



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

October 21, 2024

RE: UM 2274, Portland General Electric Request for Proposals and Final Shortlist

Dear Commissioners, Staff, and Stakeholders,

The Oregon Solar + Storage Industries Association (“OSSIA”) respectfully submits these comments regarding Portland General Electric’s (“PGE”) 2023 Request for Proposals (“2023 RFP”) recently filed Final Shortlist. Specifically, OSSIA is concerned that the gap between the shortlisted resource additions and PGE’s increasing need for resources to comply with House Bill 2021 (“HB 2021”) is quite large and only growing. PGE’s history of procuring resources that have a PGE ownership option in each of its RFPs for a decade plus also creates concern that PGE is delaying procurement so that it can procure more utility-owned resources. This is unnecessary and a risky strategy towards meeting the State’s decarbonization mandates.

OSSIA recommends the Commission not acknowledge the Final Shortlist as proposed. Instead, it should work with PGE and stakeholders to ensure that PGE’s Final Shortlist and additional procurements adhere to the mandates set out in HB 2021. Given the significant shortfall from the 2023 RFP, PGE should be directed to pursue a reevaluation and repricing exercise for 2023 RFP projects to see if more viable projects can be procured now. PGE should also be directed to start an accelerated utility-scale RFP to be completed in 2025. In the end, failure to implement remedies in the short term will only make compliance more difficult – and more expensive – in the long-term.

Background

This procurement was undertaken pursuant to Oregon’s keystone piece of climate law, HB 2021. Starting alongside PGE’s IRP and first Clean Energy Plan, the 2023 RFP was fast tracked given the need and speed necessary to meet Oregon’s goals and PGE’s rising capacity needs. HB 2021 is an ambitious and binding piece of

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legislation that is the north star of the energy conversation in Oregon requiring 80% emission reduction by 2030, 85% emission reduction by 2035, and 100% emission reduction from utility retail sales by 2040. Going into this procurement and reviewing its results, it is important to recall why it is the policy of the state of Oregon to transition our energy supply away from emitting technology: Oregon citizens and ratepayers face significant consequences and costs of a changing climate. Working diligently to reach the emission reduction policy of the state will be felt at home given the increasing impacts of wildfire, drought, and severe weather in Oregon. The legislation made clear the focus on ensuring that the benefits of a clean energy buildout are felt by Oregon ratepayers and those impacted by climate change.¹ Upon signing the bill, then Governor Brown stated “With these policies, we will create jobs in a 21st Century, clean energy economy...We will reduce carbon emissions. And, we will make sure the economic, environmental, and health benefits of our clean energy economy reach all Oregonians, especially those who have been disproportionately impacted by climate change and pollution. Oregon is leading the way.”²

HB 2021 is an ambitious policy and that became evident when PGE released their Integrated Resource Plan (“IRP”) and Clean Energy Plan (“CEP”). After updating the procurement targets to match growing load, PGE identified an energy need of 1307 MWa by 2030 and a 2028 summer capacity need of 944 MW.³ This informed an action plan to conduct one or more RFPs to acquire the energy needed to position PGE to meet the 2030 targets. Projected out, this need was 261 MWa per year through 2028 (783 MWa in the Action Plan window). It was under this action plan that the Commission determined acknowledgement of the IRP and determined continual progress within the CEP towards the HB 2021 targets.⁴ As was set out in the waiver to run the RFP at the same time as the IRP/CEP, this acknowledgement was intended to inform the size of procurement and set PGE on track for success. As we will detail later, while PGE has made an action plan that the Commission has acknowledged, its implementation of that plan through the final shortlist in this RFP is substantially off track and, unless remedied, puts in to question the worth of the action plan in the first place.

¹ HB 2021, 81st Leg, Reg Sess § 2(2) (Or 2021) (hereinafter “HB 2021”).

² Sara Cline, *Oregon governor signs ambitious clean energy bill*, KATU News (July 27, 2021), <https://katu.com/news/local/oregon-governor-signs-ambitious-clean-energy-bill>.

³ PGE’s 2023 CEP and IRP Addendum: Portfolio Analysis Refresh, at 15-17 (July 7, 2023).

⁴ *In re PGE 2023 CEP and IRP*, Docket No. LC 80, Order No. 24-097 at 3 (April 18, 2024).

Simultaneous to PGE's process, the other major Investor-Owned Utility ("IOU") in the state has taken a different approach but the end result is the same: the failure to procure enough resources early enough to make progress towards the 2030 target. PacifiCorp canceled its 2022 All-Source RFP and proposed an IRP Update that did not include procurement of new clean resources in the near future. In Order 24-297, the Commission determined that PacifiCorp's CEP update "does not show continual progress towards meeting House Bill (HB) 2021's 2030 emissions reduction goals."⁵ To respond to this clear failure, the Commission has directed staff to open a new docket to order that PacifiCorp release an RFP to keep them on track to meet the State's mandates.

Utilities Are Not on Track to Meet Statutory Requirements

Before going into the specifics of PGE's Final Shortlist and how it fails to keep the utility on track to meet Oregon's state policy, OSSIA would like to state its great concern over the larger situation at hand. We now have both major utilities in the state serving most retail customers declaring that they are not on track to meet the HB 2021 mandates. Both have given various reasons why, but their failures are evident within any graph or table produced showing current progress versus the demands of HB 2021. It appears that the Commission may be the only entity able to ensure that the state makes meaningful progress towards the goals and requirements of HB 2021 that Governor Brown signed into law. OSSIA is supportive of the Commission's recent actions relating to PacifiCorp's insufficient filings and believes a similar if not more forceful approach is warranted with regard to PGE's RFP. PGE laid out a more compelling plan when it gained Commission acknowledgement of its IRP and continual progress determination, but the RFP result fails to live up to the premise of those Commission decisions. Because RFP results are the proof in the pudding, Commission action is needed at this phase to ensure that its earlier actions have practical impact and that HB 2021 is not turned from a mandatory law into an advisory pronouncement.

The Final Shortlist Is Not "Meaningful Progress"

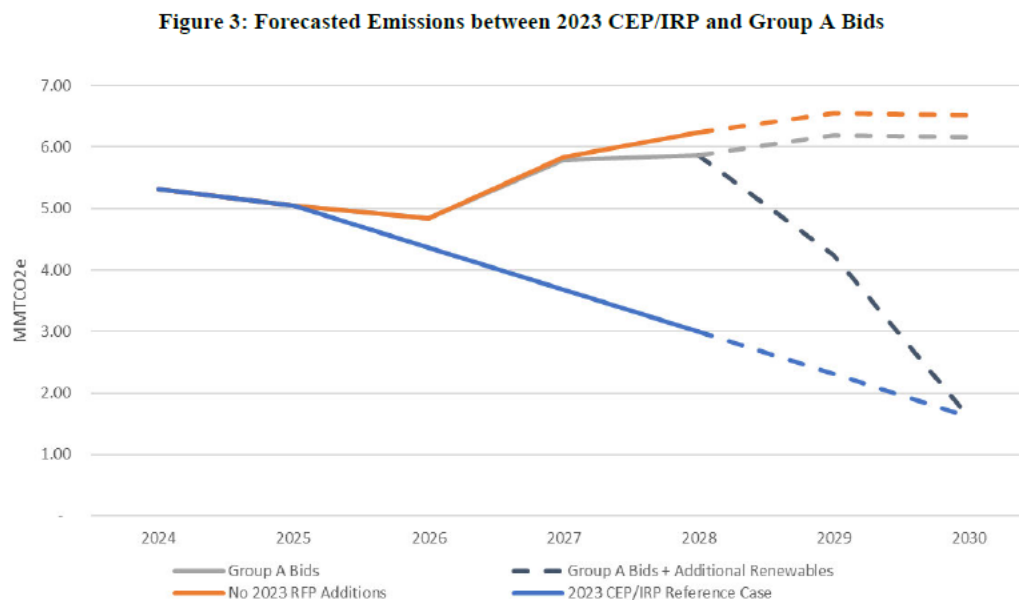
PGE's proposed Final Shortlist in the 2023 RFP plans to procure a group A of four projects (storage and renewable hybrid) and a group B of another four projects (lithium-ion storage) in the case that group A projects fall

⁵ *In re PacifiCorp, dba Pacific Power 2023 IRP*, Docket No. LC 82, Order No. 24-297 at 1 (Aug. 28, 2024).

out or anticipated contract extensions do not occur.⁶ OSSIA believes the Independent Evaluator (“IE”) Bates White lays out the issue with this approach well:

PGE is proposing to take only 93 MWa of renewable supply. Again, the target was 251 MWa per year in the 2025 to 2029 period. This RFP targeted needs through 2027 or 753 MWa. This leaves 660 MWa of need unfulfilled. Given that PGE may only be able to conduct one more RFP prior to 2030 this would seem to be a risky strategy. When asked about meeting this need PGE suggested additional RFPs, bilateral agreements and extensions of existing contracts could fill this need.⁷

This large miss from the projected procurement is made larger by a project that left negotiations recently, bringing the renewable supply procurement down to only 82 MWa.⁸ While the Commission has made it clear that procurement does not necessarily need to occur on a linear path to the 2030 goals to demonstrate continual progress,⁹ a shortfall of this scale -- at this critical stage -- denotes a wholesale departure rather than some slight detour. The gross insufficiency of the procurement is illustrated by PGE’s own projected emissions graph produced in the filing (which assumes 93MWa rather than 82MWa):



⁶ PGE’s Request for Acknowledgment of the Final Shortlist of Bidders in 2023 All-Source RFP, at 8 (Sept. 17, 2024)(hereinafter “FSL”).

⁷ FSL at Appendix A (The Independent Evaluator’s Final Report on Portland General Electric’s 2023 All Course Request for Proposals) at 43 (hereinafter “IE Final Report”).

⁸ PGE’s notification regarding its Final Shortlist for the 2023 RFP (Oct. 7, 2024).

⁹ Docket No. LC 80, Order 24-097 at 1.

Looking at this trajectory, the Commission and staff should be concerned by how much PGE would have to procure (in a short period) to “catch up” if the 2023 RFP shortlist is accepted as is (this is represented by the steep black dashed line above). On page 5 of PGE’s filing, it describes the situation as this:

Where the IRP recommended up to 750 MWa (2,250 MW nameplate) of renewable energy acquisition, the volume of renewable options on PGE’s initial shortlist for this RFP was approximately 1,500 MW nameplate. PGE’s price scoring process identified 416 MW nameplate of renewable energy resources that were high-performing and likely to represent least-cost, least-risk for customers. An additional 1,000 MW nameplate of renewable resources – represented by four projects – were not identified as high performing. PGE anticipates future procurement actions before 2030 to continue addressing the remaining need for renewable energy.¹⁰

In both writing and testimony at the Commission special meeting on September 19th, PGE represented that procuring more renewables was either too costly or the projects were not mature enough to be selected at this time. PGE has opted for a “wait and see” approach as we get closer and closer to the 2030 targets. OSSIA agrees with the concerns raised by the Commissioners. Chair Decker stated “...there is a sense that prices are high...I’d like to hear a bit more about what that’s in relation to...your expectations? Your awareness of other opportunities? Your confidence that prices will be lower in the future?...you are making a trade-off really clear with the shortlist between price and emission reductions.”¹¹ PGE responded by stating the projects it chose for the shortlist were more mature and less risky than the bids not chosen. PGE stated they are “asking those developers to hold off” and “It’s too far to think that prices will be cheaper in the future...but it is prudent for us to wait and see.”¹² In other words, PGE appears to have under procured based on little more than the twin hopes that prices will not rise in the future and that volume will also be higher. The Commission should not let wishful thinking stand in the way of meaningful progress towards a statutory requirement.

A Risky Strategy

OSSIA shares the IE’s view that PGE’s strategy is risky, both for HB 2021 compliance and ratepayers. While cost increases are understandably concerning at a time of already rising rates, the notion that waiting to procure even larger volumes will result in lower prices (as PGE hopes) lacks foundation. Rather, OSSIA members

¹⁰ FSL at 5-6.

¹¹ OPUC, Special Public Meeting UM 2274 PGE RFP Final Short List (Sept. 19, 2024) (Chair Megan Decker speaking at 23:56).

¹² *Id.* (Jacob Goodspeed speaking on behalf of PGE at 28:14).

are becoming increasingly wary of contracting with PGE. Indeed, waiting for a final procurement for resources before the 2030 goal sets up a market dynamic that more likely will lead to higher costs for ratepayers and higher emissions in the meantime while potential bidders find other counterparties and resources become scarcer. Further, unless the bidding pool significantly changes, PGE will simply have to select higher cost resources who have no incentive to lower prices, since those bidders will know PGE is even more desperate to meet its energy needs with only a few years to go until the binding targets need to be reached. That puts upwards pressure on prices. PGE is asking developers to “hold off” but also acknowledges that it and other utilities (and large energy consumers) are trying to decarbonize as quickly as possible. In that context, there is no basis to assume that *any* of the projects not selected in this RFP will be around for PGE to procure in the future, much less at a lower cost.

Making matters worse, PGE’s under procurement comes at a time when available transmission has all but dried up in the region. As stated in PGE’s IRP: “PGE’s system is largely surrounded by BPA’s transmission system...BPA’s system is fully subscribed, and incremental transmission requests are unlikely to be granted until the late 2020s or early 2030s, pending significant upgrades.”¹³ That means projects trying to deliver into PGE’s territory will be offered a diminishing supply of firm transmission rights, or will have rights contingent on large lead time upgrades. Low-cost, low-hanging fruit interconnections on PGE and BPA’s systems are also drying up, such that interconnection costs and timelines (also due to BPA’s interconnection reform process) are rising for crucial renewable energy resources PGE needs to meet the mandates. A wait-and-see approach requires the assumption that some of these frictions will somehow resolve themselves in the next few years, but the industry’s understanding is these issues will only grow. This is also the case as critical equipment lead times and costs are only growing, such as transformers that continue to be a bottleneck for new projects staying on cost and on time.¹⁴

Finally, unless corrected, PGE’s own actions will themselves erode the ability and confidence of a competitive market to respond to future solicitations with low cost/high maturity projects. PGE has now under

¹³ PGE’s 2023 CEP and IRP at 217 (March 31, 2023).

¹⁴ Nicole Jao, *U.S. renewable, grid battery projects battle transformer shortage*, Reuters (Nov. 15, 2023) Nicole Jao, *U.S. renewable, grid battery projects battle transformer shortage*, Reuters (Nov. 15, 2023) <https://www.reuters.com/business/energy/us-renewable-grid-battery-projects-battle-transformer-shortage-2023-11-15/>.

procured for two RFPs in a row. In 2021 PGE procured lower than expected in hopes that it would receive better bids in the future, but that does not appear to have happened.¹⁵ Why would this time be any different? How do projects mature to a satisfactory level when the promise of offtake is so shaky? The UM 2274 RFP design process was marred by PGE's attempts to create an affiliate. The proposed RFP rules had to be challenged with the resulting procurement having fairness concerns. PGE's actions have not shown a collaborative effort with the Commission or potential bidders and makes OSSIA question whether the utility is setting themselves up for the least cost/least risk bids to be submitted into a future procurement. PGE exists in a competitive marketplace, with ever increasing demand for clean power by utilities and offtakers. OSSIA's members are well-poised to meet PGE's HB 2021 need—across only three members, OSSIA could provide enough energy to meet PGE's 2030 target (and all of these resources would be sited in-state where Oregonians would gain the economic benefit of this development). However, two of OSSIA's leading utility-scale solar + storage developers did not even bid into the RFP¹⁶ due to concerns about the fairness of the process, the bidding criteria, and competing opportunities elsewhere. Other members' positions have evolved and are also beginning to question the value of participating in the Oregon RFP process. The paradigm has shifted. There are more opportunities for utility-scale solar in this state than has previously existed. As such, Oregon regulated utilities and the Commission—via the implementation of the RFP process—need to compete to attract those resources into the RFPs. Multiple failed RFPs will only ensure that the market takes notice, making future procurements still more difficult and likely expensive – all at a cost to ratepayers.

Backloading Compliance Will Not Save Ratepayers

PGE states that it is pursuing its procurement strategy due to concern about customer prices. It has stated that group A projects would have a net price impact of 1.5% over the first five years, estimated by taking project

¹⁵ *Compare In re Portland Gen. Elec. Co., 2021 All-Source Request for Proposals*, Docket No. UM 2166, Order No. 22-315 at 5-6 (adopting a final shortlist condition that a 250 MWa procurement target appears to be the most reasonable course of action—noting that IRP need was 150 MWa) with *In re PGE Renewable Resource Automatic Adjustment Clause (Schedule 122)(Clearwater)*, Docket No. UE 427, PGE/100, Abel-Batzler/6-7 (PGE testifying that Clearwater project will generate 141 MWa).

¹⁶ Including one with very senior transmission rights directed at PGE's system.

cost minus modeled long term project benefits in the form of energy, capacity, and flex capacity.¹⁷ Group B projects would have an additional net price impact of 1.5%. For context, the IE report states that if the energy need (essentially the need to comply with HB 2021) was enforced in PGE's portfolio modeling, price impacts would average 7.2% per year.¹⁸ Even taking these cost estimates at face value, the story of concern about customer prices does not hold up. If PGE cannot renew its hydro contracts it will need to procure groups A and B to a tune of around a 3% price impact. This procurement strategy includes waiting until PGE is one to three more years closer to the end of the decade to actually procure the needed energy resources of HB 2021 compliance. Procurement at such a late date could result in an HB 2021 compliant future final shortlist with large cost implications, forcing the Commission to either choose rate shock or HB 2021 noncompliance. While acquiring more renewables today to actually meet the energy need pathway would be an increase of 4% on average from that baseline, it would likely net around 400 MWa of new resources from this procurement.¹⁹ While the price impacts should not be ignored, a quadrupling of the procurement and a more steady increase in rates as compared to a wait and see approach is a better plan than what PGE has presented to the Commission.

PGE's price impact should not be taken at face value, since even the face value numbers do not validate its theories. The problem with PGE's price impact analysis is the lack of a sound counterfactual. Most obviously, the rate impact analysis is meaningless unless compared to *other* realistic paths towards HB 2021 compliance; if procuring compliant resources in the future would cost even more, then the present rate impacts would be a net decrease compared to those compliance pathways. Further, it is unclear if the "business as usual" revenue requirement PGE is comparing the costs to factor in the variability of fuel costs both in owned assets and market prices? As PGE moves to clean up its electric supply, it is trading fuel-based resources it has already rate based for non-variable long-term contracts with more price certainty. Is that taken into account in these numbers? The costs of HB 2021 compliance delay must also be factored in as retail customers must face direct environmental costs and the

¹⁷ FSL at 3.

¹⁸ IE Final Report at 44.

¹⁹ In the portfolio scenarios when PGE enforces the energy need (1-12) the energy acquired in the 2023 procurement averages around 400 MWa (page 32 of PGE's request) and PGE claims if they selected all qualifying renewable bids they would procure 425 MWa (page 34 of PGE's request).

costs of a changing climate. These are harder numbers to nail down, but they are real costs imposed on customers due to this course of action.

While it may be the case that PGE's options outside of those it selected from the initial shortlist are much more expensive – and thus offer a hard choice for Commission to make as to how to balance reaching the HB 2021 goals with affordability – the record on that front is unclear. Further, Section 10 of HB 2021 sets out a clear threshold at which costs from compliance with the law would go beyond what the state of Oregon is willing to accept for the benefit of emissions reduction. The Commission must go through an investigation to determine costs of compliance and if actual or anticipated rate impacts exceed 6% of the annual revenue requirement for a year, then the compliance entity is exempt.²⁰ It does not appear this cap would be exceeded by enforcing the energy need.

The Commission must also be skeptical of the numbers produced by PGE since they come from price scoring that *PGE* performed in the procurement. In calculating the price scores of the bids, PGE assessed the energy, capacity, and flexibility value as compared to the project cost (which was adjusted from the bidder-offered “price” according to the methodology in in the RFP Appendix N). In their report, the IE notes that energy values were depressed in the scoring as compared to capacity values, mainly due to the assumption that in the future renewables will be more abundant and there will be much lower energy market prices: “In fact, energy benefits are roughly half of what they were when we conducted this analysis in the 2021 RFP”.²¹ While it may be true that a high renewable penetration future will lower energy prices, such a large delta between the two recent RFPs raises questions and other cost factors such as increased equipment and interconnection are not factored into such an assumption. The IE also noted that costs exceeded benefits in all of the renewable bids due to the lower energy benefit produced by the bids.²² This should also raise red flags as it is unclear why PGE should procure anything when the cost exceeds the benefits in all cases, unless the benefits are not accurately be calculated. What are the costs of non-compliance with HB 2021 and is the avoidance of such costs factored into the analysis as a potential “benefit” of procuring said resources?

²⁰ HB 2021 § 10(4).

²¹ IE Final Report at 21.

²² *Id.* at 23

On the capacity and flexibility value side of things, the IE noted that “Some bids, offer no flexibility value and lower capacity values in part due to the fact that they rely on conditional firm transmission.”²³ This gets back to a major issue within the RFP design phase of this docket. Initially, PGE did not want to include conditional firm system condition transmission rights as a part of a conforming bid. The Commission received input from commenters and the IE that inclusion of these rights is crucial given the situation PGE finds itself in. Bates White stated in their review of the draft RFP that:

This is an issue because long-term firm service is very scarce and BPA is increasingly offering only System Conditions service. Particularly relevant for this RFP is that the Portland sub-grid area is becoming more congested. BPA has stated that they may add system conditions constraints on new paths to manage this congestion. At this point BPA does not have the ability to offer Number of Hours CFS in this area because paths in the area have not yet been identified, do not have path transfer capability numbers and do not have congestion frequency data. Therefore, BPA will only offer CFS to TSRs impacting the greater Portland area on a System Conditions basis.²⁴

In their order approving the RFP design, the Commission adopted Staff’s recommendation to treat Conditional Firm – System Conditions as conforming and stating that:

We note that this condition operates in conjunction with SMM Condition 10, which will allow bidders to propose their own curtailment parameters for analysis of the capacity value of bids with CF-SC transmission arrangements, for consideration by PGE and review by the IE. We expect that, with the IE present to ensure curtailment assumptions are realistic, portfolio analysis will demonstrate how well projects using CF-SC meet PGE’s reliability needs. A broader RFP pool that includes projects using CF-SC transmission has the advantage of promoting price discipline by projects with firmer transmission arrangements.²⁵

It is not known how those conversations went for each bidder if they did occur, but the outcome was clear: the IE reports that “Bids with ‘system conditions’ firm transportation were given *no capacity value*”.²⁶ This is a clear failure by PGE and the IE given that these rights have value even if PGE cannot (or will not) model the curtailment parameters of the only product that BPA is now offering into PGE’s area. This issue will only get worse in future procurements given any new transmission rights into PGE from BPA will likely rely on this same product. Can we trust the outcome of PGE’s scoring and therefore their cost predictions? OSSIA finds it hard to say yes

²³ *Id.* at 21

²⁴ The Independent Evaluator’s Second Assessment of Portland General Electric’s Draft 2023 All Source Request for Proposals at 2 (July 14, 2023).

²⁵ Order No. 24-011 at 1-2.

²⁶ IE Closing Report at 17, fn 28

when so many clear errors have been made in their assumptions and when their proposed solution is to wait and see if prices go down and if more projects materialize closer to the HB 2021 deadlines.

Remedies

OSSIA asks that the Commission not acknowledge the Final Shortlist as currently proposed. OSSIA urges the Commission to instead work diligently over the next several months to ensure PGE is on track to procure enough resources to be on track to its HB 2021 mandates. It is the responsibility of the Commission to make sure that their acknowledgement of the IRP and continual progress determination on the CEP are not effectively undercut by resource procurement decisions that do not align with those plans at all.

To ensure that PGE is moving in the right direction to meet the mandates of HB 2021 while still protecting consumers, the Commission should order a re-evaluation of viable projects from the initial shortlist through a brief correction of assumptions in the modeling of price scores and a repricing exercise. As was addressed above, there are several issues with the assumptions made in the price scoring modeling; those issues should be corrected to re-evaluate bids to see how their final price scores change. The easiest lever here would be to give bids with Conditional Firm – System Conditions transmission some capacity/flexibility value credit, similar to what is done for the number of hours product. For ease of process, OSSIA suggests using the 50% curtailment assumption that is currently used for the number of hours product given that assumption is based on the same high constraint hours we would expect curtailments to happen within the system conditions product. This is not a perfect approach, but neither is the current 50% assumption for the number of hours product. Perfect should not be the enemy of the good here when the process has clearly undervalued the main transmission product that is being delivered to PGE's system in today's energy delivery landscape.

As it relates to a repricing exercise on the bidders' side, PGE and the Commission should see if they can get updated pricing from conforming projects that may improve the outlook for least-cost procurement of more resources in this RFP. The projects that came through as conforming to reach the initial shortlist already went through a thorough review and met all the minimum bid requirements that were set up as the highest gating item for this procurement. While bidders were asked for best and final offer prices back in June, several factors have changed since then that could allow for a procurement of more resources while not unduly raising costs. These

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factors include the key interest rate changes that have occurred and have a large impact on renewable energy project pricing.²⁷ Lower interest rates can have a downward pressure on pricing and could mean that some projects might be able adjust prices to a point where procurement would make sense both for customer rates and HB 2021 compliance. These factors also include there being more certainty on the solar photovoltaic tariff cases today. The recent U.S. Department of Commerce preliminary affirmative countervailing duty determination for cells and modules from Southeast Asia, while not necessarily good news for certain suppliers, reduces the uncertainty for projects as affected products and their duty rates are now easier to anticipate.²⁸ The Commission should also direct that the IE ask bidders what top three issues they would need to resolve in order to proceed with a reprice in this RFP. While these suggestions are outside of the normal course of Commission action, so is a PGE procurement that completely fails to set the state and retail customers on even close to a pace to reach the HB 2021 targets. The Commission should not wait until its next official continual progress determination to direct PGE action.²⁹ The Commission must be creative and bold to respond to the challenge that has been put in front of them; the mandate from the legislature is to ensure an outcome, not just a process.

With or without the OPUC making changes in this RFP or the final shortlist, OSSIA believes the Commission should direct PGE to move expeditiously to procure resources. Even if more resources are selected as part of a reevaluation of the final shortlist, PGE will still be very short in their procurement of energy resources as it relates to their HB 2021 glidepath. As was mentioned in the special public meeting, PGE claims they want to go out to the market quickly to fill their large energy need.³⁰ In OSSIA's eyes, actions to this end include the kickoff of a new utility-scale resource RFP that aims to conclude within the year 2025 and the acquisition of resources through

²⁷ Diana DiGangi, *Clean energy a 'big winner' as Fed cuts interest rates more than expected*, Utility Dive (Sept. 19, 2024) <https://www.utilitydive.com/news/interest-rate-cut-fifty-basis-points-renewable-energy-projects-wind-solar/727534/>.

²⁸ Diana DiGangi, *Commerce imposes preliminary new duties on Southeast Asian solar cell imports*, Utility Dive (Oct. 2, 2024) <https://www.utilitydive.com/news/commerce-preliminary-duties-southeast-asia-solar-cell-imports/728645/>.

²⁹ The Commission's next continual progress determination is not likely to be until late 2026 at which time, it would be too late to remedy any issues arising out of this RFP and PGE will likely at that time already be in the midst of another RFP.

³⁰ OPUC, Special Public Meeting UM 2274 PGE RFP Final Short List (Sept. 19, 2024)(Jacob Goodspeed speaking on behalf of PGE).

the upcoming community-based renewable RFP. If the Commission cannot correct the missteps of this current procurement, then the Commission must put its effort into procurements that can try and make up for the lost time. The Commission can ensure that bids coming in for those future procurements are more competitive and lower cost by implementing RFP designs that focus on transparency, objectivity, fairness and not shifting unnecessary requirements and risks on to bidders.

Future RFPs need to restore confidence in the process to foster a competitive bidding environment that attracts a diversity of renewable energy resources in this state. Specifically, future procurements should address how the Commission can improve information access and data transparency issues, create objective and transparent scoring models and methodologies, mitigate PGE's ownership bias,³¹ and expand the pool of eligible bidders. As noted above, this RFP proved to be less competitive than the last. OSSIA is aware of projects in the state that declined to bid because the projects did not meet the minimum requirements. However, decarbonization and competition are not well-served by suppressing bids. Rather, why not allow a bigger pool of resources to bid in and objectively assess project viability alongside cost and risk?

Finally, the Commission should also bolster other programs to ensure PGE is making continual progress. PGE stated that "the only means available to PGE to unilaterally reduce emissions has been the acquisition of non-emitting generation resources."³² If PGE is not able to do so through RFP procurements, then the Commission should bolster other programs that can also help meet that target such as through the community solar program or PURPA implementation.

It is unknown what is the "right" price for PGE, and in effect Oregon ratepayers, to pay for necessary new resources at a constrained time on the region's grid, but a fairer playing field can only help us get closer to the right

³¹ See e.g. UM 1535 (PGE selecting the Carty Generating Station and Port Westward 2 projects, in which PGE owns a 100% stake in PGE's 2012 RFP), UM 1613 (PGE selecting the Tucannon River Wind Farm project, in which PGE owns a 100% stake. In PGE's 2012 renewable RFP), UM 1934 (PGE selecting the Wheatridge Wind project in which PGE owns a 1/3 share, in its 2018 RFP); and UM 2166 (PGE selecting four projects—Clearwater Wind, Troutdale BESS, Seaside BESS, and Evergreen BESS—which were all benchmark bids and in which PGE owns some or all of three out of four of the bids, with an aggregate 61% stake, in its 2021 RFP).

³² FSL at 35.

answer. The Commission is now facing the challenge that its two major suppliers of retail energy are off course towards the mandates the Commission has been told to protect. OSSIA does not envy the position the Commissioners and staff are in to remedy the situation, but we do ask for ambition in both ideas and actions to right the ship.

Conclusion

In conclusion, OSSIA respectfully requests: (1) The Commission not acknowledge the Final Shortlist as proposed and conduct a rescoring and repricing exercise for initially shortlisted bids, and (2) The Commission direct PGE to procure more resources both with a focus on the upcoming community-based RFP and in a new utility scale procurement that concludes within the year 2025, in addition to bolstering other acquisition programs like community solar and PURPA. We appreciate the consideration of both the Commissioners and staff in their review of these comments.

Dated this 21st day of October 2024.

Respectfully Submitted,

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