

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 2005

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Public Utility Commission of Oregon
Administrative Hearings Division

In the Matter of the

PUBLIC UTILITY COMMISSION OF
OREGON

Investigation Into Distribution System
Planning.

STAKEHOLDER QUESTIONS FOR
AUGUST 25
SPECIAL PUBLIC MEETING

The goal of the August 25, 2020, Special Public Meeting is to gather stakeholder input on key issues to inform Staff's recommendation for distribution system planning (DSP) guidance. Stakeholder responses and perspectives will be helpful to Staff in developing guidance.

In advance of the discussion at the Special Public Meeting, Staff proposes several questions for stakeholders to consider. See the next page for these questions. **Staff asks stakeholders to respond to the questions at the Special Public Meeting.** Staff will also accept written comment, though notes **this is not a formal comment period.** (Staff will ask for formal comment on the draft guidelines once they are published to the docket.) If written comment will be provided it should be **limited to five pages and be submitted by 5 p.m. Pacific Time on Friday, August 21, 2020.** Written comment may be provided in the following ways:

- By email – puc.publiccomments@state.or.us
- By Mail – Oregon Public Utility Commission, Attn: UM 2005 Special Public Meeting, PO Box 1088, Salem, OR 97308-1088
- By Phone – 503-378-6600 or 800-522-2404 or TTY 800-648-3458 weekdays from 8a.m. - 5 p.m.

Additional details about Special Public Meeting participation will be provided closer to August 25. Due to the COVID-19 situation, the PUC will conduct all scheduled events by phone only until further notice. This includes public meetings, staff workshops, settlement conferences, as well as other scheduled events. The live streaming option is not available at this time.

Questions and comments can be directed to Nick Sayen at nick.sayen@state.or.us or 503-378-6355.

UM 2005 - Distribution System Planning

Stakeholder Questions for August 25, 2020 Special Public Meeting discussion

1. A foundational element of DSP is establishing the current state of the grid through baseline data. Currently this baseline data is largely recorded, analyzed, utilized, and maintained by and within the utilities. Reporting this baseline data in the utilities' filed plans will help broaden understanding of the state of the distribution systems. This will be especially important in the first distribution plans utilities file. Staff asks for stakeholder feedback in response to the following question:

What kind of actionable baseline data and system assessment information should be included in the first utility DSP plans in order to help parties reach a shared understanding of the current state of the distribution systems?

2. An additional foundational element of DSP is forecasting future scenarios, such as an increased peak load, or a load with greater variability, to determine how the distribution system responds to these projected scenarios. Currently utilities forecast future loads and peak demands, often at the substation and circuit level, but without including distributed energy resources (DERs). Instead, DER forecasting is included in the Integrated Resource Planning (IRP) process as a reduction to the long-term load forecast, and without being attributed to specific locations on the distribution system. Expanding current forecasting to include DERs and electric vehicles (EVs) *with* a locational aspect would allow a more rigorous and broad examination of potential future conditions the distribution system may face. Staff understands there are a number of ways to forecast DERs and EVs with a locational aspect, and these come with different costs and benefits. For example, a "bottom-up" DER/EV forecasting methodology may use some form of customer adoption modeling beginning at a granular level (e.g., a neighborhood), which is then aggregated up to the whole system; a "top-down" forecasting methodology may forecast quantity of DER/EVs at the system level, and then allocate amounts down to more granular levels of the system. Staff asks for stakeholder feedback in response to the following question:

When considering the first utility DSP plans, is a "bottom-up" DER/EV forecasting methodology worth the likely additional cost when compared to a "top-down" forecasting methodology? Why or why not?

3. Hosting Capacity Analysis (HCA) provides benefits by identifying the amount of DERs that can be accommodated in an area of the distribution system without adversely impacting power quality or reliability under current conditions. HCA practices currently vary across utilities. Staff understands that the granularity of HCA necessitates trade-offs. For example, the more granular the analysis, the longer it takes, the more expensive, and the more useful it may be. The less granular, the less

time it takes, the less expensive, and the less useful. Staff asks for stakeholder feedback in response to the following questions:

When considering the first plans utilities file, what are likely to be the best uses for HCAs, and in what ways would your organization use them? For example, to screen projects (as a partial substitute for interconnection studies)? To help utility customers understand the general state of their feeder? For researching the overall opportunity for DERs in a given area?

What form of data presentation would your use benefit from (e.g. raw, tabular data or visualized on a map)?

4. The distribution system is often closer and more visible to the public than a central generation station or remote transmission line, so distribution system projects have potential to impact homes and businesses directly in day-to-day life. One way to minimize potential impact of distribution projects to homes and business is for utilities to create and implement a Community Engagement Plan to proactively engage residents, business owners and stakeholders likely to be impacted by proposed projects. Engagement of the local community might include: accessible, in-person meetings located in the impacted area; presentation of the project scope, timeline, and rationale; co-creation of solutions to distribution system needs; and public comment, particularly to understand community impacts, needs, and preferences.

Community-based organizations (CBOs) that support local, historically underserved communities have an important role in DSP. Because DSP is locational planning, CBOs can offer insight that informs utility forecasting of technology deployment and emerging solution use-cases in underserved communities, and provide input to the utility on the methodology used in the DSP process to identify and prioritize distribution system investments. During the detailed planning phase, CBOs may be an effective partner with utilities in ensuring successful implementation of customer-sited non-wires solutions identified in the DSP plan. Staff asks for stakeholder feedback in response to the following questions:

How could a Community Engagement Plan and process lead to improved distribution project outcomes for residents, business owners, and stakeholders in impacted areas? When should community engagement around a project begin? What is a practical “project threshold” to determine which projects warrant this? What metrics, evaluation and reporting should be required? How might the PUC support utilities to develop and showcase projects co-created with community partners?

5. DSP seeks to provide insights into, and facilitate new uses of, the electrical system, and so represents a change to the way that utilities currently plan and do business. DSP implementation will benefit from careful consideration of the following: incentives supporting implementation, barriers or downsides to implementation (including perspectives from all parties), and any ways in which utility regulation

should be modified in order to best accommodate implementation. Staff asks for stakeholder feedback in response to the following questions:

In what ways do stakeholders foresee DSP affecting utilities' current business model? Do these represent incentives to pursue DSP, or barriers? Are there any changes that need to be made to Oregon's approach to regulation in order to succeed at advancing DERs cost-effectively? Which barriers and uncertainties to long-term DSP are most significant from your perspective?

6. Through the course of this investigation, Staff has facilitated ongoing stakeholder feedback to express the highest-level principles and values for DSP planning, and the distribution system. Reflecting this feedback, Staff proposes the following overarching, long-term goals for the DSP process and distribution system in Oregon. Staff asks for stakeholder feedback in response to the following questions:

What are your reactions to the overarching goals below? How are your needs reflected or missing? Do you recommend changes?

1. Promote the reliability, safety, security, quality, and efficiency of the distribution system for all customers.
 - Reinforce our existing mission, targeted for the distribution system but also updated for security, whether physical or cyber.
 - Facilitate investment to reduce costs over time and promote system efficiencies.
 - Enable the best and highest possible uses of the distribution system, to benefit customers and utilities.
2. Be customer-focused and promote inclusion of underserved communities.
 - Empower all customers with authentic choices, including access to diverse providers.
 - Create inclusive, nondiscriminatory, equitable access to opportunities across customer types, with particular attention to those that reduce energy burden.
 - Engage customers in an approachable, fully-accessible manner.
 - Provide access to detailed, real-time information on electricity use and costs to help customers manage use and costs and understand how to save.
 - Create procedural inclusion for new stakeholders traditionally not represented.
 - Promote collaboration between utilities and community based organizations to broaden perspectives and representation in planning process and outcomes.
3. Ensure optimized operation of the distribution system.
 - Minimize total distribution system costs for the benefits of all customers.
 - Consider advanced technologies and opportunities with future promise of lowering system costs.
 - Promote fair competition in resource options including third-party delivery of programs and services with the best options for customers.

- Provide justification for the customer benefits resulting from system investments.
4. Accelerate integration of DERs and other clean energy technologies.
 - Fair cost allocation and fair compensation for services and benefits provided to and by customers, and other non-utility service providers.
 - Present transparent data about system operations and characteristics, including greenhouse gas implications.
 - Enable and streamline utility co-investment in the grid for decarbonization.
 5. Strive for regulatory efficiency through aligned, streamlined processes.
 - Focused, strategic reporting that enables efficient regulatory response.
 - Consistency and synchronization across related utility planning efforts.