



September 6, 2022
Via Electronic Filing

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

Re: Comments on UM 2225 Straw Proposal

The Oregon Solar + Storage Industries Association (OSSIA) appreciates the opportunity to provide the below comments to the Straw Proposal as part of Staff's Work Plan in Docket No. UM 2225, the HB 2021 Investigation into Clean Energy Plans. Below OSSIA responded to several of the topics presented in the proposal for Staff's reflection. We address the questions from Staff in the order they appear in the straw proposal.

Chapter 1: Roadmap Acknowledgement Straw Proposal

Topic #1 CEP planning and acknowledgement horizons

Staff Proposal:

The CEP should include analysis and annual goals over at least 20 years and CEP acknowledgment should focus on the annual goals in the first 2-4 years to align with the IRP analysis and acknowledgment horizons.

OSSIA Comments:

OSSIA appreciates the effort staff has put into this docket and put forward some suggestions that we feel will help ensure the utilities complete their first Clean Energy Plans in a way that sets them up to meet the targets laid out in HB 2021. Accordingly, while the 2-4 acknowledgment window of the CEP matches the acknowledgment window of the IRP, we would like these plans to address potential issues to meeting their annual goals. The CEP should make assumptions that are grounded in reality and take into consideration that the transmission system is already significantly constrained. Therefore, actions in the CEP that will generate energy away from load will face difficult moving it across the system. The CEP should address action items that will require new transmission in a way that shows the likelihood of that new transmission being built and the obstacles building new transmission will face. Additionally, the CEP should consider realistic timelines for site permitting.

OSSIA has broader concerns, however, that key limitations and alternative scenarios are not being properly analyzed – including scheduling practicalities and contingency analysis of costs and schedule – and hope to provide further comments on these topics. OSSIA remains concerned this procedure will not lead to oversight and compliance success that is critical to achieving the state's clean energy targets. OSSIA is also deeply concerned about the lack of

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compliance mechanisms that the proposal does not provide adequate review, analysis, and discussion of continual progress, which is a key implementation standard under HB 2021.

Ultimately, we want to see these CEPs allow the utilities to reach their annual targets in 2030, 2035, and 2040. OSSIA believes that the best way to ensure these targets are met is to consider all of the barriers that would cause a plan to fail and account for them in a meaningful way. We want to be able to look at the CEP and determine the steps necessary to meet the goals are being completed in the near term and that the assumptions each utility makes are reasonable.

At a basic level, the planning, visibility, and action horizons should explicitly examine the key time periods in which critical limitations may occur. Current time periods are either too short or too long to address those problems, in particular, transmission shortages that will exist in the first 10-year interval. CEP requirements must ensure examination of system constraints occurs and that alternatives are properly analyzed relative to those potential failures, especially those that have long-lead times for correction (5 – 10 year permitting timelines for transmission infrastructure, for example).

Topic #2 Annual goals for actions

Staff 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, community-based renewable energy projects, and resiliency projects.

Annual goals for clean energy resources and storage 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.

OSSIA Comments:

OSSIA is supportive of staff's recommendation for the annual goals for actions. The inclusion of energy storage in the annual goals is essential for meeting the targets. OSSIA is also supportive of the requirement to differentiate between system resources and resources acquired through voluntary programs and community actions.



Topic #3 Annual metrics measuring the impacts of actions

Staff 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 average electric rates, calculated as the total revenue requirement for Oregon customers divided by the total retail sales in Oregon.
- A set of community impacts and benefits metrics that are developed in coordination with representatives of the communities impacted by the plan, including environmental justice communities.

OSSIA Comments:

OSSIA is supportive of staff's recommendation on community benefits and impacts as well as the direction it provides utilities for assessing the impact of utility actions on communities. However, OSSIA believes the attribution of utility actions should be reported publicly. While specific utility actions may be difficult to show direct attribution, this difficulty should not prevent the release of attribution data that is essential to determine the full effect of each utilities CEP. Communities affected by utility actions deserve to see the full effect of utility actions in their area. Total portfolio impact will not address the harm done to communities previously. While not every utility action will produce an attributable benefit or harm to communities, it should not prevent stakeholders from seeing and assessing utility actions related to HB 2021 implementation. The Commission's implementation should be transparent as to the actual and ongoing status of decarbonization, at minimum on an annual basis.

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

OSSIA Response:

OSSIA is supportive of staff's recognition of the opportunity to increase 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. Increased visibility of this data will better allow stakeholders insight into the real effect of utility actions in Oregon and the rest of the Western market.

Topic #5 Continual Progress and IRP cost/risk framework

Staff 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.

OSSIA Comments:

OSSIA appreciates staff's inclusion of a recommendation that utilities be required to demonstrate year-over-year greenhouse gas emissions reductions on an expected basis for every year of the CEP. However, we are still extremely concerned with utility accountability to the continual progress standard. Staff notes that they are concerned with utility accountability as the plan is implemented, however they do not provide a potential solution. Instead, staff suggests that tracking utility action over time will allow utilities to course correct if the plans do not meet expectations. OSSIA has previously argued that utilities should be strictly bound by annual goals to ensure the ambitious targets in HB 2021 are met.

If utilities are to be kept on track to meeting the 2030, 2035, and 2040 targets, waiting until it is clear a utility will miss a target will ensure it is too late to determine a sufficient remedy or penalty. Transmission constraints and permitting timelines will make getting a utility back on track after they are behind extremely difficult, especially as we move closer to the targets. If we wait to course correct it will make meeting the targets nearly impossible. HB 2021 repeatedly includes continual progress as the standard of compliance. Therefore, the current proposals must consider and address continual progress. While Staff may not agree that compliance penalties should be adopted at this time, the continual progress standards that relate to the utilities' compliance obligations and Clean Energy Plan compliance and the utility oversight role in determining compliance require much more substantive development of the meaning of continual progress. As a result, we recommend that the Commission immediately prioritize this issue so it can be properly included in the implementation roadmap to inform other sub-tracks of HB 2021 implementation. OSSIA also recommends a special public meeting dedicated specifically to this issue.

If the Commission does not impose a separate penalty/remedy regiment, then stakeholders only recourse would be to seek the maximum penalty allowed under ORS 756.990.

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HB 2021 should not be merely an aspiration; the statute lays out requirement that must have consequences for noncompliance.

Topic #6 Considerations in CEP Acknowledgment

Staff Proposal:

To inform the Commission's acknowledgment decision, utilities should address the following in the CEP:

- Whether the plan achieves the clean energy targets set forth in HB 2021:
 - The CEP should demonstrate how the IRP Preferred Portfolio achieves the emissions reductions targets set forth in HB 2021, with DEQ verification.
- Consistency with the IRP:
 - The CEP should explain how it is consistent with the concurrently filed IRP in terms of assumptions, analysis, and planned actions.
 - To the extent that an analysis supporting the CEP was conducted in another docket (e.g. the IRP or DSP), the CEP should clearly reference that analysis.
- Effectiveness of community engagement:
 - The utility should report the following information regarding community engagement in developing the plan: what opportunities were provided for input and how was accessibility prioritized across those channels, what input was received through each channel, how was input incorporated into the IRP/CEP, what input was not incorporated into the IRP/CEP and why was that input not incorporated, and what plans does the utility have for modifying the engagement strategy in future planning cycles.
 - The utility should also survey participants who provided input on their experiences participating in the utility's process and their perspectives on how their input influenced the plan. Survey responses must be included with the plan.

OSSIA Comments:

OSSIA appreciates the draft guidance's additional considerations for CEP acknowledgment. The inclusion of whether the plan achieves the clean energy targets set forth in HB 2021 and the corresponding demonstration of how an IRP Preferred Portfolio achieves the emissions reductions targets. This consideration for acknowledgement is extremely important to the CEP process and will require sufficient transparency for all stakeholders to see the actual effects of the CEP. One additional consideration OSSIA recommends is that the Commission should consider whether alternative portfolios were appropriately considered. Notwithstanding the foregoing, application of a continual progress standard must be included here.

Additionally, OSSIA supports the three recommendations put forward in the energy advocates comments.



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

Staff 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 the IRP or CEP or both before issuing an acknowledgment order. If the CEP is not fully acknowledged, the utility must revise and resubmit all or certain elements of the initial filing and the Commission may then acknowledge the revised elements.

OSSIA Comments:

While OSSIA is generally supports staff's recommendation, we have concerns related to procedural delays and potential disconnects between timelines, compliance failures, enforceability, and appealability of the Clean Energy Plans and other actions taken by the utilities and the Commission, which may be inconsistent with requirements in HB 2021.

Topic #8 Annual update

Staff 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.
- Any DEQ emissions reports filed since the CEP.

OSSIA Comments:

While OSSIA is generally supports staff's recommendation, we have concerns related to procedural delays and potential disconnects between timelines, compliance failures, enforceability, and appealability of the Clean Energy Plans and other actions taken by the utilities and the Commission, which may be inconsistent with requirements in HB 2021.

Chapter 2: Community Lens Straw Proposal

OSSIA greatly appreciates staff's guidance on the straw proposal and recommends the Commission adopt the guidance with some additional conditions. OSSIA also supports the energy advocates suggestions to improve the community lens straw proposal. Additionally, OSSIA supports the adoption of Attachment A - Stakeholder CBI Proposal.

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Topic #1 Community Lens Acquisition Target

Staff Proposal:

The first CEP will include a potential study (or studies) that identifies opportunities for resiliency projects and other 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 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]
- The CEP will include a discussion of acquisition targets and actions that the utility 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]
 - 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.

OSSIA Comments:

OSSIA appreciates the inclusion of studies on opportunities for resiliency projects and other community-based renewable energy projects. We further recommend that as a part of the CBRE projects study the utilities should lay out their plans for reaching the required ten percent small scale renewables. Lastly, OSSIA recommends that studies an examination of existing in-state projects that could be upgraded for resilience. OSSIA also believes that the CEP must include detail on how these requirements are addressed, including progress, plans, and status. Further comments and discussion on this topic are recommended.



Conclusion

OSSIA commends staff on their efforts to prepare implementation guidance for Oregon's first CEPs. We look forward to additional opportunities to help Staff implement HB 2021 in a way that will see successful decarbonization and adequately address environmental justice concerns.

Respectfully submitted this 6th day of September 2022,

A handwritten signature in black ink, appearing to read "Jack Watson".

Jack Watson
Director of Policy and Regulatory Affairs
Oregon Solar + Storage Industries Association