



September 6, 2022  
**Via electronic filing**

Oregon Public Utility Commission  
Attn: Filing Center  
puc.filingcenter@puc.oregon.gov

**Re: UM 2225 Investigation into Clean Energy Plans  
Comments of Renewable Northwest on Staff’s Straw Proposals**

Renewable Northwest (“RNW”) appreciates the opportunity to comment on the Straw Proposals filed to docket UM 2225 by Oregon Public Utility Commission (“Commission”) Staff on August 9, 2022. In these comments, we first address Staff’s Roadmap Acknowledgement Straw Proposal, generally supporting the Proposal as a strong and effective means of implementing Oregon’s House Bill 2021 (“HB 2021”). Staff broke the Proposal into eight specified topics; in these comments, we address each in turn, supporting each but also offering several proposals that might clarify or otherwise improve the proposal. We then turn to Staff’s Community Lens Straw Proposal. Again, we generally support Staff’s Proposal and offer some comments on potential clarifications or additions. All in all, we offer our deep appreciation to Staff for their work on the proposal, thank the Commission for its consideration of these comments, and look forward to continued engagement in this crucially important docket.

**I. COMMENTS**

**A. Roadmap Acknowledgement Straw Proposal**

RNW appreciates Staff’s excellent work on the Roadmap Acknowledgement Straw Proposal, which goes a long way toward incorporating both the overall policy and the specific details of HB 2021 into the utility resource planning process. Two specific elements of the Proposal are especially important -- first, incorporating greenhouse gas (“GHG”) emission reductions and community benefits and impacts into the IRP guidelines alongside cost and risk as analytical touchstones; and second, providing that a Clean Energy Plan (“CEP”) that is not fully acknowledged must be revised and resubmitted. These two principles alone will go a long way toward seeing the ideas and ideals of HB 2021 through to real-world implementation. In the comments below, we further explain our support for many elements of Staff’s Proposal, along

with offering several suggestions for (generally minor) clarifications and potential improvements.

***Topic # 1: CEP planning and acknowledgement horizons***

RNW supports Staff’s proposal on planning and acknowledgement horizons but offers one suggestion for improved clarity. We agree with Staff that the current framework of a 20-year plan with a 2-to-4-year action plan window strikes an appropriate balance between the long economic life of resource decisions and the higher quality of the data and analytics that support near-term investments, as discussed in our June 10, 2022 comments. We further agree with Staff that adopting a 2-to-4-year action plan window “does not preclude” acknowledgment of long lead-time infrastructure including both transmission and other resources such as pumped hydro storage. We recommend, however, that Staff incorporate explicit guidance on long lead-time resources into its proposal to the Commission, which guidance could be consistent with the basic framework Staff set forth in its analysis on page 5 of the Straw Proposal. This could be accomplished by adding the following to the end of Staff’s proposal on topic # 1: “Utilities may request acknowledgement of, and the Commission may use its discretion to acknowledge, long-lead-time resources without requiring the Action Plan to include all resource actions over the next 10 years.”

***Topic #2: Annual goals for actions***

RNW supports Staff’s general framework for annual goals. We specifically support the inclusion of energy storage, given the importance of that resource in the ongoing clean energy transition -- especially as we transition away from emitting fossil generators. Similarly, including long lead-time resources such as transmission in annual goals may send important market signals that help to facilitate achievement of HB 2021’s mandatory emission targets.

We offer one suggestion on the final element of Staff’s proposal, in which Staff proposes to include the costs of required distribution system upgrades in the evaluation of associated actions. While we agree with the concept of including known costs in the assessment of resources, given that distribution system upgrades are relatively common even absent resource actions, we recommend Staff apply a “but for” test to these costs. In other words, only if a distribution system upgrade would not be necessary but for the resource action should the cost of that upgrade be included in the cost of that resource action. Additionally, to the extent a distribution system upgrade attributable to a resource action allows a utility to avoid future costs associated with upgrades, we recommend Staff consider whether those avoided future costs should be used to partially offset the upgrade costs applied to the resource action. Getting resource costs right will likely emerge as particularly important once utilities undertake the work of determining what costs might be subject to HB 2021’s cost cap -- many utility actions that support

decarbonization efforts might have been undertaken as a matter of prudent utility practice even absent HB 2021, and those costs should not count toward the cap.

***Topic #3: Annual metrics measuring the impacts of actions***

RNW supports Staff's general proposal on metrics. As discussed in our June 10 comments, post-HB 2021 the Commission's role as a regulator of GHG emissions is clear and mandatory and goes beyond simply assessing compliance with the targets via HB 2021's core accounting framework. We view the additional granularity in Staff's proposal -- "greenhouse gas emissions ... broken out by fossil fuel resources, market purchases, and market sales" as helpful in assessing whether utility actions subject to Commission jurisdiction are driving emissions that are not captured by HB 2021's core accounting framework. We encourage Staff to consider whether any additional categories of data and information might be necessary to fully assess the emissions impacts of utility actions.

Additionally, given that HB 2021's cost cap is pegged to actual rate impacts, we support Staff's proposal to include estimated average electric rates on an annual basis as an element of CEPs. We similarly believe that including community benefits and impacts metrics developed in coordination with affected communities is deeply important given the overall policy reflected in HB 2021. As to how those metrics should be developed and included in CEPs, we defer to the Energy Advocates' comments also filed today. All of the above information will help interested parties holistically assess each CEP.

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

Renewable Northwest supports Staff's statement that the CEP provides an "opportunity ... to create additional transparency around the emissions implications of the utilities' plans, including the sources of emissions that remain in the utilities' plans, the implications of market purchases and sales on the expected emissions, and how the utility's plans may impact greenhouse gas emissions in the broader west." We further support Staff's proposal to "continue to engage stakeholders on this and other topics related to greenhouse gas emissions and transparency." We recommend that any final order in this docket retain flexibility to address potential categories of emissions that may later be identified as having been overlooked in this first round of guidance for CEPs, once interested parties have had the opportunity to review data from the utilities' initial CEPs. Centering the CEPs on HB 2021's core accounting framework makes sense, but ultimately we need -- and the Commission has the authority under HB 2021<sup>1</sup> -- to fully eliminate GHG emissions whether or not those emissions are captured by the accounting framework. RNW

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<sup>1</sup> See generally RNW's May 10, 2022 and June 10, 2022 comments for discussion of Commission authority under HB 2021.

recommends that Staff and the Commission acknowledge that possibility and that authority, and that the Commission maintain the flexibility to address future emissions issues as they may arise.

***Topic #5: Continual progress and IRP cost/risk framework***

RNW strongly supports Staff’s proposal on the IRP cost/risk framework, and particularly Staff’s recommendation that the Commission adopt guidance incorporating “the pace of greenhouse gas emissions reductions, and community impacts and benefits” into the traditional least-cost, least-risk framework for utility resource planning. Centering decarbonization and energy justice in utility plans was the central purpose of HB 2021, and Staff’s proposal would incorporate that central purpose into the central guiding principles for resource planning. This step is, simply put, right on.

Beyond lauding the proposal, we offer two minor recommendations: First, we recommend that the Commission take the steps necessary to adopt the revised guidance on a permanent (not just interim) basis. And second, we suggest Staff consider whether to add some flexibility to the specific language on GHG emissions, i.e. “*At a minimum*, greenhouse gas emissions should be reported in a manner consistent with the methodology approved by the Oregon Department of Environmental Quality.”

Briefly on the topic of continual progress, Staff notes that interested parties have identified the importance of a “strong” standard for continual progress, “refer[ring] to the stringency with which utilities would be held to a planned trajectory.” The combination of Staff’s proposal that a “utility be required to demonstrate year-over-year greenhouse gas emissions reductions on an expected basis for every year in the CEP,” that “it will be important to track utility progress relative to planned greenhouse gas emissions reductions over time so that the utility may course correct” if necessary, and, later, that if a “CEP is not fully acknowledged, the utility must revise and resubmit” together form an approach to continual progress that RNW interprets as “strong.”

***Topic #6: Considerations in CEP acknowledgement***

Once again RNW supports Staff’s general framework for CEP acknowledgement. We specifically support Staff’s proposed elements of actually achieving the clean energy targets set forth in HB 2021 and demonstrating the effectiveness of community engagement.

We do, however, offer one proposed addition to Staff’s acknowledgement proposal. First, under “consistency with the IRP,” we recommend that Staff add a bullet providing something along the lines of the following: “Any analysis conducted in another docket or planning process may be revisited in the CEP as necessary.” This addition would ensure that any problematic analysis from a previous, separate planning process is not automatically carried through to the CEP; it

could also give the utilities leeway to revisit previous planning assumptions if circumstances change (i.e. a surprise major federal policy change influences the economics of resources assessed in a Distribution System Plan).

We also appreciate Staff's observation that its proposal is "not exhaustive with respect to CEP acknowledgement considerations and [is] limited to ... three specific workshop topics." RNW looks forward to identifying additional acknowledgement considerations and criteria.

***Topic #7: Non-acknowledgement, partial acknowledgement, and conditional acknowledgement of the CEP, and interdependencies with IRP acknowledgement***

RNW strongly supports Staff's proposal with respect to acknowledgement and specifically the element that if a "CEP is not fully acknowledged, the utility must revise and resubmit." HB 2021's emission-reduction targets are mandatory, and as RNW has noted in past comments, the Commission has a mandate to "ensure" that a utility "is taking actions as soon as practicable that facilitate rapid reduction of greenhouse gas emissions at reasonable costs to retail electricity consumer." The revise-and-resubmit tool will help the Commission to carry out that mandate and "ensure" that utilities are living up to their obligation to eliminate GHG emissions.

***Topic #8: Annual update***

RNW supports Staff's proposal regarding annual updates, which are generally consistent with other proposals discussed above, for the reasons set forth above.

**B. Community Lens Straw Proposal**

As with the Roadmap Acknowledgement Straw Proposal, RNW commends Staff's work on the Community Lens Straw Proposal. On each topic identified by Staff, our comments below offer general support along with minor recommended clarifications or additions. We also generally defer to the Energy Advocates' comments on Community Lens, which better reflect input from groups representing environmental justice communities.

***Topic #1: Community Lens Acquisition Targets***

Renewable Northwest supports Staff's recommendation for utilities to perform an analysis dedicated to setting acquisition targets for Community-Based Renewable Energy projects ("CBREs") and identifying other resiliency projects. We agree with Staff that utilities should have flexibility in incorporating the results of the analysis in the first CEP and IRP due to the tight timeline before these first plans are filed, and support Staff's comment that ideally, the results would be fully incorporated into portfolio analysis, with CBRE selection and resource

action carried out concurrently with evaluation of risk, cost, community benefit indicators (“CBIs”), and GHGs. RNW also agrees with Staff’s recommended requirement in the Proposal for utilities to include a discussion of acquisition targets and actions in the CEP that utilities will take to reach those targets.

We strongly agree that utilities should coordinate with representatives of communities served by the utility and stakeholders. However, an important addition to the straw proposal would be to include coordination amongst community members that are not only formal community representatives or local governments, but other groups as well for the identification of resiliency projects and other CBREs. In particular, we support the Energy Advocates’ recommendation that environmental justice communities should be consulted in the identification of resilience projects and CBREs. Lastly, we encourage transparency from utilities on how stakeholders and community members engaged in this process are originally identified.

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

We support Staff’s recommendation on opportunities considered within community lens potential studies and commend the effort to base the development of CBRE actions within communities that are served by the utility.

### ***Topic #3: Community Benefits Indicators***

Renewable Northwest strongly supports Staff’s proposed recommendation that utilities develop CBIs in coordination with the communities and stakeholders served by utilities. We recommend that utilities work with communities to identify processes for developing CBIs thoughtfully and thoroughly. We also support the use of the cooperatively developed CBIs within the Community Lens Potential Study.

We recognize that due to time and modeling constraints, it is reasonable that utilities use a preliminary minimum set of measurements for CBIs in development of the first CEP and IRP, and that CBIs will be a continual work in progress. We agree with the proposed CBI topic areas, and recognize the list is likely not exhaustive for each community. Therefore, we encourage utilities to further explore alternative or additional CBI topic areas through extensive engagement with local communities, while recognizing the importance of *continuing* communication and engagement between utilities and the communities they serve. We point to the Energy Advocates’ comments on proposed CBIs developed in coordination with community partners as a good starting point.

We also support the expectation expressed by Staff that utilities should clearly explain unaddressed community input or lack of data in a particular category in CEPs and IRPs (including the first round of plans).

***Topic #4: Off-setting Fossil Fuels with CBREs***

RNW supports Staff’s recommendations to include CBRE acquisition targets into IRP portfolio modeling, accounting for expected costs and impacts on the IRP performance. Additionally, we agree with the list of system-wide benefits and further agree that the list may not be exhaustive. Lastly, we support the proposed requirement that utilities must quantify system-wide benefits in a manner consistent with the IRP.

***Topic #5: Resiliency-specific guidance***

RNW generally supports the Staff’s draft recommendations for resiliency-specific guidance.

**II. CONCLUSION**

Again, we appreciate the opportunity to offer these comments on Staff’s Straw Proposals for HB 2021 implementation and the Commission’s consideration of these comments. We repeat our appreciation for Staff’s work in developing the Straw Proposals and look forward to continued engagement in this docket.

Respectfully submitted this 6th day of September, 2022,

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