

October 15, 2020

**Re: *In the Matter of Public Utility Commission of Oregon General Capacity Investigation,*
Docket No. UM 2011**

Judge Lackey,

In response to your October 5, 2020, request and in anticipation of the October 22, 2020, prehearing conference, Portland General Electric Company (PGE), PacifiCorp d/b/a Pacific Power (PacifiCorp), and Idaho Power Company (Idaho Power) (together, the Joint Utilities) submit these comments and procedural schedule for docket UM 2011.

The Joint Utilities continue to have two fundamental concerns with the scope of this docket and the proposed process set forth by Staff. First, because docket UM 2011 will address qualifying facility (QF) avoided cost pricing, this investigation will overlap with the broader investigation into avoided cost pricing that will occur in docket UM 2000 and should therefore be consolidated with UM 2000. Second, because the issues that the Public Utility Commission of Oregon (Commission) will address in this case are complex, fact-intensive, and historically have been highly contentious, this should be a contested case.

The Joint Utilities raised these concerns to Staff in comments submitted August 17, 2020; at the August 20, 2020 workshop; and again, in comments submitted September 17, 2020. Staff has made only minor changes to the proposed scope and schedule in this docket and has not made modifications to address the Joint Utilities' fundamental concerns. For example, on September 11, 2020, Staff explained that it "intends to focus very keenly, but not exclusively, on valuing capacity for purposes of PURPA implementation." Additionally, in Staff's October 12, 2020 email circulating its proposed issues list and schedule, Staff stated that "the issues list is the same as sent to stakeholders on 9/11/20 except Staff has changed 'Capacity valuation across applications' to 'Capacity valuation across resource technologies and compensation frameworks'" based on feedback provided by a stakeholder.

It appears that this docket will remain primarily focused on QF avoided cost pricing. Therefore, the Joint Utilities' recommend consolidating this investigation with the broader

investigation into QF avoided cost prices that will occur in docket UM 2000. Piecemeal examination of avoided cost prices in separate dockets is inefficient and creates the risk of inconsistent results. The Joint Utilities have difficulty seeing how the topics and sub-topics set forth by Staff will translate into actionable policy or methodologies for the applications that require accurate valuation, such as Integrated Resource Planning, QF avoided costs, the Resource Value of Solar, and energy efficiency avoided costs.

Shortly after opening docket UM 2011, the Commission opened docket UM 2000 to “examine the appropriate methodology for calculating avoided costs.”¹ As part of UM 2000, “Staff proposes to examine alternative methodologies for setting avoided costs,” which Staff acknowledged could result in “complete methodological changes.”² Staff acknowledged that docket UM 2000 would address “capacity related issues” and noted that “there are potential ramifications that could occur depending on what transpires in the UM 2011 docket.”³ Additionally, evaluating all issues in a single docket would improve the Commission’s ability to consider guidance from the Federal Energy Regulatory Commission’s Order No. 872⁴ into the Commission’s avoided cost methodologies. Bifurcating avoided cost issues into multiple processes ignores the fact that many of the issues that could be addressed in dockets UM 2011 and 2000 overlap and are highly interdependent.

Neither Staff’s September 11, 2020 email nor Staff’s October 12, 2020 email specifically addressed the Joint Utilities’ concerns regarding the contested case issue. At the July 9, 2020, workshop, Staff indicated that the generic capacity investigation would be a contested case, but it appears that Staff has since departed from that approach. The issues in this case are ill-suited for resolution through non-contested case processes and adopting an avoided cost methodology without the benefit of a robust evidentiary record would be a departure from long-standing Commission practice. The use of a contested case for docket UM 2011 is also consistent with the use of the same process in docket UM 2000, and all the Commission’s investigations into avoided cost methodologies going back to at least docket UM 1129. Therefore, the Joint Utilities continue to recommend that should docket UM 2011 continue rather than be consolidated in UM 2000, that it be a contested case.

The Joint Utilities respectfully request that you issue a ruling consolidating this docket with UM 2000 and find that these issues should be addressed in a contested case. Although the Joint Utilities urge you to find that this docket should be merged with UM 2000, the Joint Utilities submit the following procedural schedule for a contested case in response to your request in this proceeding.

¹ *In the Matter of Public Utility Commission of Oregon Request to Adopt a Scope and Process for the Investigation into PURPA Implementation*, Docket No. UM 2000, Order No. 19-254, App. A at 28-29 (July 31, 2019).

² *Id.* at 29.

³ *Id.*

⁴ *Qualifying Facility Rates and Requirements Implementation Issues Under the Public Utility Regulatory Policies Act of 1978*, 172 FERC ¶ 61,041 (July 16, 2020).

Joint Utilities' Proposed Procedural Schedule for Contested Case

Simultaneous Opening Testimony	December 17, 2020
Simultaneous Response Testimony	January 28, 2021
Settlement Conference	Week of February 8
Simultaneous Cross-Answering Testimony	February 25, 2021
Hearing	Week of March 29, 2021 Subject to Commissioner Availability
Opening Briefs	April 29, 2021
Closing Briefs	May 27, 2021

The Joint Utilities appreciate the opportunity to file these comments ahead of the prehearing conference.

Respectfully submitted,



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