**~~

4. Topic #4. Greenhouse gas reporting, verification, and compliance in planning

HB 2021 is clear that DEQ is responsible for verifying CEP emissions forecasts. PGE supports Staff's approach to this issue and intends to work collaboratively with DEQ staff to ensure that emissions forecasts align with DEQ expectations and verification needs. To the extent that Staff expects utilities to provide additional data on emissions and other portfolio attributes beyond the HB 2021 framework, we encourage prioritization of available and high-value information.

No Staff guidance was offered specific to this topic. PGE agrees that this topic is sufficiently addressed by Staff's Topic #6 proposal.

[13] PGE's use of NPVRR as the primary cost metric in portfolio evaluation is grounded in IRP guidance adopted by OPUC in Order 07-002, Guideline 1(c): "Utilities should use present value of revenue requirement (PVRR) as the key cost metric. The plan should include analysis of current and estimated future costs for all long-lived resources such as power plants, gas storage facilities, and pipelines, as well as all short-lived resources such as gas supply and short-term power purchases."

5. Topic #5. Continual progress and IRP cost/risk framework

PGE agrees with Staff that a waiver of Guideline 1.c is appropriate to allow the IRP preferred portfolio to satisfy the expanded HB 2021 requirements. Our proposed edits highlight guidance to report metrics that is already addressed by Topic #3 guidance. It is unnecessary to reiterate it here.

Proposed revisions to Staff straw proposal:

IRP Guideline 1.c. should be waived for electric utilities on an interim basis, provided the utilities apply the following interim guidance:
The primary goal must be the selection of a portfolio of resources that best balances: expected costs and associated risks and uncertainties for the utility and its customers, the pace of greenhouse gas emissions reductions, and community impacts and benefits.

- **The planning horizon…(see Guideline 1c, Order No. 07-002)**
- **Utilities should…(see Guideline 1c, Order No. 07-002)**
- **To address risk…(see Guideline 1c, Order No. 07-002)**
- ~~**Greenhouse gas emissions should be reported in a manner consistent with the methodology approved by the Oregon Department of Environmental Quality.**~~
- ~~**Community impacts and benefits should be reported using metrics developed in coordination with representatives of the communities impacted by the plan, including environmental justice communities. See Chapter 2 for more detailed guidance.**~~
- **The utility should explain in its plan how its resource choices appropriately balance cost, risk, the pace of greenhouse gas emissions reductions, and community impacts and benefits.**

6. Topic #6. Considerations in CEP acknowledgement

PGE supports Staff's proposal. We will draw on successful approaches from our DSP on community engagement. Regarding participant surveys, we have encountered numerous challenges in capturing meaningful participation and results from DSP surveys; in general, we have found them to be expensive and subjective. However, we agree with Staff that effective community engagement is a core goal of the CEP, and participants should have the opportunity to share feedback directly. We will seek to address feedback we receive and report survey results as an appendix to our filing as proposed by Staff.

PGE does not have proposed revisions to Staff straw proposal.

7. Topic #7. Non-acknowledgement, partial acknowledgement, and conditional acknowledgement of the CEP, and interdependences with IRP acknowledgement

PGE agrees with Staff that the CEP and IRP are expected to be interdependent planning documents. However, we have concerns with Staff's proposal that "if the CEP is not fully acknowledged, the utility must revise and resubmit." Depending on the nature of the reason for

non-acknowledgement, this revision and resubmission process could add months to the CEP/IRP timeline. Ultimately, the CEP and IRP are planning documents in which the utility should retain authority to determine the necessity of refiling to seek acknowledgement of a non-acknowledged CEP/IRP. Regulatory cost recovery proceedings are the appropriate venue to resolve concerns regarding prudency absent a fully acknowledged IRP/CEP.

PGE recommends revisions to Staff's proposal to remove the requirement to resubmit in the event of non-acknowledgement, or at least, further clarify the Commission's ability to issue conditional acknowledgement. This aligns with Staff's statement that "partial acknowledgement and acknowledgement with conditions are useful and efficient tools to address deficiencies while enabling implementation of plan components that have been adequately vetted and are determined by the Commission to be in the public interest. Staff recommends that these tools also be considered by the Commission in weighing CEP acknowledgement, as appropriate".[14]

Proposed revisions to Staff straw proposal:

IRP and CEP acknowledgement may be considered together in a single acknowledgement order. The Commission may provide the energy utility an opportunity to revise targeted elements of the IRP or CEP or both before issuing a full, partial or conditional acknowledgement order. If the CEP is not fully acknowledged, the utility may ~~must~~ revise and resubmit all or certain elements of the initial filing and the Commission may then acknowledge the revised elements.

8. Topic #8. Annual update

PGE supports Staff's straw proposal with the exception of CBI reporting. Per our overarching comments and comments on Topic #3, definitions and processes for CBIs may not be sufficiently mature to enable meaningful portfolio-level reporting. To simplify the guidance, we suggest removing the second bullet and modifying the third bullet to encompass all GHG metrics as shown below.

Proposed revisions to Staff straw proposal:

The utility shall provide the following additional information in IRP Updates that follow CEP filings:

- **Progress to date relative to each annual goal for resource actions presented in the CEP. If resources have been secured, the utility should quantify the amount of each resource using the same units presented in the CEP.**
- ~~**Measured impacts across the same metrics that were presented in the CEP, including, at a minimum: greenhouse gas emissions intensity; total greenhouse gas emissions broken out by individual fossil fuel resources, market purchases, and market sales; average electric rates for Oregon customers; and the community impacts and benefits metrics. See Chapter 2 for details.**~~

[14] Staff's Straw Proposal, page 16.

- **Greenhouse gas emissions metrics specified in Topic #3 and Any DEQ emissions reports filed since the CEP.**

Community Lens Straw Proposal

1. Topic #1: Community Lens Acquisition Targets

We appreciate Staff's progress in distilling the complex and interlinked topics of CBRE and resiliency toward actionable guidance. However, we believe timing constraints limit the ability to perform the full analysis outlined by Staff. As outlined in our introductory comments, we believe a simplified approach is appropriate for the initial CEP.

Specifically, we are concerned by the implication of a sequential approach to CBRE acquisition. Under the full sequential analytical approach, PGE would first be expected to develop quantifiable and measurable CBIs for at least five categories with extensive community and stakeholder input, per Community Lens Topic #3. The quantifiable metrics would then be used to inform the cost and benefit framework in which a potential assessment is conducted. Only then would an acquisition target be identified and fed into the IRP preferred portfolio, at which point CBIs would need to be quantified across the entire planning scenario. We agree with Staff that this process can be streamlined for the first CEP cycle to emphasize identification of a near-term planning target for CBRE via an inclusive process as discussed in detail in our overarching comments on CBRE Target-Setting (page 5 of these comments). Under this streamlined process, a dedicated "potential study" does not need to be a requirement stated in the guidance. Work on CBIs in parallel would feed into the procurement and project-level approval processes that would follow CEP acknowledgement.

We also recommend a revision to Staff's treatment of resiliency projects and "other CBRE" together. As described in our DSP and UM 2225 Community Lens Questionnaire comments, PGE defines resiliency as the ability to anticipate, adapt to, withstand, and quickly recover from disruptive events, and includes distinct layers of community resiliency and energy system resiliency.[15] Work to advance energy system resiliency includes infrastructure updates, clean energy procurement, and development of new tools and models, all of which is being informed by continuing engagement with customers, communities and stakeholders.

Resiliency is thus neither unique to CBRE projects nor broadly standardizable across all CBRE projects (regardless of location, size, or resource type, for example). We believe an acquisition target for CBRE is appropriate, and we have added suggested revisions accordingly below. But we believe that rather than treating "resiliency projects" as a standalone target, increased resiliency should be considered as a potential CBRE outcome, while being considered more holistically via the resiliency examination addressed by Topic #5. The CEP will also include

[15] PGE's Comments on Community Lens Questionnaire, filed in UM 2225 on April 26, 2022. https://edocs.puc.state.or.us/efdocs/HAC/um2225hac16385.pdf.

targets for other DERs that have resiliency benefits; those benefits are considered in DSP forecasting methodologies that should not be duplicated by the CEP/IRP.

Lastly, the IRP/CEP planning process does not contemplate individual project planning. Details on specific projects should be reserved to detailed planning and implementation workstreams.

Proposed revisions to Staff straw proposal:

- **The first CEP will ~~include a potential study (or studies) that identifies opportunities for resiliency projects and other~~ set targets for community-based renewable energy projects (CBREs) developed in coordination with representatives of communities that are served by the utility, and with input from stakeholders and Staff.**
    - **~~The potential study will inform or directly identify acquisition targets (e.g., MW, MWh) for resiliency projects and other CBREs per year. The potential study will inform or identify the near-term acquisition targets that appropriately balance cost, risk, the pace of greenhouse gas emissions reductions, and community impacts and benefits.~~**
    - **~~The potential study will measure community impacts and benefits based on community benefits indicators (CBI) established by the utility [Further details in Topic #3]~~**
- **Informed by the DSP and the IRP, the CEP will include a discussion of acquisition targets and actions that the utility can ~~will~~ take in the action plan window to reach those targets e.g., utility procurements, utility run programs (existing and/or new), utility partnerships with other entities' programs, and projections for other customer and community-driven actions. [Further details in Topic #2]**
    - **Additional acquisition and development detail would be provided via EE, DER and EV plans such as the Transportation Electrification Plan or the Flex Load Multi-Year Plan.**
- **~~If a specific project is proposed to meet some or all of the acquisition target, the utility will describe the timing, project status, status of any partnerships, and any other known critical path items involved.~~**

2. Topic #2: Opportunities Considered within Community Lens Potential Studies

Continuing on our comments from Roadmap Acknowledgement Topic #2, we agree with Staff that the annual goals for actions should include targets for DER and CBRE resource actions. As we note above, rather than emphasizing resiliency projects as a separate category, it should be a benefit stream that can be and is considered in the context of other resource targets. Informed by engagement with communities to scope the intersection between CBRE and community resiliency, we will work to establish CBRE targets and acquisition strategies that support community resiliency benefits and align with CBIs. As described in our comments below on Topic #5, significant work in this area has already been advanced through DSP processes; the CEP will be informed by this DSP analysis, especially including DER forecasts and resiliency investments.

PGE proposed revisions to Staff straw proposal:

- **Opportunities for ~~resiliency projects and other~~ CBRE actions, including distributed resources and their resiliency benefits, should be developed in coordination with representatives of communities that are served by the utility, and with input from stakeholders and Staff.**
    - **Plans for actions should leverage and reference DSP processes and engagement where appropriate.**
- **Opportunities can include demand, supply, and storage actions that help facilitate greenhouse gas emissions reduction.**

3. Topic #3. Community Benefits Indicators (CBIs)

PGE agrees with Staff that community benefits play an important and growing role in planning activities. We also agree that they should eventually be used comprehensively and consistently against the topic areas identified by Staff. We have advanced this line of analysis through our DSP and appreciate the work done by Staff and stakeholders to define potential benefit categories.

Staff notes that these benefits have significant alignment opportunities across OPUC-led activities including metrics for transportation electrification and low income needs assessments. Non-wires solution project cost-benefit analysis and energy efficiency evaluation are additional areas where similar benefits are under consideration. We understand that Staff will lead a process to recommend appropriate methodologies and cost-benefit tests for use in planning and investment prioritization including consideration of a jurisdiction-specific test.

In the interim, PGE agrees with Staff that there is value in developing metrics to ensure CEP targets align with community needs. PGE has already begun this work across several planning areas, including the DSP, the Flex Load Multi-Year Plan, the Transportation Electrification Plan and on HB 3141 (Public Purpose Charge) implementation. We commit to growing this work with input from CEP stakeholders and applying it to development of CEP resource targets. However, we have concerns with Staff's expectation that the CBIs will be "quantifiable and measurable" in the near-term or sufficiently mature to provide meaningful information when applied to IRP portfolios; we recommend that CBI application is limited to CBRE and DER topics for the current CEP cycle which will build a foundation for future expansion as further described in our overarching comments (page 4). Our suggested guidance revisions below reflect this narrower scope.

PGE proposed revisions to Staff straw proposal:

- **The utility will develop community benefits indicators in coordination with representatives from the communities served by the utility and with input from stakeholders and Staff.**
- **The community benefits indicators (CBIs) will be used in the first CEP to inform CBRE and DER targets and acquisition approaches ~~in the Community Lens potential study or studies and scoring each portfolio in the IRP~~.**

- ~~**At a minimum,**~~ **The utilities will work to develop ~~use quantifiable and measurable~~ CBIs in development of the first CEP/IRP within each of the following CBI topic areas:**
    - **Resilience (system and community) [Further detail in Topic #5],**
    - **Health and community well-being,**
    - **Environmental impacts [Further detail in Topic #4],**
    - **Energy Equity (distributional and intergenerational equity), and**
    - **Economic impacts.**

4. Topic #4. Off-setting Fossil Fuels with CBREs

PGE is exploring the potential to define a new IRP proxy resource representing CBRE. This would allow us to conduct IRP portfolio runs in which IRP models build CBRE, shedding light on the topics raised in Staff's guidance. This will allow us to examine the predicted reductions in energy generated from fossil fuels associated with increased CBRE, per HB 2021 guidance.

Staff's second guidance bullet point is unnecessary. Energy system benefits would be considered through the IRP portfolio analysis process, or through the parallel development of CBRE targets. In our revision below, we recommend removing the second guidance point.

Proposed revisions to Staff straw proposal:

- **The utility must incorporate the CBRE acquisition targets into IRP portfolio modeling in a manner that accounts for their expected costs and their expected impacts on the IRP resource portfolio performance, including impacts to resource dispatch and fuel burn, portfolio emissions, resource adequacy needs, and resource additions.**
- ~~**If system-wide benefits exist for a potential CBRE or resiliency opportunity, the utility must quantify those benefits in a manner consistent with the IRP when evaluating the opportunity for inclusion in the CEP. System-wide benefits are not limited to, but may include: resource adequacy contributions, energy value, avoided GHG emissions, and avoided transmission.**~~

5. Topic #5. Resiliency-Specific Guidance

In general, PGE agrees with Staff's treatment of resiliency in Topic #5. In particular, Staff's comment that "analysis should be cognizant of the location-and-population specific risks to the extent practicable" aligns with our community- and human-centered approach described in our DSP and previous comments in this docket.

PGE's approach to resiliency is described in detail in the DSP, and we have begun to integrate resiliency into key elements of DSP analysis, including DER forecasting, non-wires solution

(NWS) project proposals, and pilot activities.[16] PGE develops DER targets through DSP analysis, which feed into the IRP and CEP. This analysis considers customer and community benefits of DERs, including contributions to resiliency, and refinements to those methodologies should be coordinated with the future DSP Guidance Update. Through the DSP and its extensive community and stakeholder engagement, PGE has already been developing an approach that will inform the HB 2021-directed resiliency examination.[17]

The revisions we have suggested below mainly seek to clarify our understanding of how we would conduct the CEP resiliency examination. We have also included changes which reflect our planned approach of considering resiliency benefits associated with other actions in addition to CBRE, which may include DER deployments, community investments and infrastructure upgrades. In general, we view Staff's proposed guidance on this topic as unnecessarily prescriptive and recommend more concise directions focused on the first bullet and sub-bullets.

Staff's comments encourage the utilities to reference the forthcoming GMLC report to inform technical aspects of the resiliency examination. Our understanding is that the GMLC is intended as a reference only rather than as the basis for further prescriptive requirements. Given the mid-to-late November timing for finalization of the GMLC report, we have timing concerns with any direct application of the report to this CEP cycle.

Proposed revisions to Staff straw proposal:

- **The first CEP must include a ~~chapter dedicated to describing~~ narrative which describes its resiliency-related analysis, including at minimum:**
  - **How it was developed in coordination with representatives of communities that are served by the utility, and with input from stakeholders and Staff;**
  - **How resiliency risks were considered examined and weighted;**
  - **How resiliency opportunities were identified and measured, ~~and weighted~~; and**
  - **The key resiliency-related actions the utility will prioritize in the action plan window ~~to support its CBRE acquisition targets~~.**
- **When evaluating resiliency risks for the first CEP and associated IRP, the utility should ~~at minimum:~~ account for system and community resilience, leveraging risks identified by other planning activities including DSP and WPP, and consider the zone of tolerance for communities/populations within the service area.**
  - ~~**Account for system and community resilience.**~~

[16] For a description of PGE's approach to resiliency, including customer infrastructure, PGE infrastructure and operational resilience, see Chapter 5, "Resiliency," of PGE's DSP Part 1, published in October 2021. For a more detailed description of methodologies, analysis, maps, community engagement and projects such as our Test Bed and Willamette Valley projects, please review PGE's DSP Part 2, published in August 2022, including Appendix K.4 ("Resilience action plan). All DSP documentation is available at www.portlandgeneral.com/dsp.

[17] The modelling methodology is evolving to incorporate resiliency as described in Section 4.6, "Evolution," (p 91) of PGE's DSP Part 2, available at www.portlandgeneral.com/dsp.

        - ~~**Identify risks that have been identified in other planning processes already as well as gaps in system and community resilience not filled by other planning activities, such as DSP and WPP.**~~
        - ~~**Consider the zone of tolerance for communities/populations within the service area.**~~
    - **Rely on measurable historical reliability performance measures that reflect:**
        - **all outages (planned, major event, or underlying);**
        - **the top causes for each day during which a major event occurred;**
        - **the numbers of customers out and the restoration performance for their supply;**
        - **The estimated impacts to the customers;**
        - **The demographics of the community, including classification of energy equity or other social or environmental justice measures; and**
- **While evaluating opportunities and developing actions to achieve resiliency ~~CBRE acquisition targets~~, the utilities should reflect a few minimum expectations:**
    - **Focus on actions such as CBRE acquisition targets that help facilitate emissions reductions (e.g., generation, storage, demand-side actions). However:**
        - **The utility may include, for general understanding, if there are other actions, such as undergrounding lines connected to a microgrid that need to be included in the costs and benefits of a CBRE.**
        - **The utility may include supplemental discussion of other actions the company is taking to further enhance the resiliency of its system and communities (such as situational awareness investments or helping customers access portable back up generation). This discussion would be for context only and if the actions are not facilitating emissions reductions, they should not be considered actions for the CEP.**
    - **Consider opportunities to work with local communities on local resiliency planning.**
    - **Consider and clearly differentiate actions that are related to other plans, such as DSP and WPP analysis, and those that are newly identified.**
    - **If proposing a specific action, describe the cost, timing for delivery and implementation into utility operations.**

CONCLUSION

PGE looks forward to supporting Staff's development of timely and actionable CEP guidance when presented to the Commission in at the October 4, 2022 Public Meeting as indicated by Staff's Schedule.

Respectfully submitted this 6th day of September 2022.

/s/ Jason Salmi Klotz

Manager, Regulatory Strategy & Engagement