June 10, 2022
Via Electronic Filing

Oregon Public Utility Commission
201 High St. SE, Suite 100
Salem, OR 97301-3398

Re: Comments on Roadmap Acknowledgement Questionnaire OPUC Docket UM 2225

The NW Energy Coalition, Rogue Climate, Climate Solutions, the Green Energy Institute at Lewis & Clark Law School, Verde, the Sierra Club, the Coalition of Communities of Color, Multnomah County Office of Sustainability, Renewable Northwest, and the Metro Climate Action Team (the "Energy Advocates") appreciate the opportunity to provide the below comments on the Roadmap Acknowledgement Questionnaire as part of Staff's Work Plan under docket UM 2225, investigating Clean Energy Plans ("CEP") to implement HB 2021 (2021). Energy Advocates address below some of the questions posed by Staff in the questionnaire for Staff's consideration. We address the questions posed by Staff in the order in which they were presented in the questionnaire.

1. **What should be the planning and acknowledgement horizon for the annual goals for action and clean energy targets in the Clean Energy Plan (CEP)?**

CEP Planning & Acknowledgement

In considering the planning and acknowledgement horizon, we encourage Staff to focus on the CEP's role in signaling that utilities are on track to meet their emissions reductions targets, as well as in identifying actions beyond those traditionally identified in the IRP (e.g. resiliency[1] and community-based renewable energy ("CBRE") actions).

Consistent with utility Integrated Resource Plans ("IRPs"), the appropriate length for CEP's planning horizon is 20 years. The planning horizon should be long enough to reflect expected large additions or retirements (e.g. PGE and Pacific Power exiting Colstrip, Pacific Power taking its coal out of Oregon rates in 2030, etc.), and a 20 year horizon accomplishes that. Additionally, maintaining an acknowledgement horizon of 2–4 years is likely appropriate. Given the rapidly changing energy landscape,

[1] When we refer to resilience or resiliency throughout this document, we mean: "the ability to withstand, adapt to changing conditions, and recover quickly and positively to shocks and stresses of the energy system." *See* Energy Advocates comments on Community Lens Questionnaire for a full discussion on the definition and valuation of resilience and resiliency https://edocs.puc.state.or.us/efdocs/HAC/um2225hac154645.pdf.

acknowledging procurements outside of the 2–4 year window could raise concerns about the accuracy of the underlying assumptions that support those particular procurements.

Risk-Shifting

In the case that a utility's CEP actions looks beyond the suggested 2–4 year acknowledgement horizon, the Oregon Public Utility Commission ("PUC") should seriously consider refraining from acknowledging said CEP action and require the utility to continue to update assumptions to show that its decision(s) remain reasonable. The PUC may also consider asking that shareholders bear some of the risks posed by actions that look beyond the 2–4 year acknowledgement horizon. This risk-shifting scenario has been reflected in past electric utility IRPs.

Mandatory Annual Updates

Since HB 2021 calls for CEPs to be filed with IRPs or in the six months following an IRP, we can expect CEPs will be filed roughly every couple of years. We encourage Staff to *require* an annual update on the utility's progress towards its CEP-identified goals and actions. This annual update should be *required* as opposed to *allowed* as is the case with IRP updates. Annual updates will enable the Commission, Staff and stakeholders to have an ongoing sense of the utility's progress in its path to compliance with HB 2021.

As stated below in our comments, progress on the CEP and implementation of associated actions should be a core consideration in the approval or denial of coincident planning processes.Therefore, having annual updates is crucial.

2. **What details should the annual goals include?**

Annual Goals

Annual goals should include expected emitting-resource retirements, energy efficiency scale-up, demand response program increases, and clean-energy resource additions, specifying those that are enabled by voluntary programs. Annual goals should also include programmatic actions expected to result in greenhouse gas ("GHG") emissions reductions and other actions pursuant to HB 2021, like resiliency and CBRE actions. Programmatic actions should include a target level of resource procurement. Including all of these actions is important to show the utility's progress in achieving the emissions reduction goals of HB 2021, Section 3.

Importantly, the annual goals should include an analysis of how actions to achieve a particular goal advance the policy objectives in HB 2021, Section 2, including minimizing burdens to environmental justice communities. This analysis is key given the importance of ensuring that clean energy resources and this energy transition pursuant to HB 2021 do not burden environmental justice and tribal communities or further environmental racism. As Energy Advocates, we are mindful of the impacted communities that we should not speak for. For that reason, and consistent with HB 2021(2)(3), we encourage Staff to engage in timely and "meaningful consultation with federally recognized [sic] tribes," including in the implementation of HB 2021 and in the PUC's development of the lens with which it will evaluate utility actions and goals to comply with HB 2021.

Transparency in Annual Goals

To the extent that CEP annual goals and actions rely on actions and analysis identified in other proceedings (i.e. DSP, IRP, or WPP), the CEP should clearly point to where that analysis was performed. Transparency will be key to this transition so it is important that utilities' underlying analyses *inter alia*, recognize the benefits of renewables and other actions and resources that contribute to compliance and that they do not obscure costs in Oregon rates.

Energy Efficiency, Building Improvements, and Building Decarbonization

Building improvements and building decarbonization measures, including building electrification and other investments that address electrical infrastructure in and tied to buildings, should be considered allowable actions in support of decarbonization. Investments in building efficiency, demand response, managed load, and building improvements like electrification, will accelerate Oregon's GHG reductions while also improving health and safety in line with reducing environmental justice burdens and increasing community benefits.

In addition to environmental benefits, several building decarbonization technologies have important health benefits like improved indoor air quality for electric stoves, and access to cooling for electric heat pumps. Moreover, investments that broadly improve the health and safety of buildings – such as healthy homes-type incentives and grants – can ensure that efficient technologies are made maximally effective with sufficient building electrical systems (especially when additional load may be taken on with the appliance), proper ventilation and insulation, and other upgrades that help ensure a sealed building envelope and an improved quality of life for occupants. Utility CEPs should thus provide pathways towards building decarbonization investments, including electrification among customers. This can be accomplished through incentives and programs that encourage and enable adoption of for investments that improve the

health and safety of buildings, like efficient electric heat pumps and electric water heaters or heat pump water heaters with support for safe installation and use.

Energy Storage

Energy storage technologies are important for enabling renewable energy integration, supporting distributed energy resources, and microgrids. Utilities are already considering energy storage in their IRPs, and these resources should also be considered in CEP development. In particular, we are optimistic that renewable-storage hybrid systems will play a significant role in the clean energy transition, and would encourage consideration of these systems in utility CEPs.

We note that large-scale energy storage development should be explored in consultation with Tribes, and that siting of these projects should be done in a way that protects environmental and cultural resources. We emphasize that tribal consultation should not happen in a "check the box" manner, but that utilities should actually meaningfully engage with tribes and integrate tribal input into their decision making processes.

Multistate Utilities' Resource Transparency

As a multistate utility, PacifiCorp should include in its CEP an explanation of the resource-allocation method of non-shared resources, which resources are allocated to Oregon, and a thorough explanation of the risks associated with the proposed allocation. For example, should PacifiCorp allocate a majority percentage of the proposed Natrium nuclear plant to Oregon, the CEP should identify not only the energy and capacity that Oregon would receive from the Natrium plant but also the risks of taking a majority share, including the risk of cost overruns, delayed operations, and liability in the event of a disaster. Additionally, as a multistate utility, PacifiCorp should provide an accounting of emissions for both total system and resources specifically allocated to Oregon.

3. **How should compliance and continual progress be demonstrated and assessed?**

Tracking CEP Compliance & Progress

Compliance and continual progress of utility actions to meet HB 2021 emission reduction and resiliency goals should be assessed through the analysis of utility CEPs and demonstrated through actual utility programs that have taken effect.

For guidance and possible adoption, the CEPs may be modeled after Washington State's Clean Energy Implementation Plans ("CEIPs"). Broadly speaking, the CEIP structure includes:

1. Interim Targets
2. Specific Targets
3. Customer Benefit Data
4. Specific Actions
5. Narrative Description of Specific Actions
6. Projected Incremental Cost
7. Public Participation
8. Alternative Compliance
9. Early Action Coal Credit
10. Biennial Update[2]

In the case of Oregon, it may be prudent to require utilities to include the following in CEPs:

1. **Customer benefit data** that genuinely and thoroughly identifies highly impacted communities in their service territories as well as plans to make these communities more energy secure and resilient without increasing their energy costs and burden. This identification should happen in collaboration with their utility community benefits and impacts advisory groups ("UCBIAGs") and other stakeholders who are knowledgeable on these issues.
2. **Interim targets** that detail utility plans to meet HB 2021 emissions-reduction goals and how these targets will specifically increase community benefits and resiliency.
    a. For emissions-reduction goals, utility targets can be presented in the form of the percent of forecasted retail sales of electricity supplied by non-emitting and renewable resources. Utilities should also include

[2] *See* WAC 480-100-640 https://app.leg.wa.gov/WAC/default.aspx?cite=480-100-640.

avoided costs from the ramp-up of energy efficiency and scale-up of demand response programs.

   b. For community benefits and resiliency, utilities should detail how their actions will lead to increased community benefits and resiliency that, consistently with our last comments on resiliency, is human and community-centric. Advocates have identified metrics in their answers to the community lens questionnaire that may be useful in this process. We continue to stress the importance for utilities to consult with individual communities within utility service territories to better identify community benefit and resiliency projects.

3. **Specific targets** that include utility goals for energy efficiency, demand response, and renewable energy, especially CBRE.
4. **Specific actions** that the utility will take to meet their HB 2021 goals which may include:
   a. The general location of the action, proposed timing, and estimated cost of each specific action or remaining resource need, including whether the resource will be located in highly impacted communities, will be governed by, serve, or otherwise benefit highly impacted communities in part or in whole;
   b. Customer benefit indicator values such as those identified by stakeholders in their answers to the community lens questionnaire; and
   c. Metrics related to resource adequacy, including contributions to capacity or energy needs.
5. **An analysis of benefits and burdens for each action and the plan as a whole** that identifies which communities or types of communities are likely to benefit from a proposed action (e.g. jobs associated with project siting, other economic development benefits, any resilience or direct energy benefits), which communities or types of communities are likely to be burdened by the project (e.g. siting impacts). This analysis should also name the benefits and burdens communities may experience as well as any planned or needed mitigation to address the burdens. Utilities should also identify if they have consulted with any impacted communities directly in developing their specific actions or in conducting this analysis.
6. **Detailed description of specific actions** that:
   a. Demonstrate progress towards meeting the goals of HB 2021;
   b. How specific actions mitigate risks to environmental justice and tribal communities; and
   c. A description of each utility's methodology for selecting the investments and expenses it plans to make that are directly related to the utility's achievement of HB 2021 goals.

7. **Public participation and UCBIAG report** that details the make-up, extent of work, and received input from the UCBIAG and other stakeholders.
8. **Alternative compliance plans** if the utility, as a last resort, must integrate alternative compliance activities to meet HB 2021 goals. Community benefits should not be compromised as a result of utilities' reliance on alternative compliance methods;
9. **CEP update** that occurs in accordance with the cadence that will be agreed upon. In this case, and as reflected in our response to question 1, an *annual* update is fitting. The update should include utility progress in meeting its HB 2021 targets, any modifications, if necessary, and detailed explanations for each modification.

Utilities should provide a description of the technologies, data collection, processes, procedures, and assumptions the utilities used to develop their CEP targets. Utilities should make this data available in native format that is easily accessible.

Consistent with our response to question 1, the CEP should demonstrate projected compliance with emissions reduction targets, based on the same 20-year planning horizon as used in the current IRP process. The CEP should include all actions planned by the utility to meet the clean energy targets set forth in HB 2021, including acquisition of non-emitting generation resources, energy efficiency measures and acquisition and use of demand response resources. The CEP should also include annual goals for the near-term action period that can be used to track progress towards compliance.

Updating CEPs & DEQ Role

Within the CEP process, we see the role of the Oregon Department of Environmental Quality ("DEQ") as the accountant and advisor regarding the validity of the projected GHG emission reductions. The PUC's role, as the regulator, is expanded beyond its core rate-approval authority to include ensuring GHG emissions reductions, as well as increasing environmental justice ("EJ") and Tribal community benefits while decreasing their burdens. The process should start with the electric utility developing its initial (or an updated) CEP during the public workshop phase of the IRP process. DEQ should be integral to this process and provide data such as approved emissions factors, preliminary assessments of GHG impacts, and general advice during this stage. At the end of this process, the electric utility should submit its CEP simultaneously to the PUC to start the formal IRP process, and the DEQ should then conduct its GHG emissions assessment and provide that to the PUC as early as possible in the CEP review process. Ideally DEQ will remain engaged after filing its initial report to assess any revisions to the CEP that may arise as part of the post-filing PUC and stakeholder review process.

DEQ's assessment must determine whether or not the planned utility actions, if carried out, will meet the emission reductions targets. Given that the potential actions include energy efficiency and demand response, future impacts cannot be precisely determined in advance. Actions projected to occur within the near-term action period should be based on the best available current data, while actions outside that period may include reasonable projected improvements, which would be subject to the DEQ assessment. An affirmative assessment by DEQ should be a prerequisite to PUC acknowledgement of the CEP.

Integrating the CEP into the existing IRP process, which utilizes a least-cost/risk standard, should help identify the optimal pathway to meeting the emission reduction targets. However, community benefits and equity considerations will need to be *centered and integrated* into this process, because there are many near-optimal solutions that generate community benefits and improve equity that a strict least-cost/risk approach does not identify. Importantly, we encourage the PUC and utilities to speed up conversation regarding defining cost-effectiveness in a way that comprehensively considers the benefits associated with a particular resource or measure, including community benefits.

Transparency on EJ-&-Tribe-Beneficial Projects

With regard to targets and actions to implement CEPs, utilities should be required to explain in the most transparent manner why they chose or did not choose to move forward with a specific project(s) that was either identified by, or directly beneficial to, environmental justice and tribal communities. For instance, the Oregon Department of Energy ("ODOE") is tasked with distributing grant funds for the Community Renewable Energy Project Grant Program.

In Section 31, the statute requires that a performance agreement for developing a community renewable energy project must have "(2)(B) Filed a request for interconnection with a host utility or appropriate transmission provider; and (C) Met any other requirements provided by the department by rule, such as filing a request for a power purchase or net metering agreement." This language was then developed in ODOE's administrative rules and is mentioned throughout the rules with the first mention of it in "330-250-0040 Planning/Grant: Application." In the rules, an application must be drafted in consultation with the relevant electric utilities for the purpose of ensuring feasibility. The PUC should verify that utilities are doing their due diligence in approving projects that are feasible to mitigate any bias that may occur among IOUs in slowing down decentralization.

Importantly, the expectation of utility transparency in the CEP should include the utility outlining how it addressed interconnection or other utility-process barriers for projects that are beneficial to tribal and other EJ communities. The community solar program may offer a model for utilities and the PUC to consider regarding what utility actions may address barriers for this type of projects, like barriers to interconnection.

4. **How do you envision Commission acknowledgement of the Clean Energy Plan/annual goals for actions?**

CEP Acknowledgement

Like IRPs, CEPs should be approved, rejected, or approved with conditions. CEP acknowledgement should have the same effect as IRPs and thus have the same controlling effect on utility investments and the likelihood of recovering those in rates.

Standards for CEP Acknowledgement

With regard to standards for acknowledgement, the PUC should consider whether CEP targets and actions result in increased environmental and health benefits, especially for marginalized and other otherwise vulnerable groups. The PUC should expressly signal hesitation to find a plan in the public interest when the investments and actions in it fail to advance environmental or health benefits. Similarly, the PUC should factor in its determination of whether the plan and any investments and actions in it are consistent with Sections 2(3) and 2(4), or whether generation investments provide additional direct benefits to communities in Oregon.

The PUC should pay special attention to whether CEPs minimize burdens for EJ and tribal communities, enhance community resilience, and result in community-benefitting CBREs. We continue to reiterate the importance for utilities to consult directly with tribes to identify how utility projects either benefit or burden tribal communities and what utilities can do to eliminate burdens and enhance tribal benefits. It may also be prudent for Staff to engage in one-to-one consultation with tribal and EJ communities. These consultations are of utmost importance as significant parts of our existing energy system have been built without regard to EJ and tribal communities' concerns. Without the proper aforementioned consultation, we run the risk of inflicting further harm on EJ and tribal communities in this transition. Consequently, Staff must kickstart and prioritize efforts that center engaging in "meaningful consultation with federally recognized [sic] tribes," consistent with HB 2021, Section 2(3).

Increasing UCBIAG & Stakeholder Input Transparency

When reviewing CEPs, the PUC should also consider whether utilities engaged in a procedurally equitable process rather than on "check the box" exercise with their UCBIAGs and in engaging with other EJ stakeholders. We offer two suggestions on this issue:

1. Require a short and anonymous survey for UCBIAG participants (or CIG participants in the case of PacifiCorp) halfway through and at the end of CEP processes to assess their experience regarding how utilities accepted or rejected their input.
2. Formulate a mandatory and transparent process to show how UCBIAG members and stakeholder comments are accepted or rejected by utilities and, if they're rejected, a detailed explanation of the reason.

Guidance on Tracking Utility-to-Community Energy & Non-Energy Benefits

We continue to encourage the utilities and the PUC to refer to stakeholder comments on resiliency and community benefits reflected in our answers to the community lens questionnaire to determine acknowledgement guidance for utility actions specific to resilience and increased community energy and non-energy benefits.

Impact of CEP Acknowledgement

The CEP is, in relationship with existing utility planning processes, the core guidance document to which resource plans must adhere. In Order No. 89-507, the Commission identified key substantive elements of least-cost utility planning, which include that the plan must be consistent with Oregon's energy policy. The CEP is the direct implementation of landmark Oregon energy policy as detailed in HB 2021. Therefore, this principle demands that acknowledgement of the CEP is a prerequisite for acknowledgement of related processes, like the IRP. As such, if the CEP is not acknowledged, significant conditions exist in the acknowledgement, or there are serious process concerns about the implementation of the CEP, that should be grounds for rejection of the IRP, and the related evidence of reasonableness or prudency in resource decisions outlined in the IRP.

Actual GHG Emission Reduction

In addition to achieving GHG-emissions reductions, according to HB 2021's core accounting framework, we remind Staff and the Commission of the importance of ensuring that utility actions *actually* reduce GHG emissions. This is specifically and repetitively called out in HB 2021 and should be adhered to.[3] We recommend that the

[3] *See* Oregon H.B. 2021 stating: The commission shall ensure that an electric company demonstrates continual progress as described in subsection (4)(e) of this section and is taking actions as soon as practicable that facilitate rapid reduction of greenhouse gas emissions at reasonable costs to retail electricity consumers.

Commission include as an element of acknowledgment the consideration of whether utility actions *actually* reduce GHG emissions and not restrict the assessment of GHG emissions to the statute's core accounting framework.

Thank you for your consideration of these comments. We look forward to continued engagement in this process.

Respectfully submitted this 10th day of June 2022,

/s/

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